

COMPREHENSIVE ANNUAL FINANCIAL REPORT
RUTHERFORD COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2020



COMPREHENSIVE ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDED JUNE 30, 2020

Report Prepared by:

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

Independent Audit Performed by:

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

TERYN McNEAL, CPA
Senior Auditor

FERMAN PRIDE, CGFM
LAUREN SHARPE
MEGAN UHLS
CHRISVONTA SMITH
State Auditors

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

RUTHERFORD COUNTY, TENNESSEE

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Summary of Audit Findings

Comprehensive Annual Financial Report

Rutherford County, Tennessee

For the Year Ended June 30, 2020

Scope

We have audited the basic financial statements of Rutherford County as of and for the year ended June 30, 2020.

Results

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

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

Findings

The following is a summary of the audit finding:

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Bid specifications applied only to one brand.

INTRODUCTORY SECTION



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

LETTER OF TRANSMITTAL

November 19, 2020

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, 2020, 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, 2020, 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, 2020, 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 332,285 per the 2020 Census estimate which is 26.5% above the 2010 Census and 82.5% above the 2000 Census.

Our largest manufacturing employers include Nissan USA, Ingram Content Group, Asurion, Bridgestone, Johnson Controls, Schneider Electric, and General Mills. While manufacturing is our strongest economic segment, distribution, transportation, and other service-related industries are also large contributors to the strength of the economy. We are home to Tennessee's second largest state university with an enrollment exceeding 22,000, a regional veteran's facility with 347 hospital beds and 245 long-term care beds, the south central regional office for State Farm Insurance, and numerous other companies including a call center for Verizon Wireless and a call center for the Veteran's Administration. The county benefits from being within a day's drive of 75 percent of the nation's markets and only minutes from three major interstates.

The economic base in Rutherford County continues to grow. Mahle, North America recently announced an investment of \$34 million and the addition of 345 new jobs at a facility in Rutherford County. Mahle provides products to Nissan, Volkswagen and General Motors, which all have automotive assembly plants in Tennessee. Amazon has recently announced an expansion in the LaVergne area of Rutherford County. They will be adding over 100 jobs in a "last mile" facility in the County. Additionally, Stevens Aerospace has announced that they are relocating to the Smyrna Airport in Rutherford County. Stevens Aerospace B-6 and Defense Systems provides MRO (maintenance, repair, and overhaul) services on a wide range of aircraft produced by manufacturers such as Textron, Bombardier, Gulfstream, Pilatus, Dassault, and Embraer. This move is expected to create 80 new jobs in the County. The ICEE Company, a subsidiary of J&J Snack Foods, previously announced that they will be relocating their corporate headquarters to LaVergne. ICEE is reported to be a leader and innovator in the frozen beverage industry. The relocation is expected to add approximately 200 jobs in Rutherford County.

Similar to the nation and the State of Tennessee, Rutherford County's unemployment rate has increased over the course of the fiscal year due to the pandemic. As of June 2020, Rutherford County had a labor force of 179,002 with 160,240 employed resulting in a 10.5 percent unemployment rate. Based on the unemployment data reported by the Tennessee Department of Labor and Workforce Development for June 2020, Rutherford County's unemployment rate was above the state's average of 8.6 percent but below the national average of 11.1 percent.

These rates are higher than the June 2019 rates, which were reported as 3.2 percent for the county, 4.0 percent for the state, and 3.8 percent for the country.

Using the local option sales tax revenue received by the General Purpose School Fund as another economic indicator for the county, it's interesting to note during FY 2020 this revenue component increased 4.19 percent over the prior year to \$68.09 million. Rutherford County Board of Education depends on the education component of the local option sales tax to provide 16.86 percent of its income for the fiscal year.

The one revenue that declined significantly due to the pandemic was the hotel motel tax which declined 21% for a reduction of \$943 from the prior year. The county still projects a reduction in this tax for the following year as well.

Major Initiatives

Schools: 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 1,179 students (2.6% growth) from the prior year and has increased by 9,014 students (23.7% 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. By June 30, 2019 103 acres were purchased in the Walter Hill area and 150 acres were purchased in the Christiana area. Rockvale High School and Rocky Fork Elementary opened in August, 2019. In August, 2020 the Commission authorized funding for an addition to Rock Spring Elementary, an addition to LaVergne Middle School, and a new Christiana Elementary school, along with site work for a middle school and high school on the Christiana site. 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 three elementary schools, three middle schools and a high school.

Solid Waste: 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 would 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 recyclables 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. During the 2018-2019 fiscal year, key decision makers visited many solid waste and recycle facilities across the country and within Tennessee. During 2019-2020 many companies proposed various ideas for waste disposal and recycling efforts in response to a request for information issued by the county in June, 2020. These ideas have been evaluated and currently a request for proposal (RFP) is being developed. It's expected the RFP will be issued before December 2020. To date, the committee has not sent forth a recommendation to the commission.

Long-term Financial Planning and Relevant Financial Policies

On June 26, 2020 the County Commission agreed to use nearly \$9.7 million of the unassigned fund balance to fund the General Fund operations for the 2020-2021 fiscal year. After the assignment, as of June 30, 2020 the unassigned fund balance in the General Fund totaled \$38.9 million which was 36.8 percent of the actual 2019-2020 General Fund expenditures and is 34.3% of the 2020-2021 original General Fund appropriations. 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, 2019. 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 24 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, Reba Carleton, Sharon Richards, Susan Thompson, Jennifer Henson, Scott Magner, Lisa Boulanger, John Brandon III, Patricia Newcomb, Denise Terranova, and Minghua Ma. I would also like to thank the staff of the county's Office of Information Technology for keeping our accounting system operational. Credit should also be given to the county mayor and the governing body for their interest and support in planning and conducting the operations of Rutherford County government in a responsible and progressive manner.

Sincerely,

A handwritten signature in cursive script that reads "Lisa A. Nolen".

Lisa A. Nolen, CPA, CGFM
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Rutherford County
Tennessee**

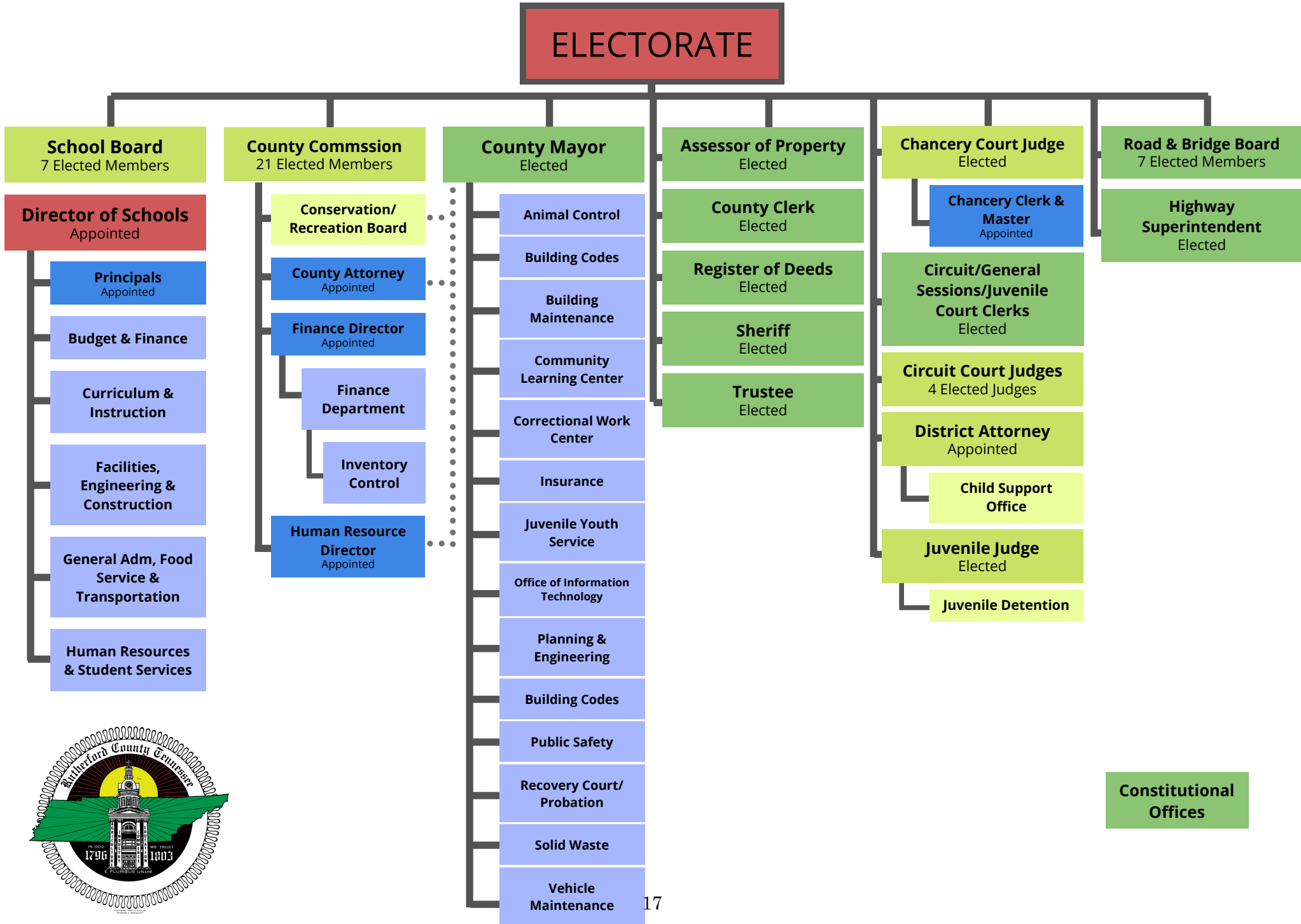
For its Comprehensive Annual Financial
Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Rutherford County Government Organizational Chart



Rutherford County Officials

June 30, 2020

Officials

Bill Ketron, County Mayor
Greg Brooks, Highway Superintendent
Bill Spurlock, 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, Sheriff
Lisa Nolen, Director of Finance

Board of County Commissioners

Bill Ketron, County Mayor, Chairman	Rhonda Allen
David Gammon	Robert Stevens
Steve Percy	Paul Johnson
Michael Wrather	Virgil Gammon
Robert Peay, Jr.	Craig Harris
Carol Cook	Phil Dodd
Joe Frank Jernigan	Jeff Phillips
Mike Kusch	Allen McAdoo
Pettus Read	Joyce Ealy
Joe Gourley	Trey Gooch
Wayne Blair	Chantho Sourinho

Highway Commissioners

Keith Bratcher, Chairman	Paul Johnson
David Victory	Michael Anderson
Doug Bodary	Mark Lee
Richard Steagall	

(Continued)

Rutherford County Officials (Cont.)

Board of Education

Jim Estes, Chairman
Jeff Jordan
Terry Hodge
Tammy Sharp

Tiffany Johnson
Lisa Moore
Coy Young

Audit Committee

Robert Coggin, Chairman
Keith Bratcher
William Dix
Joe Gourley

Tammy Sharp
Robert Stevens
Barbara Sutton

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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, 2020, 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 .79 percent, .46 percent, and 2.3 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Also, we did not audit the financial statements of the discretely presented Rutherford County Emergency Communications District, which represent .84 percent, 1.3 percent, and .44 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 the discretely presented Community Care of Rutherford County, Inc., and the discretely presented Rutherford County 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of changes in the county, school, and community care net pension liability (asset) and related ratios, schedules of county, school, and community care contributions, schedules of school's proportionate share of the net pension liability (asset), and schedules of changes in the total OPEB liability and related ratios as listed in the table of contents, 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 other information such as the introductory section 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.

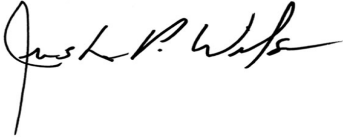
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2020, 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 19, 2020

JPW/yu

**Rutherford County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2020**

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, 2020. 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 \$40,276 (net position). Part of the liabilities (\$343,598) 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 increased by \$55,802.
- As of the close of the current fiscal year, the governmental funds of Rutherford County, Tennessee, reported combined ending fund balances of \$153,591, an increase of \$14,889 in comparison with the prior year. Most of the increase was due to actual revenues exceeding original projections in the General Fund and Debt Service Fund. Of the combined fund balances, \$133,273 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 \$9,675 in the General Fund. This will be used to fund operations in the 2020-2021 fiscal year. Unassigned fund balance for the General Fund was \$38,905 or 36.8 percent of total General Fund expenditures.
- The total debt of Rutherford County, Tennessee, decreased by \$21,561 (4.65 percent) during the current fiscal year. In August 2019, the county issued \$14,610 of bonds to finance a county-wide communication project. During the fiscal year, the county issued \$529 in capital outlay notes, retired \$36,115 of bonded debt, and retired principal balances of \$585 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 and General Debt Service Fund, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these 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 Exhibits 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 40,276 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, 2020, Rutherford County had outstanding debt totaling \$343,598 for capital purposes of the Rutherford County Board of Education, but the capital assets are reported in the financial statements of the Rutherford County Board of Education. Rutherford County has incurred the related liability significantly decreasing its unrestricted net position without a corresponding increase in the county's capital assets.

Rutherford County, Tennessee, Net Position

	Governmental Activities	
	2019	2020
Assets:		
Current and other assets	\$ 314,065	\$ 336,448
Capital assets	334,946	355,066
Total assets	\$ 649,011	\$ 691,514
Deferred outflows of resources:		
Deferred charge on refunding	\$ 6,068	\$ 4,492
Pension related	8,931	8,571
OPEB related	488	1,910
Total deferred outflows of resources	\$ 15,487	\$ 14,973
Liabilities:		
Long-term liabilities outstanding	\$ 557,797	\$ 541,095
Other liabilities	8,889	8,432
Total liabilities	\$ 566,686	\$ 549,527
Deferred inflows of resources:		
Deferred current property taxes	\$ 102,790	\$ 106,073
Pension related	2,460	3,435
OPEB related	8,088	7,176
Total deferred inflows of resources	\$ 113,338	\$ 116,684
Net position:		
Net investment in capital assets	\$ 236,379	\$ 255,537
Restricted	18,238	16,532
Unrestricted	(270,143)	(231,793)
Total net position	\$ (15,526)	\$ 40,276

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 \$255,537; 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 \$16,532 represents resources that are subject to external restrictions on how they may be used. Any balance remaining may be used to meet the government's ongoing obligations to citizens and creditors.

Rutherford County's Changes in Net Position

Governmental activities. Governmental activities increased Rutherford County Government's net position by \$55,802. Key elements of this increase are displayed on the Changes in Net Position Table. The following table also presents 2019-2020 revenues and expenditures as a percentage of total revenues and expenditures.

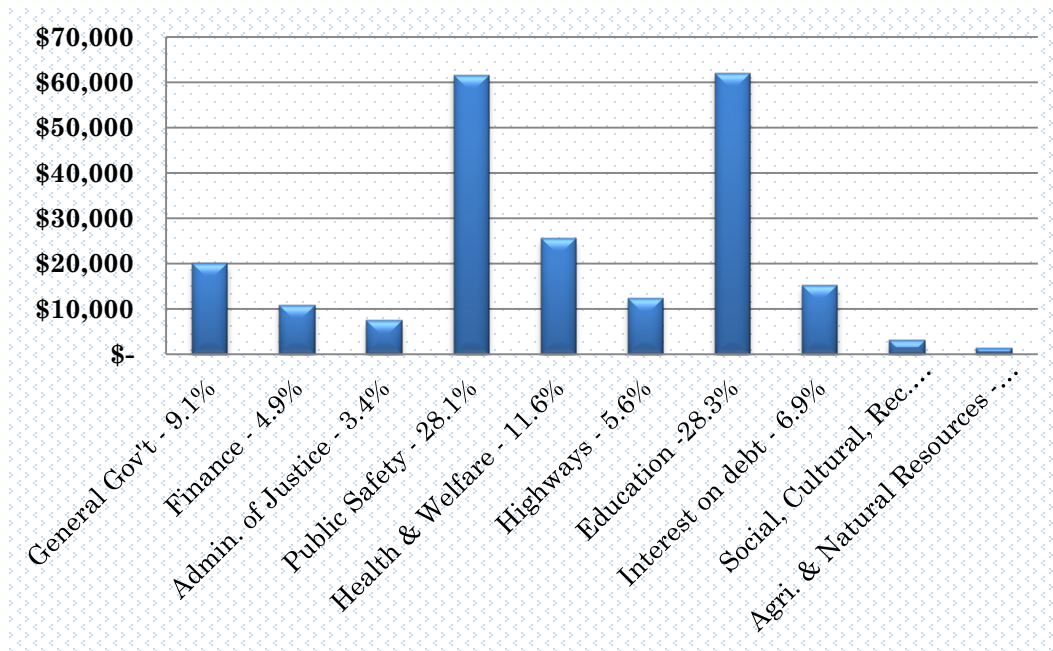
CHANGES IN NET POSITION

	Governmental Activities		
	2019	2020	
Revenues:			
Program revenues:			
Charges for services	\$ 102,949	\$ 104,834	38%
Operating grants and contributions	10,158	11,755	4%
Capital grants and contributions	2,745	3,409	1%
General revenues:			
Property taxes	98,957	108,361	39%
Payment in-lieu-of taxes	7,943	7,531	3%
Local option sales taxes	4,919	5,452	2%
Hotel/Motel tax	4,494	3,551	1%
Wheel tax	7,390	7,637	3%
Business tax	3,051	3,196	1%
Mixed drink tax	6	8	0%
Litigation tax	3,447	2,894	1%
Development tax	6,484	6,143	2%
Mineral severance tax	549	456	0%
Bank excise tax	627	1,014	0%
Wholesale beer tax	998	1,070	0%
Grants and contributions not restricted to specific programs	1,002	887	0%
Unrestricted investment income	4,619	6,522	2%
Other	25	81	0%
Total revenues	<u>\$ 260,363</u>	<u>\$ 274,801</u>	<u>100%</u>
Expenses:			
General government	\$ 19,487	\$ 19,985	9%
Finance	10,238	10,819	5%
Administration of justice	13,501	7,344	3%
Public safety	55,844	61,485	28%
Public health and welfare	24,001	25,485	12%
Social, cultural, and recreation services	2,974	3,028	1%
Agriculture and natural resources	1,376	1,298	1%
Highways	13,309	12,319	6%
Education	100,404	62,050	28%
Interest on long-term debt	16,207	15,186	7%
Total expenses	<u>\$ 257,341</u>	<u>\$ 218,999</u>	<u>100%</u>
Change in net position	\$ 3,022	\$ 55,802	
Net position, July 1	<u>(18,548)</u>	<u>(15,526)</u>	
Net position, June 30	<u>\$ (15,526)</u>	<u>\$ 40,276</u>	

Governmental Program Expenses

The cost of all governmental activities was \$218,999. However, as shown on the previous page, 54.8 percent of these costs (\$119,998) were either paid by those who directly benefited from the programs (\$104,834), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$11,755) and capital grants and contributions (\$3,409). 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 \$62,050, Public Safety expenses of \$61,485, and Public Health and Welfare expenses of \$25,485 comprise the largest categories of expenses of Rutherford County, which when combined (\$149,020) comprise 68 percent of total expenses. Of the \$149,020, \$81,857 was recovered by charges for services, \$5,242 from operating grants/contributions, and \$170 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. For FY 2019-2020, the county did not borrow any funds 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.

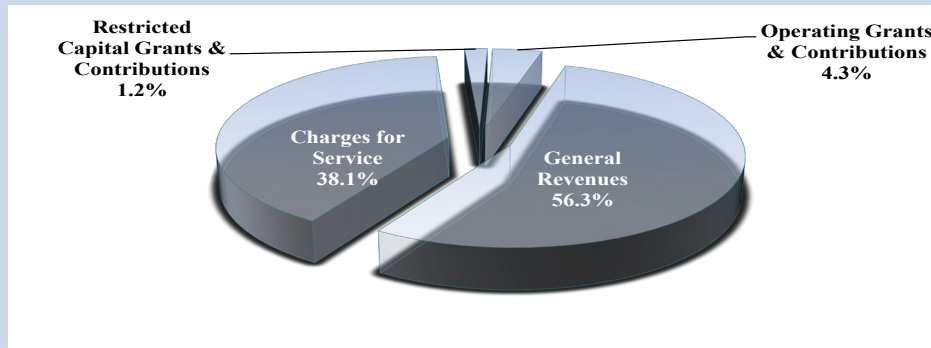
Unlike the preceding table, the next illustration does not merely show the percentage of total costs, it shows the impact of the program on the local citizens’ tax base, as a percentage. For example, during the 2019-2020 fiscal year, 23.9 percent of the local citizen tax base was spent for Public Safety and 6 percent was spent for General Government.

Allocation of the Citizen Tax Base to Governmental Activities

Function	Program Revenue	Expense	Net (Expense) Revenue	Net Expense as % to Total Expense
General Government - 9%	\$ 6,737	\$ 19,985	\$ (13,248)	6.0%
Finance -5%	10,823	10,820	4	0.0%
Administration of Justice - 3%	6,350	7,344	(994)	0.5%
Public Safety - 28%	9,245	61,485	(52,240)	23.9%
Public Health & Welfare - 12%	15,852	25,485	(9,633)	4.4%
Social, Cultural, & Rec. Services - 1%	-	3,028	(3,028)	1.4%
Agriculture & Natural Resources - 1%	311	1,298	(987)	0.5%
Highway - 6%	8,509	12,319	(3,810)	1.7%
Education -28%	62,172	62,050	122	-0.1%
Interest on long-term debt - 7%	-	15,186	(15,186)	6.9%
Total Governmental Activities	\$ 119,998	\$ 218,999	\$ (99,000)	45.2%

Revenues

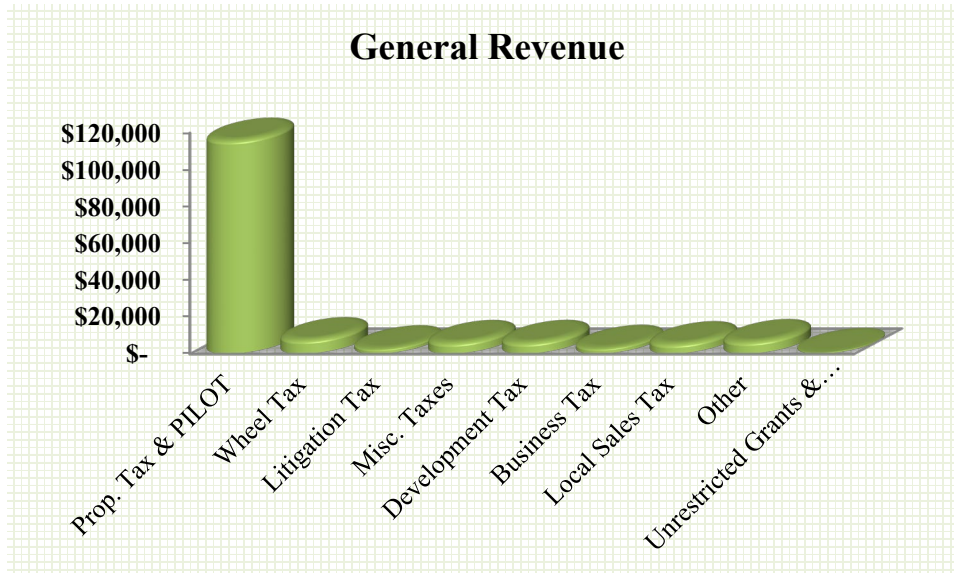
Revenues on the government-wide statement of activities are broken into two major categories: program and general revenues. Of the total revenues, 44 percent is received from program revenues and 56 percent from general revenues.



Program revenues are of three types: charges for services/exchange type transactions (arise from charges to customers), operating grants and contributions that are restricted for a specific purpose, and capital grants and contributions that are restricted for a specific purpose. As depicted in the previous chart, the largest source of program revenue is from charges for services.

General revenues are all revenues that do not qualify as program revenues and by far are the largest revenue source. Within this major category, as in prior years, the largest single

revenue source is property tax and payments in-lieu-of tax (PILOT) as illustrated in the following chart.



Financial Analysis of the Government's Funds

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

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

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

- Non-spendable Fund Balance, \$42 – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance, \$13,837 – 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, \$6,440 – 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, \$94,368 – 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, \$38,904 – 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 \$153,591, which was an increase of \$14,889 in comparison with the prior year. Most of the increase occurred in the Special Revenue Funds (\$5,164) and Capital Projects Fund (5,269).

The General Fund is the chief operating fund of Rutherford County Government. On a budgetary basis, the actual net change to fund balance was an increase of \$4,103. However, revenues exceed final estimates by \$2,736 (mostly from local taxes, other local revenue, 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 98.4% of this tax by fiscal year end. Unspent appropriations totaled \$8,864 (mostly resulting from unspent salary, wages and related benefits). Net other financing sources/(uses) were \$12 less than expected.

On a GAAP basis, the unassigned fund balance was \$38,905 while total General Fund balance was \$54,632, which is an increase of \$4,319 over the prior fiscal year. Assigned fund balance was \$9,675, 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 36.8 percent of total General Fund expenditures, while total fund balance represents 51.6 percent of that same amount. It should be noted that when the original budget for 2019-2020 was adopted, the unassigned fund balance was estimated at \$36.4 by June 30, 2020. The improvement to the estimate of unassigned fund balance was primarily due to actual revenues from local taxes (current levy, development tax, bank excise tax and payment in-lieu-of tax), fees from county officials, 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 General 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 \$51,009 while total fund balance was \$52,830. 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 91.07 percent of total expenditures for debt service.

In September 2019, the county issued \$14,610 of bonds to finance a large community-wide communications project. During the fiscal year, the county issued \$529 in capital outlay notes for school purposes, bonded debt of \$36,115 was retired and \$585 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: There were several departments with significant changes to their original budget. Significant changes are described in the following table.

Net Change in the Appropriation Budget - Amended over (under) Original

	2019	2020
General Government	\$ (41)	\$ (81)
Finance	109	133
Administration of Justice	323	97
Public Safety	1,328	1,225
Public Health and Welfare	207	92
Social, Cultural, and Recreational Services	3	-
Agriculture and Natural Resources	179	50
Other Operations	1,370	1,586
Total Increase in Appropriations	<u>\$ 3,478</u>	<u>\$ 3,102</u>

This fiscal year General Government had a net decrease of \$81. A transfer of funds from the County Maintenance budget \$127 to the Capital Projects fund was made to provide additional funding for the renovation of the historic courthouse. This is the main source of the reduction. Offsetting part of this decrease is an increase to the County Mayor budget (\$25) that was needed for the cost of census materials, dues and memberships, and additional communication charges.

The increase in Finance was due to additional appropriations needed for the following: Assessor's Office for data processing services (\$37); the Trustee's Office for the county's tax relief program (\$65) and for employee/dependent insurance (\$8), and the county clerk for postal charges (\$23).

The largest change in appropriations for Administration of Justice was for the Recovery Court (\$34) and Juvenile Court (\$46) because both received additional grant funding. Circuit Court needed additional funds (\$5) for data processing services and unemployment claims. The Public Defender needed funds (\$5) for employee/dependent insurance.

The increase in Public Safety mostly related to state and federal grants awarded to five departments in this category as listed: Sheriff-\$153 (Governor's Highway Safety, Teen Driver Safety, JAG, Liaison); Jail-\$117 (SCAAP and JAG); Workhouse-\$206 (Office of

Justice Programs); Rural Fire-\$209 (Federal Emergency Management Agency); and Disaster Relief-\$201 (Homeland Security). Rural Fire department also needed additional appropriation of \$10 for fuel, along with \$8 for additional appropriation from the sale of equipment. To provide initial funding for the county response to COVID-19, an additional \$200 was appropriated for Disaster Relief.

Within Public Health and Welfare, additional appropriations were authorized for Pet Adoption and Welfare Services (PAWS) (\$11) that were funded with local grant funds. An additional appropriation for facility improvements (\$61) was approved with funds that had been committed for this purpose. Local Health received additional appropriation for salaries and related benefits (\$12) and to complete an isolation room (\$6).

For Agriculture and Natural Resources, the Agricultural Extension Service needed \$50 for improvements to their facility.

One increase in Other Operations stemmed from additional appropriation authorized for Industrial Development (\$633) in accordance with the Contribution Agreement between the County and the Industrial Development Board (IDB) approved December 2019, which provided a payment to the IDB related to one of their PILOT agreements. An increase in appropriations was needed for Employee Benefits (\$168) to pay claims stemming from workers compensation/on the job injury program. Because of improving estimated revenue, additional appropriation was needed for the trustee’s commission (\$200). Lastly the Commission authorized an increase (\$570) to pay property/casualty claims.

On a budgetary basis, at the close of the fiscal year, actual expenditures were \$8,864 less than budgetary estimates. Most of the unspent appropriations were in the personnel and benefit line items, totaling \$4,233. 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 \$3,304, while unspent appropriations for other expenditures totaled approximately \$1,327.

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

	2019	2020
General Government	\$ 998	\$ 1,149
Finance	664	861
Administration of Justice	926	872
Public Safety	3,533	4,006
Public Health and Welfare	1,001	838
Social, Cultural, and Recreational Services	95	166
Agriculture and Natural Resources	98	131
Other Operations	766	841
Total Results	\$ 8,081	\$ 8,864

Capital Assets and Debt Administration

Capital Assets. Rutherford County Government's investment in capital assets for its governmental funds as of June 30, 2020, totaled \$355,067 (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 \$20,121, which represented a 6 percent increase over the prior year.

	Governmental Activities	
	2019	2020
Land	\$ 38,722	\$ 45,587
Intangibles (Right of Way)	45,675	46,351
Buildings and improvements	129,593	125,580
Infrastructure	96,899	97,777
Intangibles (other)	1,665	1,978
Other capital assets	21,441	20,820
Construction in progress	951	16,974
Total	<u>\$ 334,946</u>	<u>\$ 355,067</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 \$442,239. 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	
	2019	2020	2019	2020	2019	2020
Notes	\$ 2,433	\$ 2,494	\$ -	\$ -	\$ 2,433	\$ 2,494
Cap. Lease	117	-	-	-	117	-
Bonds	369,889	341,104	91,361	98,641	461,250	439,745
Total	<u>\$ 372,439</u>	<u>\$ 343,598</u>	<u>\$ 91,361</u>	<u>\$ 98,641</u>	<u>\$ 463,800</u>	<u>\$ 442,239</u>

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

Rutherford County decreased its long-term debt by \$21,561 (4.65 percent) during the 2019-2020 fiscal year by issuing \$14,610 in bonded debt, issuing \$529 in capital outlay notes, retiring \$36,115 bonded debt, and retiring principal balances of \$585 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, 2021, on June 26, 2020. 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 be stable. However, estimates for revenues from property tax, sales tax, development tax, hotel/motel tax and building related revenues were conservatively developed for the next fiscal year. Rutherford County’s Board of Commissioners has strived to limit the tax burden on property owners but has always been cognizant of the financial policies they have set in place.

The county commission adopted a property tax rate of \$2.2194 for calendar year 2020, which is the same rate as the 2019 tax year. As displayed below, there also was no change in the way these funds are distributed.

Distribution of the County Property Tax Rate

Fund	2019 Adopted		Change	2020 Adopted	
	Rate	Ratio		Rate	Ratio
County General	\$ 0.5353	24.12%	\$ -	\$ 0.5353	24.12%
Ambulance	0.0718	3.24%	-	0.0718	3.24%
Highway/Roads	0.0099	0.45%	-	0.0099	0.45%
Education	1.0474	47.19%	-	1.0474	47.19%
Ed. Capital Projects	0.0750	3.38%	-	0.0750	3.38%
General Debt Service	0.4800	21.63%	-	0.4800	21.63%
All Funds	\$ 2.2194	100.00%	\$ -	\$ 2.2194	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 \$9,675 for spending in the 2020-2021 fiscal year. This is reflected as the Assigned for Other Purposes in the Balance Sheet of the Governmental Funds as of June 30, 2020. Unassigned fund balance in the General Fund is projected at \$38,905 as of June 30, 2020, which is 34.3 percent of the original 2020-2021 General Fund appropriations.

In September 2020, Rutherford County issued \$90.37 million in general obligation bonds. Twelve percent will be used for county general capital projects (*archive building addition and old judicial building renovation*) and 88% will be used for school additions/renovations and for a new elementary school in the Christiana area. This project will also include site work for a middle and high school. Assigned fund balance in the General Debt Service Fund is estimated to decrease by \$4,201 by the next fiscal year-end. Projected assigned fund balance in the General Debt Service Fund as of June 30, 2021, is expected to be \$46,808, or 83 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, 2020

	Primary Government <u>Governmental Activities</u>	Component Units		
		Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
<u>ASSETS</u>				
Cash	\$ 3,802,347	\$ 1,305,234	\$ 4,414,276	\$ 4,740,223
Equity in Pooled Cash and Investments	177,349,825	117,702,076	0	0
Inventories	0	585,831	24,708	0
Accounts Receivable	12,555,682	373,178	887,244	0
Allowance for Uncollectibles	(1,336,176)	0	(139,500)	0
Property Taxes Receivable	112,799,028	99,169,787	0	0
Allowance for Uncollectible Property Taxes	(5,614,290)	(4,935,927)	0	0
Accrued Interest Receivable	0	0	0	1,300
Due from Other Governments	4,966,133	14,599,292	0	0
Due from Primary Government	0	781	0	0
Due from Component Units	16,520,510	0	0	0
Due from Fiduciary Funds	150,000	0	0	0
Prepaid Items	42,493	217,100	24,254	115,250
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	2,145,813	0	0
Notes Receivable - Long-term	4,015,424	0	0	0
Net Pension Asset - Agent Plan	11,196,692	7,742,770	752,222	0
Net Pension Asset - Teacher Retirement Plan	0	2,425,458	0	0
Net Pension Asset - Teacher Legacy Pension Plan	0	46,086,527	0	0
Capital Assets:				
Assets Not Depreciated:				
Land	45,586,462	24,090,926	113,184	17,500
Intangible Assets (Right-of-Ways)	46,351,023	0	0	0
Construction in Progress	16,973,247	110,851,656	0	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	125,579,965	443,501,664	0	660,174
Leasehold Improvements	0	0	627,223	0
Infrastructure	97,777,217	0	0	0
Intangible Assets	1,978,372	41,500	0	0
Other Capital Assets	20,820,256	6,845,002	291,034	1,957,983
Total Assets	<u>\$ 691,514,210</u>	<u>\$ 872,748,668</u>	<u>\$ 6,994,645</u>	<u>\$ 7,492,430</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Amount on Refunding	\$ 4,491,687	\$ 0	\$ 0	\$ 0
Pension Changes in Experience	383,001	2,609,258	25,731	32,150
Pension Changes in Assumptions	1,823,373	7,555,575	122,499	9,070
Pension Changes in Proportion	0	1,300,806	0	40,156
Pension Contribution after Measurement Date	6,364,876	21,686,644	384,212	0
OPEB Changes in Experience	0	0	0	79,724
OPEB Changes in Assumptions	1,549,352	6,648,269	110,788	4,515
OPEB Benefits Paid After Measurement Date	360,488	1,640,839	4,089	0
Total Deferred Outflows of Resources	<u>\$ 14,972,777</u>	<u>\$ 41,441,391</u>	<u>\$ 647,319</u>	<u>\$ 165,615</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Units		
		Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
LIABILITIES				
Accounts Payable	\$ 784,448	\$ 5,818,431	\$ 75,513	\$ 12,905
Accrued Payroll	1,131,568	31,667,638	418,523	77,620
Payroll Deductions Payable	5,467	7,203	16,464	0
Contracts Payable	0	759,000	0	0
Retainage Payable	10,000	22,496	0	0
Accrued Interest Payable	4,250,968	0	0	0
Due to Primary Government	0	16,520,510	0	0
Due to Component Units	781	0	0	0
Due to State of Tennessee	1,635	0	0	0
Other Current Liabilities	0	0	1,264,800	0
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	2,247,252	0	16,466	0
Noncurrent Liabilities:				
Due Within One Year - Debt	36,509,192	0	0	0
Due Within One Year - Other	13,821,873	53,425	0	0
Due in More Than One Year - Debt	447,748,230	0	0	0
Due in More Than One Year - Other	43,015,821	139,392,639	2,294,520	207,685
Total Liabilities	<u>\$ 549,527,235</u>	<u>\$ 194,241,342</u>	<u>\$ 4,086,286</u>	<u>\$ 298,210</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 106,072,474	\$ 93,255,989	\$ 0	\$ 0
Pension Changes in Experience	1,383,832	29,530,934	92,969	19,456
Pension Changes in Investment Earnings	2,051,438	14,688,969	137,821	10,211
Pension Changes in Proportion	0	295,327	0	0
OPEB Changes in Experience	1,117,076	17,744,190	344,173	0
OPEB Changes in Assumptions	6,058,990	27,257,179	458,963	9,833
Total Deferred Inflows of Resources	<u>\$ 116,683,810</u>	<u>\$ 182,772,588</u>	<u>\$ 1,033,926</u>	<u>\$ 39,500</u>
NET POSITION				
Net Investment in Capital Assets	\$ 255,537,196	\$ 585,330,748	\$ 1,031,441	\$ 2,307,357
Restricted for:				
General Government	729,198	0	0	0
Finance	110,863	0	0	0
Administrative of Justice	502,013	0	0	0
Public Safety	937,991	0	0	0
Public Health and Welfare	14,948	0	0	0
Debt Service	2,244,593	0	0	0
Capital Projects	795,243	7,280,446	0	0
Education	0	3,443,462	0	0
Pensions	11,196,692	58,400,568	752,222	0
Unrestricted	<u>(231,792,795)</u>	<u>(117,279,095)</u>	<u>738,089</u>	<u>5,012,978</u>
Total Net Position	<u>\$ 40,275,942</u>	<u>\$ 537,176,129</u>	<u>\$ 2,521,752</u>	<u>\$ 7,320,335</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, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units		
					Government Total Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
Primary Government:								
General Government	\$ 19,985,691	\$ 5,994,956	\$ 737,556	\$ 4,505	\$ (13,248,674)	\$ 0	\$ 0	\$ 0
Finance	10,819,626	10,823,178	0	0	3,552	0	0	0
Administration of Justice	7,343,828	5,845,390	504,138	0	(994,300)	0	0	0
Public Safety	61,485,252	7,347,697	1,726,969	170,367	(52,240,219)	0	0	0
Public Health and Welfare	25,484,689	12,337,020	3,514,623	0	(9,633,046)	0	0	0
Social, Cultural, and Recreational Services	3,027,635	0	0	0	(3,027,635)	0	0	0
Agriculture and Natural Resources	1,297,698	309,575	1,000	0	(987,123)	0	0	0
Highways/Public Works	12,319,177	4,483	5,270,301	3,234,382	(3,810,011)	0	0	0
Education	62,050,411	62,172,148	0	0	121,737	0	0	0
Interest on Long-term Debt	15,185,628	0	0	0	(15,185,628)	0	0	0
Total Primary Government	\$ 218,999,635	\$ 104,834,447	\$ 11,754,587	\$ 3,409,254	\$ (99,001,347)	\$ 0	\$ 0	\$ 0
Component Units:								
Rutherford County School Department	\$ 443,132,101	\$ 7,096,072	\$ 25,845,297	\$ 215,810	\$ 0	\$ (409,974,922)	\$ 0	\$ 0
Community Care of Rutherford County, Inc.	10,174,844	9,684,195	793,197	0	0	0	302,548	0
Emergency Communications District	1,771,424	1,821,970	0	0	0	0	0	50,546
Total Component Units	\$ 455,078,369	\$ 18,602,237	\$ 26,638,494	\$ 215,810	\$ 0	\$ (409,974,922)	\$ 302,548	\$ 50,546

(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	Component Units		
					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					\$ 61,295,020	\$ 94,708,750	\$ 0	\$ 0
Property Taxes Levied for Debt Service					47,066,087	0	0	0
Payments in-Lieu-of Tax					7,530,629	973,620	0	0
Local Option Sales Tax					5,452,334	68,430,189	0	0
Hotel/Motel Tax					3,550,809	0	0	0
Wheel Tax					7,637,464	4,323,155	0	0
Business Tax					3,196,052	2,809,305	0	0
Mixed Drink Tax					8,118	511,906	0	0
Litigation Tax					2,893,500	0	0	0
Adequate Facilities/Development Tax					6,142,500	0	0	0
Mineral Severance Tax					456,037	0	0	0
Bank Excise Tax					1,014,007	0	0	0
Wholesale Beer Tax					1,069,948	0	0	0
Grants and Contributions Not Restricted to Specific Programs					887,381	237,709,738	0	164,000
Unrestricted Investment Income					6,522,207	2,117,843	5,622	43,763
Miscellaneous					81,086	32,584	0	0
Gain on Disposal of Capital Asset					0	0	0	0
Total General Revenues					<u>\$ 154,803,179</u>	<u>\$ 411,617,090</u>	<u>\$ 5,622</u>	<u>\$ 207,763</u>
Change in Net Position					\$ 55,801,832	\$ 1,642,168	\$ 308,170	\$ 258,309
Net Position, July 1, 2019					(15,525,890)	535,533,961	2,213,582	7,062,026
Net Position, June 30, 2020					<u>\$ 40,275,942</u>	<u>\$ 537,176,129</u>	<u>\$ 2,521,752</u>	<u>\$ 7,320,335</u>

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, 2020

	Major Funds		Nonmajor	Total Governmental Funds
	General	General	Other	
		Debt Service	Governmental Funds	
<u>ASSETS</u>				
Cash	\$ 2,870	\$ 0	\$ 1,862,639	\$ 1,865,509
Equity in Pooled Cash and Investments	54,014,411	28,422,765	48,210,211	130,647,387
Accounts Receivable	7,949,538	73,461	4,444,086	12,467,085
Allowance for Uncollectibles	0	0	(1,336,176)	(1,336,176)
Due from Other Governments	3,033,521	440,291	1,477,883	4,951,695
Due from Other Funds	676,485	7,000,000	0	7,676,485
Due from Component Units	0	15,000,000	0	15,000,000
Property Taxes Receivable	55,042,224	49,356,001	8,400,803	112,799,028
Allowance for Uncollectible Property Taxes	(2,739,590)	(2,456,571)	(418,129)	(5,614,290)
Prepaid Items	42,493	0	0	42,493
Notes Receivable - Long-term	0	1,820,785	2,194,639	4,015,424
Total Assets	\$ 118,021,952	\$ 99,656,732	\$ 64,835,956	\$ 282,514,640
<u>LIABILITIES</u>				
Accounts Payable	\$ 565,749	\$ 0	\$ 182,526	\$ 748,275
Accrued Payroll	778,745	0	352,823	1,131,568
Payroll Deductions Payable	4,509	0	958	5,467
Retainage Payable	0	0	10,000	10,000
Due to Other Funds	0	0	7,676,485	7,676,485
Due to State of Tennessee	1,635	0	0	1,635
Current Liabilities Payable From Restricted Assets	2,247,252	0	0	2,247,252
Total Liabilities	\$ 3,597,890	\$ 0	\$ 8,222,792	\$ 11,820,682

(Continued)

Exhibit C-1

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>General Debt Service</u>	<u>Funds Other Govern- mental Funds</u>	
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 51,759,886	\$ 46,412,751	\$ 7,899,837	\$ 106,072,474
Deferred Delinquent Property Taxes	462,124	414,384	70,532	947,040
Other Deferred/Unavailable Revenue	7,570,124	0	2,513,082	10,083,206
Total Deferred Inflows of Resources	<u>\$ 59,792,134</u>	<u>\$ 46,827,135</u>	<u>\$ 10,483,451</u>	<u>\$ 117,102,720</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Prepaid Items	\$ 42,493	\$ 0	\$ 0	\$ 42,493
Restricted:				
Restricted for General Government	729,198	0	0	729,198
Restricted for Finance	110,863	0	0	110,863
Restricted for Administration of Justice	502,013	0	0	502,013
Restricted for Public Safety	0	0	937,991	937,991
Restricted for Public Health and Welfare	8,570	0	6,378	14,948
Restricted for Debt Service	0	0	2,244,593	2,244,593
Restricted for Capital Projects	2,572,862	0	6,724,116	9,296,978
Committed:				
Committed for General Government	1,095,476	0	0	1,095,476
Committed for Finance	148,976	0	0	148,976
Committed for Administration of Justice	15,430	0	0	15,430
Committed for Public Safety	157,094	0	0	157,094
Committed for Public Health and Welfare	105,980	0	0	105,980
Committed for Social, Cultural, and Recreational Services	27	0	0	27
Committed for Agriculture and Natural Resources	563,254	0	0	563,254
Committed for Highways/Public Works	0	0	2,532,603	2,532,603

(Continued)

Exhibit C-1

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>General Debt Service</u>	<u>Funds Other Govern- mental Funds</u>	
<u>FUND BALANCES (Cont.)</u>				
Committed (Cont.):				
Committed for Debt Service	\$ 0	\$ 1,820,785	\$ 0	\$ 1,820,785
Assigned:				
Assigned for General Government	0	0	175,254	175,254
Assigned for Finance	0	0	550,000	550,000
Assigned for Administration of Justice	0	0	463,693	463,693
Assigned for Public Health and Welfare	0	0	15,989,329	15,989,329
Assigned for Other Operations	0	0	245,097	245,097
Assigned for Highways/Public Works	0	0	16,260,659	16,260,659
Assigned for Debt Service	0	51,008,812	0	51,008,812
Assigned for Other Purposes	9,675,164	0	0	9,675,164
Unassigned	38,904,528	0	0	38,904,528
Total Fund Balances	<u>\$ 54,631,928</u>	<u>\$ 52,829,597</u>	<u>\$ 46,129,713</u>	<u>\$ 153,591,238</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 118,021,952</u>	<u>\$ 99,656,732</u>	<u>\$ 64,835,956</u>	<u>\$ 282,514,640</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, 2020

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)		\$ 153,591,238
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 45,586,462	
Add: intangible assets – right-of-ways	46,351,023	
Add: construction in progress	16,973,247	
Add: buildings and improvements net of accumulated depreciation	125,579,965	
Add: infrastructure net of accumulated depreciation	97,777,217	
Add: intangible assets net of accumulated depreciation	1,978,372	
Add: other capital assets net of accumulated depreciation	<u>20,820,256</u>	355,066,542
(2) Internal service funds are used by management to charge the cost of liability insurance, workers' compensation insurance, and and employee health benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.		32,362,729
(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	\$ (439,745,000)	
Less: other loans payable	(2,493,728)	
Add: deferred amount on refunding	4,491,687	
Add: debt to be contributed by the school department	1,520,510	
Less: unamortized premium on debt	(42,018,694)	
Less: other postemployment benefits liability	(32,081,681)	
Less: landfill closure/postclosure care costs	(2,136,266)	
Less: compensated absences payable	(6,127,119)	
Less: accrued interest on bonds and other loans	<u>(4,250,968)</u>	(522,841,259)
(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	\$ 1,909,840	
Less: deferred inflows of resources related to OPEB	(7,176,066)	
Add: deferred outflows of resources related to pensions	8,571,250	
Less: deferred inflows of resources related to pensions	<u>(3,435,270)</u>	(130,246)
(5) Net pension assets of the county agent plan are not current financial resources and therefore are not reported in the governmental funds.		11,196,692
(6) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>11,030,246</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 40,275,942</u></u>

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

Exhibit C-3

Rutherford County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 77,328,699	\$ 53,437,282	\$ 16,874,418	\$ 147,640,399
Licenses and Permits	2,545,137	0	0	2,545,137
Fines, Forfeitures, and Penalties	1,719,437	0	436,526	2,155,963
Charges for Current Services	2,314,776	0	15,668,450	17,983,226
Other Local Revenues	5,194,135	1,765,633	868,448	7,828,216
Fees Received From County Officials	12,250,722	0	0	12,250,722
State of Tennessee	9,985,651	0	5,844,784	15,830,435
Federal Government	1,890,308	0	343,593	2,233,901
Other Governments and Citizens Groups	369,466	605,145	3,769	978,380
Total Revenues	<u>\$ 113,598,331</u>	<u>\$ 55,808,060</u>	<u>\$ 40,039,988</u>	<u>\$ 209,446,379</u>
<u>Expenditures</u>				
Current:				
General Government	\$ 9,558,020	\$ 1,023,506	\$ 727,177	\$ 11,308,703
Finance	8,566,161	0	2,161,141	10,727,302
Administration of Justice	9,984,762	0	2,325,842	12,310,604
Public Safety	60,094,386	0	292,949	60,387,335
Public Health and Welfare	5,669,717	0	18,599,419	24,269,136
Social, Cultural, and Recreational Services	3,034,617	0	0	3,034,617
Agriculture and Natural Resources	1,121,303	0	0	1,121,303
Other Operations	7,744,712	0	135,439	7,880,151
Highways	0	0	10,419,467	10,419,467
Debt Service:				
Principal on Debt	0	36,700,603	0	36,700,603
Interest on Debt	0	18,144,464	0	18,144,464
Other Debt Service	0	140,573	0	140,573

(Continued)

Exhibit C-3

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>				
Capital Projects	\$ 0	\$ 0	\$ 16,583,114	\$ 16,583,114
Total Expenditures	\$ 105,773,678	\$ 56,009,146	\$ 51,244,548	\$ 213,027,372
Excess (Deficiency) of Revenues Over Expenditures				
	\$ 7,824,653	\$ (201,086)	\$ (11,204,560)	\$ (3,580,993)
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 0	\$ 140,923	\$ 14,469,077	\$ 14,610,000
Premiums on Debt Sold	0	0	2,681,613	2,681,613
Other Loans Issued	0	0	529,058	529,058
Insurance Recovery	5,900	0	32,952	38,852
Transfers In	660,394	197,575	4,171,954	5,029,923
Transfers Out	(4,171,954)	0	(247,575)	(4,419,529)
Total Other Financing Sources (Uses)	\$ (3,505,660)	\$ 338,498	\$ 21,637,079	\$ 18,469,917
Net Change in Fund Balances				
Fund Balance, July 1, 2019	\$ 50,312,935	\$ 52,692,185	\$ 35,697,194	\$ 138,702,314
Fund Balance, June 30, 2020				
	\$ 54,631,928	\$ 52,829,597	\$ 46,129,713	\$ 153,591,238

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, 2020

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)		\$ 14,888,924
(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	\$ 28,021,028	
Less: current-year depreciation expense	<u>(10,249,183)</u>	17,771,845
(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	\$ 3,234,382	
Less: book value of capital assets disposed	<u>(886,102)</u>	2,348,280
(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, 2020	\$ 11,030,246	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(11,489,619)</u>	(459,373)
(4) The issuance of long-term debt (e.g. bonds, other loans, 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 other loans	\$ 468,000	
Add: principal payments on bonds	36,115,000	
Add: principal payments on capital leases	117,603	
Less: bond proceeds	(14,610,000)	
Less: other loan proceeds	(529,058)	
Add: change in premium on debt issuances	1,667,105	
Less: contributions from school department for capital leases and other loans	(585,603)	
Less: change in deferred amount on refunding debt	<u>(1,576,700)</u>	21,066,347
(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	\$ 186,818	
Change in landfill closure/postclosure care costs	172,076	
Change in other postemployment benefits liability	(3,097,807)	
Change in deferred outflows of resources related to OPEB	1,421,678	
Change in deferred inflows of resources related to OPEB	911,962	
Change in compensated absences payable	(584,645)	
Change in net pension asset	2,503,206	
Change in deferred outflows of resources related to pensions	(359,911)	
Change in deferred inflows of resources related to pensions	<u>(975,410)</u>	177,967
(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.		<u>7,842</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 55,801,832</u>

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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 77,328,699	\$ 0	\$ 0	\$ 77,328,699	\$ 73,685,071	\$ 75,433,873	\$ 1,894,826
Licenses and Permits	2,545,137	0	0	2,545,137	2,280,000	2,686,400	(141,263)
Fines, Forfeitures, and Penalties	1,719,437	0	0	1,719,437	1,827,200	1,593,058	126,379
Charges for Current Services	2,314,776	0	0	2,314,776	2,337,000	2,160,550	154,226
Other Local Revenues	5,194,135	0	0	5,194,135	2,520,625	4,551,675	642,460
Fees Received From County Officials	12,250,722	0	0	12,250,722	10,465,000	11,628,000	622,722
State of Tennessee	9,985,651	0	0	9,985,651	8,355,365	9,855,638	130,013
Federal Government	1,890,308	0	0	1,890,308	1,852,134	2,397,778	(507,470)
Other Governments and Citizens Groups	369,466	0	0	369,466	598,500	555,655	(186,189)
Total Revenues	\$ 113,598,331	\$ 0	\$ 0	\$ 113,598,331	\$ 103,920,895	\$ 110,862,627	\$ 2,735,704
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 340,558	\$ 0	\$ 0	\$ 340,558	\$ 400,737	\$ 400,737	\$ 60,179
Board of Equalization	6,494	0	0	6,494	35,890	35,890	29,396
Other Boards and Committees	0	0	0	0	500	500	500
County Mayor/Executive	734,329	(34,074)	7,259	707,514	802,918	827,918	120,404
Personnel Office	456,115	0	0	456,115	456,449	457,174	1,059
County Attorney	264,291	0	0	264,291	264,760	274,410	10,119
Election Commission	877,096	(1,295)	6,050	881,851	915,424	917,292	35,441
Register of Deeds	347,152	(199)	181	347,134	365,244	366,744	19,610
Planning	1,045,563	(30,061)	107,152	1,122,654	1,154,619	1,154,669	32,015
Codes Compliance	415	0	0	415	600	600	185
Geographical Information Systems	923,497	(68,114)	39,628	895,011	1,347,993	1,347,993	452,982
County Buildings	2,973,244	(131,448)	105,696	2,947,492	3,404,645	3,279,006	331,514
Other General Administration	287,254	(237)	452	287,469	305,370	305,395	17,926
Preservation of Records	208,604	(30)	33	208,607	221,387	226,387	17,780
Risk Management	1,093,408	0	530	1,093,938	1,113,881	1,113,881	19,943
<u>Finance</u>							
Accounting and Budgeting	1,269,525	0	1,326	1,270,851	1,357,733	1,357,733	86,882

(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 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Property Assessor's Office	\$ 1,087,247	\$ (2,300)	\$ 0	\$ 1,084,947	\$ 1,230,311	\$ 1,240,311	\$ 155,364
Reappraisal Program	981,738	0	0	981,738	1,201,867	1,228,867	247,129
County Trustee's Office	937,544	(3,182)	0	934,362	906,490	980,590	46,228
County Clerk's Office	915,863	(454)	43,128	958,537	1,058,417	1,080,299	121,762
Data Processing	3,374,244	(181,217)	322,375	3,515,402	3,718,859	3,718,883	203,481
<u>Administration of Justice</u>							
Circuit Court	1,310,833	0	0	1,310,833	1,402,816	1,408,288	97,455
Circuit Court Judge	316,011	0	1,341	317,352	368,928	368,928	51,576
General Sessions Court	2,102,125	(1,988)	1,646	2,101,783	2,297,614	2,300,814	199,031
Drug Court	1,373,411	(8,924)	23,808	1,388,295	1,561,858	1,596,052	207,757
Chancery Court	1,054,176	0	2,638	1,056,814	1,134,394	1,134,649	77,835
Juvenile Court	782,530	(2,340)	1,628	781,818	785,739	832,212	50,394
District Attorney General	199,042	0	0	199,042	218,646	218,646	19,604
Office of Public Defender	178,281	0	0	178,281	197,707	202,707	24,426
Other Administration of Justice	1,458,331	(334)	0	1,457,997	1,556,207	1,558,425	100,428
Probation Services	948,592	0	34	948,626	976,071	976,071	27,445
Victim Assistance Programs	261,430	0	0	261,430	277,086	277,086	15,656
<u>Public Safety</u>							
Sheriff's Department	26,104,146	(228,360)	177,801	26,053,587	27,724,700	27,862,445	1,808,858
Special Patrols	42,600	0	0	42,600	43,310	43,310	710
Traffic Control	7,557	0	1,380	8,937	20,000	20,000	11,063
Administration of the Sexual Offender Registry	83,705	(150)	0	83,555	85,902	85,902	2,347
Jail	19,060,601	(214,972)	287,852	19,133,481	19,847,792	20,035,065	901,584
Workhouse	4,265,943	(20,783)	589	4,245,749	4,495,253	4,701,949	456,200
Juvenile Services	2,611,200	(892)	17,544	2,627,852	2,839,825	2,861,070	233,218
Rural Fire Protection	5,891,352	(159,725)	5,887	5,737,514	5,754,908	5,993,270	255,756
Disaster Relief	943,087	(89,913)	244,832	1,098,006	948,524	1,376,445	278,439
Inspection and Regulation	1,084,195	0	10	1,084,205	1,136,205	1,142,080	57,875

(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 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare</u>							
Local Health Center	\$ 677,921	\$ (5,510)	\$ 6,881	\$ 679,292	\$ 703,066	\$ 721,391	\$ 42,099
Rabies and Animal Control	2,093,456	(13,640)	100	2,079,916	2,304,268	2,378,318	298,402
Dental Health Program	8,976	(215)	1,000	9,761	11,850	11,850	2,089
Other Local Health Services	2,296,920	0	0	2,296,920	2,770,447	2,770,447	473,527
General Welfare Assistance	57,750	0	0	57,750	57,750	57,750	0
Sanitation Management	38,269	0	0	38,269	38,269	38,269	0
Other Public Health and Welfare	496,425	0	0	496,425	518,000	518,000	21,575
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	37,800	0	0	37,800	37,800	37,800	0
Libraries	1,801,450	0	0	1,801,450	1,801,450	1,801,450	0
Parks and Fair Boards	452,855	0	90	452,945	619,055	619,055	166,110
Other Social, Cultural, and Recreational	742,512	0	0	742,512	742,512	742,512	0
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	784,605	0	51	784,656	834,633	884,633	99,977
Soil Conservation	114,898	0	0	114,898	115,729	115,729	831
Storm Water Management	221,800	(331)	8,511	229,980	260,558	260,558	30,578
<u>Other Operations</u>							
Tourism	603,971	0	0	603,971	771,850	771,850	167,879
Industrial Development	865,046	0	0	865,046	231,500	865,046	0
Other Economic and Community Development	0	0	0	0	500,000	500,000	500,000
Other Charges	271,269	(1,278)	0	269,991	310,268	310,293	40,302
Employee Benefits	1,145,045	0	0	1,145,045	985,000	1,153,145	8,100
Payments to Cities	1,996,524	0	0	1,996,524	2,010,000	2,010,000	13,476
Miscellaneous	2,862,857	0	0	2,862,857	2,190,000	2,974,613	111,756
Total Expenditures	\$ 105,773,678	\$ (1,201,966)	\$ 1,417,433	\$ 105,989,145	\$ 111,751,584	\$ 114,853,402	\$ 8,864,257
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,824,653	\$ 1,201,966	\$ (1,417,433)	\$ 7,609,186	\$ (7,830,689)	\$ (3,990,775)	\$ 11,599,961

(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 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 5,900	\$ 0	\$ 0	\$ 5,900	\$ 0	\$ 5,901	(1)
Transfers In	660,394	0	0	660,394	648,050	648,050	12,344
Transfers Out	(4,171,954)	0	0	(4,171,954)	0	(4,171,954)	0
Total Other Financing Sources	\$ (3,505,660)	\$ 0	\$ 0	\$ (3,505,660)	\$ 648,050	\$ (3,518,003)	\$ 12,343
Net Change in Fund Balance	\$ 4,318,993	\$ 1,201,966	\$ (1,417,433)	\$ 4,103,526	\$ (7,182,639)	\$ (7,508,778)	\$ 11,612,304
Fund Balance, July 1, 2019	50,312,935	(1,201,966)	0	49,110,969	43,616,404	43,616,404	5,494,565
Fund Balance, June 30, 2020	\$ 54,631,928	\$ 0	\$ (1,417,433)	\$ 53,214,495	\$ 36,433,765	\$ 36,107,626	\$ 17,106,869

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, 2020

	<u>Governmental Activities - Internal Service Funds</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 199,838
Equity in Pooled Cash and Investments	46,702,438
Cash with Paying Agent	1,737,000
Accounts Receivable	88,597
Due from Other Governments	14,438
Due from Fiduciary Funds	150,000
Total Assets	<u>\$ 48,892,311</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 36,173
Claims and Judgments Payable	13,041,563
Due to Component Units	781
Total Current Liabilities	<u>\$ 13,078,517</u>
Noncurrent Liabilities:	
Claims and Judgments Payable	<u>\$ 3,451,065</u>
Total Noncurrent Liabilities	<u>\$ 3,451,065</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 32,362,729</u>
Total Net Position	<u>\$ 32,362,729</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, 2020

	<u>Governmental Activities - Internal Service Funds</u>
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 69,973,723
Other Employee Benefits Charges/Contributions	2,608,701
Other Local Revenues:	
Retirees' Insurance Payments	6,030,225
Cobra Insurance Payments	170,545
State of Tennessee:	
On-Behalf Contributions for OPEB	173,813
Total Operating Revenues	<u>\$ 78,957,007</u>
<u>Operating Expenses</u>	
Employee Benefits:	
Handling Charges and Administrative Costs	\$ 3,030,144
Disability Insurance	577,350
Bank Charges	4,000
Consultants	91,368
Contracts with Private Agencies	2,971,451
Other Contracted Services	5,950
Medical Claims	68,590,199
Premiums on Corporate Surety Bonds	5,000
Liability Claims	2,250,332
Other Self-Insured Claims	924,805
Other Charges	42,815
Total Operating Expenses	<u>\$ 78,493,414</u>
Operating Income (Loss)	<u>\$ 463,593</u>
<u>Nonoperating Revenues (Expenses)</u>	
Insurance Recovery	<u>\$ 154,643</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 154,643</u>
Income (Loss) Before Transfers	\$ 618,236
Transfers Out	<u>(610,394)</u>
Change in Net Position	\$ 7,842
Net Position, July 1, 2019	<u>32,354,887</u>
Net Position, June 30, 2020	<u><u>\$ 32,362,729</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, 2020

	Governmental Activities - Internal Service Funds
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 79,827,505
Payments to Suppliers	(6,993,775)
Claims Paid	(68,748,632)
Insurance Recovery	154,643
Net Cash Provided By (Used In) Operating Activities	<u>\$ 4,239,741</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	\$ (610,394)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (610,394)</u>
Net Increase (Decrease) in Cash	\$ 3,629,347
Cash, July 1, 2019	<u>45,009,929</u>
Cash, June 30, 2020	<u><u>\$ 48,639,276</u></u>
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 463,593
Insurance Recovery	154,643
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	855,811
(Increase) Decrease in Due from Other Governments	14,687
Increase (Decrease) in Accounts Payable	(265,700)
Increase (Decrease) in Claims and Judgments Payable	3,016,704
Increase (Decrease) in Due To Component Units	3
Net Cash Provided By (Used In) Operating Activities	<u>\$ 4,239,741</u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash Per Net Position	\$ 199,838
Equity in Pooled Cash and Investments Per Net Position	46,702,438
Cash with Paying Agent Per Net Position	<u>1,737,000</u>
Cash, June 30, 2020	<u><u>\$ 48,639,276</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, 2020

	Other Employee Benefit Fund	
	<u>Flexible Benefits Fund</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Cash	\$ 362,191	\$ 9,802,154
Equity in Pooled Cash and Investments	202,197	792,385
Cash with Paying Agents	58,416	0
Investments	0	7,735
Accounts Receivable	483	0
Due from Other Governments	0	14,967,182
Taxes Receivable	0	16,240,995
Allowance for Uncollectible Taxes	0	(808,355)
	<u>623,287</u>	<u>41,002,096</u>
Total Assets	<u>\$ 623,287</u>	<u>\$ 41,002,096</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 232
Accrued Payroll	0	411
Due to Other Taxing Units	0	30,768,279
Due to Joint Ventures	0	10,564
Due to Litigants, Heirs, and Others	0	10,222,610
Due to Other Funds	150,000	0
	<u>150,000</u>	<u>41,002,096</u>
Total Liabilities	<u>\$ 150,000</u>	<u>\$ 41,002,096</u>
<u>NET POSITION</u>		
Amounts Held for Other Employee Benefits	<u>\$ 473,287</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, 2020

	Other Employee Benefit Fund
	<u>Flexible Benefits Fund</u>
<u>ADDITIONS</u>	
Charges for Services:	
Other Employee Benefit Charges/Contributions	\$ 1,415,730
Total Additions	<u>\$ 1,415,730</u>
<u>DEDUCTIONS</u>	
Employee Benefits:	
Other Fringe Benefits	\$ 1,288,805
Total Deductions	<u>\$ 1,288,805</u>
Change in Net Position	\$ 126,925
Net Position, July 1, 2019	<u>346,362</u>
Net Position, June 30, 2020	<u><u>\$ 473,287</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, 2020

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 \$529,058 were contributed by the county to the school department during the year ended June 30, 2020.

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.

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.

Education Capital Projects Fund – These funds account for financial resources to be used for the acquisition or construction of major capital facilities and debt issued by Rutherford County that is subsequently contributed to the discretely presented Rutherford County School Department for construction and renovation 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 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, property taxes for the City of Smyrna and City of Eagleville, 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; the State Treasurer's Intermediate Term Investment Fund; 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. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, 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. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. Rutherford County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

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 \$7,259,392 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 five 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 \$102,825, deposits in-lieu-of bonds for developments \$2,099,537, agricultural facilities rentals \$33,055, agricultural token sales program \$8,337, animal adoption fees \$2,298, and software license fees \$1,200.

Retainage payable in the primary government's General Capital Projects Fund and the school department's Education Capital Projects Fund represent amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the respective funds.

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. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Rutherford County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Rutherford County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Rutherford County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

5. 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

6. 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. These items are for deferred amount on refunding, pension changes in experience, pension changes in assumptions, pension changes in proportion, employer contributions made to the pension plan after the measurement date, OPEB changes in assumptions, and 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 and delinquent property taxes, pension changes in experience, pension changes in investment earnings, pension changes in proportion, OPEB changes in experience, and OPEB changes in assumptions. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. 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.

8. Long-term Debt and 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, and landfill closure/postclosure care costs are recognized to the extent that the liabilities have matured (come due for payment) each period.

9. 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 \$16,531,541 of restricted net position for the primary government, of which \$2,572,862 is restricted by enabling legislation.

As of June 30, 2020, Rutherford County had \$343,597,263 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.

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.

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.

10. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund

balance of certain governmental funds, the following minimum fund balance policy exists and consists of the sum of committed, assigned, and unassigned fund balances:

General Fund – 15 percent of subsequent year appropriations.

General Debt Service Fund – fund balance adequate to meet (1) cash flow needs, (2) budgeting contingencies, (3) emergency contingencies, (4) variable rate volatility contingencies, and (5) future forecasted needs.

E. Pension Plans

Primary Government

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

Discretely Presented Rutherford County School Department

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

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

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) and the primary government's Education Capital Projects Fund, which are not budgeted, and the primary government's General Capital Projects Fund and the school department's Other Capital Projects Fund, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Other Boards and Committees, and County Mayor/Executive, 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, 2020, Rutherford County and the Rutherford County School Department reported the following significant encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Fund:	
General	\$ 1,417,433
Nonmajor Funds:	
Solid/Waste Sanitation	67,174
Ambulance Service	89,395
Drug Control	46,020
School Department:	
Major Fund:	
General Purpose School	4,490,017
Nonmajor Funds:	
School Federal Projects	37,255
Education Capital Projects	2,295,279

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, the State Treasurer's Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. 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, 2020, 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	Maturities	Amortized Cost
Investments at Amortized Cost:			
Constitutional Officers - Agency Fund:			
Clerk and Master:			
State Treasurer's Investment Pool	1 to 105 days	N/A	<u>\$ 7,735</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, shared certificates of deposit, and insured cash sweeps. As of June 30, 2020, 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, up to 50 percent of the portfolio in shared certificates of deposit, and up to 90 percent of the portfolio in insured cash sweeps.

Further information concerning the legal provisions, investment policies, investment types, and credit risks for the State Treasurer's Investment Pool and the State Treasurer's Intermediate Term Investment Fund can be obtained by reviewing the State of Tennessee Consolidated Annual Financial Report at <https://www.tn.gov/finance/rd-doa/fa-acffin-cafr.html>.

TCRS Stabilization Trust

Legal Provisions. The Rutherford County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by 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 trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Rutherford County School Department may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investment and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2020, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.

- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive

dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.

- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments where fair value is measured using the Net Asset Value (“NAV”) per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan’s custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the

fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2020, the Rutherford County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 665,201
Developed Market International Equity	N/A	N/A	300,414
Emerging Market International Equity	N/A	N/A	85,833
U.S. Fixed Income	N/A	N/A	429,163
Real Estate	N/A	N/A	214,581
Short-term Securities	N/A	N/A	21,458
NAV - Private Equity and Strategic Lending	N/A	N/A	429,163
 Total			\$ 2,145,813

Investment by Fair Value Level	Fair Value 6-30-20	Fair Value Measurements Using			NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 665,201	\$ 665,201	\$ 0	\$ 0	0
Developed Market International Equity	300,414	300,414	0	0	0
Emerging Market International Equity	85,833	85,833	0	0	0
U.S. Fixed Income	429,163	0	429,163	0	0
Real Estate	214,581	0	0	214,581	0
Short-term Securities	21,458	0	21,458	0	0
Private Equity and Strategic Lending	429,163	0	0	0	429,163
 Total	\$ 2,145,813	\$ 1,051,448	\$ 450,621	\$ 214,581	\$ 429,163

Risks and Uncertainties. The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Rutherford County School Department does not have the ability to limit trust 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. The Rutherford County School Department does not have the ability to limit the credit ratings of individual investments made by the trust.

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 School Department places no limit on the amount the county may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Rutherford County School Department to pay retirement benefits of the school department employees.

For further information concerning the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag19091.pdf>.

B. Notes Receivable

The Industrial/Economic Development Fund had two long-term notes receivable of \$125,889 and \$2,068,750 on June 30, 2020, 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, 2020, 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, 2020, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 38,722,082	\$ 6,864,380	\$ 0	\$ 45,586,462
Intangible Assets (Right-of-Ways)	45,675,471	675,552	0	46,351,023
Construction in Progress	950,908	16,022,339	0	16,973,247
Total Capital Assets Not Depreciated	\$ 85,348,461	\$ 23,562,271	\$ 0	\$ 108,910,732
Capital Assets Depreciated:				
Buildings and Improvements	\$ 172,928,750	\$ 30,752	\$ (416,251)	\$ 172,543,251
Infrastructure	147,036,753	3,339,194	(811,775)	149,564,172
Intangible Assets	4,895,354	439,559	0	5,334,913
Other Capital Assets	49,926,914	3,883,634	(1,517,528)	52,293,020
Total Capital Assets Depreciated	\$ 374,787,771	\$ 7,693,139	\$ (2,745,554)	\$ 379,735,356
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 43,335,833	\$ 3,862,529	\$ (235,076)	\$ 46,963,286
Infrastructure	50,137,597	2,011,418	(362,060)	51,786,955
Intangible Assets	3,230,068	126,473	0	3,356,541
Other Capital Assets	28,486,317	4,248,763	(1,262,316)	31,472,764
Total Accumulated Depreciation	\$ 125,189,815	\$ 10,249,183	\$ (1,859,452)	\$ 133,579,546
Total Capital Assets Depreciated, Net	\$ 249,597,956	\$ (2,556,044)	\$ (886,102)	\$ 246,155,810
Governmental Activities Capital Assets, Net	\$ 334,946,417	\$ 21,006,227	\$ (886,102)	\$ 355,066,542

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

Governmental Activities:

General Government	\$ 635,182
Finance	403,343
Administration of Justice	2,057,232
Public Safety	3,314,063
Public Health and Welfare	1,115,918
Agriculture and Natural Resources	178,979
Highways	<u>2,544,466</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 10,249,183</u>
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Discretely Presented Rutherford County School Department**Governmental Activities:**

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 22,019,243	\$ 2,071,683	\$ 0	\$ 24,090,926
Construction in Progress	100,930,147	9,921,509	0	110,851,656
Total Capital Assets Not Depreciated	<u>\$ 122,949,390</u>	<u>\$ 11,993,192</u>	<u>\$ 0</u>	<u>\$ 134,942,582</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 646,922,571	\$ 7,044,693	\$ 0	\$ 653,967,264
Intangible Assets	416,167	0	0	416,167
Other Capital Assets	20,620,953	2,273,548	(428,054)	22,466,447
Total Capital Assets Depreciated	<u>\$ 667,959,691</u>	<u>\$ 9,318,241</u>	<u>\$ (428,054)</u>	<u>\$ 676,849,878</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 195,455,322	\$ 15,010,278	\$ 0	\$ 210,465,600
Intangible Assets	367,638	7,029	0	374,667
Other Capital Assets	14,820,044	1,229,455	(428,054)	15,621,445
Total Accumulated Depreciation	<u>\$ 210,643,004</u>	<u>\$ 16,246,762</u>	<u>\$ (428,054)</u>	<u>\$ 226,461,712</u>
Total Capital Assets Depreciated, Net	<u>\$ 457,316,687</u>	<u>\$ (6,928,521)</u>	<u>\$ 0</u>	<u>\$ 450,388,166</u>
Governmental Activities Capital Assets, Net	<u>\$ 580,266,077</u>	<u>\$ 5,064,671</u>	<u>\$ 0</u>	<u>\$ 585,330,748</u>

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

Governmental Activities:

Instruction	\$ 7,029
Support Services	15,962,925
Operation of Non-instructional Services	<u>276,808</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 16,246,762</u></u>

D. Construction Commitments

At June 30, 2020, the discretely presented Rutherford County School Department had uncompleted construction contracts of approximately \$1,354,291 and \$1,592,572 in the Other Capital Projects and Education Capital Projects funds, respectively, 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, 2020, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 676,485
General Debt Service	"	7,000,000
Internal Service:		
Employee Insurance - Health	Other Employee Benefit Trust: Flexible Benefits	150,000
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	438,690
Nonmajor governmental	General Purpose School	316

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
Component Unit: General Purpose School	Primary Government: Internal Service Fund	\$ 781
Primary Government: General Debt Service	Component Unit: Other Capital Projects	15,000,000
Primary Government	Rutherford County School Department for Contributions for Debt Service	1,520,510

\$1,520,510 of the due to the primary government from the discretely presented school department relates to primary government debt, which is being serviced by the school department. The remaining \$15,000,000 represents bond anticipation notes borrowed from the General Debt Service fund. This amount was repaid in October upon the issuance of the bonds.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2020, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	General Debt Service Fund	Nonmajor Govern- mental Funds
General Fund	\$ 0	\$ 0	4,171,954
Nonmajor governmental funds	50,000	197,575	0
Internal Service Funds	610,394	0	0
Total	<u>\$ 660,394</u>	<u>\$ 197,575</u>	<u>\$ 4,171,954</u>

Discretely Presented Rutherford County School Department

Transfers Out	Transfers In
	General Purpose School Fund
Nonmajor governmental funds	\$ 989,346

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

F. Long-term Debt

Primary Government

General Obligation Bonds and Other Loans

General Obligation Bonds - 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. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 21 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Rutherford County issues other loans to fund capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Other loans outstanding were issued for original terms of up to eight years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Other loans included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

General obligation bonds and other loans outstanding as of June 30, 2020, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-20
General Obligation Bonds	2.4 to 5%	4-1-38	\$ 345,443,825	\$ 299,945,530
General Obligation Bonds - Refunding	1.6 to 2.8	4-1-34	233,160,000	139,799,470
Direct Borrowing and Direct Placement:				
Other Loans	0.75 to 1.0	3-1-25	3,775,160	2,493,728

The annual requirements to amortize all general obligation bonds and other loans as of June 30, 2020, including interest payments, are presented in the following tables:

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2021	394,192	14,267	408,459
2022	729,199	20,765	749,964
2023	736,534	13,430	749,964
2024	397,946	4,629	402,575
2025	235,857	975	236,832
Total	<u>\$ 2,493,728</u>	<u>\$ 54,066</u>	<u>\$ 2,547,794</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 36,115,000	\$ 17,002,351	\$ 53,117,351
2022	33,810,000	15,430,489	49,240,489
2023	33,650,000	13,778,166	47,428,166
2024	30,220,000	12,206,889	42,426,889
2025	31,460,000	10,804,578	42,264,578
2026-2030	144,465,000	35,296,088	179,761,088
2031-2035	98,420,000	14,044,266	112,464,266
2036-2038	31,605,000	1,864,842	33,469,842
Total	<u>\$ 439,745,000</u>	<u>\$ 120,427,669</u>	<u>\$ 560,172,669</u>

There is \$52,829,597 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,675, based on the 2010 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premiums, totaled \$1,844, based on the 2010 federal census.

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

Description of Debt	Outstanding 6-30-20
<u>Other Loans - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficiency Loan	\$ 56,453
Energy Efficiency Loan	<u>1,464,057</u>
 Total	 <u>\$ 1,520,510</u>

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2020, was as follows:

Governmental Activities:

	Bonds	Other Loans - Direct Placement
Balance, July 1, 2019	\$ 461,250,000	\$ 2,432,670
Additions	14,610,000	529,058
Reductions	<u>(36,115,000)</u>	<u>(468,000)</u>
Balance, June 30, 2020	<u>\$ 439,745,000</u>	<u>\$ 2,493,728</u>
Balance Due Within One Year	<u>\$ 36,115,000</u>	<u>\$ 394,192</u>
	Capital Lease - Direct Placement	
Balance, July 1, 2019	\$ 117,603	
Additions	0	
Reductions	<u>(117,603)</u>	
Balance, June 30, 2020	<u>\$ 0</u>	
Balance Due Within One Year	<u>\$ 0</u>	

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 442,238,728
Less: Balance Due Within One Year - Debt	(36,509,192)
Add: Unamortized Premium on Debt	<u>42,018,694</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 447,748,230</u>

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2020, was as follows:

	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2019	\$ 5,542,474	\$ 2,308,342
Additions	7,093,310	37,773
Reductions	<u>(6,508,665)</u>	<u>(209,849)</u>
Balance, June 30, 2020	<u>\$ 6,127,119</u>	<u>\$ 2,136,266</u>
Balance Due Within One Year	<u>\$ 183,810</u>	<u>\$ 596,500</u>
	Claims and Judgments	Other Postemployment Benefits
Balance, July 1, 2019	\$ 13,475,924	\$ 28,983,874
Additions	71,765,336	3,585,969
Reductions	<u>(68,748,632)</u>	<u>(488,162)</u>
Balance, June 30, 2020	<u>\$ 16,492,628</u>	<u>\$ 32,081,681</u>
Balance Due Within One Year	<u>\$ 13,041,563</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 56,837,694
Less: Balance Due Within One Year - Other	<u>(13,821,873)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 43,015,821</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, \$16,492,628 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.

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, 2020, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2019	\$ 1,629,560	\$ 124,372,444
Additions	1,568,646	15,387,557
Reductions	<u>(1,417,396)</u>	<u>(2,094,747)</u>
Balance, June 30, 2020	<u>\$ 1,780,810</u>	<u>\$ 137,665,254</u>
Balance Due Within One Year	<u>\$ 53,425</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 139,446,064
Less: Balance Due Within One Year - Other	<u>(53,425)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 139,392,639</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, 2020, interest earned and expended totaled \$679 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
2018-19	\$ 776,947	\$ 2,347,152	\$ (1,684,870)	\$ 1,439,229
2019-20	1,439,229	2,250,332	(1,331,179)	2,358,382

Employee Insurance - Health Fund

		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2018-19	\$	10,165,892	\$	61,549,858	\$	(60,908,555)	\$	10,807,195
2019-20		10,807,195		68,590,199		(66,780,448)		12,616,946

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

2018-19	\$	905,000	\$	330,805	\$	(330,805)	\$	905,000
2019-20		905,000		276,057		(269,057)		912,000

On-the-Job Injury Program

2018-19	\$	324,500	\$	455,046	\$	(455,046)	\$	324,500
2019-20		324,500		648,748		(367,948)		605,300

B. 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.

C. 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 \$2,136,266 reported as postclosure care liability at June 30, 2020,

represents amounts based on what it would cost to perform all postclosure care in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

D. 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 \$1,801,450 to the operations of the libraries during the year ended June 30, 2020.

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 manage solid waste effectively and efficiently. 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, 2020.

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

E. 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 56.86 percent, the non-certified employees of the discretely presented school department

comprise 39.32 percent, and the employees of the discretely presented Community Care of Rutherford County, Inc., comprise 3.82 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/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	1,031
Inactive Employees Entitled to But Not Yet Receiving Benefits	2,125
Active Employees	<u>2,805</u>
 Total	 <u><u>5,961</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, 2020, the employer contribution for Rutherford County the employer contributions were \$6,364,876, \$4,295,669, and \$384,212, 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 10.16 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, 2019, 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, 2019, 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 3.44% 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, 2019, 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 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 weighing the expected future real rates of return by the target asset 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 asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
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
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)

Primary Government	Increase (Decrease)		
	Total	Plan	Net Pension
	Pension Liability (a)	Fiduciary Net Position (b)	Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 157,375,514	\$ 166,069,000	\$ (8,693,486)
Changes for the Year:			
Service Cost	\$ 4,541,169	\$	\$ 4,541,169
Interest	11,615,285	0	11,615,285
Differences Between Expected and Actual Experience	(137,645)	0	(137,645)
Contributions-Employer	0	6,142,236	(6,142,236)
Contributions-Employees	0	23,431	(23,431)
Net Investment Income	0	12,465,067	(12,465,067)
Benefit Payments, Including Refunds of Employee Contributions	(4,522,728)	(4,522,728)	0
Administrative Expense	0	(139,405)	139,405
Other Changes	555,509	586,195	(30,686)
Net Changes	\$ 12,051,590	\$ 14,554,796	\$ (2,503,206)
Balance, June 30, 2019	\$ 169,427,104	\$ 180,623,796	\$ (11,196,692)

School Department	Increase (Decrease)		
	Total	Plan	Net Pension
	Pension Liability (a)	Fiduciary Net Position (b)	Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 110,546,161	\$ 116,652,775	\$ (6,106,614)
Changes for the Year:			
Service Cost	\$ 3,140,323	\$	\$ 3,140,323
Interest	8,032,237	0	8,032,237
Differences Between Expected and Actual Experience	(95,185)	0	(95,185)
Contributions-Employer	0	4,247,498	(4,247,498)
Contributions-Employees	0	16,203	(16,203)
Net Investment Income	0	8,619,880	(8,619,880)
Benefit Payments, Including Refunds of Employee Contributions	(3,127,571)	(3,127,571)	0
Administrative Expense	0	(96,401)	96,401
Other Changes	(1,333,220)	(1,406,869)	73,649
Net Changes	\$ 6,616,584	\$ 8,252,740	\$ (1,636,156)
Balance, June 30, 2019	\$ 117,162,745	\$ 124,905,515	\$ (7,742,770)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Community Care			
Balance, July 1, 2018	\$ 9,832,498	\$ 10,375,649	\$ (543,151)
Changes for the Year:			
Service Cost	\$ 305,087	\$	\$ 305,087
Interest	780,345	0	780,345
Differences Between Expected and Actual Experience	(9,247)	0	(9,247)
Contributions-Employer	0	412,651	(412,651)
Contributions-Employees	0	1,575	(1,575)
Net Investment Income	0	837,433	(837,433)
Benefit Payments, Including Refunds of Employee Contributions	(303,848)	(303,848)	0
Administrative Expense	0	(9,366)	9,366
Other Changes	777,711	820,674	(42,963)
Net Changes	\$ 1,550,048	\$ 1,759,119	\$ (209,071)
Balance, June 30, 2019	\$ 11,382,546	\$ 12,134,768	\$ (752,222)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Rutherford County calculated using the discount rate of 7.25 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:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Primary Government			
Net Pension Liability (Asset) \$	13,654,006 \$	(11,196,692) \$	(31,680,979)
School Department			
Net Pension Liability (Asset) \$	9,442,059 \$	(7,742,770) \$	(21,908,127)

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

Net Pension Liability (Asset) \$ 917,311 \$ (752,222) \$ (2,128,409)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2020, Rutherford County recognized pension expense of \$5,181,585, \$3,681,206, and \$305,830, 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, 2020, 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	\$ 383,001	\$ 1,383,832
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,051,438
Changes in Assumptions	1,823,373	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	6,364,876	N/A
Total	<u>\$ 8,571,250</u>	<u>\$ 3,435,270</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2019,” 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	\$ 264,853	\$ 956,952
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	0	1,418,616
Changes in Assumptions	1,260,905	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	4,295,669	N/A
Total	\$ 5,821,427	\$ 2,375,568

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2019,” 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	\$ 25,731	\$ 92,969
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	0	137,821
Changes in Assumptions	122,499	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	384,212	N/A
Total	\$ 532,442	\$ 230,790

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2019,” 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		Amount
June 30		
2021	\$	(20,866)
2022		(1,286,248)
2023		21,666
2024		243,641
2025		(167,417)
Thereafter		(19,672)

School Department:

Year Ending		Amount
June 30		
2021	\$	(14,430)
2022		(889,470)
2023		14,982
2024		168,483
2025		(115,773)
Thereafter		(13,602)

Community Care:

Year Ending		Amount
June 30		
2021	\$	(1,402)
2022		(86,413)
2023		1,456
2024		16,369
2025		(11,248)
Thereafter		(1,322)

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 56.86 percent, the non-certified employees of the discretely presented school department comprise 39.32 percent, and the employees of the discretely presented Community Care of Rutherford County comprise 3.82 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/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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, 2020, to the Teacher Retirement Plan were \$1,140,532, which is 2.03 percent of covered payroll. In addition, employer contributions of \$1,100,528, which is 1.97 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, 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, 2020, the school department reported a liability (asset) of (\$2,425,458) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, 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, 2019, the school department's proportion was 4.296752 percent. The proportion as of June 30, 2018, was 4.140032 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$748,957.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, 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	\$ 100,569	\$ 423,416
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	102,545
Changes in Assumptions	84,273	0
Changes in Proportion of Net Pension Liability (Asset)	0	138,484
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	<u>1,140,532</u>	N/A
Total	<u>\$ 1,325,374</u>	<u>\$ 664,445</u>

The school department's employer contributions of \$1,140,532, 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, 2021. 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
2021	\$ (63,647)
2022	(79,337)
2023	(50,573)
2024	(35,909)
2025	(31,730)
Thereafter	(218,407)

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, 2019, 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 3.44% 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, 2019, 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 asset 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 asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	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.

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%
Net Pension Liability (Asset) \$	768,479 \$	(2,425,458) \$	(4,786,370)

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/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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, 2020, to the Teacher Legacy Pension Plan were \$16,250,443, which is 10.63 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, 2020, the school department reported a liability (asset) of (\$46,086,527) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, 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, 2019, the school department's

proportion was 4.482340 percent. The proportion measured at June 30, 2018, was 4.235836 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$6,884,493.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, 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	\$ 2,243,836	\$ 28,150,566
Changes in Assumptions	6,210,397	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	13,167,808
Changes in Proportion of Net Pension Liability (Asset)	1,300,806	156,843
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	<u>16,250,443</u>	<u>N/A</u>
Total	<u>\$ 26,005,482</u>	<u>\$ 41,475,217</u>

The school department's employer contributions of \$16,250,443 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, 2021. 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
2021	\$ (8,669,432)
2022	(12,832,536)
2023	(5,807,495)
2024	(4,410,716)
2025	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, 2019, 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 3.44% 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, 2019, 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 asset 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 asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
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
		100 %
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 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 (Asset) \$ 94,233,634 \$ (46,086,527) \$ (157,707,325)

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 \$2,809,429 and teachers contributed \$1,443,279 to this deferred compensation pension plan.

F. 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.

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 \$714,972, School Department \$3,191,993, Community Care \$56,797, Airport \$3,688, and E-911 \$0.

Benefits Provided:

Employees Hired 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 \$1,000 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:

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 \$1,000 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 \$1,000 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 retired employee and dependents. For post-65, the county pays 50

percent of adequate rate for Medicare supplement and county pharmacy plan for retired employee and dependents.

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 retired employee and dependents. 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, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	799
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	<u>5,461</u>
Total	<u><u>6,260</u></u>

Total OPEB Liability

The plan's total OPEB liability was determined by an actuarial valuation measured as of July 1, 2018. This liability has been rolled forward to the measurement date of July 1, 2019.

Actuarial Assumptions and Methods. The total OPEB liability on the July 1, 2019, 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	3.51%
Inflation Rate	2.50%
Salary Increases	4.00%
Healthcare Cost Trend Rate	6.0% for medical and 8.5% for Rx in 2018 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, 2020, 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 3.87 percent as of the beginning of the measurement period to 3.51 percent as of the measurement date of July 1, 2019.

Changes in the Total OPEB Liability

	Share of Collective Liability		
	Primary Government	School Department	Community Care
Balance July 1, 2018	\$ 28,983,874	\$ 124,372,444	\$ 2,072,747
Changes for the Year:			
Service Cost	\$ 721,883	\$ 3,097,665	\$ 51,625
Interest	1,140,257	4,892,944	81,544
Change in Assumptions	1,723,829	7,396,948	123,264
Benefit Payments	(488,162)	(2,094,747)	(34,910)
Net Changes	\$ 3,097,807	\$ 13,292,810	\$ 221,523
Balance June 30, 2019	\$ 32,081,681	\$ 137,665,254	\$ 2,294,270

	Share of Collective Liability		Total
	Airport	E-911	
Balance July 1, 2018	\$ 45,519	\$ 85,607	\$ 155,560,191
Changes for the Year:			
Service Cost	\$ 1,133	\$ 2,132	\$ 3,874,438
Interest	1,791	3,368	6,119,904
Change in Assumptions	2,684	5,023	9,251,748
Benefit Payments	(766)	(1,441)	(2,620,026)
Net Changes	\$ 4,842	\$ 9,082	\$ 16,626,064
Balance June 30, 2019	\$ 50,361	\$ 94,689	\$ 172,186,255

During the year, the plan member's proportionate share of the collective OPEB liability was as follows: primary government 18.632%, school department 79.951%, community care 1.333%, airport .029%, and E-911 .055%. The proportionate share of each plan member was allocated based on actual benefit payments paid by the group.

OPEB Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the plan recognized OPEB expense of \$4,272,212 which was allocated as follows: primary government \$1,124,655; school department \$3,089,138; community care \$44,983, airport (\$1,013); E-911 \$14,449. At June 30, 2020, 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	\$ 1,117,076
Changes of Assumptions/Inputs	1,549,352	6,058,990
Benefits Paid After the Measurement Date of June 30, 2019	360,488	0
Total	\$ 1,909,840	\$ 7,176,066

School Department	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 17,744,190
Changes of Assumptions/Inputs	6,648,269	27,257,179
Benefits Paid After the Measurement Date of June 30, 2019	<u>1,640,839</u>	<u>0</u>
Total	<u>\$ 8,289,108</u>	<u>\$ 45,001,369</u>

Community Care	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 344,173
Changes of Assumptions/Inputs	110,788	458,963
Benefits Paid After the Measurement Date of June 30, 2019	<u>4,089</u>	<u>0</u>
Total	<u>\$ 114,877</u>	<u>\$ 803,136</u>

Airport	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 22,462
Changes of Assumptions/Inputs	2,412	11,528
Benefits Paid After the Measurement Date of June 30, 2019	<u>18,139</u>	<u>0</u>
Total	<u>\$ 20,551</u>	<u>\$ 33,990</u>

E-911

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 79,724	\$ 0
Changes of Assumptions/Inputs	4,515	9,833
Benefits Paid After the Measurement Date of June 30, 2019	<u>0</u>	<u>0</u>
Total	<u>\$ 84,239</u>	<u>\$ 9,833</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:

Year Ending June 30	Primary Government
2021	\$ (737,485)
2022	(737,485)
2023	(737,485)
2024	(737,485)
2025	(737,485)
Thereafter	(1,939,289)

Year Ending June 30	School Department
2021	\$ (4,901,471)
2022	(4,901,471)
2023	(4,901,471)
2024	(4,901,471)
2025	(4,901,471)
Thereafter	(13,845,745)

Year Ending June 30	Community Care
2021	\$ (88,186)
2022	(88,186)
2023	(88,186)
2024	(88,186)
2025	(88,186)
Thereafter	(251,418)

Year Ending June 30	<u>Airport</u>	
2021	\$	(3,937)
2022		(3,937)
2023		(3,937)
2024		(3,937)
2025		(3,937)
Thereafter		(11,893)

Year Ending June 30	<u>E-911</u>	
2021	\$	8,949
2022		8,949
2023		8,949
2024		8,949
2025		8,949
Thereafter		29,661

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 3.51 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.51%) or one percentage point higher (4.51%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Primary Government	2.51%	3.51%	4.51%
Total OPEB Liability	\$ 37,656,617	\$ 32,081,681	\$ 27,624,257
	1% Decrease	Current Discount Rate	1% Increase
School Department	2.51%	3.51%	4.51%
Total OPEB Liability	\$ 161,587,929	\$ 137,665,254	\$ 118,538,169

		1% Decrease 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
Community Care				

Total OPEB Liability	\$	2,692,943	\$	2,294,270	\$	1,975,498
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		1% Decrease 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
Airport				

Total OPEB Liability	\$	59,089	\$	50,361	\$	43,347
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		1% Decrease 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
E-911				

Total OPEB Liability	\$	111,158	\$	94,689	\$	81,544
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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 6 to 8.5 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):

		1% Decrease 5 to 7.5%	Current Trend Rates 6 to 8.5%	1% Increase 7 to 9.5%
Primary Government				

Total OPEB Liability	\$	27,497,096	\$	32,081,681	\$	37,855,126
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	1% Decrease 5 to 7.5%	Current Trend Rates 6 to 8.5%	1% Increase 7 to 9.5%
School Department			
Total OPEB Liability	\$ 117,992,510	\$ 137,665,254	\$ 162,439,746
Community Care			
Total OPEB Liability	\$ 1,966,404	\$ 2,294,270	\$ 2,707,139
Airport			
Total OPEB Liability	\$ 43,147	\$ 50,361	\$ 59,400
E-911			
Total OPEB Liability	\$ 81,168	\$ 94,689	\$ 111,744

G. 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.

H. 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.

I. Subsequent Events

On July 17, 2020, Rutherford County issued \$980,761 of other loans for energy efficient school projects.

On October 15, 2020, Rutherford County issued \$90,370,000 in general obligation bonds for school construction and improvements.

On November 12, 2020, Rutherford County issued general obligation refunding bonds totaling \$64,100,000.

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, 2020, 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. The center estimates the useful lives of the respective classes of plant and equipment as follows:

<u>Assets</u>	<u>Years</u>
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 items that qualify for reporting in this category. Accordingly, the items are reported in the Statement of Net Position. These items are for pension changes in experience, pension changes in assumptions, other postemployment benefit plan (OPEB) changes in assumptions, and contributions for the pension plan and OPEB benefits both paid 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, 2020, amounted to \$536,569 and \$370,976, respectively.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of

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

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

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

B. Cash and Certificates of Deposit

The nursing home is authorized to make investments in bonds, notes, or treasury bills of the United States; certificates of deposit at Tennessee state chartered or federally chartered banks and savings and loan associations; Federal Loan Bank bonds; Federal Home Loan Bank notes and bonds; Federal National Mortgage Association notes and debentures; banks or cooperative debentures; or any of its other agencies; or obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law. During the year ended June 30, 2020, 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, 2020, the carrying amount of cash was \$4,139,507, and the bank balance was \$4,349,399. In addition, the nursing home held patient funds in trust with a carrying amount of \$16,166 and a bank balance of \$24,534 at June 30, 2020. 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, 2020. 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, 2020, is summarized as follows:

Description	Balance 7-1-19	Additions	Retirements	Balance 6-30-20
Capital assets not being depreciated:				
Land improvements	\$ 113,184	\$ 0	\$ 0	\$ 113,184
Capital assets being depreciated:				
Leasehold improvements	991,088	66,061	0	1,057,149
Transportation equipment	89,903	0	0	89,903
Furniture, fixtures, and equipment	1,008,848	44,027	(30,104)	1,022,771
Total	<u>\$ 2,089,839</u>	<u>\$ 110,088</u>	<u>\$ (30,104)</u>	<u>\$ 2,169,823</u>
Accumulated depreciation:				
Leasehold improvements	\$ 383,994	\$ 45,932	\$ 0	\$ 429,926
Transportation equipment	86,915	1,452	0	88,367
Furniture, fixtures, and equipment	700,068	61,628	(28,423)	733,273
Total	<u>\$ 1,170,977</u>	<u>\$ 109,012</u>	<u>\$ (28,423)</u>	<u>\$ 1,251,566</u>
Capital assets being depreciated, net	<u>\$ 918,862</u>	<u>\$ 1,076</u>	<u>\$ (1,681)</u>	<u>\$ 918,257</u>
Capital Assets, net	<u>\$ 1,032,046</u>	<u>\$ 1,076</u>	<u>\$ (1,681)</u>	<u>\$ 1,031,441</u>

Depreciation expense for the fiscal year ended June 30, 2020, totaled \$109,012.

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, 2020, are as follows:

	Balance 7-1-19	Additions	Reductions	Balance 6-30-20	Due Within One Year
Compensated absences	\$ 148,140	\$ 182,434	\$ (160,781)	\$ 169,793	\$ 169,793
Total OPEB obligation	2,072,747	256,433	(34,910)	2,294,270	0
	<u>\$ 2,220,887</u>	<u>\$ 438,867</u>	<u>\$ (195,691)</u>	<u>\$ 2,464,063</u>	<u>\$ 169,793</u>

E. Paycheck Protection Program Loan

On May 22, 2020, the nursing home received loan proceeds in the amount of \$1,264,800 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (Cares Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after either eight or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes,

including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the 24-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The nursing home intends to use the proceeds for purposes consistent with the PPP. While the nursing home currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, actions could be taken that could cause the nursing home to be ineligible for forgiveness. The nursing home intends to apply for loan forgiveness within the subsequent year, therefore the entire amount of the loan is classified as short-term. No interest was accrued on this loan as of June 30, 2020.

Paycheck Protection Program

Balance				Balance
July 1, 2019	Additions	Reductions		June 30, 2020
\$ 0	\$ 1,264,800	\$ 0		\$ 1,264,800

F. Patient Funds Held in Trust

At June 30, 2020, the nursing home had a fiduciary responsibility for funds totaling \$16,466 on behalf of patients. Of this amount, \$16,166 was held in a separate interest-bearing cash account, \$300 was held as cash on hand as patient trust petty cash.

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.

G. 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, 2020, medical, hospital and life insurance premiums in the amount of \$904,351 were paid timely.

H. 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	40 %
Medicare	25
Private	17
Insurance	18
	<hr/>
	100 %
	<hr/>

Approximately 88 percent of net patient revenue is derived from third-party payers.

I. 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.

J. 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 <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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 3.82 percent of the plan based on contributions.

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, 2020, employer contributions for Community Care of Rutherford County, Inc., were \$384,212 based on a rate of 10.16 percent of covered payroll, which was higher than the employer actuarially determined contribution rate of 8.42 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 Liability (Asset)

Pension Assets. At June 30, 2020, Community Care of Rutherford County, Inc., reported an asset of \$752,222 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019, 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, 2020, Community Care of Rutherford County, Inc.'s proportion was 3.82 percent.

Actuarial Assumptions. The total pension liability as of the June 30, 2019, 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 3.44% 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, 2019, 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 asset 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 asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	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 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 (Asset)	\$ 917,311	\$ (752,222)	\$ (2,128,409)
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Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense. For the year ended June 30, 2020, Community Care of Rutherford County, Inc., recognized pension expense of \$350,241.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, 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	\$ 25,731	\$ 92,969
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		137,821
Changes in Assumptions	122,499	
Contributions Subsequent to the Measurement Date of June 30, 2019	384,212	
Total	<u>\$ 532,442</u>	<u>\$ 230,790</u>

The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2019,” 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
2021	\$ (1,402)
2022	(86,413)
2023	1,456
2024	16,368
2025	(11,248)
Thereafter	(1,321)

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

Payable to the Pension Plan. At June 30, 2020, the nursing home reported a payable of \$29,248 for outstanding contributions due to the pension plan at June 30, 2020.

K. 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 \$56,797 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 \$1,000 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, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Methods. The total OPEB liability on the July 1, 2019, 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	3.51%
Inflation Rate	2.50%
Salary Increases	4.00%
Healthcare Cost Trend Rate	6% for medical and 8.5% for Rx in 2018 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, 2020, 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 3.87 percent as of the beginning of the measurement period to 3.51 percent as of the measurement date of July 1, 2019.

During the year, the nursing home's proportionate share of the collective OPEB liability was 1.333%. 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, 2020, the nursing home's portion of OPEB expense recognized by the plan was \$44,983. At June 30, 2020, 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	\$ 344,173
Changes of Assumptions/Inputs	110,788	458,963
Benefits Paid After the Measurement Date	4,089	0
Total	<u>\$ 114,877</u>	<u>\$ 803,136</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:

Year Ending	
<u>June 30</u>	
2021	\$ (88,186)
2022	(88,186)
2023	(88,186)
2024	(88,186)
2025	(88,186)
Thereafter	(251,418)

In the table 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 3.51 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.51%) or one percentage point higher (4.51%) than the current rate:

	1%	Current	1%
	Decrease	Discount	Increase
Community Care	2.51%	3.51%	4.51%
Total OPEB Liability	\$ 2,692,943	\$ 2,294,270	\$ 1,975,498

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 6 to 8.5 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:

Community Care	1% Decrease 5 to 7.5%	Current Trend Rates 6 to 8.5%	1% Increase 7 to 9.5%
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Total OPEB Liability	\$ 1,966,404	\$ 2,294,270	\$ 2,707,139
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L. Health Care Regulations

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

M. Risks and Uncertainties Related to the Pandemic (COVID-19)

In March 2020, the World Health Organization classified a new strain of coronavirus outbreak as a pandemic (COVID- 19). As the outbreak continues to spread throughout the area in which the nursing home operates, federal, state, or local health departments have banned or limited admissions to the Nursing Home’s facility as a precautionary measure to avoid the spread of COVID-19. Patients have postponed or refused necessary care in an attempt to avoid possible exposure to COVID-19, thereby reducing occupancy. Residents in the nursing home have tested positive for COVID-19; accordingly, the nursing home will incur significantly increased costs for caring for those patients/residents and, in all likelihood, a reduced occupancy will continue to occur. Further, COVID-19 has impacted the nursing home’s operations by causing staffing and supply shortages. The extent of the impact of COVID-19 on the nursing home’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the nursing home’s patients (residents), employees, and vendors, all of which are uncertain and cannot be predicted. Given these uncertainties, the nursing home cannot reasonably estimate the related impact to its business, operating results, and financial condition, if any. While expected to be temporary, these disruptions may negatively impact the

nursing home's patient service revenue, its results of operations, financial condition, and liquidity during the subsequent year.

N. 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, 2020, 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, 2020, 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, 2020, prepaid insurance and service contract costs were \$115,250.

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. Non-exempt employees are entitled to overtime or 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, 2020, and is \$77,620.

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

Operating Revenues and Expenses – The district's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its principal ongoing operations. All other revenues and expenses are reported as nonoperating revenues and expenses and consist of those revenues and expenses that are related to financing and investing type of activities and result from nonexchange transactions or ancillary activities.

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The district has three items that qualify for reporting in this category, two related to pension and one related to OPEB changes in assumptions.

Reclassifications – Certain reclassifications have been made to the prior year financial statements in order to conform to the current year presentation.

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, 2020, the Board of Directors chose to limit the investment of funds to demand deposits and certificates of deposits at banking institutions.

At June 30, 2020, the carrying amount of cash deposits was \$1,990,214 and the bank balance was \$2,418,258, as listed below. All bank accounts earn a variable rate of interest. At June 30, 2020, the entire bank balance was

covered by federal depository insurance or by collateral held in the Tennessee Bank Collateral Pool.

Cash Accounts	Interest Rate	Carrying Amount	Bank Balance
SunTrust Bank checking	0.04%	\$ 1,740,057	\$ 2,168,101
SunTrust Bank cash investment	0.00	250,157	250,157
Total		\$ 1,990,214	\$ 2,418,258

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, 2020, the district held the following certificates of deposit:

Bank	Maturity	Interest	Amount
CB & S Bank	12-19-21	0.90 %	\$ 250,000
First Bank	11-6-20	2.80	250,000
Pinnacle Bank	1-13-22	1.30	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	1-20-21	1.78	249,999
F&M Bank	10-24-21	1.74	250,010
Bank of America	8-22-22	1.83	250,000
First Nat'l Bank of Manchester	4-18-21	1.25	250,000
Wilson Bank & Trust	3-19-22	1.65	250,000
SmartBank	7-20-21	1.25	250,000
Total			\$ 2,750,009

C. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-19	Additions	Reductions	Balance 6-30-20
<u>Depreciable Assets</u>				
Buildings and Improvements	\$ 1,229,683	\$ 0	\$ (17,127)	\$ 1,212,556
Furniture and Fixtures	115,418	0	(27,751)	87,667
Office Equipment	20,400	0	(6,214)	14,186
Communications Equipment	2,013,853	0	(183,960)	1,829,893
Vehicle	48,775	0	0	48,775
Other Capital Assets	432,182	105,947	0	538,129
Total	<u>\$ 3,860,311</u>	<u>\$ 105,947</u>	<u>\$ (235,052)</u>	<u>\$ 3,731,206</u>
<u>Less: Accumulated Depreciation</u>				
Buildings and Improvements	\$ (523,694)	\$ (32,934)	\$ 4,246	\$ (552,382)
Furniture and Fixtures	(55,626)	(6,966)	27,751	(34,841)
Office Equipment	(20,400)	0	6,213	(14,187)
Communications Equipment	(956,979)	(158,231)	183,960	(931,250)
Vehicle	(45,529)	(3,246)	0	(48,775)
Other Capital Assets	(382,843)	(43,074)	0	(425,917)
Total	<u>\$ (1,985,071)</u>	<u>\$ (244,451)</u>	<u>\$ 222,170</u>	<u>\$ (2,007,352)</u>
<u>Non-depreciable Assets</u>				
Land	\$ 17,500	\$ 0	\$ 0	\$ 17,500
Construction in Progress	74,526	0	(74,526)	0
Other assets-not depreciated	0	566,003	0	566,003
Total	<u>\$ 92,026</u>	<u>\$ 566,003</u>	<u>\$ (74,526)</u>	<u>\$ 583,503</u>
Total Capital Assets	<u>\$ 1,967,266</u>	<u>\$ 427,499</u>	<u>\$ (87,408)</u>	<u>\$ 2,307,357</u>

A reclassification was made to the beginning balance of other capital assets to construction in progress in the amount of \$74,526 for an asset purchased but not installed at June 30, 2019.

D. Deposit on Intangible Asset

During the fiscal year ended June 30, 2020, the district entered into a Master Dark Fiber IRU Agreement ("IRU Agreement") with United Communications. The IRU Agreement provides the district with an irrevocable right to use certain optical fibers in various portions of the United Communications network. As of June 30, 2020, the district has paid 35% of the contract price that was due upon execution of the IRU Route Order which outlined the fiber specifications and acceptance procedures, in the amount of \$328,300. An additional 35% will be paid upon completion of the Make Ready Work, the process of ensuring the utility poles, upon which the optic cable will be strung are in suitable condition to receive the cable. The final 30% will be due following the acceptance date of the fibers. Upon

acceptance, the district has the right-to-use of the fibers for a period of 20 years.

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 <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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 projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd 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, 2019, the follow employees were covered by the benefit terms:

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

Contributions – Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Rutherford County Emergency Communications District has adopted a noncontributory retirement plan for its employees. Rutherford County Emergency Communications District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, the employer contributions for Rutherford County Emergency Communications District were \$40,156 based on a rate of 10.87 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 (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 Emergency Communications District’s net pension liability (asset) was measured as of June 30, 2019, 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, 2019, 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 3.44 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, 2019, 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 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
		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 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, 2018	\$ 966,245	\$ 834,434	\$ 131,811
Changes for the year:			
Service Cost	\$ 15,618	\$ 0	\$ 15,618
Interest	70,772	0	70,772
Differences Between Expected and Actual Experience	(7,038)	0	(7,038)
Changes in Assumptions	0	0	0
Contributions-Employer	0	35,507	(35,507)
Contributions-Employees	0	0	0
Net Investment Income	0	63,016	(63,016)
Benefit Payments, Including Refunds of Employee Contributions	(11,408)	(11,408)	0
Administrative Expense	0	(356)	356
Net Changes	\$ 67,944	\$ 86,759	\$ (18,815)
Balance, June 30, 2019	\$ 1,034,189	\$ 921,193	\$ 112,996

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 %) or one percentage point higher (8.25 %) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rutherford County Emergency Communications District	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 275,117 \$ 112,996 \$ (21,080)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense – For the year ended June 30, 2020, Rutherford County Emergency Communications District recognized pension expense of \$43,484.

Deferred outflows of resources and deferred inflows of resources – For the year ended June 30, 2020, 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	\$ 32,150	\$ 19,456
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	10,211
Changes in Assumptions	9,070	0
Contributions Subsequent to the Measurement Date of June 30, 2019	40,156	0
Total	<u>\$ 81,376</u>	<u>\$ 29,667</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2019,” 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:	
2021	\$ 12,845
2022	3,896
2023	891
2024	(4,903)
2025	(1,176)

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, 2020.

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. Other Postemployment Benefits (OPEB)

The district provides OPEB benefits to their retirees through a single commercial insurance plan of Rutherford 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 treated as a cost-sharing plan. 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 four of GASB Statement No. 75.

Plan Description – All full-time employees and eligible retirees of the district are eligible to participate in the health insurance plan accounted for in the Employee Insurance – Health Fund (internal service fund) of Rutherford 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 authorized the policy in terms of subsidizing active employees or retire employees' premiums. During the year, the district paid \$0 to the plan for OPEB benefits as they became due.

Benefits Provided –

Employees Hired after December 31, 2010 –

All full-time employees and eligible retirees of the district 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 \$1,000 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 the district 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 \$1,000 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 \$1,000 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 the adequate rate for Medicare supplement and the 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 the 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 retired employee and dependents. For post-65, the County pays 50 percent of the adequate rate for Medicare supplement and the county pharmacy plan for retired employee and dependents.

- 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 50 percent of the adequate rate for retired employee and dependents. For post-65, the County pays 75 percent of the adequate rate for themselves and 50 percent of the adequate rate for dependents for Medicare supplement and the county pharmacy plan.

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

The plan’s total OPEB liability was measured as of July 1, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Methods. The total OPEB liability on the July 1, 2019, 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	3.51%
Inflation Rate	2.50%
Salary Increases	4.00%
Healthcare Cost Trend Rate	6.0% for medical and 8.5% for Rx in 2018 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, 2020 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 3.87 percent as of the beginning of the measurement period to 3.51 percent as of the measurement date of July 1, 2019.

During the year, the district's proportionate share of the collective OPEB liability was .055%. 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 Resources - For the year ended June 30, 2020, the district's portion of OPEB expense recognized by the plan was \$14,449. At June 30, 2020, the district 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
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 79,724	\$ 0
Changes of Assumptions/Inputs	4,515	9,833
Total	<u>\$ 84,239</u>	<u>\$ 9,833</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:

Year Ending June 30	E-911 District
2021	\$ 8,949
2022	8,949
2023	8,949
2024	8,949
2025	8,949
Thereafter	29,661

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

Sensitivity of the District’s Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the total OPEB liability calculated using the discount rate of 3.51 percent, as well as what the District’s proportionate share of the total OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.51%) or one percentage point higher (4.51%) than the current rate:

	1% Decrease 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
Total OPEB Liability	\$ 111,158	\$ 94,689	\$ 81,544

Sensitivity of District’s Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the District’s proportionate share of the total OPEB liability calculated using the healthcare cost trend rate of 6 to 8.5 percent, as well as what the share of the total OPEB liability would be if it was calculated using a trend rate that is or one percentage point higher than the current rate:

	1% Decrease 5 to 7.5%	Current Discount Rate 6 to 8.5%	1% Increase 7 to 9.5%
Total OPEB Liability	\$ 81,168	\$ 94,689	\$ 111,744

H. Transactions with Primary Government

Amounts paid to Rutherford County for mapping services and maintenance agreements totaled \$75,000. Rutherford County also administers the payroll

reporting for the district. The district reimbursed Rutherford County \$476,680 for salaries and benefits paid on the district's behalf.

I. Commitments

On November 18, 2019, the district entered into a contract with the State of Tennessee to remit \$1,063 monthly for 24 months, for disaster recovery services. The future payments for the year ending June 30, 2021, and June 30, 2022, are \$12,756 and \$4,252, respectively.

As described in Note VII.D, the district has entered into a Master Dark Fiber IRU Agreement. At June 30, 2020, the district has paid 35% of the total contract price of approximately \$938,000, leaving the remaining balance committed on the project at June 30, 2020, in the amount of \$609,700.

J. Risks and Uncertainties Related to the Pandemic (COVID-19)

In March 2020, the World Health Organization classified a new strain of coronavirus outbreak as a pandemic (COVID-19). As a result of the outbreak, individuals, governments, and financial markets have experienced unprecedented disruption and risk. The effects of the pandemic are believed to be temporary, management is not currently aware of any negative effects on the subsequent year revenue, financial condition or liquidity; however, if the pandemic continues, the disruption may negatively impact the district's revenues, financial condition, and liquidity during the subsequent fiscal year.

**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	2018	2019
Total Pension Liability						
Service Cost	\$ 2,569,896	\$ 3,618,341	\$ 3,686,202	\$ 4,017,655	\$ 4,387,268	\$ 4,541,169
Interest	6,111,706	8,816,901	9,357,749	10,414,555	10,845,557	11,615,285
Differences Between Actual and Expected Experience	2,079	(1,836,333)	693,814	148,760	(1,030,643)	(137,645)
Changes in Assumptions	0	0	0	3,256,002	0	0
Benefit Payments, Including Refunds of Employee Contributions	(2,070,807)	(3,075,600)	(3,357,210)	(3,811,933)	(4,066,583)	(4,522,728)
Other	0	28,910,338	(239,049)	3,606,102	(3,534,174)	555,509
Net Change in Total Pension Liability	\$ 6,612,874	\$ 36,433,646	\$ 10,141,507	\$ 17,631,142	\$ 6,601,425	\$ 12,051,590
Total Pension Liability, Beginning	79,954,920	86,567,794	123,001,440	133,142,947	150,774,089	157,375,514
Total Pension Liability, Ending (a)	\$ 86,567,794	\$ 123,001,440	\$ 133,142,947	\$ 150,774,089	\$ 157,375,514	\$ 169,427,104
Plan Fiduciary Net Position						
Contributions - Employer	\$ 4,371,110	\$ 5,590,866	\$ 5,826,912	\$ 5,701,929	\$ 5,849,461	\$ 6,142,236
Contributions - Employee	3,738	292	5,879	300	0	23,431
Net Investment Income	12,888,992	3,808,129	3,440,094	15,737,798	12,665,478	12,465,067
Benefit Payments, Including Refunds of Employee Contributions	(2,070,807)	(3,075,600)	(3,357,210)	(3,811,933)	(4,066,583)	(4,522,728)
Administrative Expense	(41,246)	(72,007)	(108,787)	(129,923)	(146,451)	(139,405)
Other	0	30,659,881	(250,160)	3,636,930	(3,642,840)	586,195
Net Change in Plan Fiduciary Net Position	\$ 15,151,787	\$ 36,911,560	\$ 5,556,728	\$ 21,135,101	\$ 10,659,066	\$ 14,554,796
Plan Fiduciary Net Position, Beginning	76,654,756	91,806,544	128,718,104	134,274,833	155,409,934	166,069,000
Plan Fiduciary Net Position, Ending (b)	\$ 91,806,544	\$ 128,718,104	\$ 134,274,833	\$ 155,409,934	\$ 166,069,000	\$ 180,623,796
Net Pension Liability (Asset), Ending (a - b)	\$ (5,238,749)	\$ (5,716,664)	\$ (1,131,886)	\$ (4,635,845)	\$ (8,693,486)	\$ (11,196,692)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.05%	104.65%	100.85%	103.07%	105.52%	106.61%
Covered Payroll	\$ 46,043,005	\$ 46,712,485	\$ 48,858,829	\$ 53,670,979	\$ 55,032,657	\$ 57,744,945
Net Pension Liability (Asset) as a Percentage of Covered Payroll	15.21%	12.24%	2.33%	(8.67)%	(15.84)%	(19.43)%

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	2018	2019
Total Pension Liability						
Service Cost	\$ 3,177,998	\$ 2,465,714	\$ 2,512,934	\$ 2,636,889	\$ 3,081,773	\$ 3,140,323
Interest	7,557,888	6,008,266	6,379,305	6,835,337	7,618,305	8,032,237
Differences Between Actual and Expected Experience	2,571	(1,251,367)	472,982	97,635	(723,960)	(95,185)
Changes in Assumptions	0	0	0	2,136,997	0	0
Benefit Payments, Including Refunds of Employee Contributions	(2,560,812)	(2,095,864)	(2,288,655)	(2,501,869)	(2,856,512)	(3,127,571)
Other	0	(28,359,471)	(130,390)	(1,013,480)	4,469,690	(1,333,220)
Net Change in Total Pension Liability	\$ 8,177,646	\$ (23,232,722)	\$ 6,946,176	\$ 8,191,510	\$ 11,589,296	\$ 6,616,584
Total Pension Liability, Beginning	98,874,255	107,051,901	83,819,179	90,765,355	98,956,865	110,546,161
Total Pension Liability, Ending (a)	\$ 107,051,901	\$ 83,819,179	\$ 90,765,355	\$ 98,956,865	\$ 110,546,161	\$ 117,162,745
Plan Fiduciary Net Position						
Contributions - Employer	\$ 5,405,424	\$ 3,809,889	\$ 3,972,285	\$ 3,742,321	\$ 4,108,870	\$ 4,247,498
Contributions - Employee	4,623	199	4,008	197	0	16,203
Net Investment Income	15,938,851	2,595,045	2,345,158	10,329,117	8,896,683	8,619,880
Benefit Payments, Including Refunds of Employee Contributions	(2,560,812)	(2,095,864)	(2,288,655)	(2,501,869)	(2,856,512)	(3,127,571)
Administrative Expense	(51,006)	(49,069)	(74,162)	(85,272)	(102,872)	(96,401)
Other	0	(30,075,677)	(136,450)	(1,021,984)	4,607,119	(1,406,869)
Net Change in Plan Fiduciary Net Position	\$ 18,737,080	\$ (25,815,478)	\$ 3,822,185	\$ 10,462,510	\$ 14,653,288	\$ 8,252,740
Plan Fiduciary Net Position, Beginning	94,793,190	113,530,270	87,714,792	91,536,977	101,999,487	116,652,775
Plan Fiduciary Net Position, Ending (b)	\$ 113,530,270	\$ 87,714,792	\$ 91,536,977	\$ 101,999,487	\$ 116,652,775	\$ 124,905,515
Net Pension Liability (Asset), Ending (a - b)	\$ (6,478,369)	\$ (3,895,613)	\$ (771,622)	\$ (3,042,622)	\$ (6,106,614)	\$ (7,742,770)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.05%	104.65%	100.85%	103.07%	105.52%	106.61%
Covered Payroll	\$ 29,077,624	\$ 31,820,841	\$ 33,273,947	\$ 35,214,136	\$ 38,648,492	\$ 39,943,296
Net Pension Liability (Asset) as a Percentage of Covered Payroll	15.21%	12.24%	2.33%	(8.67)%	(15.84)%	(19.43)%

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	2018	2019
Total Pension Liability						
Service Cost	\$ 308,896	\$ 308,774	\$ 326,270	\$ 270,060	\$ 274,107	\$ 305,087
Interest	734,615	752,396	828,266	700,048	677,608	780,345
Differences Between Actual and Expected Experience	250	(156,705)	61,410	9,999	(64,392)	(9,247)
Changes in Assumptions	0	0	0	218,863	0	0
Benefit Payments, Including Refunds of Employee Contributions	(248,907)	(262,458)	(297,151)	(256,231)	(254,072)	(303,848)
Other	0	(550,867)	369,438	(2,592,622)	(935,516)	777,711
Net Change in Total Pension Liability	\$ 794,854	\$ 91,140	\$ 1,288,234	\$ (1,649,884)	\$ (302,265)	\$ 1,550,048
Total Pension Liability, Beginning	9,610,419	10,405,273	10,496,413	11,784,647	10,134,763	9,832,498
Total Pension Liability, Ending (a)	\$ 10,405,273	\$ 10,496,413	\$ 11,784,647	\$ 10,134,763	\$ 9,832,498	\$ 11,382,546
Plan Fiduciary Net Position						
Contributions - Employer	\$ 525,399	\$ 477,100	\$ 515,747	\$ 383,273	\$ 365,462	\$ 412,651
Contributions - Employee	449	25	520	20	0	1,575
Net Investment Income	1,549,231	324,969	304,487	1,057,866	791,313	837,433
Benefit Payments, Including Refunds of Employee Contributions	(248,907)	(262,458)	(297,151)	(256,231)	(254,072)	(303,848)
Administrative Expense	(4,958)	(6,145)	(9,629)	(8,733)	(9,150)	(9,366)
Other	0	(584,204)	386,609	(2,614,651)	(964,280)	820,674
Net Change in Plan Fiduciary Net Position	\$ 1,821,214	\$ (50,713)	\$ 900,584	\$ (1,438,455)	\$ (70,727)	\$ 1,759,119
Plan Fiduciary Net Position, Beginning	9,213,746	11,034,960	10,984,248	11,884,832	10,446,376	10,375,649
Plan Fiduciary Net Position, Ending (b)	\$ 11,034,960	\$ 10,984,248	\$ 11,884,832	\$ 10,446,376	\$ 10,375,649	\$ 12,134,768
Net Pension Liability (Asset), Ending (a - b)	\$ (629,687)	\$ (487,835)	\$ (100,185)	\$ (311,613)	\$ (543,151)	\$ (752,222)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.05%	104.65%	100.85%	103.07%	105.52%	106.61%
Covered Payroll	\$ 3,789,014	\$ 3,988,436	\$ 4,320,309	\$ 3,610,253	\$ 3,433,547	\$ 3,880,012
Net Pension Liability (Asset) as a Percentage of Covered Payroll	15.21%	12.24%	2.33%	(8.67)%	(15.84)%	(19.43)%

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	2019	2020
Actuarially Determined Contribution	\$ 5,591,490	\$ 5,843,440	\$ 5,720,040	\$ 5,866,361	\$ 6,157,743	\$ 6,364,876
Less Contributions in Relation to the						
Actuarially Determined Contribution	(5,591,490)	(5,843,440)	(5,720,040)	(5,866,361)	(6,157,743)	(6,364,876)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 46,712,485	\$ 48,858,829	\$ 53,670,979	\$ 55,032,657	\$ 57,744,945	\$ 62,624,119
Contributions as a Percentage of						
Covered Payroll	11.97%	11.97%	10.66%	10.66%	10.66%	10.16%

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	2019	2020
Actuarially Determined Contribution	\$ 3,808,948	\$ 3,982,892	\$ 3,753,831	\$ 4,119,936	\$ 4,257,952	\$ 4,295,669
Less Contributions in Relation to the						
Actuarially Determined Contribution	(3,808,948)	(3,982,892)	(3,753,831)	(4,119,936)	(4,257,952)	(4,295,669)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 31,820,841	\$ 33,273,947	\$ 35,214,136	\$ 38,648,492	\$ 39,943,296	\$ 42,280,182
Contributions as a Percentage of						
Covered Payroll	11.97%	11.97%	10.66%	10.66%	10.66%	10.16%

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	2019	2020
Actuarially Determined Contribution	\$ 513,236	\$ 517,141	\$ 384,853	\$ 366,016	\$ 413,785	\$ 384,212
Less Contributions in Relation to the Actuarially Determined Contribution	(513,236)	(517,141)	(384,853)	(366,016)	(413,785)	(384,212)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 3,988,436	\$ 4,320,309	\$ 3,610,253	\$ 3,433,547	\$ 3,880,012	\$ 3,781,609
Contributions as a Percentage of Covered Payroll	11.97%	11.97%	10.66%	10.66%	10.66%	10.16%

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	2019	2020
Contractually Required Contribution	\$ 316,382	\$ 659,699	\$ 1,014,698	\$ 1,447,156	\$ 882,087	\$ 1,140,532
Less Contributions in Relation to the Contractually Required Contribution	(316,382)	(659,699)	(1,014,698)	(1,447,156)	(882,087)	(1,140,532)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 7,909,475	\$ 16,492,393	\$ 25,827,905	\$ 36,178,724	\$ 45,468,436	\$ 56,192,539
Contributions as a Percentage of Covered Payroll	4.0%	4.0%	4.00%	4.0%	1.94%	2.03%

Note: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).

2019: Pension - 1.94%, SRT - 2.02%

2020: Pension - 2.03%, SRT - 1.97%

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	2019	2020
Contractually Required Contribution	\$ 13,375,185	\$ 13,266,310	\$ 13,139,659	\$ 13,248,019	\$ 13,467,559	\$ 15,721,307	\$ 16,250,443
Less Contributions in Relation to the							
Contractually Required Contribution	(13,375,185)	(13,266,310)	(13,139,659)	(13,248,019)	(13,467,559)	(15,721,307)	(16,250,443)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 150,621,457	\$ 146,751,255	\$ 145,350,015	\$ 146,087,228	\$ 148,321,247	\$ 150,299,326	\$ 152,873,395
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.07%	9.08%	10.46%	10.63%

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 Retirement Plan of TCRS
Discretely Presented Rutherford County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Asset	3.806811%	3.748250%	3.864995%	4.140032%	4.296752%
School Department's Proportionate Share of the Net Pension Liability Asset	\$ (153,146)	\$ (390,205)	\$ (1,019,719)	\$ (1,877,620)	\$ (2,425,458)
Covered Payroll	\$ 7,909,475	\$ 16,492,393	\$ 25,830,753	\$ 36,178,724	\$ 45,468,436
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(3.95)%	(5.19)%	(5.33)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%	123.07%

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

	2014	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Asset	3.837498%	3.920158%	4.026546%	4.145713%	4.235836%	4.482340%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (623,576)	\$ 1,605,831	\$ 25,163,682	\$ (1,356,408)	\$ (14,905,548)	\$ (46,086,527)
Covered Payroll	\$ 150,621,457	\$ 146,751,255	\$ 145,350,015	\$ 146,086,516	\$ 148,325,289	\$ 150,299,326
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094253%	17.310000%	(.93)%	(10.05)%	(30.66)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

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

Exhibit F-11

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, Discretely Presented Rutherford County Emergency
Communications District, and Rutherford County Airport (joint venture)
For the Fiscal Year Ended June 30

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 6,297,303	\$ 5,350,641	\$ 3,874,438
Interest	5,958,633	7,001,893	6,119,904
Differences Between Actual and Expected Experience	0	(23,773,341)	0
Changes in Assumptions or Other Inputs	(22,493,216)	(22,183,253)	9,251,748
Benefit Payments	(2,483,641)	(2,118,819)	(2,620,026)
Net Change in Total OPEB Liability	\$ (12,720,921)	\$ (35,722,879)	\$ 16,626,064
Total OPEB Liability, Beginning	204,003,991	191,283,070	155,560,191
Total OPEB Liability, Ending - As of the Measurement Date	<u>\$ 191,283,070</u>	<u>\$ 155,560,191</u>	<u>\$ 172,186,255</u>
Proportionate Share of Total OPEB Liability:			
Primary Government	\$ 32,782,293	\$ 28,983,874	\$ 32,081,681
School Department	155,772,597	124,372,444	137,665,254
Community Care	2,652,550	2,072,747	2,294,270
E-911	0	85,607	94,689
Airport	75,630	45,519	50,361
Covered Employee Payroll:			
Primary Government	\$ 50,967,314	\$ 51,985,924	\$ 54,538,342
School Department	207,129,268	223,174,798	235,708,059
Community Care	4,793,494	3,433,547	4,664,180
E-911	0	305,425	313,114
Airport	303,923	503,662	520,495
Net OPEB Liability as a Percentage of Covered Employee Payroll:			
Primary Government	64.32%	55.75%	58.82%
School Department	75.21%	55.73%	58.40%
Community Care	55.34%	60.37%	49.19%
E-911	0.00%	28.03%	30.24%
Airport	24.88%	9.04%	9.68%

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	3.58%
2018	3.87%
2019	3.51%

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, 2020

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2020 were calculated based on the June 30, 2018, 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	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4.00%
Investment Rate of Return	7.25%, 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	2.25%

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 percent; and modified mortality assumptions.

**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, 2020

	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	1,862,239
Equity in Pooled Cash and Investments	9,379,080	5,645,164	295,051	95,960	825,663	0
Accounts Receivable	133,728	4,190,187	0	97	16,271	3,179
Allowance for Uncollectibles	0	(1,336,176)	0	0	0	0
Due from Other Governments	691,371	67,558	0	0	0	0
Property Taxes Receivable	0	7,382,835	0	0	0	0
Allowance for Uncollectible Property Taxes	0	(367,462)	0	0	0	0
Notes Receivable - Long-term	0	0	2,194,639	0	0	0
Total Assets	\$ 10,204,579	\$ 15,582,106	\$ 2,489,690	\$ 96,057	\$ 841,934	\$ 1,865,418
<u>LIABILITIES</u>						
Accounts Payable	\$ 5,705	\$ 96,936	\$ 0	\$ 0	\$ 0	0
Accrued Payroll	37,990	227,253	0	0	0	0
Payroll Deductions Payable	792	166	0	0	0	0
Retainage Payable	0	0	0	0	0	0
Due to Other Funds	0	12	0	0	0	676,471
Total Liabilities	\$ 44,487	\$ 324,367	\$ 0	\$ 0	\$ 0	676,471
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 6,942,574	\$ 0	\$ 0	\$ 0	0
Deferred Delinquent Property Taxes	0	61,985	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	Constitutional Officers - Fees
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Other Deferred/Unavailable Revenue	\$ 381,095	\$ 2,036,470	\$ 0	\$ 0	\$ 0	\$ 0
Total Deferred Inflows of Resources	<u>\$ 381,095</u>	<u>\$ 9,041,029</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 96,057	\$ 841,934	\$ 0
Restricted for Public Health and Welfare	0	6,378	0	0	0	0
Restricted for Debt Service	0	0	2,244,593	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	550,000
Assigned for Administration of Justice	0	0	0	0	0	463,693
Assigned for Public Health and Welfare	9,778,997	6,210,332	0	0	0	0
Assigned for Other Operations	0	0	245,097	0	0	0
Assigned for Highways/Public Works	0	0	0	0	0	0
Total Fund Balances	<u>\$ 9,778,997</u>	<u>\$ 6,216,710</u>	<u>\$ 2,489,690</u>	<u>\$ 96,057</u>	<u>\$ 841,934</u>	<u>\$ 1,188,947</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,204,579</u>	<u>\$ 15,582,106</u>	<u>\$ 2,489,690</u>	<u>\$ 96,057</u>	<u>\$ 841,934</u>	<u>\$ 1,865,418</u>

(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	\$ 1,862,639	\$ 0	\$ 0	\$ 1,862,639
Equity in Pooled Cash and Investments	18,320,197	34,561,115	13,649,096		48,210,211
Accounts Receivable	15,604	4,359,066	85,020		4,444,086
Allowance for Uncollectibles	0	(1,336,176)	0		(1,336,176)
Due from Other Governments	718,954	1,477,883	0		1,477,883
Property Taxes Receivable	1,017,968	8,400,803	0		8,400,803
Allowance for Uncollectible Property Taxes	(50,667)	(418,129)	0		(418,129)
Notes Receivable - Long-term	0	2,194,639	0		2,194,639
Total Assets	\$ 20,022,056	\$ 51,101,840	\$ 13,734,116	\$ 0	\$ 64,835,956
<u>LIABILITIES</u>					
Accounts Payable	\$ 79,885	\$ 182,526	\$ 0	\$ 0	\$ 182,526
Accrued Payroll	87,580	352,823	0		352,823
Payroll Deductions Payable	0	958	0		958
Retainage Payable	0	0	10,000		10,000
Due to Other Funds	2	676,485	7,000,000		7,676,485
Total Liabilities	\$ 167,467	\$ 1,212,792	\$ 7,010,000	\$ 0	\$ 8,222,792
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 957,263	\$ 7,899,837	\$ 0	\$ 0	\$ 7,899,837
Deferred Delinquent Property Taxes	8,547	70,532	0		70,532

(Continued)

Exhibit G-1

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

	<u>Special Revenue Funds</u>		<u>Capital</u>	
	<u>(Cont.)</u>		<u>Projects Fund</u>	
	<u>Highway /</u>		<u>General</u>	<u>Total</u>
	<u>Public</u>	<u>Total</u>	<u>Capital</u>	<u>Nonmajor</u>
	<u>Works</u>		<u>Projects</u>	<u>Governmental</u>
				<u>Funds</u>
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>				
Other Deferred/Unavailable Revenue	\$ 95,517	\$ 2,513,082	\$ 0	\$ 2,513,082
Total Deferred Inflows of Resources	\$ 1,061,327	\$ 10,483,451	\$ 0	\$ 10,483,451
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 0	\$ 937,991	\$ 0	\$ 937,991
Restricted for Public Health and Welfare	0	6,378	0	6,378
Restricted for Debt Service	0	2,244,593	0	2,244,593
Restricted for Capital Projects	0	0	6,724,116	6,724,116
Committed:				
Committed for Highways/Public Works	2,532,603	2,532,603	0	2,532,603
Assigned:				
Assigned for General Government	0	175,254	0	175,254
Assigned for Finance	0	550,000	0	550,000
Assigned for Administration of Justice	0	463,693	0	463,693
Assigned for Public Health and Welfare	0	15,989,329	0	15,989,329
Assigned for Other Operations	0	245,097	0	245,097
Assigned for Highways/Public Works	16,260,659	16,260,659	0	16,260,659
Total Fund Balances	\$ 18,793,262	\$ 39,405,597	\$ 6,724,116	\$ 46,129,713
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 20,022,056	\$ 51,101,840	\$ 13,734,116	\$ 64,835,956

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, 2020

	Special Revenue Funds					
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	Constitu - tional Officers - Fees
<u>Revenues</u>						
Local Taxes	\$ 3,228,198	\$ 7,283,803	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	436,526	0
Charges for Current Services	815,894	9,638,459	0	0	0	5,214,097
Other Local Revenues	304,945	45,127	79,808	2,142	17,623	0
State of Tennessee	553,633	20,850	0	0	0	0
Federal Government	309	277,147	0	66,137	0	0
Other Governments and Citizens Groups	0	3,769	0	0	0	0
Total Revenues	\$ 4,902,979	\$ 17,269,155	\$ 79,808	\$ 68,279	\$ 454,149	\$ 5,214,097
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 727,177
Finance	0	0	0	0	0	2,161,141
Administration of Justice	0	0	0	0	0	2,325,842
Public Safety	0	0	0	62,501	230,448	0
Public Health and Welfare	3,977,398	14,622,021	0	0	0	0
Other Operations	134,575	0	864	0	0	0
Highways	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0
Total Expenditures	\$ 4,111,973	\$ 14,622,021	\$ 864	\$ 62,501	\$ 230,448	\$ 5,214,160
Excess (Deficiency) of Revenues Over Expenditures	\$ 791,006	\$ 2,647,134	\$ 78,944	\$ 5,778	\$ 223,701	\$ (63)

(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 - tional Officers - Fees
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Premiums on Debt Sold	0	0	0	0	0	0
Other Loans Issued	0	0	0	0	0	0
Insurance Recovery	0	0	0	0	0	0
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	(197,575)	0	(50,000)	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ (197,575)	\$ 0	\$ (50,000)	\$ 0
Net Change in Fund Balances	\$ 791,006	\$ 2,647,134	\$ (118,631)	\$ 5,778	\$ 173,701	\$ (63)
Fund Balance, July 1, 2019	8,987,991	3,569,576	2,608,321	90,279	668,233	1,189,010
Fund Balance, June 30, 2020	\$ 9,778,997	\$ 6,216,710	\$ 2,489,690	\$ 96,057	\$ 841,934	\$ 1,188,947

(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 Funds			Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	Education Capital Projects	Total	
<u>Revenues</u>						
Local Taxes	\$ 6,362,417	\$ 16,874,418	\$ 0	\$ 0	\$ 0	\$ 16,874,418
Fines, Forfeitures, and Penalties	0	436,526	0	0	0	436,526
Charges for Current Services	0	15,668,450	0	0	0	15,668,450
Other Local Revenues	418,763	868,408	40	0	40	868,448
State of Tennessee	5,270,301	5,844,784	0	0	0	5,844,784
Federal Government	0	343,593	0	0	0	343,593
Other Governments and Citizens Groups	0	3,769	0	0	0	3,769
Total Revenues	\$ 12,051,481	\$ 40,039,948	\$ 40	\$ 0	\$ 40	\$ 40,039,988
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 727,177	\$ 0	\$ 0	\$ 0	\$ 727,177
Finance	0	2,161,141	0	0	0	2,161,141
Administration of Justice	0	2,325,842	0	0	0	2,325,842
Public Safety	0	292,949	0	0	0	292,949
Public Health and Welfare	0	18,599,419	0	0	0	18,599,419
Other Operations	0	135,439	0	0	0	135,439
Highways	10,419,467	10,419,467	0	0	0	10,419,467
Capital Projects	0	0	16,054,056	529,058	16,583,114	16,583,114
Total Expenditures	\$ 10,419,467	\$ 34,661,434	\$ 16,054,056	\$ 529,058	\$ 16,583,114	\$ 51,244,548
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,632,014	\$ 5,378,514	\$ (16,054,016)	\$ (529,058)	\$ (16,583,074)	\$ (11,204,560)

(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 Funds			Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	Education Capital Projects	Total	
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 14,469,077	\$ 0	\$ 14,469,077	\$ 14,469,077
Premiums on Debt Sold	0	0	2,681,613	0	2,681,613	2,681,613
Other Loans Issued	0	0	0	529,058	529,058	529,058
Insurance Recovery	32,952	32,952	0	0	0	32,952
Transfers In	0	0	4,171,954	0	4,171,954	4,171,954
Transfers Out	0	(247,575)	0	0	0	(247,575)
Total Other Financing Sources (Uses)	\$ 32,952	\$ (214,623)	\$ 21,322,644	\$ 529,058	\$ 21,851,702	\$ 21,637,079
Net Change in Fund Balances	\$ 1,664,966	\$ 5,163,891	\$ 5,268,628	\$ 0	\$ 5,268,628	\$ 10,432,519
Fund Balance, July 1, 2019	17,128,296	34,241,706	1,455,488	0	1,455,488	35,697,194
Fund Balance, June 30, 2020	\$ 18,793,262	\$ 39,405,597	\$ 6,724,116	\$ 0	\$ 6,724,116	\$ 46,129,713

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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,228,198	\$ 0	\$ 0	\$ 3,228,198	\$ 2,970,000	\$ 2,970,000	\$ 258,198
Charges for Current Services	815,894	0	0	815,894	894,000	922,000	(106,106)
Other Local Revenues	304,945	0	0	304,945	400,000	416,055	(111,110)
State of Tennessee	553,633	0	0	553,633	485,900	576,930	(23,297)
Federal Government	309	0	0	309	0	0	309
Total Revenues	\$ 4,902,979	\$ 0	\$ 0	\$ 4,902,979	\$ 4,749,900	\$ 4,884,985	\$ 17,994
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 96,094	\$ (20)	\$ 500	\$ 96,574	\$ 145,968	\$ 145,968	\$ 49,394
Convenience Centers	2,577,134	(58,193)	42,788	2,561,729	3,076,185	3,327,675	765,946
Other Waste Collection	240,860	(8,869)	1,916	233,907	370,622	385,632	151,725
Landfill Operation and Maintenance	737,134	(250)	21,970	758,854	871,376	873,876	115,022
Postclosure Care Costs	326,176	0	0	326,176	648,500	710,500	384,324
<u>Other Operations</u>							
Employee Benefits	25,000	0	0	25,000	25,000	25,000	0
Miscellaneous	109,575	0	0	109,575	76,048	116,048	6,473
Total Expenditures	\$ 4,111,973	\$ (67,332)	\$ 67,174	\$ 4,111,815	\$ 5,213,699	\$ 5,584,699	\$ 1,472,884
Excess (Deficiency) of Revenues Over Expenditures	\$ 791,006	\$ 67,332	\$ (67,174)	\$ 791,164	\$ (463,799)	\$ (699,714)	\$ 1,490,878
Net Change in Fund Balance	\$ 791,006	\$ 67,332	\$ (67,174)	\$ 791,164	\$ (463,799)	\$ (699,714)	\$ 1,490,878
Fund Balance, July 1, 2019	8,987,991	(67,332)	0	8,920,659	8,920,659	8,920,659	0
Fund Balance, June 30, 2020	\$ 9,778,997	\$ 0	\$ (67,174)	\$ 9,711,823	\$ 8,456,860	\$ 8,220,945	\$ 1,490,878

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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 7,283,803	\$ 0	\$ 0	\$ 7,283,803	\$ 6,967,465	\$ 7,158,392	\$ 125,411
Charges for Current Services	9,638,459	0	0	9,638,459	8,506,000	9,330,000	308,459
Other Local Revenues	45,127	0	0	45,127	14,500	29,735	15,392
State of Tennessee	20,850	0	0	20,850	13,000	13,975	6,875
Federal Government	277,147	0	0	277,147	0	191,097	86,050
Other Governments and Citizens Groups	3,769	0	0	3,769	0	3,769	0
Total Revenues	\$ 17,269,155	\$ 0	\$ 0	\$ 17,269,155	\$ 15,500,965	\$ 16,726,968	\$ 542,187
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	\$ 14,174,625	\$ (112,790)	\$ 89,395	\$ 14,151,230	\$ 15,371,950	\$ 15,350,315	\$ 1,199,085
Other Local Health Services	447,396	0	0	447,396	213,820	468,800	21,404
Total Expenditures	\$ 14,622,021	\$ (112,790)	\$ 89,395	\$ 14,598,626	\$ 15,585,770	\$ 15,819,115	\$ 1,220,489
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,647,134	\$ 112,790	\$ (89,395)	\$ 2,670,529	\$ (84,805)	\$ 907,853	\$ 1,762,676
Net Change in Fund Balance	\$ 2,647,134	\$ 112,790	\$ (89,395)	\$ 2,670,529	\$ (84,805)	\$ 907,853	\$ 1,762,676
Fund Balance, July 1, 2019	3,569,576	(112,790)	0	3,456,786	3,423,502	3,423,502	33,284
Fund Balance, June 30, 2020	\$ 6,216,710	\$ 0	\$ (89,395)	\$ 6,127,315	\$ 3,338,697	\$ 4,331,355	\$ 1,795,960

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, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 79,808	\$ 79,808	\$ 79,808	\$ 0
Total Revenues	\$ 79,808	\$ 79,808	\$ 79,808	\$ 0
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 864	\$ 198,375	\$ 864	\$ 0
Total Expenditures	\$ 864	\$ 198,375	\$ 864	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 78,944	\$ (118,567)	\$ 78,944	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (197,575)	\$ 0	\$ (197,575)	\$ 0
Total Other Financing Sources	\$ (197,575)	\$ 0	\$ (197,575)	\$ 0
Net Change in Fund Balance	\$ (118,631)	\$ (118,567)	\$ (118,631)	\$ 0
Fund Balance, July 1, 2019	2,608,321	364,288	364,288	2,244,033
Fund Balance, June 30, 2020	\$ 2,489,690	\$ 245,721	\$ 245,657	\$ 2,244,033

Exhibit G-6

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 2,142	\$ 3,000	\$ 3,000	\$ (858)
Federal Government	66,137	0	45,500	20,637
Total Revenues	<u>\$ 68,279</u>	<u>\$ 3,000</u>	<u>\$ 48,500</u>	<u>\$ 19,779</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 62,501	\$ 5,000	\$ 129,778	\$ 67,277
Total Expenditures	<u>\$ 62,501</u>	<u>\$ 5,000</u>	<u>\$ 129,778</u>	<u>\$ 67,277</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,778</u>	<u>\$ (2,000)</u>	<u>\$ (81,278)</u>	<u>\$ 87,056</u>
Net Change in Fund Balance	\$ 5,778	\$ (2,000)	\$ (81,278)	\$ 87,056
Fund Balance, July 1, 2019	90,279	90,279	90,279	0
Fund Balance, June 30, 2020	<u>\$ 96,057</u>	<u>\$ 88,279</u>	<u>\$ 9,001</u>	<u>\$ 87,056</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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 436,526	\$ 0	\$ 0	\$ 436,526	\$ 330,500	\$ 283,000	\$ 153,526
Other Local Revenues	17,623	0	0	17,623	13,000	15,430	2,193
Total Revenues	\$ 454,149	\$ 0	\$ 0	\$ 454,149	\$ 343,500	\$ 298,430	\$ 155,719
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 230,448	\$ (28,415)	\$ 46,020	\$ 248,053	\$ 487,000	\$ 537,000	\$ 288,947
Total Expenditures	\$ 230,448	\$ (28,415)	\$ 46,020	\$ 248,053	\$ 487,000	\$ 537,000	\$ 288,947
Excess (Deficiency) of Revenues Over Expenditures	\$ 223,701	\$ 28,415	\$ (46,020)	\$ 206,096	\$ (143,500)	\$ (238,570)	\$ 444,666
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (50,000)	\$ 0	\$ 0	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ 0
Total Other Financing Sources	\$ (50,000)	\$ 0	\$ 0	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ 0
Net Change in Fund Balance	\$ 173,701	\$ 28,415	\$ (46,020)	\$ 156,096	\$ (193,500)	\$ (288,570)	\$ 444,666
Fund Balance, July 1, 2019	668,233	(28,415)	0	639,818	639,818	639,818	0
Fund Balance, June 30, 2020	\$ 841,934	\$ 0	\$ (46,020)	\$ 795,914	\$ 446,318	\$ 351,248	\$ 444,666

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, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,362,417	\$ 6,068,445	\$ 5,840,815	\$ 521,602
Other Local Revenues	418,763	225,000	401,205	17,558
State of Tennessee	5,270,301	5,759,400	5,679,384	(409,083)
Total Revenues	\$ 12,051,481	\$ 12,052,845	\$ 11,921,404	\$ 130,077
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 799,350	\$ 902,329	\$ 902,329	\$ 102,979
Highway and Bridge Maintenance	7,132,690	7,018,440	9,515,695	2,383,005
Operation and Maintenance of Equipment	1,024,891	1,273,265	1,276,010	251,119
Other Charges	577,821	827,405	852,065	274,244
Employee Benefits	178,113	227,905	227,905	49,792
Capital Outlay	706,602	1,009,000	1,509,000	802,398
Total Expenditures	\$ 10,419,467	\$ 11,258,344	\$ 14,283,004	\$ 3,863,537
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,632,014	\$ 794,501	\$ (2,361,600)	\$ 3,993,614
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 32,952	\$ 0	\$ 32,953	\$ (1)
Total Other Financing Sources	\$ 32,952	\$ 0	\$ 32,953	\$ (1)
Net Change in Fund Balance	\$ 1,664,966	\$ 794,501	\$ (2,328,647)	\$ 3,993,613
Fund Balance, July 1, 2019	17,128,296	17,128,297	17,128,297	(1)
Fund Balance, June 30, 2020	\$ 18,793,262	\$ 17,922,798	\$ 14,799,650	\$ 3,993,612

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, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 53,437,282	\$ 51,183,653	\$ 52,362,708	\$ 1,074,574
Other Local Revenues	1,765,633	1,144,150	1,679,150	86,483
Other Governments and Citizens Groups	605,145	0	605,145	0
Total Revenues	\$ 55,808,060	\$ 52,327,803	\$ 54,647,003	\$ 1,161,057
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 1,023,506	\$ 1,160,000	\$ 1,070,000	\$ 46,494
<u>Principal on Debt</u>				
General Government	7,329,950	7,579,950	7,329,950	0
Education	29,370,653	28,785,050	29,370,655	2
<u>Interest on Debt</u>				
General Government	3,903,310	3,699,345	3,903,311	1
Education	14,241,154	14,221,614	14,241,154	0
<u>Other Debt Service</u>				
General Government	140,573	0	140,574	1
Total Expenditures	\$ 56,009,146	\$ 55,445,959	\$ 56,055,644	\$ 46,498
Excess (Deficiency) of Revenues Over Expenditures	\$ (201,086)	\$ (3,118,156)	\$ (1,408,641)	\$ 1,207,555
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 140,923	\$ 0	\$ 140,924	\$ (1)
Transfers In	197,575	197,575	197,575	0
Total Other Financing Sources	\$ 338,498	\$ 197,575	\$ 338,499	\$ (1)
Net Change in Fund Balance	\$ 137,412	\$ (2,920,581)	\$ (1,070,142)	\$ 1,207,554
Fund Balance, July 1, 2019	52,692,185	50,871,400	50,871,400	1,820,785
Fund Balance, June 30, 2020	\$ 52,829,597	\$ 47,950,819	\$ 49,801,258	\$ 3,028,339

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, 2020

	<u>Internal Service Funds</u>			Total Proprietary Funds
	Self- Insurance	Employee Insurance - Health	Workers' Compensation	
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 99,852	\$ 0	\$ 99,986	\$ 199,838
Equity in Pooled Cash and Investments	2,839,993	41,998,261	1,864,184	46,702,438
Cash with Paying Agent	0	1,737,000	0	1,737,000
Accounts Receivable	0	88,597	0	88,597
Due from Other Governments	0	14,438	0	14,438
Due from Fiduciary Funds	0	150,000	0	150,000
Total Assets	\$ 2,939,845	\$ 43,988,296	\$ 1,964,170	\$ 48,892,311
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 0	\$ 27,743	\$ 8,430	\$ 36,173
Claims and Judgments Payable	1,886,706	10,093,557	1,061,300	13,041,563
Due to Component Units	0	781	0	781
Total Current Liabilities	\$ 1,886,706	\$ 10,122,081	\$ 1,069,730	\$ 13,078,517
Noncurrent Liabilities:				
Claims and Judgments Payable	\$ 471,676	\$ 2,523,389	\$ 456,000	\$ 3,451,065
Total Noncurrent Liabilities	\$ 471,676	\$ 2,523,389	\$ 456,000	\$ 3,451,065
<u>NET POSITION</u>				
Unrestricted	\$ 581,463	\$ 31,342,826	\$ 438,440	\$ 32,362,729
Total Net Position	\$ 581,463	\$ 31,342,826	\$ 438,440	\$ 32,362,729

Exhibit I-2

Rutherford County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Internal Service Funds			Total
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	
<u>Operating Revenues</u>				
Charges for Current Services:				
Self-Insurance Premiums/Contributions	\$ 1,762,100	\$ 66,397,229	\$ 1,814,394	\$ 69,973,723
Other Employee Benefit Charges/Contributions	0	2,608,701	0	2,608,701
Other Local Revenues:				
Retirees' Insurance Payments	0	6,030,225	0	6,030,225
Cobra Insurance Payments	0	170,545	0	170,545
State of Tennessee:				
On-Behalf Contributions for OPEB	0	173,813	0	173,813
Total Operating Revenues	\$ 1,762,100	\$ 75,380,513	\$ 1,814,394	\$ 78,957,007
<u>Operating Expenses</u>				
Employee Benefits:				
Handling Charges and Administrative Costs	\$ 0	\$ 2,991,644	\$ 38,500	\$ 3,030,144
Disability Insurance	0	0	577,350	577,350
Bank Charges	0	4,000	0	4,000
Consultants	0	91,368	0	91,368
Contracts with Private Agencies	0	2,971,451	0	2,971,451
Other Contracted Services	0	0	5,950	5,950
Medical Claims	0	68,590,199	0	68,590,199
Premiums on Corporate Surety Bonds	0	0	5,000	5,000
Liability Claims	2,250,332	0	0	2,250,332
Other Self-Insured Claims	0	0	924,805	924,805
Other Charges	36	42,734	45	42,815
Total Operating Expenses	\$ 2,250,368	\$ 74,691,396	\$ 1,551,650	\$ 78,493,414
Operating Income (Loss)	\$ (488,268)	\$ 689,117	\$ 262,744	\$ 463,593
<u>Nonoperating Revenues (Expenses)</u>				
Insurance Recovery	\$ 100,517	\$ 22,776	\$ 31,350	\$ 154,643
Total Nonoperating Revenues (Expenses)	\$ 100,517	\$ 22,776	\$ 31,350	\$ 154,643
Income (Loss) Before Transfers	\$ (387,751)	\$ 711,893	\$ 294,094	\$ 618,236
Transfers Out	0	(305,197)	(305,197)	(610,394)
Change in Net Position	\$ (387,751)	\$ 406,696	\$ (11,103)	\$ 7,842
Net Position, July 1, 2019	969,214	30,936,130	449,543	32,354,887
Net Position, June 30, 2020	\$ 581,463	\$ 31,342,826	\$ 438,440	\$ 32,362,729

Exhibit I-3

Rutherford County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Internal Service Funds			
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	Total
<u>Cash Flows from Operating Activities</u>				
Receipts for Self-Insurance Premiums	\$ 1,997,073	\$ 76,012,154	\$ 1,818,278	\$ 79,827,505
Payments to Suppliers	(36)	(6,375,324)	(618,415)	(6,993,775)
Claims Paid	(1,331,179)	(66,780,448)	(637,005)	(68,748,632)
Insurance Recovery	100,517	22,776	31,350	154,643
Net Cash Provided By (Used In) Operating Activities	<u>\$ 766,375</u>	<u>\$ 2,879,158</u>	<u>\$ 594,208</u>	<u>\$ 4,239,741</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers to Other Funds	\$ 0	\$ (305,197)	\$ (305,197)	\$ (610,394)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 0</u>	<u>\$ (305,197)</u>	<u>\$ (305,197)</u>	<u>\$ (610,394)</u>
Net Increase (Decrease) in Cash	\$ 766,375	\$ 2,573,961	\$ 289,011	\$ 3,629,347
Cash, July 1, 2019	2,173,470	41,161,300	1,675,159	45,009,929
Cash, June 30, 2020	<u>\$ 2,939,845</u>	<u>\$ 43,735,261</u>	<u>\$ 1,964,170</u>	<u>\$ 48,639,276</u>
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>				
Operating Income (Loss)	\$ (488,268)	\$ 689,117	\$ 262,744	\$ 463,593
Insurance Recovery	100,517	22,776	31,350	154,643
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	234,973	616,954	3,884	855,811
(Increase) Decrease in Due from Other Governments	0	14,687	0	14,687
Increase (Decrease) in Accounts Payable	0	(274,130)	8,430	(265,700)
Increase (Decrease) in Claims and Judgments Payable	919,153	1,809,751	287,800	3,016,704
Increase (Decrease) in Due To Component Units	0	3	0	3
Net Cash Provided By (Used In) Operating Activities	<u>\$ 766,375</u>	<u>\$ 2,879,158</u>	<u>\$ 594,208</u>	<u>\$ 4,239,741</u>
<u>Reconciliation of Cash With Statement of Net Position</u>				
Cash Per Net Position	\$ 99,852	\$ 0	\$ 99,986	\$ 199,838
Equity in Pooled Cash and Investments Per Net Position	2,839,993	41,998,261	1,864,184	46,702,438
Cash with Paying Agent Per Net Position	0	1,737,000	0	1,737,000
Cash, June 30, 2020	<u>\$ 2,939,845</u>	<u>\$ 43,735,261</u>	<u>\$ 1,964,170</u>	<u>\$ 48,639,276</u>

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 and City of Eagleville. 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, 2020

	Agency Funds						Total
	Cities - Sales Tax	Cities - Property Tax	City School ADA - Murfreesboro	Joint Venture	Constitu- tional Officers - Agency	District Attorney General	
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,802,154	\$ 0	\$ 9,802,154
Equity in Pooled Cash and Investments	0	93,401	275,350	10,564	0	413,070	792,385
Investments	0	0	0	0	7,735	0	7,735
Due from Other Governments	12,677,210	0	2,289,678	0	0	294	14,967,182
Property Taxes Receivable	0	0	16,240,995	0	0	0	16,240,995
Allowance for Uncollectible Taxes	0	0	(808,355)	0	0	0	(808,355)
Total Assets	<u>\$ 12,677,210</u>	<u>\$ 93,401</u>	<u>\$ 17,997,668</u>	<u>\$ 10,564</u>	<u>\$ 9,809,889</u>	<u>\$ 413,364</u>	<u>\$ 41,002,096</u>
<u>LIABILITIES</u>							
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 232	\$ 232
Accrued Payroll	0	0	0	0	0	411	411
Due to Other Taxing Units	12,677,210	93,401	17,997,668	0	0	0	30,768,279
Due to Joint Ventures	0	0	0	10,564	0	0	10,564
Due to Litigants, Heirs, and Others	0	0	0	0	9,809,889	412,721	10,222,610
Total Liabilities	<u>\$ 12,677,210</u>	<u>\$ 93,401</u>	<u>\$ 17,997,668</u>	<u>\$ 10,564</u>	<u>\$ 9,809,889</u>	<u>\$ 413,364</u>	<u>\$ 41,002,096</u>

Exhibit J-2

Rutherford County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2020

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 74,461,622	\$ 74,461,622	\$ 0
Due from Other Governments	12,111,782	12,677,210	12,111,782	12,677,210
Total Assets	\$ 12,111,782	\$ 87,138,832	\$ 86,573,404	\$ 12,677,210
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 12,111,782	\$ 87,138,832	\$ 86,573,404	\$ 12,677,210
Total Liabilities	\$ 12,111,782	\$ 87,138,832	\$ 86,573,404	\$ 12,677,210
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 20,203	\$ 11,727,539	\$ 11,654,341	\$ 93,401
Total Assets	\$ 20,203	\$ 11,727,539	\$ 11,654,341	\$ 93,401
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 20,203	\$ 11,727,539	\$ 11,654,341	\$ 93,401
Total Liabilities	\$ 20,203	\$ 11,727,539	\$ 11,654,341	\$ 93,401
<u>City School ADA - Murfreesboro Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 190,805	\$ 28,833,778	\$ 28,749,233	\$ 275,350
Due from Other Governments	2,061,836	2,289,678	2,061,836	2,289,678
Property Taxes Receivable	15,617,782	16,240,995	15,617,782	16,240,995
Allowance for Uncollectible Taxes	(782,057)	(808,355)	(782,057)	(808,355)
Total Assets	\$ 17,088,366	\$ 46,556,096	\$ 45,646,794	\$ 17,997,668
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 17,088,366	\$ 46,556,096	\$ 45,646,794	\$ 17,997,668
Total Liabilities	\$ 17,088,366	\$ 46,556,096	\$ 45,646,794	\$ 17,997,668
<u>Joint Venture</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 10,811	\$ 0	\$ 247	\$ 10,564
Total Assets	\$ 10,811	\$ 0	\$ 247	\$ 10,564
<u>Liabilities</u>				
Due to Joint Ventures	\$ 10,811	\$ 0	\$ 247	\$ 10,564
Total Liabilities	\$ 10,811	\$ 0	\$ 247	\$ 10,564

(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	\$ 10,597,766	\$ 90,876,258	\$ 91,671,870	\$ 9,802,154
Investments	7,603	7,735	7,603	7,735
Accounts Receivable	4,237	0	4,237	0
Total Assets	<u>\$ 10,609,606</u>	<u>\$ 90,883,993</u>	<u>\$ 91,683,710</u>	<u>\$ 9,809,889</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 10,609,606	\$ 90,883,993	\$ 91,683,710	\$ 9,809,889
Total Liabilities	<u>\$ 10,609,606</u>	<u>\$ 90,883,993</u>	<u>\$ 91,683,710</u>	<u>\$ 9,809,889</u>
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 405,984	\$ 35,190	\$ 28,104	\$ 413,070
Due from Other Governments	712	294	712	294
Total Assets	<u>\$ 406,696</u>	<u>\$ 35,484</u>	<u>\$ 28,816</u>	<u>\$ 413,364</u>
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 232	\$ 0	\$ 232
Accrued Payroll	0	411	0	411
Due to Litigants, Heirs, and Others	406,696	34,841	28,816	412,721
Total Liabilities	<u>\$ 406,696</u>	<u>\$ 35,484</u>	<u>\$ 28,816</u>	<u>\$ 413,364</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 10,597,766	\$ 90,876,258	\$ 91,671,870	\$ 9,802,154
Equity in Pooled Cash and Investments	627,803	115,058,129	114,893,547	792,385
Investments	7,603	7,735	7,603	7,735
Accounts Receivable	4,237	0	4,237	0
Due from Other Governments	14,174,330	14,967,182	14,174,330	14,967,182
Property Taxes Receivable	15,617,782	16,240,995	15,617,782	16,240,995
Allowance for Uncollectible Taxes	(782,057)	(808,355)	(782,057)	(808,355)
Total Assets	<u>\$ 40,247,464</u>	<u>\$ 236,341,944</u>	<u>\$ 235,587,312</u>	<u>\$ 41,002,096</u>
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 232	\$ 0	\$ 232
Accrued Payroll	0	411	0	411
Due to Other Taxing Units	29,220,351	145,422,467	143,874,539	30,768,279
Due to Joint Ventures	10,811	0	247	10,564
Due to Litigants, Heirs, and Others	11,016,302	90,918,834	91,712,526	10,222,610
Total Liabilities	<u>\$ 40,247,464</u>	<u>\$ 236,341,944</u>	<u>\$ 235,587,312</u>	<u>\$ 41,002,096</u>

Rutherford County School Department

This section presents fund financial statements for the Rutherford County School Department, a discretely presented component unit. The school department uses a General Fund, two Special Revenue Funds, two Capital Projects Funds, and one Fiduciary Fund.

General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the school department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the school department.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for building construction and renovations of the school department.

Endowment Fund – The Endowment Fund is used to account for an endowment received by the school department for which the principal amount must remain intact while interest earned on the principal is to fund a scholarship at Eagleville High School.

Exhibit K-1

Rutherford County, Tennessee
Statement of Activities
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2020

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	\$ 270,508,814	\$ 251,910	\$ 12,941,554	\$ 0	\$ (257,315,350)
Support Services	151,517,890	343,664	2,314,611	196,710	(148,662,905)
Operation of Non-instructional Services	21,105,397	6,500,498	10,589,132	19,100	(3,996,667)
Total Governmental Activities	\$ 443,132,101	\$ 7,096,072	\$ 25,845,297	\$ 215,810	\$ (409,974,922)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 94,708,750
Payments in-Lieu-of Tax					973,620
Local Option Sales Tax					68,430,189
Wheel Tax					4,323,155
Business Tax					2,809,305
Mixed Drink Tax					511,906
Grants and Contributions Not Restricted for Specific Programs					237,709,738
Unrestricted Investment Income					2,117,843
Miscellaneous					32,584
Total General Revenues					\$ 411,617,090
Change in Net Position					\$ 1,642,168
Net Position, July 1, 2019					535,533,961
Net Position, June 30, 2020					\$ 537,176,129

Exhibit K-2

Rutherford County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Rutherford County School Department
 June 30, 2020

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 200	\$ 0	\$ 1,305,034	\$ 1,305,234
Equity in Pooled Cash and Investments	92,486,735	16,603,135	8,612,206	117,702,076
Inventories	0	0	585,831	585,831
Accounts Receivable	186,796	0	186,382	373,178
Due from Other Governments	13,220,806	0	1,378,486	14,599,292
Due from Other Funds	438,690	0	316	439,006
Due from Primary Government	781	0	0	781
Property Taxes Receivable	91,457,912	0	7,711,875	99,169,787
Allowance for Uncollectible Property Taxes	(4,552,088)	0	(383,839)	(4,935,927)
Prepaid Items	217,100	0	0	217,100
Restricted Assets	2,145,813	0	0	2,145,813
Total Assets	<u>\$ 195,602,745</u>	<u>\$ 16,603,135</u>	<u>\$ 19,396,291</u>	<u>\$ 231,602,171</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 5,659,903	\$ 0	\$ 158,528	\$ 5,818,431
Accrued Payroll	30,861,847	0	805,791	31,667,638
Payroll Deductions Payable	7,147	0	56	7,203
Contracts Payable	0	759,000	0	759,000
Retainage Payable	0	0	22,496	22,496
Due to Other Funds	316	0	438,690	439,006
Due to Primary Government	0	15,000,000	0	15,000,000
Total Liabilities	<u>\$ 36,529,213</u>	<u>\$ 15,759,000</u>	<u>\$ 1,425,561</u>	<u>\$ 53,713,774</u>

(Continued)

Exhibit K-2

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

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
	<u>General Purpose School</u>	<u>Other Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 86,003,996	\$ 0	\$ 7,251,993	\$ 93,255,989
Deferred Delinquent Property Taxes	767,864	0	64,747	832,611
Other Deferred/Unavailable Revenue	5,901,652	0	0	5,901,652
Total Deferred Inflows of Resources	<u>\$ 92,673,512</u>	<u>\$ 0</u>	<u>\$ 7,316,740</u>	<u>\$ 99,990,252</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 0	\$ 585,831	\$ 585,831
Prepaid Items	217,100	0	0	217,100
Restricted:				
Restricted for Education	746,867	0	2,696,595	3,443,462
Restricted for Capital Projects	0	844,135	6,371,564	7,215,699
Restricted for Hybrid Retirement Stabilization Funds	2,145,813	0	0	2,145,813
Committed:				
Committed for Education	293,913	0	1,000,000	1,293,913
Assigned:				
Assigned for Education	19,521,532	0	0	19,521,532
Unassigned	43,474,795	0	0	43,474,795
Total Fund Balances	<u>\$ 66,400,020</u>	<u>\$ 844,135</u>	<u>\$ 10,653,990</u>	<u>\$ 77,898,145</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 195,602,745</u>	<u>\$ 16,603,135</u>	<u>\$ 19,396,291</u>	<u>\$ 231,602,171</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, 2020

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)		\$ 77,898,145
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 24,090,926	
Add: construction in progress	110,851,656	
Add: buildings and improvements net of accumulated depreciation	443,501,664	
Add: intangible assets net of accumulated depreciation	41,500	
Add: other capital assets net of accumulated depreciation	<u>6,845,002</u>	585,330,748
(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 other loans	\$ (1,520,510)	
Less: other postemployment benefits liability	(137,665,254)	
Less: compensated absences payable	<u>(1,780,810)</u>	(140,966,574)
(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	\$ 33,152,283	
Add: deferred outflows of resources related to OPEB	8,289,108	
Less: deferred inflows of resources related to pensions	(44,515,230)	
Less: deferred inflows of resources related to OPEB	<u>(45,001,369)</u>	(48,075,208)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 7,742,770	
Add: net pension asset - teacher retirement plan	2,425,458	
Add: net pension asset - teacher legacy pension plan	<u>46,086,527</u>	56,254,755
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>6,734,263</u>
Net position of governmental activities (Exhibit A)		<u>\$ 537,176,129</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, 2020

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 163,978,874	\$ 0	\$ 7,598,793	\$ 171,577,667
Licenses and Permits	11,136	0	0	11,136
Charges for Current Services	253,516	0	6,357,342	6,610,858
Other Local Revenues	3,035,181	0	130,032	3,165,213
State of Tennessee	234,445,107	0	179,137	234,624,244
Federal Government	1,275,510	0	26,597,914	27,873,424
Other Governments and Citizens Groups	0	529,058	0	529,058
Total Revenues	<u>\$ 402,999,324</u>	<u>\$ 529,058</u>	<u>\$ 40,863,218</u>	<u>\$ 444,391,600</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 269,199,060	\$ 0	\$ 7,906,839	\$ 277,105,899
Support Services	126,782,360	0	7,515,060	134,297,420
Operation of Non-Instructional Services	3,385,606	0	18,324,997	21,710,603
Capital Outlay	41,351	0	0	41,351
Debt Service:				
Other Debt Service	605,145	0	0	605,145
Capital Projects	0	16,252,055	7,333,385	23,585,440
Total Expenditures	<u>\$ 400,013,522</u>	<u>\$ 16,252,055</u>	<u>\$ 41,080,281</u>	<u>\$ 457,345,858</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,985,802</u>	<u>\$ (15,722,997)</u>	<u>\$ (217,063)</u>	<u>\$ (12,954,258)</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	Total Governmental Funds
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 3,990	\$ 0	\$ 0	\$ 3,990
Transfers In	989,346	0	0	989,346
Transfers Out	0	0	(989,346)	(989,346)
Total Other Financing Sources (Uses)	<u>\$ 993,336</u>	<u>\$ 0</u>	<u>\$ (989,346)</u>	<u>\$ 3,990</u>
Net Change in Fund Balances	\$ 3,979,138	\$ (15,722,997)	\$ (1,206,409)	\$ (12,950,268)
Fund Balance, July 1, 2019	<u>62,420,882</u>	<u>16,567,132</u>	<u>11,860,399</u>	<u>90,848,413</u>
Fund Balance, June 30, 2020	<u>\$ 66,400,020</u>	<u>\$ 844,135</u>	<u>\$ 10,653,990</u>	<u>\$ 77,898,145</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, 2020

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)		\$ (12,950,268)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 21,114,723	
Less: current-year depreciation expense	<u>(16,246,762)</u>	4,867,961
(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		196,710
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2019	\$ (6,548,304)	
Add: deferred delinquent property taxes and other deferred June 30, 2020	<u>6,734,263</u>	185,959
(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.		
Add: principal contributions on lease to primary government	\$ 117,603	
Add: principal contributions on loans to primary government	<u>468,000</u>	585,603
(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	\$ (13,292,810)	
Change in deferred outflows of resources related to OPEB	6,194,363	
Change in deferred inflows of resources related to OPEB	5,650,150	
Change in compensated absences payable	(151,250)	
Change in net pension asset - agent plan	1,636,156	
Change in net pension asset - teacher retirement plan	547,838	
Change in net pension liability - teacher legacy pension plan	31,180,979	
Change in deferred outflows of resources related to pensions	(3,834,541)	
Change in deferred inflows of resources related to pensions	<u>(19,174,682)</u>	<u>8,756,203</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,642,168</u>

Exhibit K-6

Rutherford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2020

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>ASSETS</u>					
Cash	\$ 0	\$ 1,305,034	\$ 1,305,034	\$ 0	\$ 1,305,034
Equity in Pooled Cash and Investments	1,310,855	987,889	2,298,744	6,313,462	8,612,206
Inventories	0	585,831	585,831	0	585,831
Accounts Receivable	27,100	158,606	185,706	676	186,382
Due from Other Governments	1,101,993	207,867	1,309,860	68,626	1,378,486
Due from Other Funds	316	0	316	0	316
Property Taxes Receivable	0	0	0	7,711,875	7,711,875
Allowance for Uncollectible Property Taxes	0	0	0	(383,839)	(383,839)
Total Assets	\$ 2,440,264	\$ 3,245,227	\$ 5,685,491	\$ 13,710,800	\$ 19,396,291
<u>LIABILITIES</u>					
Accounts Payable	\$ 158,528	\$ 0	\$ 158,528	\$ 0	\$ 158,528
Accrued Payroll	805,791	0	805,791	0	805,791
Payroll Deductions Payable	0	56	56	0	56
Retainage Payable	0	0	0	22,496	22,496
Due to Other Funds	438,690	0	438,690	0	438,690
Total Liabilities	\$ 1,403,009	\$ 56	\$ 1,403,065	\$ 22,496	\$ 1,425,561
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 7,251,993	\$ 7,251,993
Deferred Delinquent Property Taxes	0	0	0	64,747	64,747
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 7,316,740	\$ 7,316,740

(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</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>		<u>Projects Fund</u>	
	<u>Federal</u>	<u>Cafeteria</u>	<u>Total</u>	<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 585,831	\$ 585,831	\$ 0	\$ 585,831
Restricted:					
Restricted for Education	37,255	2,659,340	2,696,595	0	2,696,595
Restricted for Capital Projects	0	0	0	6,371,564	6,371,564
Committed:					
Committed for Education	1,000,000	0	1,000,000	0	1,000,000
Total Fund Balances	<u>\$ 1,037,255</u>	<u>\$ 3,245,171</u>	<u>\$ 4,282,426</u>	<u>\$ 6,371,564</u>	<u>\$ 10,653,990</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,440,264</u>	<u>\$ 3,245,227</u>	<u>\$ 5,685,491</u>	<u>\$ 13,710,800</u>	<u>\$ 19,396,291</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, 2020

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 7,598,793	\$ 7,598,793
Charges for Current Services	0	6,357,342	6,357,342	0	6,357,342
Other Local Revenues	0	130,032	130,032	0	130,032
State of Tennessee	0	179,137	179,137	0	179,137
Federal Government	16,252,948	10,344,966	26,597,914	0	26,597,914
Total Revenues	\$ 16,252,948	\$ 17,011,477	\$ 33,264,425	\$ 7,598,793	\$ 40,863,218
<u>Expenditures</u>					
Current:					
Instruction	\$ 7,906,839	\$ 0	\$ 7,906,839	\$ 0	\$ 7,906,839
Support Services	7,327,343	39,142	7,366,485	148,575	7,515,060
Operation of Non-Instructional Services	0	18,324,997	18,324,997	0	18,324,997
Capital Projects	0	0	0	7,333,385	7,333,385
Total Expenditures	\$ 15,234,182	\$ 18,364,139	\$ 33,598,321	\$ 7,481,960	\$ 41,080,281
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 1,018,766	\$ (1,352,662)	\$ (333,896)	\$ 116,833	\$ (217,063)
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (981,511)	\$ (7,835)	\$ (989,346)	\$ 0	\$ (989,346)
Total Other Financing Sources (Uses)	\$ (981,511)	\$ (7,835)	\$ (989,346)	\$ 0	\$ (989,346)
Net Change in Fund Balances	\$ 37,255	\$ (1,360,497)	\$ (1,323,242)	\$ 116,833	\$ (1,206,409)
Fund Balance, July 1, 2019	1,000,000	4,605,668	5,605,668	6,254,731	11,860,399
Fund Balance, June 30, 2020	\$ 1,037,255	\$ 3,245,171	\$ 4,282,426	\$ 6,371,564	\$ 10,653,990

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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 163,978,874	\$ 0	\$ 0	\$ 163,978,874	\$ 160,137,048	\$ 161,642,244	\$ 2,336,630
Licenses and Permits	11,136	0	0	11,136	12,000	11,000	136
Charges for Current Services	253,516	0	0	253,516	177,000	234,842	18,674
Other Local Revenues	3,035,181	0	0	3,035,181	1,943,370	3,172,593	(137,412)
State of Tennessee	234,445,107	0	0	234,445,107	234,954,018	235,596,090	(1,150,983)
Federal Government	1,275,510	0	0	1,275,510	1,180,000	1,243,973	31,537
Total Revenues	\$ 402,999,324	\$ 0	\$ 0	\$ 402,999,324	\$ 398,403,436	\$ 401,900,742	\$ 1,098,582
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 220,806,182	\$ (3,453,283)	\$ 3,613,901	\$ 220,966,800	\$ 227,057,896	\$ 226,495,919	\$ 5,529,119
Alternative Instruction Program	2,389,989	0	0	2,389,989	2,376,214	2,458,614	68,625
Special Education Program	32,312,416	(19,133)	0	32,293,283	34,173,362	34,164,076	1,870,793
Career and Technical Education Program	13,690,473	(110,968)	58,747	13,638,252	17,192,088	16,030,078	2,391,826
<u>Support Services</u>							
Attendance	992,842	(2,314)	0	990,528	875,359	1,093,451	102,923
Health Services	5,123,840	(1,492)	0	5,122,348	5,060,567	5,295,256	172,908
Other Student Support	11,952,898	(8,433)	181,672	12,126,137	11,758,115	12,979,560	853,423
Regular Instruction Program	13,164,624	(36,589)	6,743	13,134,778	13,613,652	14,293,446	1,158,668
Alternative Instruction Program	1,016,442	0	850	1,017,292	1,043,718	1,060,938	43,646
Special Education Program	1,363,303	(477)	0	1,362,826	1,687,378	1,682,378	319,552
Career and Technical Education Program	428,720	(775)	0	427,945	458,178	513,648	85,703
Technology	4,053,799	(83,752)	216,851	4,186,898	4,692,472	4,753,472	566,574
Adult Programs	170,961	0	0	170,961	170,265	174,444	3,483
Board of Education	7,712,332	0	0	7,712,332	8,015,138	8,016,905	304,573
Director of Schools	874,782	(3,116)	1,570	873,236	967,770	968,949	95,713
Office of the Principal	23,013,798	(12,332)	198	23,001,664	23,637,510	23,839,024	837,360
Fiscal Services	1,340,189	(92)	0	1,340,097	1,372,883	1,412,883	72,786
Human Services/Personnel	541,457	0	0	541,457	573,471	586,471	45,014

(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 7/1/2019	Add: Encumbrances 6/30/2020	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	\$ 25,987,417	\$ (62,977)	\$ 168,866	\$ 26,093,306	\$ 27,649,710	\$ 27,649,710	\$ 1,556,404
Maintenance of Plant	8,411,777	(219,036)	204,977	8,397,718	8,677,488	8,927,488	529,770
Transportation	20,633,179	(463)	9,975	20,642,691	20,657,673	20,838,049	195,358
<u>Operation of Non-Instructional Services</u>							
Community Services	35,563	0	0	35,563	42,000	47,850	12,287
Early Childhood Education	3,350,043	(365)	7,417	3,357,095	3,395,487	3,492,234	135,139
<u>Capital Outlay</u>							
Regular Capital Outlay	41,351	(10,800)	18,250	48,801	75,000	75,000	26,199
<u>Principal on Debt</u>							
Education	0	0	0	0	1,008,953	0	0
<u>Interest on Debt</u>							
Education	0	0	0	0	30,438	0	0
<u>Other Debt Service</u>							
Education	605,145	0	0	605,145	0	1,039,391	434,246
Total Expenditures	\$ 400,013,522	\$ (4,026,397)	\$ 4,490,017	\$ 400,477,142	\$ 416,262,785	\$ 417,889,234	\$ 17,412,092
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 2,985,802	\$ 4,026,397	\$ (4,490,017)	\$ 2,522,182	\$ (17,859,349)	\$ (15,988,492)	\$ 18,510,674
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 3,990	\$ 0	\$ 0	\$ 3,990	\$ 0	\$ 2,983	\$ 1,007
Transfers In	989,346	0	0	989,346	150,000	1,374,034	(384,688)
Total Other Financing Sources	\$ 993,336	\$ 0	\$ 0	\$ 993,336	\$ 150,000	\$ 1,377,017	\$ (383,681)
Net Change in Fund Balance							
	\$ 3,979,138	\$ 4,026,397	\$ (4,490,017)	\$ 3,515,518	\$ (17,709,349)	\$ (14,611,475)	\$ 18,126,993
Fund Balance, July 1, 2019	62,420,882	(4,026,397)	0	58,394,485	56,698,875	56,698,875	1,695,610
Fund Balance, June 30, 2020	\$ 66,400,020	\$ 0	\$ (4,490,017)	\$ 61,910,003	\$ 38,989,526	\$ 42,087,400	\$ 19,822,603

Exhibit K-9

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Rutherford County School Department
School Federal Projects Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 16,252,948	\$ 0	\$ 16,252,948	\$ 15,527,697	\$ 19,955,908	\$ (3,702,960)
Total Revenues	\$ 16,252,948	\$ 0	\$ 16,252,948	\$ 15,527,697	\$ 19,955,908	\$ (3,702,960)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 3,286,060	\$ 0	\$ 3,286,060	\$ 3,085,966	\$ 3,646,102	\$ 360,042
Special Education Program	4,026,220	2,261	4,028,481	3,555,085	4,656,723	628,242
Career and Technical Education Program	594,559	30,090	624,649	507,470	625,077	428
<u>Support Services</u>						
Health Services	52,755	0	52,755	46,150	68,500	15,745
Other Student Support	1,300,240	0	1,300,240	1,383,343	1,866,149	565,909
Regular Instruction Program	3,262,621	0	3,262,621	3,230,347	4,327,852	1,065,231
Special Education Program	2,388,327	4,904	2,393,231	2,135,039	2,913,359	520,128
Career and Technical Education Program	6,778	0	6,778	6,500	6,778	0
Transportation	316,622	0	316,622	404,570	391,892	75,270
Total Expenditures	\$ 15,234,182	\$ 37,255	\$ 15,271,437	\$ 14,354,470	\$ 18,502,432	\$ 3,230,995
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,018,766	\$ (37,255)	\$ 981,511	\$ 1,173,227	\$ 1,453,476	\$ (471,965)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 243,200	\$ 0	\$ 0
Transfers Out	(981,511)	0	(981,511)	(1,416,427)	(1,453,476)	471,965
Total Other Financing Sources	\$ (981,511)	\$ 0	\$ (981,511)	\$ (1,173,227)	\$ (1,453,476)	\$ 471,965
Net Change in Fund Balance	\$ 37,255	\$ (37,255)	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2019	1,000,000	0	1,000,000	1,000,000	1,000,000	0
Fund Balance, June 30, 2020	\$ 1,037,255	\$ (37,255)	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 0

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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 6,357,342	\$ 0	\$ 6,357,342	\$ 7,552,688	\$ 7,552,688	\$ (1,195,346)
Other Local Revenues	130,032	0	130,032	30,000	30,000	100,032
State of Tennessee	179,137	0	179,137	173,000	173,000	6,137
Federal Government	10,344,966	0	10,344,966	11,710,348	11,710,348	(1,365,382)
Total Revenues	<u>\$ 17,011,477</u>	<u>\$ 0</u>	<u>\$ 17,011,477</u>	<u>\$ 19,466,036</u>	<u>\$ 19,466,036</u>	<u>\$ (2,454,559)</u>
<u>Expenditures</u>						
<u>Support Services</u>						
Board of Education	\$ 39,142	\$ 0	\$ 39,142	\$ 67,300	\$ 67,300	\$ 28,158
<u>Operation of Non-Instructional Services</u>						
Food Service	18,324,997	(31,139)	18,293,858	20,641,158	20,641,158	2,347,300
Total Expenditures	<u>\$ 18,364,139</u>	<u>\$ (31,139)</u>	<u>\$ 18,333,000</u>	<u>\$ 20,708,458</u>	<u>\$ 20,708,458</u>	<u>\$ 2,375,458</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,352,662)</u>	<u>\$ 31,139</u>	<u>\$ (1,321,523)</u>	<u>\$ (1,242,422)</u>	<u>\$ (1,242,422)</u>	<u>\$ (79,101)</u>
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (7,835)	\$ 0	\$ (7,835)	\$ (20,000)	\$ (20,000)	\$ 12,165
Total Other Financing Sources	<u>\$ (7,835)</u>	<u>\$ 0</u>	<u>\$ (7,835)</u>	<u>\$ (20,000)</u>	<u>\$ (20,000)</u>	<u>\$ 12,165</u>
Net Change in Fund Balance	\$ (1,360,497)	\$ 31,139	\$ (1,329,358)	\$ (1,262,422)	\$ (1,262,422)	\$ (66,936)
Fund Balance, July 1, 2019	4,605,668	(31,139)	4,574,529	4,574,529	4,574,529	0
Fund Balance, June 30, 2020	<u>\$ 3,245,171</u>	<u>\$ 0</u>	<u>\$ 3,245,171</u>	<u>\$ 3,312,107</u>	<u>\$ 3,312,107</u>	<u>\$ (66,936)</u>

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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 7,598,793	\$ 0	\$ 0	\$ 7,598,793	\$ 7,245,211	\$ 7,461,055	\$ 137,738
Total Revenues	\$ 7,598,793	\$ 0	\$ 0	\$ 7,598,793	\$ 7,245,211	\$ 7,461,055	\$ 137,738
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 148,575	\$ 0	\$ 0	\$ 148,575	\$ 155,000	\$ 160,000	\$ 11,425
<u>Capital Projects</u>							
Education Capital Projects	7,333,385	(2,980,785)	2,295,279	6,647,879	7,064,990	10,045,775	3,397,896
Total Expenditures	\$ 7,481,960	\$ (2,980,785)	\$ 2,295,279	\$ 6,796,454	\$ 7,219,990	\$ 10,205,775	\$ 3,409,321
Excess (Deficiency) of Revenues Over Expenditures	\$ 116,833	\$ 2,980,785	\$ (2,295,279)	\$ 802,339	\$ 25,221	\$ (2,744,720)	\$ 3,547,059
Net Change in Fund Balance	\$ 116,833	\$ 2,980,785	\$ (2,295,279)	\$ 802,339	\$ 25,221	\$ (2,744,720)	\$ 3,547,059
Fund Balance, July 1, 2019	6,254,731	(2,980,785)	0	3,273,946	3,273,946	3,273,946	0
Fund Balance, June 30, 2020	\$ 6,371,564	\$ 0	\$ (2,295,279)	\$ 4,076,285	\$ 3,299,167	\$ 529,226	\$ 3,547,059

Exhibit K-12

Rutherford County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Rutherford County School Department
Fiduciary Fund
June 30, 2020

	Private- Purpose Trust Fund
	<u>Endowment Fund</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 28,783
Total Assets	<u>\$ 28,783</u>
<u>NET POSITION</u>	
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, 2020

	Private- Purpose Trust Fund <hr/> Endowment Fund <hr/>
<u>ADDITIONS</u>	
Investment Income:	
Interest	\$ 679
Total Additions	<hr/> \$ 679 <hr/>
<u>DEDUCTIONS</u>	
Education:	
Scholarship	\$ 679
Total Deductions	<hr/> \$ 679 <hr/>
Change in Net Position	\$ 0
Net Position, July 1, 2019	<hr/> 28,783 <hr/>
Net Position, June 30, 2020	<hr/> \$ 28,783 <hr/>

MISCELLANEOUS SCHEDULES

Exhibit L-1

Rutherford County, Tennessee
Schedule of Changes in Long-term Capital Leases, Other Loans, and Bonds
For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-20
<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	7-10-19	\$ 117,603	\$ 0	\$ 117,603	\$ 0
Total Capital Leases Payable					\$ 117,603	\$ 0	\$ 117,603	\$ 0
<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	\$ 224,993	\$ 0	\$ 168,540	\$ 56,453
Energy Efficiency Loan	2,133,645	1.00	3-20-17	3-1-25	1,763,517	0	299,460	1,464,057
<u>Payable through General Debt Service Fund</u>								
Energy Efficiency Loan	(1)	1.00	6-5-19	9-1-24	444,160	529,058	0	973,218
Total Other Loans Payable					\$ 2,432,670	\$ 529,058	\$ 468,000	\$ 2,493,728
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Refunding Bonds	88,800,000	2.48	9-28-10	4-1-26	\$ 53,445,000	\$ 0	\$ 11,175,000	\$ 42,270,000
Refunding Bonds	41,875,000	2.037	1-7-11	4-1-20	975,000	0	975,000	0
School Facilities, Public Improvement and Refunding	69,280,000	2.4245	2-15-12	4-1-32	50,340,000	0	3,240,000	47,100,000

(Continued)

Exhibit L-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-20
BONDS PAYABLE (CONT.)								
Refunding Bonds	\$ 38,410,000	2.4214	% 2-27-13	4-1-30	\$ 30,155,000	\$ 0	\$ 615,000	\$ 29,540,000
Refunding Bonds	27,290,000	1.5833	2-27-13	4-1-21	7,620,000	0	3,785,000	3,835,000
School Facilities, Public Improvement and Refunding	31,000,000	2.8396	6-12-14	4-1-34	25,490,000	0	1,280,000	24,210,000
Public Improvements	2,570,000	3.6776	6-12-14	4-1-34	2,220,000	0	120,000	2,100,000
School Facilities, Public Improvement Refunding Bonds	33,863,825	2.8757	5-14-15	4-1-35	29,590,000	0	1,280,000	28,310,000
Refunding Bonds	23,930,000	2.2522	5-14-15	4-1-28	21,955,000	0	2,090,000	19,865,000
Refunding Bonds	25,640,000	1.5655	9-15-16	4-1-29	25,640,000	0	2,070,000	23,570,000
School Facilities, Public Improvements	101,000,000	2.3686	9-28-16	4-1-36	95,260,000	0	3,890,000	91,370,000
School Facilities, Public Improvements	81,530,000	2.6657	11-28-17	4-1-38	78,880,000	0	2,785,000	76,095,000
School Facilities, Public Improvements	40,680,000	3.9826	8-30-18	4-1-38	39,680,000	0	1,350,000	38,330,000
Public Improvement	14,610,000	5.0000	9-20-19	4-1-29	0	14,610,000	1,460,000	13,150,000
Total Bonds Payable					\$ 461,250,000	\$ 14,610,000	\$ 36,115,000	\$ 439,745,000

(1) Total amount approved was \$1,282,842, of which \$309,624 remains available for draws as of June 30, 2020.

Exhibit L-2

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

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2021	\$ 394,192	\$ 14,267	\$ 408,459
2022	729,199	20,765	749,964
2023	736,534	13,430	749,964
2024	397,946	4,629	402,575
2025	235,857	975	236,832
Total	<u>\$ 2,493,728</u>	<u>\$ 54,066</u>	<u>\$ 2,547,794</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 36,115,000	\$ 17,002,351	\$ 53,117,351
2022	33,810,000	15,430,489	49,240,489
2023	33,650,000	13,778,166	47,428,166
2024	30,220,000	12,206,889	42,426,889
2025	31,460,000	10,804,578	42,264,578
2026	32,685,000	9,507,515	42,192,515
2027	28,995,000	8,065,838	37,060,838
2028	\$ 30,065,000	\$ 6,860,019	\$ 36,925,019
2029	28,340,000	5,881,346	34,221,346
2030	24,380,000	4,981,370	29,361,370
2031	21,615,000	4,162,446	25,777,446
2032	22,340,000	3,458,844	25,798,844
2033	18,385,000	2,725,396	21,110,396
2034	18,985,000	2,140,115	21,125,115
2035	17,095,000	1,557,465	18,652,465
2036	15,095,000	1,032,000	16,127,000
2037	8,125,000	552,300	8,677,300
2038	8,385,000	280,542	8,665,542
Total	<u>\$ 439,745,000</u>	<u>\$ 120,427,669</u>	<u>\$ 560,172,669</u>

Exhibit L-3

Rutherford County, Tennessee
Schedule of Investments
June 30, 2020

<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>\$ 7,735</u>
Total Investments				<u><u>\$ 7,735</u></u>

Exhibit L-4

Rutherford County, Tennessee
Schedule of Notes Receivable
June 30, 2020

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rates	Balance 6-30-20
Industrial/Economic Development Fund:						
Construction/Renovations	Smyrna/Rutherford County Airport	\$ 639,724	8-17-06	9-17-23	2 %	\$ 125,889
Construction/Renovations	Smyrna/Rutherford County Airport	2,570,000	4-17-14	4-1-34	3.6	2,068,750
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>\$ 4,015,424</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, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Building Projects	\$ 4,171,954
Industrial Development	General Debt Service	Principal & Interest Payments	197,575
Drug Control	General	Operations	50,000
Worker's Compensation	General	"	305,197
Employee Insurance	General	"	<u>305,197</u>
Total Transfers Primary Government			<u>\$ 5,029,923</u>
<u>DISCRETELY PRESENTED RUTHERFORD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Cost	\$ 981,511
Central Cafeteria	"	Salaries and Maintenance	<u>7,835</u>
Total Transfers Discretely Presented Rutherford County School Department			<u>\$ 989,346</u>

Exhibit L-6

Rutherford County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2020

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 152,726	\$ 100,000	RLI Insurance Company
Highway Superintendent	Section 8-24-102, <i>TCA</i>	145,454	100,000	Hartford Fire Insurance Company
Director of Schools	State Board of Education and Local Board of Education	160,224 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	120,210	15,075,185	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	120,210 (2)	50,000	"
Director of Finance	County Commission	146,338 (3)	100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	120,210	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i> and County Commission	132,231 (4)	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , Chancery Court Judge and County Commission	120,210 (5)	100,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	120,210	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	145,454 (6)	100,000	"
<u>Other Bonds</u>				
Employee Blanket Bond			475,000	Brit Global Specialty

- (1) Does not include a \$1,000 career ladder payment.
- (2) Does not include a Certified Public Administrator supplement of \$1,000.
- (3) Does not include longevity pay of \$575 and a salary supplement of \$1,800.
- (4) Includes \$12,021 for serving more than one court; does not include a training supplement of \$900.
- (5) Does not include special commissioner fees of \$13,322 and longevity pay of \$650.
- (6) Does not include a law enforcement training supplement of \$800.

Exhibit L-7

Rutherford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2020

	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	\$ 52,091,632	\$ 0	\$ 6,958,371	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	765,767	0	57,798	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	266,469	0	35,794	0	0	0
Interest and Penalty	132,098	0	15,334	0	0	0
Pickup Taxes	48,495	0	6,514	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	3,720	0	500	0	0	0
Payments in-Lieu-of Taxes - Other	7,724,704	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	1,076,066	3,228,198	0	0	0	0
Hotel/Motel Tax	3,550,809	0	0	0	0	0
Wheel Tax	3,818,732	0	0	0	0	0
Litigation Tax - General	669,690	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Courthouse Security	457,639	0	0	0	0	0
Business Tax	1,559,555	0	209,492	0	0	0
Mixed Drink Tax	8,118	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Adequate Facilities/Development Tax	3,071,250	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	1,014,007	0	0	0	0	0
Wholesale Beer Tax	1,069,948	0	0	0	0	0
Total Local Taxes	\$ 77,328,699	\$ 3,228,198	\$ 7,283,803	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 249,204	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Animal Vaccination	25,503	0	0	0	0	0
Cable TV Franchise	758,593	0	0	0	0	0
<u>Permits</u>						
Building Permits	1,234,503	0	0	0	0	0
Electrical Permits	39,269	0	0	0	0	0
Plumbing Permits	136,680	0	0	0	0	0
Food Handling Permits	235	0	0	0	0	0
Other Permits	101,150	0	0	0	0	0
Total Licenses and Permits	\$ 2,545,137	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 26,224	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	93,805	0	0	0	0	0
Game and Fish Fines	3	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	36,009
Drug Court Fees	14,062	0	0	0	0	0
Veterans Treatment Court Fees	4,788	0	0	0	0	0
Jail Fees	22,350	0	0	0	0	0
Data Entry Fee - Circuit Court	18,671	0	0	0	0	0
Courtroom Security Fee	36,036	0	0	0	0	0
<u>Criminal Court</u>						
Officers Costs	114	0	0	0	0	0
Veterans Treatment Court Fees	3,473	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>Criminal Court (Cont.)</u>						
DUI Treatment Fines	\$ 4,719	\$ 0	\$ 0	\$ 0	\$ 0	0
Victims Assistance Assessments	22,838	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	151,034	0	0	0	0	0
Officers Costs	306,490	0	0	0	0	0
Game and Fish Fines	499	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	20,304
Drug Court Fees	20,817	0	0	0	0	0
Veterans Treatment Court Fees	13,367	0	0	0	0	0
Jail Fees	66,551	0	0	0	0	0
DUI Treatment Fines	45,313	0	0	0	0	0
Data Entry Fee - General Sessions Court	73,265	0	0	0	0	0
Courtroom Security Fee	8,273	0	0	0	0	0
Victims Assistance Assessments	74,458	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	3,203	0	0	0	0	0
Officers Costs	14,428	0	0	0	0	0
Jail Fees	605,757	0	0	0	0	0
Data Entry Fee - Juvenile Court	3,927	0	0	0	0	0
Courtroom Security Fee	495	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	17,409	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	45,903	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>Judicial District Drug Program</u>						
Victims Assistance Assessments	\$ 21,165	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	380,213
Total Fines, Forfeitures, and Penalties	\$ 1,719,437	\$ 0	\$ 0	\$ 0	\$ 0	436,526
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 80,880	\$ 0	\$ 0	\$ 0	0
Surcharge - Host Agency	0	735,014	0	0	0	0
Patient Charges	78,825	0	8,451,395	0	0	0
Past Due Collections - Ambulance	0	0	158,478	0	0	0
Zoning Studies	89,550	0	0	0	0	0
Work Release Charges for Board	132,785	0	0	0	0	0
Other General Service Charges	0	0	959,204	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	158,950	0	0	0	0	0
Archives and Records Management Fee	117,050	0	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0	0
Telephone Commissions	665,834	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	136,400	0	0	0	0	0
Probation Fees	344,684	0	0	0	0	0
Data Processing Fee - Sheriff	22,737	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	10,500	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>Fees (Cont.)</u>						
Data Processing Fee - County Clerk	\$ 37,897	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vehicle Insurance Coverage and Reinstatement Fees	12,420	0	0	0	0	0
<u>Education Charges</u>						
Contract for Administrative Services with Other LEA's	459,277	0	0	0	0	0
TBI Criminal Background Fee	38,385	0	0	0	0	0
Other Charges for Services	9,432	0	69,382	0	0	0
Total Charges for Current Services	\$ 2,314,776	\$ 815,894	\$ 9,638,459	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 4,403,058	\$ 0	\$ 0	\$ 79,808	\$ 2,142	\$ 15,593
Lease/Rentals	166,236	0	0	0	0	0
Sale of Materials and Supplies	5,272	0	4,689	0	0	0
Commissary Sales	160,116	0	0	0	0	0
Sale of Maps	8,870	0	0	0	0	0
Sale of Recycled Materials	2,028	288,890	0	0	0	0
Sale of Animals/Livestock	97,151	0	0	0	0	0
Miscellaneous Refunds	45,272	0	0	0	0	400
<u>Nonrecurring Items</u>						
Sale of Equipment	77,657	16,055	0	0	0	30
Damages Recovered from Individuals	7,398	0	0	0	0	0
Contributions and Gifts	109,154	0	40,438	0	0	0
Performance Bond Forfeitures	111,707	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	216	0	0	0	0	1,600
Total Other Local Revenues	\$ 5,194,135	\$ 304,945	\$ 45,127	\$ 79,808	\$ 2,142	\$ 17,623

(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	\$ 2,290,156	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	800,000	0	0	0	0	0
Register	1,884,523	0	0	0	0	0
Trustee	6,684,154	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
Clerk and Master	503,780	0	0	0	0	0
Sheriff	88,109	0	0	0	0	0
Total Fees Received From County Officials	\$ 12,250,722	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	211,200	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	2,296,920	0	0	0	0	0
Other Health and Welfare Grants	30,000	0	0	0	0	0
<u>Public Works Grants</u>						
Litter Program	0	98,701	0	0	0	0
<u>Other State Revenues</u>						
Flood Control	0	0	0	0	0	0
Income Tax	229,942	0	0	0	0	0
Beer Tax	18,175	0	0	0	0	0
Vehicle Certificate of Title Fees	32,624	0	0	0	0	0
Alcoholic Beverage Tax	435,693	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>						
State Revenue Sharing - Telecommunications	\$ 356,227	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Emergency Hospital - Prisoners	52,741	0	0	0	0	0
Contracted Prisoner Boarding	5,331,583	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	668,653	0	0	0	0	0
Other State Revenues	302,229	454,932	20,850	0	0	0
Total State of Tennessee	\$ 9,985,651	\$ 553,633	\$ 20,850	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 69,350	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	47,735	0	0	0	0	0
Homeland Security Grants	19,646	0	0	0	0	0
Law Enforcement Grants	30,648	0	0	0	0	0
Other Federal through State	364,103	309	99	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	42,927	0	0	0	0	0
Asset Forfeiture Funds	0	0	0	0	66,137	0
COVID-19 Grant #6	4,505	0	0	0	0	0
COVID-19 Grant #7	50,723	0	0	0	0	0
Other Direct Federal Revenue	1,260,671	0	277,048	0	0	0
Total Federal Government	\$ 1,890,308	\$ 309	\$ 277,147	\$ 0	\$ 66,137	\$ 0

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 5,649	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	27,903	0	0	0	0	0
Contracted Services	335,539	0	3,769	0	0	0
<u>Other</u>						
Other	375	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 369,466	\$ 0	\$ 3,769	\$ 0	\$ 0	\$ 0
Total	\$ 113,598,331	\$ 4,902,979	\$ 17,269,155	\$ 79,808	\$ 68,279	\$ 454,149

(Continued)

Exhibit L-7

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 966,397	\$ 46,428,702	\$ 0	\$ 106,445,102
Trustee's Collections - Prior Year	0	8,028	385,683	0	1,217,276
Circuit Clerk/Clerk and Master Collections - Prior Years	0	4,971	238,850	0	546,084
Interest and Penalty	0	2,116	101,914	0	251,462
Pickup Taxes	0	905	43,469	0	99,383
Payments in-Lieu-of Taxes - T.V.A.	0	69	3,334	0	7,623
Payments in-Lieu-of Taxes - Other	0	0	0	0	7,724,704
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	1,076,066	0	0	5,380,330
Hotel/Motel Tax	0	0	0	0	3,550,809
Wheel Tax	0	3,818,732	0	0	7,637,464
Litigation Tax - General	0	0	43,970	0	713,660
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	1,722,201	0	1,722,201
Litigation Tax - Courthouse Security	0	0	0	0	457,639
Business Tax	0	29,096	1,397,909	0	3,196,052
Mixed Drink Tax	0	0	0	0	8,118
Mineral Severance Tax	0	456,037	0	0	456,037
Adequate Facilities/Development Tax	0	0	3,071,250	0	6,142,500
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	1,014,007
Wholesale Beer Tax	0	0	0	0	1,069,948
Total Local Taxes	\$ 0	\$ 6,362,417	\$ 53,437,282	\$ 0	\$ 147,640,399

(Continued)

Exhibit L-7

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	249,204
Animal Vaccination	0	0	0	0	25,503
Cable TV Franchise	0	0	0	0	758,593
<u>Permits</u>					
Building Permits	0	0	0	0	1,234,503
Electrical Permits	0	0	0	0	39,269
Plumbing Permits	0	0	0	0	136,680
Food Handling Permits	0	0	0	0	235
Other Permits	0	0	0	0	101,150
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	2,545,137
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	26,224
Officers Costs	0	0	0	0	93,805
Game and Fish Fines	0	0	0	0	3
Drug Control Fines	0	0	0	0	36,009
Drug Court Fees	0	0	0	0	14,062
Veterans Treatment Court Fees	0	0	0	0	4,788
Jail Fees	0	0	0	0	22,350
Data Entry Fee - Circuit Court	0	0	0	0	18,671
Courtroom Security Fee	0	0	0	0	36,036
<u>Criminal Court</u>					
Officers Costs	0	0	0	0	114
Veterans Treatment Court Fees	0	0	0	0	3,473

(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>	<u>Total</u>
	<u>Constitu -</u> <u>tional</u> <u>Officers -</u> <u>Fees</u>	<u>Highway /</u> <u>Public</u> <u>Works</u>	<u>Fund</u> <u>General</u> <u>Debt</u> <u>Service</u>	<u>Projects Fund</u> <u>General</u> <u>Capital</u> <u>Projects</u>	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Criminal Court (Cont.)</u>					
DUI Treatment Fines	\$ 0	\$ 0	\$ 0	\$ 0	4,719
Victims Assistance Assessments	0	0	0	0	22,838
<u>General Sessions Court</u>					
Fines	0	0	0	0	151,034
Officers Costs	0	0	0	0	306,490
Game and Fish Fines	0	0	0	0	499
Drug Control Fines	0	0	0	0	20,304
Drug Court Fees	0	0	0	0	20,817
Veterans Treatment Court Fees	0	0	0	0	13,367
Jail Fees	0	0	0	0	66,551
DUI Treatment Fines	0	0	0	0	45,313
Data Entry Fee - General Sessions Court	0	0	0	0	73,265
Courtroom Security Fee	0	0	0	0	8,273
Victims Assistance Assessments	0	0	0	0	74,458
<u>Juvenile Court</u>					
Fines	0	0	0	0	3,203
Officers Costs	0	0	0	0	14,428
Jail Fees	0	0	0	0	605,757
Data Entry Fee - Juvenile Court	0	0	0	0	3,927
Courtroom Security Fee	0	0	0	0	495
<u>Chancery Court</u>					
Data Entry Fee - Chancery Court	0	0	0	0	17,409
<u>Other Courts - In-county</u>					
Fines	0	0	0	0	45,903

(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>	<u>Total</u>
	<u>Constitu -</u> <u>tional</u> <u>Officers -</u> <u>Fees</u>	<u>Highway /</u> <u>Public</u> <u>Works</u>	<u>Fund</u> <u>General</u> <u>Debt</u> <u>Service</u>	<u>Projects Fund</u> <u>General</u> <u>Capital</u> <u>Projects</u>	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Judicial District Drug Program</u>					
Victims Assistance Assessments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 21,165
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	380,213
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,155,963
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 80,880
Surcharge - Host Agency	0	0	0	0	735,014
Patient Charges	0	0	0	0	8,530,220
Past Due Collections - Ambulance	0	0	0	0	158,478
Zoning Studies	0	0	0	0	89,550
Work Release Charges for Board	0	0	0	0	132,785
Other General Service Charges	0	0	0	0	959,204
<u>Fees</u>					
Subdivision Lot Fees	0	0	0	0	158,950
Archives and Records Management Fee	0	0	0	0	117,050
Greenbelt Late Application Fee	0	0	0	0	50
Telephone Commissions	0	0	0	0	665,834
Constitutional Officers' Fees and Commissions	5,200,775	0	0	0	5,200,775
Special Commissioner Fees/Special Master Fees	13,322	0	0	0	13,322
Data Processing Fee - Register	0	0	0	0	136,400
Probation Fees	0	0	0	0	344,684
Data Processing Fee - Sheriff	0	0	0	0	22,737
Sexual Offender Registration Fee - Sheriff	0	0	0	0	10,500

(Continued)

Exhibit L-7

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Data Processing Fee - County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,897
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	12,420
<u>Education Charges</u>					
Contract for Administrative Services with Other LEA's	0	0	0	0	459,277
TBI Criminal Background Fee	0	0	0	0	38,385
Other Charges for Services	0	0	0	0	78,814
Total Charges for Current Services	\$ 5,214,097	\$ 0	\$ 0	\$ 0	\$ 17,983,226
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 400,083	\$ 1,621,483	\$ 40	\$ 6,522,207
Lease/Rentals	0	0	144,150	0	310,386
Sale of Materials and Supplies	0	13,553	0	0	23,514
Commissary Sales	0	0	0	0	160,116
Sale of Maps	0	0	0	0	8,870
Sale of Recycled Materials	0	0	0	0	290,918
Sale of Animals/Livestock	0	0	0	0	97,151
Miscellaneous Refunds	0	205	0	0	45,877
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	93,742
Damages Recovered from Individuals	0	0	0	0	7,398
Contributions and Gifts	0	4,922	0	0	154,514
Performance Bond Forfeitures	0	0	0	0	111,707
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	1,816
Total Other Local Revenues	\$ 0	\$ 418,763	\$ 1,765,633	\$ 40	\$ 7,828,216

(Continued)

Exhibit L-7

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,290,156
Circuit Court Clerk	0	0	0	0	800,000
Register	0	0	0	0	1,884,523
Trustee	0	0	0	0	6,684,154
<u>Fees In-Lieu-of Salary</u>					
Clerk and Master	0	0	0	0	503,780
Sheriff	0	0	0	0	88,109
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,250,722
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,500
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	211,200
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	2,296,920
Other Health and Welfare Grants	0	0	0	0	30,000
<u>Public Works Grants</u>					
Litter Program	0	0	0	0	98,701
<u>Other State Revenues</u>					
Flood Control	0	31,484	0	0	31,484
Income Tax	0	0	0	0	229,942
Beer Tax	0	0	0	0	18,175
Vehicle Certificate of Title Fees	0	0	0	0	32,624
Alcoholic Beverage Tax	0	0	0	0	435,693

(Continued)

Exhibit L-7

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
State Revenue Sharing - Telecommunications	\$ 0	\$ 0	\$ 0	\$ 0	\$ 356,227
Emergency Hospital - Prisoners	0	0	0	0	52,741
Contracted Prisoner Boarding	0	0	0	0	5,331,583
Gasoline and Motor Fuel Tax	0	5,049,336	0	0	5,049,336
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	668,653
Other State Revenues	0	0	0	0	778,011
Total State of Tennessee	\$ 0	\$ 5,270,301	\$ 0	\$ 0	\$ 15,830,435
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 69,350
Disaster Relief	0	0	0	0	47,735
Homeland Security Grants	0	0	0	0	19,646
Law Enforcement Grants	0	0	0	0	30,648
Other Federal through State	0	0	0	0	364,511
<u>Direct Federal Revenue</u>					
Police Service (Lake Area)	0	0	0	0	42,927
Asset Forfeiture Funds	0	0	0	0	66,137
COVID-19 Grant #6	0	0	0	0	4,505
COVID-19 Grant #7	0	0	0	0	50,723
Other Direct Federal Revenue	0	0	0	0	1,537,719
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,233,901

(Continued)

Exhibit L-7

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	5,649
Contributions	0	0	605,145	0	633,048
Contracted Services	0	0	0	0	339,308
<u>Other</u>					
Other	0	0	0	0	375
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 605,145</u>	<u>\$ 0</u>	<u>978,380</u>
Total	<u>\$ 5,214,097</u>	<u>\$ 12,051,481</u>	<u>\$ 55,808,060</u>	<u>\$ 40</u>	<u>\$ 209,446,379</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, 2020

	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	\$ 86,056,479	\$ 0	\$ 0	\$ 7,259,259	\$ 0	\$ 93,315,738
Trustee's Collections - Prior Year	714,858	0	0	60,297	0	775,155
Circuit Clerk/Clerk and Master Collections - Prior Years	442,571	0	0	37,341	0	479,912
Interest and Penalty	188,672	0	0	16,034	0	204,706
Pickup Taxes	80,568	0	0	6,796	0	87,364
Payments in-Lieu-of Taxes - T.V.A.	6,180	0	0	521	0	6,701
Payments in-Lieu-of Taxes - Local Utilities	973,620	0	0	0	0	973,620
<u>County Local Option Taxes</u>						
Local Option Sales Tax	68,090,105	0	0	0	0	68,090,105
Wheel Tax	4,323,155	0	0	0	0	4,323,155
Business Tax	2,590,760	0	0	218,545	0	2,809,305
Mixed Drink Tax	511,906	0	0	0	0	511,906
Total Local Taxes	\$ 163,978,874	\$ 0	\$ 0	\$ 7,598,793	\$ 0	\$ 171,577,667
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 11,136	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,136
Total Licenses and Permits	\$ 11,136	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,136
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Summer School	\$ 54,320	\$ 0	\$ 0	\$ 0	\$ 0	\$ 54,320
Tuition - Other	38,156	0	0	0	0	38,156
Lunch Payments - Children	0	0	5,216,614	0	0	5,216,614

(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	\$ 135,417	\$ 0	\$ 0	\$ 135,417
Income from Breakfast	0	0	449,571	0	0	449,571
A la Carte Sales	0	0	555,740	0	0	555,740
Contract for Administrative Services with Other LEA's	2,764	0	0	0	0	2,764
School Based Health Services - FFS	14,481	0	0	0	0	14,481
Other Charges for Services	143,795	0	0	0	0	143,795
Total Charges for Current Services	\$ 253,516	\$ 0	\$ 6,357,342	\$ 0	\$ 0	\$ 6,610,858
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 2,066,760	\$ 0	\$ 51,083	\$ 0	\$ 0	\$ 2,117,843
Lease/Rentals	143,156	0	0	0	0	143,156
Sale of Materials and Supplies	12,875	0	0	0	0	12,875
E-Rate Funding	378,647	0	0	0	0	378,647
Miscellaneous Refunds	13,279	0	0	0	0	13,279
<u>Nonrecurring Items</u>						
Sale of Equipment	19,285	0	20	0	0	19,305
Contributions and Gifts	71,996	0	78,929	0	0	150,925
<u>Other Local Revenues</u>						
Other Local Revenues	329,183	0	0	0	0	329,183
Total Other Local Revenues	\$ 3,035,181	\$ 0	\$ 130,032	\$ 0	\$ 0	\$ 3,165,213

(Continued)

Exhibit L-8

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

	General Purpose School	Special Revenue Funds		Capital Projects Funds		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	
<u>State of Tennessee</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 228,563,631	\$ 0	\$ 0	\$ 0	\$ 0	\$ 228,563,631
Basic Education Program - IEA	100,894	0	0	0	0	100,894
Early Childhood Education	1,340,162	0	0	0	0	1,340,162
School Food Service	0	0	179,137	0	0	179,137
Driver Education	317,358	0	0	0	0	317,358
Other State Education Funds	11,100	0	0	0	0	11,100
Coordinated School Health	193,000	0	0	0	0	193,000
Career Ladder Program	387,740	0	0	0	0	387,740
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	2,571,699	0	0	0	0	2,571,699
Other State Grants	3,000	0	0	0	0	3,000
Safe Schools	885,491	0	0	0	0	885,491
Other State Revenues	71,032	0	0	0	0	71,032
Total State of Tennessee	\$ 234,445,107	\$ 0	\$ 179,137	\$ 0	\$ 0	\$ 234,624,244
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 7,462,277	\$ 0	\$ 0	\$ 7,462,277
USDA - Commodities	0	0	716,811	0	0	716,811
Breakfast	0	0	2,145,535	0	0	2,145,535
Vocational Education - Basic Grants to States	0	702,042	0	0	0	702,042
Title I Grants to Local Education Agencies	0	5,404,944	0	0	0	5,404,944
Special Education - Grants to States	491,768	8,260,612	0	0	0	8,752,380
Special Education Preschool Grants	0	87,984	0	0	0	87,984

(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>						
English Language Acquisition Grants	\$ 0	\$ 394,006	\$ 0	\$ 0	\$ 0	\$ 394,006
Education for Homeless Children and Youth	0	186,282	0	0	0	186,282
Eisenhower Professional Development State Grants	0	968,952	0	0	0	968,952
Other Federal through State	55,057	248,126	20,343	0	0	323,526
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	728,685	0	0	0	0	728,685
Total Federal Government	\$ 1,275,510	\$ 16,252,948	\$ 10,344,966	\$ 0	\$ 0	\$ 27,873,424
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 529,058	\$ 529,058
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 529,058	\$ 529,058
Total	\$ 402,999,324	\$ 16,252,948	\$ 17,011,477	\$ 7,598,793	\$ 529,058	\$ 444,391,600

Exhibit L-9

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2020

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	151,525	
Other Per Diem and Fees		123,500	
Social Security		13,037	
Employer Medicare		3,989	
Dues and Memberships		46,257	
Other Contracted Services		2,250	
Total County Commission			\$ 340,558

Board of Equalization

Board and Committee Members Fees	\$	5,250	
Social Security		326	
Employer Medicare		76	
Legal Notices, Recording, and Court Costs		842	
Total Board of Equalization			6,494

County Mayor/Executive

County Official/Administrative Officer	\$	152,726	
Assistant(s)		152,551	
Secretary(ies)		105,961	
Part-time Personnel		1,512	
Longevity Pay		1,525	
Overtime Pay		10,480	
Social Security		25,092	
Pensions		42,157	
Employee and Dependent Insurance		49,428	
Disability Insurance		650	
Employer Medicare		6,092	
Communication		1,240	
Dues and Memberships		7,998	
Engineering Services		36,661	
Operating Lease Payments		14,693	
Legal Services		26,112	
Legal Notices, Recording, and Court Costs		9,051	
Maintenance Agreements		1,163	
Postal Charges		673	
Printing, Stationery, and Forms		619	
Travel		923	
Other Contracted Services		33,885	
Gasoline		84	
Office Supplies		3,687	
Other Charges		49,366	
Total County Mayor/Executive			734,329

Personnel Office

County Official/Administrative Officer	\$	123,816	
Assistant(s)		95,047	
Secretary(ies)		37,136	

(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.)

Part-time Personnel	\$	16,692	
Longevity Pay		275	
Social Security		16,358	
Pensions		26,037	
Employee and Dependent Insurance		33,894	
Disability Insurance		441	
Employer Medicare		3,826	
Communication		2	
Dues and Memberships		557	
Evaluation and Testing		63,245	
Maintenance Agreements		1,209	
Postal Charges		393	
Travel		1,446	
Other Contracted Services		26,202	
Gasoline		9	
Office Supplies		3,388	
Other Charges		6,142	
Total Personnel Office			\$ 456,115

County Attorney

County Official/Administrative Officer	\$	72,000	
Secretary(ies)		46,226	
Longevity Pay		225	
Social Security		6,867	
Pensions		4,719	
Employee and Dependent Insurance		29,141	
Disability Insurance		218	
Employer Medicare		1,606	
Legal Services		103,289	
Total County Attorney			264,291

Election Commission

County Official/Administrative Officer	\$	108,189	
Part-time Personnel		12,769	
Longevity Pay		2,225	
Overtime Pay		4,739	
Other Salaries and Wages		306,261	
Election Commission		13,250	
Election Workers		133,550	
In-service Training		60	
Social Security		32,718	
Pensions		41,550	
Employee and Dependent Insurance		68,931	
Disability Insurance		747	
Unemployment Compensation		46	
Employer Medicare		7,652	
Communication		5,929	

(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.)

Dues and Memberships	\$	1,226	
Legal Notices, Recording, and Court Costs		6,698	
Maintenance Agreements		26,991	
Postal Charges		27,915	
Printing, Stationery, and Forms		13,790	
Rentals		1,878	
Travel		2,042	
Data Processing Supplies		4,077	
Office Supplies		29,634	
Data Processing Equipment		21,830	
Furniture and Fixtures		2,399	
Total Election Commission			\$ 877,096

Register of Deeds

In-service Training	\$	710	
Social Security		42,668	
Pensions		73,883	
Employee and Dependent Insurance		143,374	
Disability Insurance		1,312	
Employer Medicare		9,979	
Communication		665	
Data Processing Services		29,725	
Maintenance Agreements		16,760	
Postal Charges		856	
Data Processing Supplies		8,460	
Office Supplies		2,312	
Data Processing Equipment		11,738	
Furniture and Fixtures		4,710	
Total Register of Deeds			347,152

Planning

County Official/Administrative Officer	\$	107,650	
Assistant(s)		288,909	
Supervisor/Director		111,450	
Secretary(ies)		159,412	
Longevity Pay		2,050	
Board and Committee Members Fees		40,450	
In-service Training		2,946	
Social Security		42,252	
Pensions		68,018	
Employee and Dependent Insurance		115,722	
Disability Insurance		1,216	
Employer Medicare		9,923	
Communication		2,571	
Consultants		16,920	
Dues and Memberships		26,030	
Operating Lease Payments		13,918	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Legal Notices, Recording, and Court Costs	\$	3,624	
Maintenance Agreements		3,074	
Postal Charges		1,162	
Data Processing Supplies		2,510	
Gasoline		6,696	
Office Supplies		3,644	
Other Supplies and Materials		2,248	
Data Processing Equipment		12,870	
Furniture and Fixtures		298	
Total Planning			\$ 1,045,563

Codes Compliance

Communication	\$	415	
Total Codes Compliance			415

Geographical Information Systems

Data Processing Personnel	\$	227,553	
Part-time Personnel		1,176	
Longevity Pay		1,150	
Overtime Pay		151	
Social Security		13,365	
Pensions		23,006	
Employee and Dependent Insurance		46,988	
Disability Insurance		399	
Employer Medicare		3,126	
Data Processing Services		28,607	
Maintenance Agreements		299,648	
Postal Charges		40	
Travel		985	
Data Processing Supplies		3,541	
Data Processing Equipment		32,127	
Other Capital Outlay		241,635	
Total Geographical Information Systems			923,497

County Buildings

Assistant(s)	\$	58,649	
Supervisor/Director		92,232	
Clerical Personnel		39,263	
Custodial Personnel		77,055	
Maintenance Personnel		428,335	
Part-time Personnel		168,637	
Longevity Pay		3,175	
Overtime Pay		7,609	
Social Security		52,750	
Pensions		71,684	
Employee and Dependent Insurance		140,494	
Disability Insurance		1,363	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Unemployment Compensation	\$	1,395	
Employer Medicare		12,337	
Communication		55,753	
Contracts with Government Agencies		63,625	
Engineering Services		6,305	
Operating Lease Payments		6,489	
Maintenance and Repair Services - Buildings		83,399	
Postal Charges		11	
Travel		1,188	
Other Contracted Services		293,854	
Custodial Supplies		69,671	
Gasoline		11,194	
Utilities		885,559	
Vehicle Parts		19,530	
Other Supplies and Materials		95,836	
Building Improvements		213,764	
Data Processing Equipment		4,563	
Maintenance Equipment		7,525	
Total County Buildings			\$ 2,973,244

Other General Administration

Supervisor/Director	\$	86,899	
Teachers		116,891	
Salary Supplements		3,500	
Part-time Personnel		18,230	
Longevity Pay		1,600	
Social Security		12,684	
Pensions		21,223	
Employee and Dependent Insurance		20,207	
Disability Insurance		374	
Employer Medicare		3,231	
Communication		69	
Maintenance Agreements		263	
Riprap		1,933	
Other Supplies and Materials		150	
Total Other General Administration			287,254

Preservation of Records

County Official/Administrative Officer	\$	66,222	
Assistant(s)		39,412	
Part-time Personnel		6,695	
Longevity Pay		300	
Social Security		6,604	
Pensions		10,763	
Employee and Dependent Insurance		26,520	
Disability Insurance		191	
Employer Medicare		1,544	

(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.)

Communication	\$	585	
Dues and Memberships		595	
Maintenance Agreements		320	
Postal Charges		115	
Travel		50	
Other Contracted Services		930	
Office Supplies		1,633	
Other Supplies and Materials		9,522	
Other Charges		35,953	
Data Processing Equipment		650	
Total Preservation of Records			\$ 208,604

Risk Management

Supervisor/Director	\$	103,359	
Clerical Personnel		259,454	
Longevity Pay		775	
Other Salaries and Wages		63,240	
Board and Committee Members Fees		7,200	
Social Security		25,723	
Pensions		43,026	
Employee and Dependent Insurance		79,114	
Disability Insurance		775	
Employer Medicare		6,016	
Communication		938	
Data Processing Services		9,162	
Maintenance Agreements		1,303	
Postal Charges		2,177	
Other Contracted Services		26,000	
Gasoline		45	
Office Supplies		3,574	
Building and Contents Insurance		114,627	
Liability Insurance		345,462	
Premiums on Corporate Surety Bonds		90	
Other Charges		25	
Data Processing Equipment		1,323	
Total Risk Management			1,093,408

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	146,338	
Accountants/Bookkeepers		692,203	
Salary Supplements		5,400	
Part-time Personnel		11,631	
Longevity Pay		3,900	
Overtime Pay		1,036	
Board and Committee Members Fees		1,800	
Social Security		50,601	

(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.)

Pensions	\$	85,777	
Employee and Dependent Insurance		119,983	
Disability Insurance		1,460	
Employer Medicare		12,017	
Audit Services		99,790	
Communication		220	
Dues and Memberships		2,249	
Maintenance Agreements		629	
Postal Charges		12,071	
Travel		4,397	
Other Contracted Services		875	
Gasoline		349	
Office Supplies		14,194	
Other Charges		50	
Office Equipment		2,555	
Total Accounting and Budgeting			\$ 1,269,525

Property Assessor's Office

County Official/Administrative Officer	\$	120,210	
Deputy(ies)		546,444	
Salary Supplements		4,000	
Part-time Personnel		8,555	
Longevity Pay		4,550	
In-service Training		2,249	
Social Security		40,605	
Pensions		67,673	
Employee and Dependent Insurance		147,735	
Disability Insurance		1,201	
Employer Medicare		9,496	
Communication		783	
Dues and Memberships		3,050	
Maintenance Agreements		17,662	
Postal Charges		13,026	
Travel		648	
Other Contracted Services		76,550	
Data Processing Supplies		1,500	
Office Supplies		11,750	
Uniforms		710	
Other Supplies and Materials		1,199	
Data Processing Equipment		5,794	
Furniture and Fixtures		1,857	
Total Property Assessor's Office			1,087,247

Reappraisal Program

Deputy(ies)	\$	605,719
Longevity Pay		2,450
Social Security		36,477

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Pensions	\$	62,108	
Employee and Dependent Insurance		119,927	
Disability Insurance		1,133	
Employer Medicare		8,531	
Communication		8,702	
Data Processing Services		120,250	
Licenses		7,542	
Maintenance and Repair Services - Equipment		15	
Postal Charges		1,746	
Other Contracted Services		695	
Gasoline		5,512	
Other Supplies and Materials		255	
Data Processing Equipment		676	
Total Reappraisal Program			\$ 981,738

County Trustee's Office

Social Security	\$	28,195	
Pensions		47,631	
Employee and Dependent Insurance		82,455	
Disability Insurance		849	
Employer Medicare		6,594	
Communication		449	
Data Processing Services		13,055	
Legal Notices, Recording, and Court Costs		125	
Maintenance Agreements		450	
Postal Charges		29,608	
Other Contracted Services		13,271	
Office Supplies		3,892	
Tax Relief Program		706,417	
Data Processing Equipment		4,553	
Total County Trustee's Office			937,544

County Clerk's Office

Social Security	\$	99,497	
Pensions		169,087	
Employee and Dependent Insurance		363,234	
Disability Insurance		3,040	
Unemployment Compensation		162	
Employer Medicare		23,453	
Communication		11,066	
Data Processing Services		44,547	
Maintenance Agreements		3,773	
Maintenance and Repair Services - Equipment		2,212	
Postal Charges		92,058	
Other Contracted Services		15,820	
Data Processing Supplies		18,247	
Gasoline		880	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Office Supplies	\$	31,397	
Other Supplies and Materials		5,549	
Data Processing Equipment		21,222	
Office Equipment		10,619	
Total County Clerk's Office			\$ 915,863

Data Processing

County Official/Administrative Officer	\$	136,917	
Data Processing Personnel		1,076,679	
Part-time Personnel		59,409	
Longevity Pay		4,400	
Overtime Pay		833	
Social Security		76,926	
Pensions		122,043	
Employee and Dependent Insurance		156,840	
Disability Insurance		2,145	
Unemployment Compensation		12	
Employer Medicare		17,991	
Communication		206,416	
Data Processing Services		678,489	
Dues and Memberships		303	
Maintenance Agreements		258,375	
Postal Charges		10	
Travel		14,395	
Data Processing Supplies		16,682	
Gasoline		363	
Data Processing Equipment		524,912	
Other Equipment		20,104	
Total Data Processing			3,374,244

Administration of Justice

Circuit Court

Jury and Witness Expense	\$	45,300	
Social Security		135,635	
Pensions		224,789	
Employee and Dependent Insurance		508,239	
Disability Insurance		4,052	
Unemployment Compensation		5,346	
Employer Medicare		31,888	
Communication		2,575	
Data Processing Services		94,694	
Legal Services		33,972	
Maintenance Agreements		16,928	
Postal Charges		30,390	
Office Supplies		39,062	
Other Supplies and Materials		291	
Other Charges		119,440	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Data Processing Equipment	\$ 5,322	
Office Equipment	12,910	
Total Circuit Court		\$ 1,310,833

Circuit Court Judge

Assistant(s)	\$ 56,610	
Deputy(ies)	174,676	
Longevity Pay	500	
Social Security	13,986	
Pensions	23,259	
Employee and Dependent Insurance	40,392	
Disability Insurance	402	
Employer Medicare	3,271	
Postal Charges	222	
Travel	2,026	
Office Supplies	242	
Other Supplies and Materials	425	
Total Circuit Court Judge		316,011

General Sessions Court

Judge(s)	\$ 683,480	
Assistant(s)	62,471	
Deputy(ies)	170,119	
Part-time Personnel	16,169	
Longevity Pay	3,200	
Overtime Pay	4,997	
Other Salaries and Wages	619,085	
Social Security	85,445	
Pensions	155,872	
Employee and Dependent Insurance	234,333	
Disability Insurance	9,097	
Employer Medicare	21,887	
Communication	2,381	
Contracts with Government Agencies	6,938	
Data Processing Services	1,680	
Dues and Memberships	4,596	
Evaluation and Testing	4,000	
Maintenance Agreements	1,127	
Maintenance and Repair Services - Office Equipment	49	
Postal Charges	6	
Travel	6,066	
Other Contracted Services	100	
Library Books/Media	186	
Office Supplies	8,541	
Uniforms	300	
Total General Sessions Court		2,102,125

(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

Supervisor/Director	\$	82,180	
Secretary(ies)		40,711	
Part-time Personnel		24,161	
Longevity Pay		725	
Other Salaries and Wages		709,540	
In-service Training		9,060	
Social Security		51,789	
Pensions		82,790	
Employee and Dependent Insurance		130,079	
Disability Insurance		1,492	
Unemployment Compensation		2,198	
Employer Medicare		12,112	
Communication		8,246	
Contracts with Other Public Agencies		63,096	
Contracts with Private Agencies		41,850	
Data Processing Services		6,868	
Licenses		1,714	
Maintenance Agreements		1,274	
Postal Charges		232	
Rentals		13,500	
Travel		2,158	
Drugs and Medical Supplies		20,136	
Gasoline		55	
Office Supplies		8,935	
Other Supplies and Materials		44,716	
In Service/Staff Development		13,794	
Total Drug Court			\$ 1,373,411

Chancery Court

County Official/Administrative Officer	\$	120,210
Deputy(ies)		531,687
Attendants		39,017
Part-time Personnel		37,401
Longevity Pay		4,775
Overtime Pay		1,451
Social Security		44,421
Pensions		69,906
Employee and Dependent Insurance		108,898
Disability Insurance		1,248
Unemployment Compensation		295
Employer Medicare		10,389
Communication		3,758
Data Processing Services		31,005
Dues and Memberships		1,320
Maintenance Agreements		2,343
Maintenance and Repair Services - Equipment		895
Postal Charges		16,172

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Travel	\$	1,145	
Other Contracted Services		737	
Office Supplies		15,011	
Other Supplies and Materials		142	
Data Processing Equipment		11,950	
Total Chancery Court			\$ 1,054,176

Juvenile Court

Judge(s)	\$	170,870	
Deputy(ies)		40,864	
Secretary(ies)		38,899	
Part-time Personnel		63,904	
Longevity Pay		250	
Other Salaries and Wages		241,626	
Social Security		31,675	
Pensions		50,039	
Employee and Dependent Insurance		53,250	
Disability Insurance		788	
Employer Medicare		7,867	
Communication		654	
Contracts with Private Agencies		44,820	
Dues and Memberships		2,465	
Maintenance Agreements		876	
Postal Charges		12	
Travel		1,872	
Other Contracted Services		19,820	
Library Books/Media		3,826	
Office Supplies		4,161	
Uniforms		700	
Other Supplies and Materials		1,334	
Data Processing Equipment		1,958	
Total Juvenile Court			782,530

District Attorney General

Assistant(s)	\$	164,555	
Longevity Pay		375	
Social Security		10,195	
Pensions		15,437	
Employee and Dependent Insurance		5,818	
Disability Insurance		278	
Employer Medicare		2,384	
Total District Attorney General			199,042

Office of Public Defender

Assistant(s)	\$	134,894	
Longevity Pay		150	
Social Security		8,136	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Office of Public Defender (Cont.)

Pensions	\$	13,720	
Employee and Dependent Insurance		17,845	
Disability Insurance		246	
Employer Medicare		1,903	
Postal Charges		417	
Other Supplies and Materials		970	
Total Office of Public Defender			\$ 178,281

Other Administration of Justice

Probation Officer(s)	\$	839,366	
Longevity Pay		1,550	
Social Security		49,375	
Pensions		85,286	
Employee and Dependent Insurance		196,815	
Disability Insurance		1,526	
Unemployment Compensation		251	
Employer Medicare		11,548	
Communication		5,012	
Data Processing Services		33,600	
Maintenance Agreements		513	
Postal Charges		822	
Rentals		102,000	
Travel		1,672	
Other Contracted Services		57,198	
Office Supplies		8,457	
Utilities		13,203	
Other Supplies and Materials		50,137	
Total Other Administration of Justice			1,458,331

Probation Services

County Official/Administrative Officer	\$	79,737	
Assistant(s)		64,679	
Youth Service Officer(s)		212,242	
Secretary(ies)		38,368	
Longevity Pay		2,725	
In-service Training		875	
Social Security		23,869	
Pensions		39,695	
Employee and Dependent Insurance		68,076	
Disability Insurance		711	
Employer Medicare		5,583	
Communication		1,370	
Contracts with Private Agencies		403,606	
Data Processing Services		3,000	
Maintenance Agreements		746	
Postal Charges		58	
Travel		1,728	
Office Supplies		1,524	
Total Probation Services			948,592

(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

Assistant(s)	\$	61,662	
Part-time Personnel		10,143	
Longevity Pay		175	
Other Salaries and Wages		126,371	
Social Security		11,865	
Pensions		19,122	
Employee and Dependent Insurance		26,677	
Disability Insurance		343	
Employer Medicare		2,775	
Communication		390	
Maintenance Agreements		513	
Postal Charges		3	
Office Supplies		1,391	
Total Victim Assistance Programs			\$ 261,430

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	145,454
Assistant(s)		374,351
Deputy(ies)		60,799
Detective(s)		1,428,561
Captain(s)		465,084
Lieutenant(s)		996,529
Youth Service Officer(s)		2,465,899
Sergeant(s)		2,439,112
Accountants/Bookkeepers		375,011
Data Processing Personnel		401,406
Salary Supplements		172,800
Dispatchers/Radio Operators		800,464
Clerical Personnel		623,378
Part-time Personnel		513,887
Longevity Pay		76,075
Overtime Pay		1,156,289
Other Salaries and Wages		4,527,244
In-service Training		123,324
Social Security		1,010,113
Pensions		1,665,043
Employee and Dependent Insurance		2,938,120
Disability Insurance		27,327
Unemployment Compensation		11,784
Employer Medicare		236,632
Communication		205,241
Contracts with Private Agencies		39,953
Data Processing Services		390,781
Dues and Memberships		8,240
Operating Lease Payments		356,091
Maintenance Agreements		119,977

(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.)

Maintenance and Repair Services - Equipment	\$	4,575	
Maintenance and Repair Services - Office Equipment		39,128	
Maintenance and Repair Services - Vehicles		99,280	
Postal Charges		7,122	
Printing, Stationery, and Forms		6,878	
Internet Connectivity		137,999	
Rentals		5,700	
Veterinary Services		326	
Animal Food and Supplies		2,386	
Data Processing Supplies		12,047	
Gasoline		398,474	
Instructional Supplies and Materials		8,648	
Law Enforcement Supplies		37,483	
Office Supplies		29,241	
Periodicals		3,593	
Uniforms		151,977	
Vehicle Parts		141,889	
Other Supplies and Materials		25,890	
Judgments		18,932	
Communication Equipment		66,277	
Data Processing Equipment		396,779	
Law Enforcement Equipment		285,490	
Motor Vehicles		56,745	
Office Equipment		9,817	
Other Equipment		2,501	
Total Sheriff's Department			\$ 26,104,146

Special Patrols

Nightwatchmen	\$	36,255	
Social Security		2,166	
Pensions		3,672	
Employer Medicare		507	
Total Special Patrols			42,600

Traffic Control

Maintenance and Repair Services - Equipment	\$	65	
Utilities		7,492	
Total Traffic Control			7,557

Administration of the Sexual Offender Registry

Longevity Pay	\$	525	
Other Salaries and Wages		62,946	
In-service Training		395	
Social Security		3,852	
Pensions		6,442	
Employee and Dependent Insurance		4,995	
Disability Insurance		99	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Administration of the Sexual Offender Registry (Cont.)

Employer Medicare	\$	901	
Other Charges		3,550	
Total Administration of the Sexual Offender Registry			\$ 83,705

Jail

Assistant(s)	\$	75,935	
Captain(s)		65,202	
Lieutenant(s)		298,667	
Sergeant(s)		444,987	
Guards		4,478,516	
Clerical Personnel		38,899	
Maintenance Personnel		180,813	
Part-time Personnel		27,369	
Longevity Pay		19,775	
Overtime Pay		487,944	
Other Salaries and Wages		1,008,694	
In-service Training		21,866	
Social Security		422,686	
Pensions		712,293	
Employee and Dependent Insurance		1,352,070	
Disability Insurance		12,000	
Unemployment Compensation		7,102	
Employer Medicare		98,854	
Dues and Memberships		300	
Maintenance Agreements		30,965	
Maintenance and Repair Services - Buildings		173,722	
Maintenance and Repair Services - Equipment		11,293	
Maintenance and Repair Services - Office Equipment		25,101	
Printing, Stationery, and Forms		2,682	
Transportation - Other than Students		59,126	
Other Contracted Services		6,261,529	
Custodial Supplies		119,112	
Data Processing Supplies		17,627	
Food Preparation Supplies		4,133	
Food Supplies		1,093,006	
Law Enforcement Supplies		3,820	
Office Supplies		8,597	
Prisoners Clothing		90,880	
Uniforms		52,215	
Utilities		825,976	
Other Supplies and Materials		977	
Building Improvements		257,956	
Communication Equipment		16,915	
Data Processing Equipment		78,038	
Food Service Equipment		88,000	
Maintenance Equipment		4,940	
Office Equipment		7,388	
Other Equipment		72,631	
Total Jail			19,060,601

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse

County Official/Administrative Officer	\$	81,466	
Captain(s)		65,202	
Lieutenant(s)		123,731	
Sergeant(s)		276,124	
Guards		1,252,340	
Secretary(ies)		39,263	
Clerical Personnel		157,775	
Part-time Personnel		9,331	
Longevity Pay		6,150	
Overtime Pay		41,846	
Board and Committee Members Fees		5,250	
In-service Training		6,554	
Social Security		122,033	
Pensions		204,925	
Employee and Dependent Insurance		415,634	
Disability Insurance		3,617	
Unemployment Compensation		463	
Employer Medicare		28,575	
Communication		6,096	
Contracts with Private Agencies		30,000	
Dues and Memberships		555	
Operating Lease Payments		12,973	
Maintenance Agreements		24,099	
Maintenance and Repair Services - Buildings		22,048	
Maintenance and Repair Services - Equipment		14,122	
Maintenance and Repair Services - Vehicles		3,106	
Postal Charges		46	
Other Contracted Services		881,327	
Custodial Supplies		35,420	
Data Processing Supplies		3,007	
Drugs and Medical Supplies		2,153	
Equipment and Machinery Parts		1,567	
Gasoline		9,283	
Law Enforcement Supplies		1,929	
Office Supplies		5,495	
Prisoners Clothing		5,080	
Uniforms		3,044	
Utilities		260,280	
Other Supplies and Materials		9,364	
Other Equipment		94,670	
Total Workhouse			\$ 4,265,943

Juvenile Services

County Official/Administrative Officer	\$	94,999
Captain(s)		69,930
Lieutenant(s)		56,613
Sergeant(s)		277,984

(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.)

Guards	\$	287,990	
Secretary(ies)		85,884	
Attendants		634,929	
Part-time Personnel		98,670	
Longevity Pay		3,575	
Overtime Pay		59,981	
Other Salaries and Wages		48,537	
In-service Training		4,724	
Social Security		102,352	
Pensions		161,635	
Employee and Dependent Insurance		294,139	
Disability Insurance		2,847	
Unemployment Compensation		242	
Employer Medicare		23,937	
Communication		5,099	
Data Processing Services		25,150	
Dues and Memberships		35	
Operating Lease Payments		2,152	
Maintenance Agreements		7,413	
Maintenance and Repair Services - Vehicles		598	
Medical and Dental Services		156,000	
Postal Charges		359	
Printing, Stationery, and Forms		174	
Travel		389	
Other Contracted Services		56,428	
Gasoline		176	
Office Supplies		6,916	
Uniforms		3,306	
Other Supplies and Materials		28,819	
Office Equipment		3,679	
Other Equipment		5,539	
Total Juvenile Services			\$ 2,611,200

Rural Fire Protection

County Official/Administrative Officer	\$	92,406
Salary Supplements		38,400
Educational Assistants		41,342
Part-time Personnel		44,402
Longevity Pay		2,250
Overtime Pay		50,270
Other Salaries and Wages		1,813,620
Social Security		125,137
Pensions		204,403
Employee and Dependent Insurance		372,774
Disability Insurance		3,530
Employer Medicare		29,279
Communication		49,145

(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.)

Data Processing Services	\$	20,757	
Dues and Memberships		2,185	
Evaluation and Testing		34,359	
Maintenance Agreements		13,209	
Maintenance and Repair Services - Buildings		36,435	
Maintenance and Repair Services - Equipment		7,706	
Maintenance and Repair Services - Vehicles		137,840	
Pest Control		989	
Postal Charges		100	
Travel		1,202	
Disposal Fees		354	
Other Contracted Services		300,345	
Custodial Supplies		3,057	
Diesel Fuel		58,757	
Drugs and Medical Supplies		10,711	
Gasoline		11,213	
Instructional Supplies and Materials		2,998	
Office Supplies		4,205	
Uniforms		31,707	
Utilities		60,100	
Other Supplies and Materials		47,006	
Other Charges		50,772	
Administration Equipment		213,009	
Communication Equipment		4,972	
Furniture and Fixtures		7,976	
Motor Vehicles		1,199,174	
Other Equipment		763,256	
Total Rural Fire Protection			\$ 5,891,352

Disaster Relief

County Official/Administrative Officer	\$	117,592
Assistant(s)		78,116
Supervisor/Director		142,173
Secretary(ies)		384
Longevity Pay		1,075
Overtime Pay		7,676
Social Security		20,147
Pensions		34,624
Employee and Dependent Insurance		67,450
Disability Insurance		606
Unemployment Compensation		5,225
Employer Medicare		4,712
Communication		13,715
Dues and Memberships		1,754
Maintenance Agreements		6,454
Maintenance and Repair Services - Buildings		4,881
Maintenance and Repair Services - Equipment		5,548

(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.)

Maintenance and Repair Services - Vehicles	\$	609	
Postal Charges		42	
Printing, Stationery, and Forms		350	
Rentals		27,015	
Travel		7,195	
Other Contracted Services		2,188	
Data Processing Supplies		824	
Diesel Fuel		444	
Electricity		15,437	
Gasoline		4,675	
Instructional Supplies and Materials		72	
Office Supplies		1,485	
Uniforms		4,116	
Other Supplies and Materials		2,078	
Other Charges		80,101	
Communication Equipment		155,229	
Data Processing Equipment		14,129	
Furniture and Fixtures		5,361	
Health Equipment		79,130	
Other Equipment		30,475	
Total Disaster Relief			\$ 943,087

Inspection and Regulation

County Official/Administrative Officer	\$	77,570	
Deputy(ies)		444,223	
Clerical Personnel		129,640	
Part-time Personnel		29,272	
Longevity Pay		4,525	
Social Security		39,672	
Pensions		66,602	
Employee and Dependent Insurance		175,067	
Disability Insurance		1,195	
Unemployment Compensation		4,675	
Employer Medicare		9,278	
Communication		7,920	
Dues and Memberships		640	
Maintenance Agreements		67,572	
Postal Charges		269	
Printing, Stationery, and Forms		911	
Travel		1,643	
Other Contracted Services		156	
Gasoline		10,351	
Office Supplies		4,838	
Uniforms		2,354	
Other Supplies and Materials		3,134	
In Service/Staff Development		708	
Data Processing Equipment		1,980	
Total Inspection and Regulation			1,084,195

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Part-time Personnel	\$	14,059	
Longevity Pay		825	
Other Salaries and Wages		262,787	
Social Security		16,884	
Pensions		26,783	
Employee and Dependent Insurance		47,389	
Disability Insurance		479	
Employer Medicare		3,949	
Communication		28,066	
Contracts with Government Agencies		125,623	
Maintenance and Repair Services - Buildings		1,595	
Maintenance and Repair Services - Equipment		2,988	
Travel		1,967	
Other Contracted Services		51,694	
Drugs and Medical Supplies		2,519	
Utilities		75,903	
Other Supplies and Materials		12,818	
In Service/Staff Development		960	
Other Charges		633	
Total Local Health Center			\$ 677,921

Rabies and Animal Control

County Official/Administrative Officer	\$	89,255
Supervisor/Director		83,528
Attendants		687,283
Part-time Personnel		117,486
Longevity Pay		1,525
Overtime Pay		24,240
Other Salaries and Wages		97,507
Social Security		65,427
Pensions		99,332
Employee and Dependent Insurance		234,904
Disability Insurance		1,755
Unemployment Compensation		1,119
Employer Medicare		15,302
Advertising		6,168
Communication		13,421
Dues and Memberships		2,080
Operating Lease Payments		11,152
Maintenance Agreements		25,336
Maintenance and Repair Services - Buildings		22,336
Maintenance and Repair Services - Vehicles		15,619
Postal Charges		257
Travel		3,983
Veterinary Services		48,510
Other Contracted Services		75,000
Animal Food and Supplies		15,334

(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.)

Custodial Supplies	\$	22,938	
Drugs and Medical Supplies		100,651	
Gasoline		27,904	
Office Supplies		8,107	
Uniforms		3,518	
Utilities		45,343	
Other Supplies and Materials		15,920	
Refunds		372	
Building Improvements		84,900	
Data Processing Equipment		24,474	
Other Equipment		1,470	
Total Rabies and Animal Control			\$ 2,093,456

Dental Health Program

Medical and Dental Services	\$	8,976	
Total Dental Health Program			8,976

Other Local Health Services

Medical Personnel	\$	1,673,053	
Longevity Pay		7,575	
Social Security		100,163	
Pensions		161,623	
Employee and Dependent Insurance		314,368	
Disability Insurance		2,904	
Employer Medicare		23,426	
Travel		10,456	
Liability Insurance		3,352	
Total Other Local Health Services			2,296,920

General Welfare Assistance

Contributions	\$	57,750	
Total General Welfare Assistance			57,750

Sanitation Management

Contracts with Private Agencies	\$	38,269	
Total Sanitation Management			38,269

Other Public Health and Welfare

Medical and Dental Services	\$	15,600	
Other Contracted Services		480,825	
Total Other Public Health and Welfare			496,425

Social, Cultural, and Recreational Services

Adult Activities

Contributions	\$	37,800	
Total Adult Activities			37,800

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Contributions	\$ 1,801,450	
Total Libraries		\$ 1,801,450

Parks and Fair Boards

Supervisor/Director	\$ 34,200	
Other Salaries and Wages	141,444	
Board and Committee Members Fees	4,700	
Social Security	10,349	
Employer Medicare	2,616	
Contributions	177,540	
Matching Share	10,000	
Postal Charges	6	
Travel	1,293	
Other Contracted Services	60,000	
Equipment and Machinery Parts	10,707	
Total Parks and Fair Boards		452,855

Other Social, Cultural, and Recreational

Contributions	\$ 742,512	
Total Other Social, Cultural, and Recreational		742,512

Agriculture and Natural Resources

Agricultural Extension Service

Teachers	\$ 9,328	
Part-time Personnel	15,503	
Longevity Pay	650	
Other Salaries and Wages	41,745	
Board and Committee Members Fees	1,400	
Social Security	4,141	
Pensions	4,953	
Employee and Dependent Insurance	8,026	
Disability Insurance	93	
Employer Medicare	976	
Advertising	2,434	
Communication	686	
Contracts with Government Agencies	507,114	
Postal Charges	1,100	
Fertilizer, Lime, and Seed	1,079	
Gasoline	2,125	
Office Supplies	1,111	
Utilities	131,741	
Other Supplies and Materials	50,400	
Total Agricultural Extension Service		784,605

Soil Conservation

Assistant(s)	\$ 29,935	
Longevity Pay	100	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Other Salaries and Wages	\$	35,691	
Social Security		3,969	
Pensions		6,678	
Employee and Dependent Insurance		17,468	
Disability Insurance		129	
Employer Medicare		928	
Contributions		20,000	
Total Soil Conservation			\$ 114,898

Storm Water Management

Assistant(s)	\$	77,375	
Part-time Personnel		32,575	
Longevity Pay		175	
Other Salaries and Wages		46,226	
In-service Training		475	
Social Security		9,520	
Pensions		12,576	
Employee and Dependent Insurance		20,923	
Disability Insurance		222	
Employer Medicare		2,226	
Communication		2,153	
Dues and Memberships		325	
Postal Charges		139	
Travel		930	
Other Contracted Services		3,460	
Gasoline		1,851	
Office Supplies		1,285	
Uniforms		745	
Other Supplies and Materials		7,691	
Data Processing Equipment		928	
Total Storm Water Management			221,800

Other Operations

Tourism

Contributions	\$	603,971	
Total Tourism			603,971

Industrial Development

Contracts with Other Public Agencies	\$	135,000	
Contributions		96,500	
Other Charges		633,546	
Total Industrial Development			865,046

Other Charges

Mechanic(s)	\$	63,402	
Laborers		95,408	
Longevity Pay		1,075	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges (Cont.)

Overtime Pay	\$	3,499	
Social Security		9,949	
Pensions		16,600	
Employee and Dependent Insurance		23,100	
Disability Insurance		290	
Employer Medicare		2,327	
Operating Lease Payments		2,934	
Travel		3,725	
Equipment and Machinery Parts		2,559	
Gasoline		1,442	
Utilities		14,884	
Vehicle Parts		20,078	
Other Supplies and Materials		6,292	
Other Equipment		3,705	
Total Other Charges			\$ 271,269

Employee Benefits

Other Fringe Benefits	\$	595,045	
Workers' Compensation Insurance		550,000	
Total Employee Benefits			1,145,045

Payments to Cities

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

Miscellaneous

Judgments	\$	1,400,000	
Trustee's Commission		1,462,857	
Total Miscellaneous			2,862,857

Total General Fund \$ 105,773,678

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Laborers	\$	50,046	
Part-time Personnel		6,178	
Longevity Pay		200	
Social Security		3,375	
Pensions		5,105	
Employee and Dependent Insurance		14,017	
Disability Insurance		92	
Unemployment Compensation		2,314	
Employer Medicare		789	
Gasoline		5,033	
Instructional Supplies and Materials		5,000	
Other Supplies and Materials		3,945	
Total Sanitation Education/Information			\$ 96,094

(Continued)

Exhibit L-9

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

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

Convenience Centers

Supervisor/Director	\$	98,325	
Foremen		55,494	
Truck Drivers		495,136	
Laborers		492,332	
Clerical Personnel		47,365	
Maintenance Personnel		48,919	
Part-time Personnel		15,685	
Longevity Pay		2,250	
Overtime Pay		59,621	
Social Security		79,744	
Pensions		81,395	
Employee and Dependent Insurance		126,126	
Disability Insurance		1,348	
Unemployment Compensation		1,568	
Employer Medicare		18,650	
Advertising		3,510	
Communication		37,518	
Contracts with Private Agencies		23,378	
Engineering Services		10,849	
Maintenance and Repair Services - Buildings		5,135	
Maintenance and Repair Services - Equipment		42,995	
Maintenance and Repair Services - Vehicles		121,104	
Postal Charges		9	
Rentals		10,860	
Towing Services		1,800	
Travel		235	
Crushed Stone		2,036	
Diesel Fuel		174,424	
Equipment and Machinery Parts		58,407	
Gasoline		1,465	
Lubricants		6,877	
Office Supplies		443	
Tires and Tubes		102,593	
Uniforms		5,773	
Utilities		24,788	
Other Supplies and Materials		7,102	
Communication Equipment		663	
Motor Vehicles		259,458	
Site Development		11,491	
Solid Waste Equipment		40,263	
Total Convenience Centers			\$ 2,577,134

Other Waste Collection

Laborers	\$	37,272
Part-time Personnel		44,393
Longevity Pay		150
Overtime Pay		569

(Continued)

Exhibit L-9

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Other Waste Collection (Cont.)

Social Security	\$	4,918	
Pensions		3,860	
Employee and Dependent Insurance		10,493	
Disability Insurance		68	
Employer Medicare		1,150	
Communication		385	
Contracts with Private Agencies		97,787	
Maintenance and Repair Services - Equipment		1,003	
Other Contracted Services		38,001	
Other Supplies and Materials		811	
Total Other Waste Collection			\$ 240,860

Landfill Operation and Maintenance

Mechanic(s)	\$	50,342	
Clerical Personnel		34,691	
Longevity Pay		450	
Overtime Pay		3,957	
Social Security		5,355	
Pensions		9,087	
Employee and Dependent Insurance		15,410	
Disability Insurance		158	
Employer Medicare		1,252	
Communication		1,534	
Contracts with Private Agencies		291,820	
Engineering Services		19,888	
Maintenance and Repair Services - Equipment		4,734	
Maintenance and Repair Services - Vehicles		319	
Rentals		1,292	
Travel		1,311	
Disposal Fees		266,739	
Crushed Stone		3,802	
Data Processing Supplies		1,020	
Diesel Fuel		2,391	
Equipment Parts - Light		537	
Equipment and Machinery Parts		7,455	
Gasoline		253	
Lubricants		1,808	
Small Tools		599	
Uniforms		2,069	
Utilities		6,179	
Other Supplies and Materials		2,682	
Total Landfill Operation and Maintenance			737,134

Postclosure Care Costs

Contracts with Private Agencies	\$	230,640	
Engineering Services		78,341	
Contracts for Postclosure Care Costs		7,612	

(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.)

Postclosure Care Costs (Cont.)

Testing	\$	9,127	
Other Supplies and Materials		456	
Total Postclosure Care Costs			\$ 326,176

Other Operations

Employee Benefits

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

Miscellaneous

Building and Contents Insurance	\$	1,534	
Judgments		52,100	
Liability Insurance		11,344	
Trustee's Commission		44,597	
Total Miscellaneous			<u>109,575</u>

Total Solid Waste/Sanitation Fund \$ 4,111,973

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	88,756	
Supervisor/Director		1,190,037	
Accountants/Bookkeepers		222,546	
Paraprofessionals		4,108,312	
Dispatchers/Radio Operators		579,379	
Maintenance Personnel		36,054	
Part-time Personnel		312,957	
Longevity Pay		29,975	
Overtime Pay		1,645,888	
In-service Training		52,296	
Social Security		489,490	
Pensions		789,038	
Employee and Dependent Insurance		1,400,269	
Disability Insurance		13,232	
Unemployment Compensation		1,682	
Employer Medicare		114,477	
Communication		85,716	
Contracts with Private Agencies		121,098	
Operating Lease Payments		9,405	
Maintenance and Repair Services - Buildings		65,304	
Maintenance and Repair Services - Vehicles		108,296	
Medical and Dental Services		13,840	
Pest Control		5,732	
Postal Charges		369	
Printing, Stationery, and Forms		608	
Travel		5,998	

(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.)

Other Contracted Services	\$	470,476	
Custodial Supplies		13,717	
Data Processing Supplies		6,689	
Drugs and Medical Supplies		387,445	
Gasoline		182,624	
Instructional Supplies and Materials		5,314	
Office Supplies		2,101	
Uniforms		43,378	
Utilities		87,215	
Other Supplies and Materials		35,814	
Building and Contents Insurance		3,488	
Judgments		150,000	
Liability Insurance		23,861	
Refunds		51,699	
Trustee's Commission		239,063	
Workers' Compensation Insurance		50,000	
In Service/Staff Development		16,906	
Fines, Assessments, and Penalties		262,026	
Other Charges		12,129	
Data Processing Equipment		71,108	
Motor Vehicles		408,420	
Health Equipment		149,858	
Other Equipment		10,540	
Total Ambulance/Emergency Medical Services			\$ 14,174,625

Other Local Health Services

Paraprofessionals	\$	125,992	
Part-time Personnel		134,606	
Overtime Pay		45,026	
Social Security		18,889	
Pensions		15,476	
Employee and Dependent Insurance		33,154	
Disability Insurance		248	
Employer Medicare		4,418	
Maintenance and Repair Services - Vehicles		2,002	
Gasoline		5,453	
Motor Vehicles		62,132	
Total Other Local Health Services			447,396

Total Ambulance Service Fund \$ 14,622,021

Industrial/Economic Development Fund

Other Operations

Industrial Development

Trustee's Commission	\$	864	
Total Industrial Development			\$ 864

Total Industrial/Economic Development Fund 864

(Continued)

Exhibit L-9

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

Special Purpose Fund

Public Safety

Sheriff's Department

Confidential Drug Enforcement Payments	\$ 60,000	
Maintenance and Repair Services - Vehicles	2,501	
Total Sheriff's Department	<u>62,501</u>	\$ 62,501

Total Special Purpose Fund \$ 62,501

Drug Control Fund

Public Safety

Drug Enforcement

In-service Training	\$ 14,621	
Confidential Drug Enforcement Payments	85,000	
Maintenance and Repair Services - Buildings	98	
Maintenance and Repair Services - Vehicles	17,936	
Veterinary Services	3,908	
Animal Food and Supplies	2,581	
Law Enforcement Supplies	472	
Uniforms	1,514	
Other Supplies and Materials	7,737	
Trustee's Commission	4,472	
Other Charges	2,772	
Data Processing Equipment	11,479	
Law Enforcement Equipment	21,863	
Motor Vehicles	55,995	
Total Drug Enforcement	<u>230,448</u>	\$ 230,448

Total Drug Control Fund 230,448

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 727,177	
Total Register of Deeds	<u>727,177</u>	\$ 727,177

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 472,664	
Total County Trustee's Office	<u>472,664</u>	472,664

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 1,688,477	
Total County Clerk's Office	<u>1,688,477</u>	1,688,477

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$ 2,312,520	
Total Circuit Court	<u>2,312,520</u>	2,312,520

(Continued)

Exhibit L-9

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 13,322	
Total Chancery Court		\$ 13,322

Total Constitutional Officers - Fees Fund \$ 5,214,160

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 145,454	
Assistant(s)	77,155	
Secretary(ies)	115,924	
Longevity Pay	2,300	
Board and Committee Members Fees	41,000	
Social Security	22,178	
Pensions	34,778	
Employee and Dependent Insurance	67,434	
Disability Insurance	557	
Employer Medicare	5,314	
Communication	6,162	
Dues and Memberships	8,226	
Janitorial Services	7,695	
Legal Notices, Recording, and Court Costs	876	
Postal Charges	859	
Printing, Stationery, and Forms	2,246	
Travel	124	
Drugs and Medical Supplies	326	
Electricity	19,702	
Natural Gas	7,277	
Office Supplies	3,000	
Water and Sewer	6,148	
Building and Contents Insurance	2,972	
Liability Insurance	82,217	
Trustee's Commission	129,810	
Other Charges	8,433	
Office Equipment	1,183	
Total Administration		\$ 799,350

Highway and Bridge Maintenance

Foremen	\$ 426,713
Equipment Operators	1,346,446
Truck Drivers	291,392
Longevity Pay	14,825
Overtime Pay	12,873
Social Security	121,554
Pensions	210,365
Employee and Dependent Insurance	555,315
Disability Insurance	3,753

(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.)

Employer Medicare	\$	28,428	
Engineering Services		529,997	
Other Contracted Services		235,279	
Asphalt		3,050,461	
Crushed Stone		187,552	
General Construction Materials		4,384	
Pipe		24,682	
Pipe - Metal		39,882	
Road Signs		21,757	
Uniforms		25,317	
Other Supplies and Materials		1,715	
Total Highway and Bridge Maintenance			\$ 7,132,690

Operation and Maintenance of Equipment

Foremen	\$	59,867	
Mechanic(s)		235,721	
Laborers		88,235	
Longevity Pay		3,000	
Overtime Pay		3,581	
Social Security		23,140	
Pensions		39,367	
Employee and Dependent Insurance		76,294	
Disability Insurance		700	
Employer Medicare		5,412	
Maintenance and Repair Services - Equipment		80,766	
Other Contracted Services		41,197	
Diesel Fuel		117,750	
Equipment and Machinery Parts		141,538	
Garage Supplies		8,702	
Gasoline		26,501	
Lubricants		9,231	
Tires and Tubes		40,077	
Other Supplies and Materials		23,812	
Total Operation and Maintenance of Equipment			1,024,891

Other Charges

Assistant(s)	\$	66,881	
Data Processing Personnel		15,987	
Salary Supplements		10,000	
Foremen		55,891	
Equipment Operators		168,087	
Secretary(ies)		52,833	
Longevity Pay		2,150	
Overtime Pay		2,454	
In-service Training		1,624	
Social Security		21,613	
Pensions		37,966	

(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.)

Employee and Dependent Insurance	\$	87,246	
Disability Insurance		666	
Employer Medicare		5,055	
Communication		1,306	
Legal Notices, Recording, and Court Costs		166	
Maintenance and Repair Services - Equipment		13,814	
Postal Charges		562	
Printing, Stationery, and Forms		500	
Other Contracted Services		3,905	
Data Processing Supplies		366	
Diesel Fuel		8,377	
Equipment and Machinery Parts		5,381	
Gasoline		1,484	
General Construction Materials		1,567	
Lubricants		107	
Office Supplies		1,675	
Pipe - Metal		1,196	
Tires and Tubes		280	
Other Supplies and Materials		1,216	
Other Equipment		7,466	
Total Other Charges			\$ 577,821

Employee Benefits

Unemployment Compensation	\$	101	
Other Fringe Benefits		119,927	
Workers' Compensation Insurance		58,085	
Total Employee Benefits			178,113

Capital Outlay

Bridge Construction	\$	41,218	
Building Improvements		4,761	
Highway Equipment		431,262	
Right-of-Way		229,361	
Total Capital Outlay			706,602

Total Highway/Public Works Fund \$ 10,419,467

General Debt Service Fund

General Government

Other General Administration

Trustee's Commission	\$	1,016,531	
Other Debt Service		6,975	
Total Other General Administration			\$ 1,023,506

Principal on Debt

General Government

Principal on Bonds	\$	7,329,950	
Total General Government			7,329,950

(Continued)

Exhibit L-9

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Education

Principal on Bonds	\$ 28,785,050	
Principal on Capital Leases	117,603	
Principal on Other Loans	468,000	
Total Education		\$ 29,370,653

Interest on Debt

General Government

Interest on Bonds	\$ 3,903,310	
Total General Government		3,903,310

Education

Interest on Bonds	\$ 14,221,614	
Interest on Capital Leases	2,176	
Interest on Other Loans	17,364	
Total Education		14,241,154

Other Debt Service

General Government

Underwriter's Discount	\$ 45,014	
Other Debt Issuance Charges	95,559	
Total General Government		140,573

Total General Debt Service Fund \$ 56,009,146

General Capital Projects Fund

Capital Projects

General Administration Projects

Architects	\$ 191,410	
Building Improvements	835,754	
Total General Administration Projects		\$ 1,027,164

Administration of Justice Projects

Data Processing Services	\$ 11,641	
Building Construction	17,801	
Furniture and Fixtures	2,275	
Total Administration of Justice Projects		31,717

Public Safety Projects

Building Improvements	\$ 2,144,053	
Communication Equipment	12,813,886	
Data Processing Equipment	1,482	
Total Public Safety Projects		14,959,421

Public Health and Welfare Projects

Architects	\$ 24,083	
Building Improvements	11,671	
Total Public Health and Welfare Projects		35,754

Total General Capital Projects Fund 16,054,056

(Continued)

Exhibit L-9

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

<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contributions	\$	<u>529,058</u>	
Total Education Capital Projects			\$ <u>529,058</u>
 Total Education Capital Projects Fund			 \$ <u>529,058</u>
 Total Governmental Funds - Primary Government			 \$ <u>213,027,372</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, 2020

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 145,632,774	
Career Ladder Program	245,232	
Educational Assistants	4,792,123	
Other Salaries and Wages	1,564,488	
Social Security	9,082,464	
Pensions	14,502,019	
Life Insurance	88,325	
Medical Insurance	25,676,922	
Unemployment Compensation	61,097	
Employer Medicare	2,110,997	
Other Fringe Benefits	280,227	
Contracts with Private Agencies	123,612	
Maintenance and Repair Services - Equipment	3,642	
Contracts for Substitute Teachers - Certified	238,331	
Contracts for Substitute Teachers - Non-certified	1,367,574	
Other Contracted Services	90,994	
Instructional Supplies and Materials	2,589,331	
Textbooks - Bound	8,115,069	
Software	1,067,650	
Other Supplies and Materials	347,157	
Fee Waivers	55,338	
Other Charges	147,703	
Regular Instruction Equipment	2,623,113	
Total Regular Instruction Program		\$ 220,806,182

Alternative Instruction Program

Teachers	\$ 1,582,344	
Career Ladder Program	4,498	
Educational Assistants	161,480	
Social Security	104,751	
Pensions	175,389	
Life Insurance	1,076	
Medical Insurance	289,226	
Employer Medicare	24,498	
Other Fringe Benefits	3,277	
Contracts for Substitute Teachers - Certified	935	
Contracts for Substitute Teachers - Non-certified	20,710	
Other Contracted Services	3,786	
Instructional Supplies and Materials	17,642	
Other Equipment	377	
Total Alternative Instruction Program		2,389,989

Special Education Program

Teachers	\$ 13,552,339
Career Ladder Program	30,077
Educational Assistants	6,123,199

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Speech Pathologist	\$	1,897,909	
Other Salaries and Wages		293,176	
Social Security		1,294,685	
Pensions		2,131,930	
Life Insurance		18,406	
Medical Insurance		4,731,698	
Unemployment Compensation		19,052	
Employer Medicare		303,290	
Other Fringe Benefits		42,843	
Contracts with Private Agencies		1,181,846	
Evaluation and Testing		84,301	
Maintenance and Repair Services - Equipment		80	
Contracts for Substitute Teachers - Certified		50,120	
Contracts for Substitute Teachers - Non-certified		272,748	
Other Contracted Services		974	
Instructional Supplies and Materials		98,331	
Textbooks - Bound		24,244	
Other Supplies and Materials		38,288	
BEP - IEA Payments		100,894	
Other Charges		217	
Special Education Equipment		21,769	
Total Special Education Program			\$ 32,312,416

Career and Technical Education Program

Teachers	\$	8,918,346	
Career Ladder Program		6,680	
Clerical Personnel		226,630	
Educational Assistants		22,273	
Social Security		546,490	
Pensions		867,864	
Life Insurance		5,046	
Medical Insurance		1,638,595	
Unemployment Compensation		8,370	
Employer Medicare		127,797	
Other Fringe Benefits		16,773	
Maintenance and Repair Services - Equipment		76,378	
Contracts for Substitute Teachers - Certified		16,996	
Contracts for Substitute Teachers - Non-certified		156,118	
Other Contracted Services		29,175	
Instructional Supplies and Materials		290,217	
T&I Construction Materials		12,446	
Textbooks - Bound		347,567	
Other Supplies and Materials		91,734	
Vocational Instruction Equipment		284,978	
Total Career and Technical Education Program			13,690,473

(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

Attendance

Supervisor/Director	\$	117,952	
Career Ladder Program		4,100	
Social Workers		278,065	
Clerical Personnel		119,663	
Other Salaries and Wages		68,510	
Social Security		31,801	
Pensions		53,879	
Life Insurance		234	
Medical Insurance		78,867	
Employer Medicare		8,301	
Other Fringe Benefits		912	
Travel		914	
Other Contracted Services		220,555	
Other Supplies and Materials		8,419	
In Service/Staff Development		670	
Total Attendance			\$ 992,842

Health Services

Supervisor/Director	\$	148,357	
Medical Personnel		3,052,851	
Other Salaries and Wages		558,317	
Social Security		224,352	
Pensions		335,433	
Life Insurance		1,942	
Medical Insurance		573,133	
Unemployment Compensation		2,069	
Employer Medicare		52,470	
Other Fringe Benefits		6,448	
Travel		11,465	
Other Contracted Services		19,671	
Drugs and Medical Supplies		20,788	
Other Supplies and Materials		50,241	
In Service/Staff Development		10,098	
Health Equipment		56,205	
Total Health Services			5,123,840

Other Student Support

Supervisor/Director	\$	107,750
Career Ladder Program		16,632
Guidance Personnel		5,707,122
Psychological Personnel		133,000
Career Ladder Extended Contracts		2,000
Social Workers		142,285
Clerical Personnel		329,924
Educational Assistants		33,472
Other Salaries and Wages		1,679,985

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Social Security	\$	486,182	
Pensions		781,585	
Life Insurance		4,478	
Medical Insurance		1,315,194	
Unemployment Compensation		1,774	
Employer Medicare		114,318	
Other Fringe Benefits		14,584	
Contracts with Government Agencies		342,970	
Evaluation and Testing		108,494	
Travel		12,795	
Contracts for Substitute Teachers - Certified		7,208	
Contracts for Substitute Teachers - Non-certified		44,195	
Other Contracted Services		79,178	
Other Supplies and Materials		28,779	
In Service/Staff Development		14,583	
Other Equipment		444,411	
Total Other Student Support			\$ 11,952,898

Regular Instruction Program

Supervisor/Director	\$	892,867	
Career Ladder Program		28,852	
Librarians		3,339,538	
Materials Supervisor		53,285	
Instructional Computer Personnel		2,475,976	
Secretary(ies)		84,797	
Clerical Personnel		96,060	
Educational Assistants		708,094	
Other Salaries and Wages		1,516,938	
Social Security		545,019	
Pensions		926,028	
Life Insurance		4,830	
Medical Insurance		1,546,469	
Unemployment Compensation		550	
Employer Medicare		128,643	
Other Fringe Benefits		16,645	
Travel		35,993	
Contracts for Substitute Teachers - Certified		3,301	
Contracts for Substitute Teachers - Non-certified		32,650	
Other Contracted Services		64,041	
Library Books/Media		223,845	
Software		115,000	
Other Supplies and Materials		100,690	
In Service/Staff Development		206,681	
Other Equipment		17,832	
Total Regular Instruction Program			13,164,624

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program

Supervisor/Director	\$	200,955	
Career Ladder Program		4,500	
Guidance Personnel		134,425	
Librarians		55,309	
Clerical Personnel		63,693	
Other Salaries and Wages		307,057	
Social Security		46,142	
Pensions		80,531	
Life Insurance		365	
Medical Insurance		97,423	
Employer Medicare		10,791	
Other Fringe Benefits		1,354	
Contracts for Substitute Teachers - Certified		1,761	
Contracts for Substitute Teachers - Non-certified		2,973	
Other Supplies and Materials		9,145	
Other Equipment		18	
Total Alternative Instruction Program			\$ 1,016,442

Special Education Program

Supervisor/Director	\$	96,066	
Career Ladder Program		5,695	
Psychological Personnel		667,835	
Clerical Personnel		79,339	
Other Salaries and Wages		51,282	
Social Security		53,140	
Pensions		89,637	
Life Insurance		430	
Medical Insurance		166,044	
Employer Medicare		12,450	
Other Fringe Benefits		1,631	
Travel		45,040	
Other Contracted Services		18,379	
Other Supplies and Materials		61,885	
In Service/Staff Development		4,239	
Other Charges		1,789	
Other Equipment		8,422	
Total Special Education Program			1,363,303

Career and Technical Education Program

Supervisor/Director	\$	96,066
Clerical Personnel		42,297
Other Salaries and Wages		153,294
Social Security		17,405
Pensions		30,786
Life Insurance		122
Medical Insurance		42,538

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program (Cont.)

Employer Medicare	\$	4,071	
Other Fringe Benefits		540	
Travel		7,454	
Other Supplies and Materials		9,804	
In Service/Staff Development		23,966	
Other Equipment		377	
Total Career and Technical Education Program			\$ 428,720

Technology

Supervisor/Director	\$	102,971	
Computer Programmer(s)		1,344,756	
Clerical Personnel		43,037	
Other Salaries and Wages		160,847	
Social Security		99,320	
Pensions		167,513	
Life Insurance		800	
Medical Insurance		228,096	
Employer Medicare		23,228	
Other Fringe Benefits		3,066	
Maintenance and Repair Services - Equipment		143	
Internet Connectivity		309,050	
Travel		6,759	
Other Contracted Services		62,580	
Cabling		143,342	
Software		411,563	
Other Supplies and Materials		361,159	
Other Equipment		585,569	
Total Technology			4,053,799

Adult Programs

Supervisor/Director	\$	93,581	
Clerical Personnel		44,843	
Social Security		8,511	
Pensions		14,504	
Life Insurance		61	
Medical Insurance		7,215	
Employer Medicare		1,991	
Other Fringe Benefits		255	
Total Adult Programs			170,961

Board of Education

Secretary to Board	\$	138,901	
Board and Committee Members Fees		113,176	
Social Security		15,582	
Pensions		14,077	
Life Insurance		39	

(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.)

Medical Insurance	\$	3,197,525	
Employer Medicare		3,644	
Other Fringe Benefits		252	
Audit Services		48,239	
Legal Services		121,836	
Other Contracted Services		11,000	
Liability Insurance		597,935	
Trustee's Commission		2,848,944	
Workers' Compensation Insurance		526,381	
In Service/Staff Development		7,299	
Criminal Investigation of Applicants - TBI		67,502	
Total Board of Education			\$ 7,712,332

Director of Schools

County Official/Administrative Officer	\$	160,224	
Career Ladder Program		1,000	
Secretary(ies)		44,843	
Other Salaries and Wages		308,245	
Social Security		29,551	
Pensions		53,012	
Life Insurance		213	
Medical Insurance		53,969	
Employer Medicare		7,287	
Other Fringe Benefits		851	
Communication		100,669	
Dues and Memberships		9,810	
Postal Charges		26,713	
Travel		1,532	
Other Contracted Services		31,692	
Other Supplies and Materials		8,504	
In Service/Staff Development		10,162	
Other Charges		26,505	
Total Director of Schools			874,782

Office of the Principal

Principals	\$	4,902,106	
Career Ladder Program		35,400	
Accountants/Bookkeepers		1,338,319	
Career Ladder Extended Contracts		4,000	
Assistant Principals		6,844,950	
Secretary(ies)		1,441,581	
Clerical Personnel		1,856,369	
Social Security		981,068	
Pensions		1,706,719	
Life Insurance		8,763	
Medical Insurance		2,871,352	

(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.)

Unemployment Compensation	\$	652	
Employer Medicare		229,692	
Other Fringe Benefits		29,224	
Communication		183,940	
Dues and Memberships		85,700	
Contracts for Substitute Teachers - Certified		330	
Contracts for Substitute Teachers - Non-certified		7,531	
Other Contracted Services		120,249	
Office Supplies		5,765	
Other Supplies and Materials		915	
Other Charges		325,148	
Administration Equipment		34,025	
Total Office of the Principal			\$ 23,013,798

Fiscal Services

Supervisor/Director	\$	445,305	
Accountants/Bookkeepers		388,621	
Purchasing Personnel		116,331	
Social Security		55,164	
Pensions		90,102	
Life Insurance		476	
Medical Insurance		176,382	
Employer Medicare		13,225	
Other Fringe Benefits		1,546	
Travel		738	
Other Contracted Services		6,773	
Office Supplies		21,251	
Other Supplies and Materials		2,823	
In Service/Staff Development		5,420	
Administration Equipment		16,032	
Total Fiscal Services			1,340,189

Human Services/Personnel

Supervisor/Director	\$	126,323	
Clerical Personnel		96,715	
Other Salaries and Wages		143,050	
Social Security		21,230	
Pensions		35,939	
Life Insurance		181	
Medical Insurance		64,618	
Employer Medicare		5,199	
Other Fringe Benefits		618	
Travel		710	
Other Contracted Services		30,215	
Other Supplies and Materials		8,007	
In Service/Staff Development		5,423	
Administration Equipment		3,229	
Total Human Services/Personnel			541,457

(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.)

Operation of Plant

Custodial Personnel	\$	7,831,446	
Other Salaries and Wages		104,635	
Social Security		473,073	
Pensions		753,518	
Life Insurance		7,253	
Medical Insurance		1,778,717	
Unemployment Compensation		8,725	
Employer Medicare		110,967	
Other Fringe Benefits		13,575	
Maintenance and Repair Services - Equipment		19,624	
Other Contracted Services		824,285	
Custodial Supplies		972,042	
Electricity		9,859,239	
Natural Gas		1,122,203	
Water and Sewer		1,330,241	
Other Supplies and Materials		64,222	
Building and Contents Insurance		511,792	
Other Charges		65,556	
Plant Operation Equipment		136,304	
Total Operation of Plant			\$ 25,987,417

Maintenance of Plant

Supervisor/Director	\$	463,295	
Secretary(ies)		126,909	
Maintenance Personnel		2,695,012	
Social Security		195,183	
Pensions		331,904	
Life Insurance		1,960	
Medical Insurance		639,206	
Unemployment Compensation		4,978	
Employer Medicare		45,648	
Other Fringe Benefits		5,815	
Laundry Service		16,462	
Maintenance and Repair Services - Buildings		927,400	
Maintenance and Repair Services - Equipment		1,034,123	
Travel		2,758	
Other Contracted Services		751,147	
Other Supplies and Materials		729,998	
Vehicle and Equipment Insurance		73,409	
In Service/Staff Development		1,582	
Other Charges		10,666	
Administration Equipment		244,244	
Maintenance Equipment		110,078	
Total Maintenance of Plant			8,411,777

(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	\$	77,900	
Clerical Personnel		188,645	
Attendants		535,617	
Other Salaries and Wages		140,570	
Social Security		54,289	
Pensions		83,278	
Life Insurance		825	
Medical Insurance		232,468	
Unemployment Compensation		479	
Employer Medicare		12,955	
Other Fringe Benefits		1,595	
Contracts with Private Agencies		544,620	
Contracts with Vehicle Owners		18,459,577	
Travel		352	
Other Contracted Services		129,700	
Other Supplies and Materials		7,044	
Vehicle and Equipment Insurance		45,805	
In Service/Staff Development		6,060	
Other Charges		21,201	
Administration Equipment		1,784	
Transportation Equipment		88,415	
Total Transportation			\$ 20,633,179

Operation of Non-Instructional Services

Community Services

Other Charges	\$	35,563	
Total Community Services			35,563

Early Childhood Education

Teachers	\$	1,555,679	
Career Ladder Program		5,200	
Educational Assistants		729,650	
Social Security		134,765	
Pensions		229,935	
Life Insurance		1,974	
Medical Insurance		572,066	
Unemployment Compensation		1,970	
Employer Medicare		31,518	
Other Fringe Benefits		4,505	
Travel		531	
Contracts for Substitute Teachers - Certified		8,162	
Contracts for Substitute Teachers - Non-certified		36,614	
Other Contracted Services		1,610	
Food Supplies		2,706	
Instructional Supplies and Materials		20,491	
Other Supplies and Materials		5,268	
In Service/Staff Development		7,399	
Total Early Childhood Education			3,350,043

(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 Outlay

Regular Capital Outlay

Other Contracted Services	\$ 25,575	
Other Capital Outlay	15,776	
Total Regular Capital Outlay		\$ 41,351

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 605,145	
Total Education		605,145

Total General Purpose School Fund \$ 400,013,522

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 1,165,800	
Educational Assistants	334,869	
Social Security	86,986	
Pensions	154,803	
Life Insurance	1,080	
Medical Insurance	317,289	
Employer Medicare	20,852	
Other Fringe Benefits	2,804	
Contracts for Substitute Teachers - Certified	14,025	
Contracts for Substitute Teachers - Non-certified	114,354	
Other Contracted Services	36,120	
Instructional Supplies and Materials	225,008	
Other Supplies and Materials	452,108	
Regular Instruction Equipment	359,962	
Total Regular Instruction Program		\$ 3,286,060

Special Education Program

Teachers	\$ 999,427	
Educational Assistants	1,402,727	
Speech Pathologist	129,974	
Other Salaries and Wages	70,335	
Social Security	150,993	
Pensions	265,131	
Life Insurance	2,738	
Medical Insurance	798,295	
Employer Medicare	35,312	
Other Fringe Benefits	5,308	
Contracts with Private Agencies	14,592	
Contracts for Substitute Teachers - Certified	2,146	
Contracts for Substitute Teachers - Non-certified	34,385	
Instructional Supplies and Materials	1,011	
Other Supplies and Materials	98,283	
Special Education Equipment	15,563	
Total Special Education Program		4,026,220

(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.)

Career and Technical Education Program

Other Supplies and Materials	\$ 49,437	
Vocational Instruction Equipment	545,122	
Total Career and Technical Education Program		\$ 594,559

Support Services

Health Services

Other Supplies and Materials	\$ 51,406	
Other Equipment	1,349	
Total Health Services		52,755

Other Student Support

Social Workers	\$ 540,688	
Other Salaries and Wages	191,056	
Social Security	43,952	
Pensions	74,992	
Life Insurance	390	
Medical Insurance	105,556	
Employer Medicare	10,279	
Other Fringe Benefits	1,320	
Contracts with Government Agencies	57,416	
Evaluation and Testing	11,753	
Travel	23,360	
Other Contracted Services	109,550	
Other Supplies and Materials	90,340	
In Service/Staff Development	38,990	
Other Equipment	598	
Total Other Student Support		1,300,240

Regular Instruction Program

Supervisor/Director	\$ 114,026	
Secretary(ies)	57,784	
Other Salaries and Wages	1,450,482	
In-service Training	270,032	
Social Security	112,118	
Pensions	189,576	
Life Insurance	710	
Medical Insurance	232,464	
Employer Medicare	26,603	
Other Fringe Benefits	2,785	
Travel	7,605	
Other Supplies and Materials	19,115	
In Service/Staff Development	776,695	
Other Equipment	2,626	
Total Regular Instruction Program		3,262,621

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Psychological Personnel	\$	779,351	
Medical Personnel		197,905	
Other Salaries and Wages		560,709	
Social Security		87,644	
Pensions		151,006	
Life Insurance		589	
Medical Insurance		221,499	
Employer Medicare		21,416	
Other Fringe Benefits		2,367	
Contracts with Private Agencies		269,726	
Other Supplies and Materials		15,974	
In Service/Staff Development		64,388	
Other Equipment		15,753	
Total Special Education Program			\$ 2,388,327

Career and Technical Education Program

In Service/Staff Development	\$	6,778	
Total Career and Technical Education Program			6,778

Transportation

Other Salaries and Wages	\$	199,671	
Social Security		11,546	
Pensions		19,288	
Life Insurance		264	
Medical Insurance		67,336	
Employer Medicare		2,700	
Other Fringe Benefits		413	
Contracts with Parents		958	
Contracts with Vehicle Owners		9,458	
Maintenance and Repair Services - Vehicles		2,635	
Gasoline		2,353	
Total Transportation			316,622

Total School Federal Projects Fund \$ 15,234,182

Central Cafeteria Fund

Support Services

Board of Education

Audit Services	\$	11,992	
Workers' Compensation Insurance		27,150	
Total Board of Education			\$ 39,142

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	122,422	
Accountants/Bookkeepers		100,033	

(Continued)

Exhibit L-10

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Cafeteria Personnel	\$	7,403,966	
Other Salaries and Wages		262,922	
Social Security		473,182	
Pensions		362,255	
Life Insurance		4,187	
Medical Insurance		1,132,388	
Unemployment Compensation		13,555	
Employer Medicare		111,150	
Other Fringe Benefits		7,440	
Maintenance and Repair Services - Equipment		28,157	
Transportation - Other than Students		105,655	
Travel		13,147	
Other Contracted Services		486,051	
Food Preparation Supplies		652,855	
Food Supplies		6,074,899	
Office Supplies		19,429	
Uniforms		3,126	
USDA - Commodities		716,811	
Other Supplies and Materials		140,995	
In Service/Staff Development		10,811	
Food Service Equipment		79,561	
Total Food Service			\$ 18,324,997

Total Central Cafeteria Fund \$ 18,364,139

Education Capital Projects Fund

Support Services

Board of Education

Trustee's Commission	\$	148,575	
Total Board of Education			\$ 148,575

Capital Projects

Education Capital Projects

Engineering Services	\$	109,025	
Maintenance and Repair Services - Buildings		5,885,955	
Other Contracted Services		486,964	
Other Equipment		851,441	
Total Education Capital Projects			7,333,385

Total Education Capital Projects Fund 7,481,960

Other Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$	1,638,604	
Engineering Services		38,728	

(Continued)

Exhibit L-10

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

Other Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Education Capital Projects (Cont.)

Building Construction	\$ 7,227,207	
Building Improvements	529,058	
Furniture and Fixtures	1,758,094	
Land	68,850	
Regular Instruction Equipment	2,848,640	
Site Development	1,665,941	
Other Equipment	940	
Other Capital Outlay	475,993	
Total Education Capital Projects	<u>16,252,055</u>	<u>\$ 16,252,055</u>

Total Other Capital Projects Fund \$ 16,252,055

Total Governmental Funds - Rutherford County School Department \$ 457,345,858

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, 2020

	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	\$ 15,265,314	\$ 15,265,314
Trustee's Collections - Prior Years	0	0	126,973	126,973
Circuit/Clerk and Master Collections - Prior Years	0	0	78,353	78,353
Interest and Penalty	0	0	32,815	32,815
Pick-up Taxes	0	0	14,311	14,311
Payments in-Lieu-of Taxes - T.V.A.	0	0	1,189	1,189
Payments in-Lieu-of Taxes - Local Utilities	0	0	198,257	198,257
<u>County Local Option Taxes</u>				
Local Option Sales Tax	74,461,622	0	12,033,119	86,494,741
Wheel Tax	0	0	751,581	751,581
Business Tax	0	0	329,887	329,887
<u>City/School District Property Taxes</u>				
Current Property Tax	0	11,412,007	0	11,412,007
Prior Year's Property Tax	0	203,549	0	203,549
Interest and Penalty	0	33,267	0	33,267
Pick-up Taxes	0	7,376	0	7,376
<u>Licenses</u>				
Marriage Licenses	0	0	1,979	1,979
<u>Other Local Revenues</u>				
Other Local Revenues	0	71,340	0	71,340
Total Cash Receipts	\$ 74,461,622	\$ 11,727,539	\$ 28,833,778	\$ 115,022,939
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 73,717,006	11,583,001	\$ 28,305,961	\$ 113,605,968
Trustee's Commission	744,616	0	443,272	1,187,888
Contracts with Government Agencies	0	71,340	0	71,340
Total Cash Disbursements	\$ 74,461,622	\$ 11,654,341	\$ 28,749,233	\$ 114,865,196
<u>Excess of Cash Receipts Over (Under) Cash Disbursements</u>				
Cash Balance, July 1, 2019	\$ 0	\$ 73,198	\$ 84,545	\$ 157,743
	0	20,203	190,805	211,008
Cash Balance, June 30, 2020	\$ 0	\$ 93,401	\$ 275,350	\$ 368,751

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	304-315
Revenue Capacity:		
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	6-10	316-320
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	321-322
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	323-324
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	325-327

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
PRIMARY GOVERNMENT: (Note 1, 2)										
Governmental activities										
Net investment in capital assets	\$ 201,854	\$ 207,456	\$ 210,959	\$ 212,340	\$ 215,139	\$ 222,753	\$ 203,279	\$ 234,473	\$ 236,379	\$ 255,537
Restricted for:										
Capital Projects	3,650	3,251	1,858	2,568	1,064	2,630	27,160	3,196	4,688	795
Debt Service	-	-	-	2,909	2,895	2,861	2,711	2,559	2,403	2,245
General	-	588	407	379	426	490	542	603	659	729
Finance	-	22	22	36	71	97	131	129	124	111
Admin. of Justice	-	951	860	1,052	1,034	1,013	658	768	783	502
Public Safety	1,576	1,092	1,013	951	1,230	1,112	1,386	860	879	938
Public Health & Welfare	-	99	54	126	241	71	123	53	9	15
Pensions	-	-	-	-	-	-	1,132	4,636	8,693	11,197
Ambulance Service	-	-	-	-	-	-	-	-	-	-
Highways/Public Works	1,351	-	-	-	-	-	-	-	-	-
Solid Waste/Sanitation	-	-	-	-	-	-	-	-	-	-
Industrial/Economic Development	-	-	-	-	-	-	-	-	-	-
Drug Control	709	-	-	-	-	-	-	-	-	-
Adequate Facilities/Development Tax	-	-	-	-	-	-	-	-	-	-
District Attorney	286	-	-	-	-	-	-	-	-	-
Alcohol and Drug Treatment	-	-	-	-	-	-	-	-	-	-
Litigation Tax - Jail, Workhouse, or Courthouse	-	-	-	-	-	-	-	-	-	-
Victims Assistance Programs	281	-	-	-	-	-	-	-	-	-
Computer System - Register	589	-	-	-	-	-	-	-	-	-
Other Purposes	61	-	-	-	5,239	5,717	-	-	-	-
Unrestricted (2)	(225,824)	(255,927)	(230,810)	(228,754)	(235,427)	(204,313)	(206,887)	(265,825)	(270,143)	(231,793)
Total Governmental Activities Net Position	\$ (15,467)	\$ (42,468)	\$ (15,637)	\$ (8,393)	\$ (8,088)	\$ 32,431	\$ 30,235	\$ (18,548)	\$ (15,526)	\$ 40,276
COMPONENT UNIT - Rutherford County Schools (Note 2)										
Governmental activities										
Net investment in capital assets	\$ 405,517	\$ 414,558	\$ 430,779	\$ 432,042	\$ 430,627	\$ 438,406	\$ 471,814	\$ 563,928	\$ 580,266	\$ 585,331
Restricted for:										
Capital Projects	1,482	30,143	4,288	13,720	34,697	15,110	29,878	15,676	22,822	7,280
Education	292	-	-	-	-	8,981	5,002	4,055	4,586	3,443
Pensions	-	-	-	-	-	-	1,162	5,419	23,869	58,401
School Federal Projects	86	289	2	2	-	-	-	-	-	-
Central Cafeteria	5,151	5,059	4,851	4,087	4,271	-	-	-	-	-
Career Ladder	-	-	-	-	-	-	-	-	-	-
Driver Education	-	256	116	-	-	-	-	-	-	-
Other Purposes	-	10	117	240	7,453	-	-	-	-	-
Unrestricted	(8,963)	(13,787)	(22,095)	(30,149)	(73,349)	(48,641)	(42,317)	(109,709)	(96,009)	(117,279)
Total Governmental Activities Net Position	\$ 403,565	\$ 436,528	\$ 418,058	\$ 419,942	\$ 403,699	\$ 413,856	\$ 465,539	\$ 479,369	\$ 535,534	\$ 537,176

Notes:

- (1) Rutherford County Government does not engage in any business-type activities.
- (2) Rutherford County Board of Education is not part of the Primary Government, but is reflected as a component unit. The primary government is responsible for the debt issued to finance construction/improvement of education facilities; however, the physical structures are considered assets of the component unit.
- (3) GASB Statement 54 was implemented for the fiscal year ended June 30, 2011, which affects the comparability of restricted net position in prior periods.
- (4) GASB Statement 67 and 68 were implemented for the fiscal year ended June 30, 2015, which affects the comparability of restricted net position in prior periods.
- (5) GASB Statement 75 was implemented for the fiscal year ended June 30, 2018, which affects the comparability of restricted net position in prior periods.

Table 2

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

	<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>2019</u>	<u>2020</u>
EXPENSES (Note 1)										
Governmental activities:										
General Government	\$ 17,325	\$ 16,038	\$ 16,706	\$ 18,668	\$ 17,083	\$ 17,666	\$ 20,667	\$ 16,560	\$ 19,487	\$ 19,985
Finance	7,748	8,387	8,450	8,960	8,314	8,193	9,927	10,038	10,238	10,819
Administration of Justice	6,659	6,854	7,668	7,571	7,491	8,108	10,043	9,834	13,501	7,344
Public Safety	39,080	41,151	43,798	46,244	45,705	48,198	50,725	53,328	55,844	61,485
Public Health & Welfare	18,458	19,369	19,958	20,089	19,704	19,650	21,775	22,638	24,001	25,485
Social, Cultural & Rec. Services	1,838	2,112	2,264	2,267	2,307	2,687	2,802	2,920	2,974	3,028
Agriculture & Natural Resources	1,085	1,141	1,092	1,167	1,388	1,171	1,268	1,278	1,376	1,298
Highways/Public Works	9,264	11,206	10,474	12,246	12,038	8,885	12,683	11,622	13,309	12,319
Education (Pymts to Comp. Unit)	35,351	89,448	42,373	67,262	84,906	52,801	98,912	138,705	100,404	62,050
Interest on Long-Term Debt	13,850	15,177	14,840	13,998	14,203	13,124	10,924	16,400	16,207	15,186
Other Debt Service	-	-	323	-	-	-	-	-	-	-
Total Governmental activities expenses	\$150,658	\$ 210,883	\$167,946	\$ 198,472	\$ 213,139	\$180,483	\$ 239,726	\$ 283,323	\$ 257,341	\$218,999
PROGRAM REVENUES										
Governmental activities:										
Charges for Services:										
General Government	\$ 2,721	\$ 3,699	\$ 4,185	\$ 4,146	\$ 4,215	\$ 4,546	\$ 4,884	\$ 5,408	\$ 5,267	\$ 5,995
Finance	7,158	7,454	7,727	8,032	8,505	9,431	10,093	10,094	11,782	10,823
Administration of Justice	5,803	6,400	6,584	6,397	5,861	6,422	6,520	6,068	6,337	5,845
Public Safety	2,643	4,910	5,961	4,218	4,489	7,208	5,290	6,755	6,279	7,348
Public Health & Welfare	8,335	10,091	9,173	10,144	10,489	11,892	12,354	11,936	11,194	12,337
Social, Cultural & Rec. Services	1	1	1	-	-	-	-	-	-	-
Agriculture & Natural Resources	23	41	38	80	99	265	297	327	333	310
Other Operations	-	-	-	-	-	-	-	-	-	-
Highways/Public Works	-	69	47	45	-	155	121	-	-	4
Education	40,077	38,887	41,164	50,718	52,276	48,584	51,218	57,789	61,757	62,172
Operating Grants and Contributions	9,591	8,591	7,822	7,628	9,705	8,505	9,277	10,119	10,158	11,755
Capital grants and Contributions	1,936	1,770	2,732	4,274	3,053	3,900	5,170	3,877	2,745	3,409
Total Governmental activities program revenues	\$ 78,288	\$ 81,913	\$ 85,434	\$ 95,682	\$ 98,692	\$100,908	\$ 105,224	\$ 112,373	\$ 115,852	\$119,998

Table 2

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

	<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>2019</u>	<u>2020</u>
Net (expense)/Revenue Governmental Activities	\$ (72,370)	\$ (128,970)	\$ (82,512)	\$ (102,790)	\$ (114,447)	\$ (79,575)	\$ (134,502)	\$ (170,950)	\$ (141,489)	\$ (99,001)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property tax levied for general purposes	\$ 39,193	\$ 41,132	\$ 41,259	\$ 45,676	\$ 46,711	\$ 47,850	\$ 47,990	\$ 50,271	\$ 51,698	\$ 61,295
Property tax levied for debt services	37,780	36,077	36,121	36,193	36,958	37,883	43,250	45,938	47,259	47,066
Payments in Lieu of Taxes	7,084	6,751	14,346	8,356	7,778	8,380	8,399	7,780	7,943	7,531
Local Option Sales Tax	1,671	1,583	2,189	2,454	3,463	4,141	4,252	4,379	4,919	5,452
Hotel/Motel Tax	1,067	1,216	1,400	1,550	1,708	2,061	4,248	4,517	4,494	3,551
Wheel Tax	5,729	5,860	5,999	6,180	6,449	6,684	6,988	7,232	7,390	7,637
Business Tax	1,709	1,824	2,189	2,155	2,454	2,455	2,739	2,814	3,051	3,196
Mixed Drink Tax	-	-	-	-	17	17	10	-	6	8
Litigation Tax	2,232	2,423	2,449	2,424	2,080	2,092	3,191	3,378	3,447	2,894
Development Tax	865	2,051	3,210	3,719	3,353	5,189	6,196	5,807	6,484	6,143
Mineral Severance Tax	220	257	249	328	346	433	478	445	549	456
Bank Excise Tax	77	68	86	136	152	283	461	513	627	1,014
Wholesale Beer Tax	811	825	832	883	969	1,064	1,089	1,019	998	1,070
Interstate Telecommunications Tax	1	5	7	8	8	7	6	-	-	-
Unrestricted grants and contributions	618	1,351	648	1,903	820	863	1,173	1,147	1,002	887
Investment earnings	654	407	311	197	319	609	1,712	3,636	4,619	6,522
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	63	140	241	190	96	83	124	125	25	81
Total Governmental activities	\$ 99,774	\$ 101,970	\$ 111,536	\$ 112,352	\$ 113,681	\$ 120,094	\$ 132,306	\$ 139,001	\$ 144,511	\$ 154,803
Change in Net Position	\$ 27,404	\$ (27,000)	\$ 29,024	\$ 9,562	\$ (766)	\$ 40,519	\$ (2,196)	\$ (31,949)	\$ 3,022	\$ 55,802

Notes:

(1) Rutherford County Government does not engage in any business-type activities.

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
EXPENSES (Note 1)										
Governmental activities:										
Education										
Instruction	\$ 195,749	\$ 192,333	\$ 201,313	\$ 215,249	\$ 203,109	\$ 214,997	\$ 223,312	\$ 238,880	\$ 244,861	\$ 270,509
Support Services	106,283	104,722	108,466	109,528	115,090	115,179	128,038	135,735	147,066	151,518
Operation of Non-instructional Services	17,093	19,011	18,593	19,573	18,330	19,263	20,886	22,559	22,181	21,105
Interest on Long-term Debt	65	68	62	-	-	-	-	-	-	-
Total Governmental activities expenses	\$ 319,190	\$ 316,134	\$ 328,434	\$ 344,350	\$ 336,529	\$ 349,439	\$ 372,236	\$ 397,174	\$ 414,108	\$ 443,132
PROGRAM REVENUES										
Governmental activities:										
Charges for Services - Education	\$ 6,641	\$ 6,760	\$ 6,684	\$ 6,967	\$ 6,514	\$ 6,769	\$ 7,274	\$ 7,728	\$ 7,943	\$ 7,096
Operating Grants and Contributions	31,830	28,696	24,158	26,724	22,834	23,459	25,072	24,824	27,887	25,845
Capital grants and Contributions	803	48,267	-	277	97	605	-	556	-	216
Total Governmental activities program revenues	\$ 39,274	\$ 83,723	\$ 30,842	\$ 33,968	\$ 29,445	\$ 30,833	\$ 32,346	\$ 33,108	\$ 35,830	\$ 33,157
Net (expense)/Revenue Governmental Activities	\$ (279,916)	\$ (232,411)	\$ (297,592)	\$ (310,382)	\$ (307,084)	\$ (318,606)	\$ (339,890)	\$ (364,066)	\$ (378,278)	\$ (409,975)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Tax levied for general purposes	\$ 61,012	\$ 61,080	\$ 61,721	\$ 65,551	\$ 66,830	\$ 79,584	\$ 79,769	\$ 82,810	\$ 85,271	\$ 94,709
Payments in-Lieu-of Taxes	841	871	890	-	941	987	935	942	886	974
Local Option Sales Tax	37,871	40,662	43,798	46,243	50,348	54,870	59,370	62,304	65,528	68,430
Wheel Tax	3,255	3,320	3,430	3,538	3,654	3,787	3,965	4,096	4,191	4,323
Business Tax	1,360	1,442	1,750	1,726	1,960	2,272	2,395	2,422	2,631	2,809
Mixed Drink Tax	-	-	-	1,048	492	403	424	494	537	512
Interstate Telecommunications Tax	10	14	19	23	22	19	19	-	-	-
Unrestricted grants and contributions	154,124	157,772	167,392	195,538	212,588	186,632	244,215	305,865	274,229	237,710
Investment earnings	185	108	89	63	73	157	401	856	1,141	2,118
Pension Income	-	-	-	-	231	-	-	-	-	-
Miscellaneous	145	105	45	46	30	51	80	74	29	32
Total Governmental activities	\$ 258,803	\$ 265,374	\$ 279,134	\$ 313,776	\$ 337,169	\$ 328,762	\$ 391,573	\$ 459,863	\$ 434,443	\$ 411,617
Change in Net Position	\$ (21,113)	\$ 32,963	\$ (18,458)	\$ 3,394	\$ 30,085	\$ 10,156	\$ 51,683	\$ 95,797	\$ 56,165	\$ 1,642

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
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
2019	51,698	47,259	7,942	4,919	4,494	7,390	3,051	6	3,447	6,484	549	998	627	-	-	138,864
2020	61,295	47,066	7,531	5,452	3,551	7,637	3,196	8	2,894	6,143	456	1,070	1,014	-	-	147,313

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
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
2019	85,271	886	65,528	4,191	2,631	537	-	159,044
2020	94,709	974	68,430	4,323	2,809	512	-	171,757

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

Table 4

	(Note 1) 2011	(Note 1) 2012	(Note 1) 2013	(Note 1) 2014	(Note 1) 2015	(Note 1) 2016	(Note 1) 2017	(Note 1) 2018	(Note 1) 2019	(Note 1) 2020
PRIMARY GOVERNMENT										
General Fund										
Nonspendable: Prepaid Items Reserved	\$ 43	\$ 46	\$ 34	\$ 24	\$ 41	\$ 29	\$ 42	\$ 37	\$ 89	\$ 42
Restricted	-	-	-	-	-	-	-	-	-	-
General Government	589	588	407	379	426	490	542	603	660	729
Finance	11	22	21	36	71	97	131	129	124	111
Admin of Justice	419	636	861	1,052	1,034	1,013	658	768	783	502
Public Safety	1,629	428	116	72	246	11	85	35	120	-
Public Health & Welfare	-	99	46	126	212	71	116	53	8	9
Other Operations	32	-	-	-	-	-	-	-	-	-
Capital Projects	2,980	1,742	1,858	2,030	1,636	2,630	2,839	2,150	3,232	2,573
Committed	-	-	-	-	-	-	-	-	-	-
General Government	155	471	132	183	105	422	662	1,200	265	1,096
Finance	51	129	102	255	233	454	237	201	187	149
Admin of Justice	5	-	1	3	5	252	21	13	14	15
Public Safety	524	315	401	341	381	969	479	661	594	157
Public Health & Welfare	291	94	81	96	102	132	136	84	113	106
Agriculture & Natural Resources	229	208	211	248	231	292	412	493	506	563
Other Operations	20	7	2	-	-	4	2	1	1	-
Assigned for Other Purposes	2,210	3,838	3,443	1,471	6,351	6,159	8,089	7,400	7,183	9,675
Unassigned	14,524	14,687	16,332	19,532	20,017	23,625	24,267	31,198	36,434	38,905
Unreserved	-	-	-	-	-	-	-	-	-	-
Total General Fund	\$ 23,712	\$ 23,310	\$ 24,048	\$ 25,848	\$ 31,091	\$ 36,650	\$ 38,718	\$ 45,026	\$ 50,313	\$ 54,632
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Admin of Justice	286	314	-	-	-	-	-	-	-	-
Public Safety	709	664	897	878	984	1,101	1,301	824	759	938
Public Health & Welfare	669	-	8	-	29	-	6	-	1	6
Highways/Public Works	1,351	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	2,909	2,895	2,861	2,711	2,559	2,403	2,244
Capital Projects	-	5,750	3,149	7,026	5,975	-	24,321	2,015	1,455	6,724
Committed	-	-	-	-	-	-	-	-	-	-
Public Health & Welfare	29	20	-	-	-	-	-	-	-	-
Highways/Public Works	-	1,780	1,640	1,831	1,992	2,125	2,228	2,306	2,283	2,533
Capital Projects	741	-	-	-	-	-	-	-	-	-
Debt Service	-	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821
Assigned	-	-	-	-	-	256	181	175	175	175
General Government	-	-	-	-	-	-	-	-	-	-
Finance	110	110	110	110	125	672	650	525	550	550
Admin of Justice	173	246	72	230	81	125	304	602	464	464
Public Health & Welfare	7,402	8,681	10,325	8,800	9,068	10,650	11,635	12,712	12,556	15,989
Other Operations	715	1,268	1,049	479	275	201	127	166	206	245
Highways/Public Works	5,507	5,532	6,680	7,391	8,441	10,301	11,332	13,452	14,845	16,261
Debt Service	35,734	33,994	33,329	33,979	33,646	33,903	41,009	47,538	50,871	51,009
Unassigned	-	-	-	-	-	(3,332)	-	-	-	-
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 53,426	\$ 60,180	\$ 59,080	\$ 65,454	\$ 65,332	\$ 60,684	\$ 97,626	\$ 84,695	\$ 88,389	\$ 98,959

(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)

	(Note 1) 2011	(Note 1) 2012	(Note 1) 2013	(Note 1) 2014	(Note 1) 2015	(Note 1) 2016	(Note 1) 2017	(Note 1) 2018	(Note 1) 2019	(Note 1) 2020
COMPONENT UNIT - Rutherford County Board of Education										
General Purpose School Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable: Prepaid Items	-	-	16	4	5	6	4	13	571	217
Restricted	797	266	233	240	352	-	-	-	-	-
For Education	-	-	-	-	-	414	430	364	203	747
For Capital Projects	-	-	-	-	-	120	34	34	-	-
For Hybrid Retirement Stabilization	-	-	-	-	-	-	-	-	979	2,146
Committed	11	-	-	-	-	-	-	5,336	294	294
Assigned	6,873	9,253	11,996	12,275	12,183	7,868	9,763	18,173	21,736	19,521
Unassigned	12,641	14,890	15,266	15,189	17,330	33,493	32,688	27,409	38,638	43,475
Unreserved	-	-	-	-	-	-	-	-	-	-
Total General Purpose School Fund	\$ 20,322	\$ 24,409	\$ 27,511	\$ 27,708	\$ 29,870	\$ 41,901	\$ 42,919	\$ 51,329	\$ 62,421	\$ 66,400
All other School Funds										
Nonspendable: Inventory	\$ 249	\$ 200	\$ 233	\$ 294	\$ 193	\$ 180	\$ 224	\$ 243	\$ 222	\$ 586
Reserved	-	-	-	-	-	-	-	-	-	-
Restricted										
Education	4,989	5,348	4,853	4,089	4,271	4,339	4,348	3,690	4,383	2,696
Capital projects	1,482	30,144	4,287	13,719	34,697	14,990	29,844	67,392	22,822	7,216
Committed										
Education	1,000	1,000	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	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other School Funds	\$ 8,291	\$ 36,692	\$ 10,373	\$ 19,102	\$ 40,161	\$ 20,509	\$ 35,416	\$ 72,325	\$ 28,427	\$ 11,498

(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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 98,854	\$ 100,192	\$ 102,654	\$ 110,352	\$ 112,660	\$ 118,102	\$ 129,425	\$ 134,395	\$ 138,692	\$ 147,640
Licenses & Permits	1,276	1,421	1,643	1,702	1,923	2,224	2,513	2,590	2,584	2,545
Fines & Forfeitures	2,479	2,531	3,051	2,723	2,691	2,743	2,395	2,559	2,224	2,156
Charges for Service	10,856	11,750	11,564	12,410	12,852	15,658	16,778	17,936	17,108	17,983
Other Local Revenue	1,880	3,215	1,680	1,842	2,073	2,309	3,399	5,548	5,959	7,828
Fees from Co. Officials	9,407 (1)	10,232 (1)	10,904 (1)	10,254 (1)	10,603 (1)	9,938 (2)	10,740 (2)	11,040 (2)	11,774 (2)	12,251
State Revenues	9,856	11,259	11,529	10,160	11,566	12,441	13,114	16,134	16,163	15,831
Federal Revenues	1,817	2,080	1,836	1,657	1,823	1,556	1,289	1,044	1,259	2,234
Other Govt/Citizens	1,045	887	2,157	2,669	2,171	1,084	1,443	1,298	2,518	978
Total revenues	<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>	<u>\$ 198,281</u>	<u>\$ 209,446</u>
Expenditures										
General Government	\$ 7,943 (1)	\$ 8,757 (1)	\$ 9,754 (1)	\$ 9,446 (1)	\$ 9,270 (1)	\$ 9,421 (2)	\$ 10,453 (2)	\$ 13,128 (2)	\$ 12,092 (2)	\$ 11,309
Finance	7,437 (1)	7,993 (1)	8,439 (1)	8,987 (1)	9,335 (1)	8,900 (2)	9,892 (2)	9,959 (2)	10,364 (2)	10,727
Admin. Of Justice	6,700	6,803	7,674	7,906	7,808	8,229	10,208	10,312	11,576	12,311
Public Safety	37,477	41,091	42,411	46,708	47,955	49,929	51,332	53,529	55,571	60,387
Public Health/Welfare	16,639	17,387	17,460	19,579	18,928	19,589	21,409	22,698	23,734	24,269
Social, Cultural/Rec.	1,476	2,112	2,264	2,267	2,307	2,687	2,802	2,920	2,974	3,035
Agriculture & Natural	874	964	908	980	1,030	999	1,092	1,087	1,214	1,121
Other Operations	7,540	5,288	5,439	7,071	5,621	6,213	7,330	6,067	7,036	7,880
Highway & Bridge	7,395	8,659	7,850	7,690	8,622	7,684	10,887	10,154	11,588	10,419
Debt Service:										
Principal	31,935	23,115	30,177	44,430	27,906	29,017	28,574	30,505	34,148	36,701
Interest	14,277	15,339	14,587	14,119	13,693	13,739	14,188	16,558	18,455	18,144
Other charges	858	504	7,662	317	9,282	-	3,671	499	355	141
Capital Projects	1,062	52,130	4,853	22,181	39,639	9,358	87,954	110,345	45,976	16,583
	<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>	<u>\$ 235,083</u>	<u>\$ 213,027</u>
Excess of revenues over (under) expenditures	<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>	<u>\$ (36,802)</u>	<u>\$ (3,581)</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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other financing sources (uses)										
Transfers in	\$ 1,873	\$ 3,749	\$ 1,209	\$ 1,132	\$ 1,304	\$ 1,064	\$ 2,554	\$ 2,025	\$ 1,707	\$ 5,030
Transfers out	(1,389)	(3,254)	(678)	(566)	(748)	(514)	(1,962)	(1,421)	(1,079)	(4,420)
Insurance Recovery	49	14	253	43	48	71	64	127	214	39
Capital Lease Issued	-	-	947	-	341	-	-	-	-	-
Bond proceeds	-	49,259	-	24,270	33,864	-	101,000	81,530	40,680	14,610
Note proceeds	-	-	-	-	-	-	-	-	-	-
Other Loans Issued	-	-	-	-	-	-	2,163	639	444	529
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	20,355	4,557	5,402	2,608	8,549	-	15,567	5,694	3,817	2,682
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES	\$ 8,160	\$ 52,926	\$ 12,413	\$ 46,087	\$ 48,154	\$ 621	\$ 117,706	\$ 88,594	\$ 45,783	\$ 18,470
Net change in fund balances	\$ 4,017	\$ 6,351	\$ (47)	\$ 8,175	\$ 5,120	\$ 911	\$ 39,010	\$ (6,623)	\$ 8,981	\$ 14,889
Debt Service as a percentage of										
noncapital expenditures	33.2%	21.1%	29.0%	31.6%	21.3%	28.1%	20.1%	18.3%	22.8%	29.6%
Capital Expenditures	\$ 2,299	\$ 7,583	\$ 5,048	\$ 6,314	\$ 6,268	\$ 13,551	\$ 46,623	\$ 30,149	\$ 4,539	\$ 28,021

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Property Tax & PILOT	\$ 84,328	\$ 84,212	\$ 84,076	\$ 90,540	\$ 91,753	\$ 93,712	\$ 99,664	\$ 104,408	\$ 106,858	\$ 116,292
Sales Tax	1,814	1,452	2,157	2,428	3,370	4,106	4,355	4,262	4,788	5,380
Hotel/Motel Tax	1,067	1,216	1,400	1,551	1,709	2,061	4,248	4,517	4,494	3,551
Wheel Tax	5,729	5,860	5,999	6,180	6,449	6,684	6,989	7,232	7,390	7,637
Litigation Tax	2,231	2,422	2,449	2,424	2,080	2,092	3,191	3,378	3,447	2,894
Business Tax	1,709	1,824	2,189	2,155	2,454	2,455	2,739	2,814	3,051	3,196
Mixed Drink Tax	-	-	-	-	17	17	9	-	6	8
Mineral Severance	221	257	249	328	346	433	478	445	549	456
Development Tax	866	2,051	3,210	3,719	3,353	5,188	6,196	5,807	6,484	6,142
Bank Excise Tax	77	68	86	135	152	283	461	513	627	1,014
Wholesale Beer Tax	811	825	832	883	969	1,064	1,089	1,019	998	1,070
Other Statutory Tax	1	5	7	8	8	7	6	-	-	-
	\$ 98,854	\$ 100,192	\$ 102,654	\$ 110,351	\$ 112,660	\$ 118,102	\$ 129,425	\$ 134,395	\$ 138,692	\$ 147,640

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 104,406	\$ 107,183	\$ 111,728	\$ 118,961	\$ 123,915	\$ 141,531	\$ 146,700	\$ 152,564	\$ 158,635	\$ 171,578
Licenses & Permits	12	12	11	12	13	12	14	13	12	11
Charges for Service	6,591	6,702	6,595	6,844	6,466	6,661	7,183	7,320	7,790	6,612
Other Local Revenue	518	432	317	407	326	607	715	1,436	1,959	3,165
State Revenues	153,732	156,628	165,852	177,327	175,350	184,802	200,020	217,057	227,973	234,624
Federal Revenues	32,939	29,669	25,586	26,193	24,265	25,541	25,861	27,362	28,914	27,873
Other Govt/Citizens	-	48,257	947	17,755	35,625	-	45,406	87,349	44,586	529
Total revenues	<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>	<u>\$ 469,869</u>	<u>\$ 444,392</u>
Expenditures										
Education										
Instruction	\$ 186,041	\$ 183,565	\$ 192,389	\$ 206,228	\$ 206,071	\$ 219,513	\$ 224,316	\$ 246,325	\$ 259,080	\$ 277,106
Support Services	89,164	90,621	92,795	99,697	100,128	103,746	110,561	120,208	126,709	134,297
Operational Services	17,602	18,696	18,745	20,152	18,418	19,327	20,806	22,432	22,435	21,711
Capital Outlay	2	-	35	74	41	49	33	5	45	41
Debt Service										
Principal	673	933	-	-	-	-	-	-	-	-
Interest	73	75	-	-	-	-	-	-	-	-
Other Debt Service	13	-	1,124	550	550	510	424	547	725	605
Capital Projects	13,724	23,020	29,265	11,900	17,531	23,635	53,867	58,700	93,716	23,585
	<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>	<u>\$ 502,710</u>	<u>\$ 457,345</u>
Excess of revenues over (under) expenditures	<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>	<u>\$ (32,841)</u>	<u>\$ (12,953)</u>
Other financing sources (uses)										
Transfers in	\$ 907	\$ 244	\$ 278	\$ 847	\$ 223	\$ 148	\$ 19,307	\$ 4,763	\$ 311	\$ 989
Transfers out	(907)	(244)	(278)	(847)	(223)	(148)	(19,307)	(4,763)	(311)	(989)
Insurance Recovery	4	-	100	29	-	3	34	435	36	4
Note proceeds	1,609	-	-	-	-	-	-	-	-	-
Capital Leases Issued	-	514	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES	<u>\$ 1,613</u>	<u>\$ 514</u>	<u>\$ 100</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 34</u>	<u>\$ 435</u>	<u>\$ 36</u>	<u>\$ 4</u>
Net change in fund balances	<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>	<u>\$ (32,805)</u>	<u>\$ (12,949)</u>
Debt Service as a percentage of noncapital expenditures	0.3%	0.3%	0.4%	0.2%	0.2%	0.1%	0.1%	0.1%	0.2%	0.1%
Capital expenditures	\$ 8,243	\$ 21,028	\$ 26,066	\$ 14,800	\$ 14,800	\$ 21,388	\$ 47,181	\$ 54,739	\$ 83,640	\$ 21,115

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

	<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>2019</u>	<u>2020</u>
Property Tax & PILOT	\$ 62,104	\$ 62,093	\$ 62,966	\$ 66,656	\$ 67,812	\$ 80,435	\$ 80,870	\$ 83,703	\$ 85,922	\$ 95,843
Sales Tax	37,676	40,313	43,563	45,970	49,976	54,616	59,027	61,849	65,354	68,090
Wheel Tax	3,255	3,321	3,430	3,538	3,654	3,787	3,965	4,096	4,191	4,323
Business Tax	1,360	1,442	1,750	1,726	1,960	2,272	2,395	2,422	2,631	2,810
Mixed Drink Tax	-	-	-	1,048	492	402	424	494	537	512
Other Statutory Tax	11	14	19	23	22	19	19	-	-	-
	<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>	<u>\$ 158,635</u>	<u>\$ 171,578</u>

Table 6

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

Fiscal Year Ending June 30	Tax Year	Tax Rate	Real Property		Personal Property		Public Utilities		Equalization Ratio	Total		Ratio of Total Assessed Value To Total Estimated Actual Value
			Estimated	Assessed	Estimated	Assessed	Estimated	Assessed		Estimated	Assessed	
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%
2019	2018	2.0994	29,756,086,216	8,621,391,968	1,988,454,170	597,068,154	527,227,031	230,134,599	100.00%	32,271,767,417	9,448,594,721	29.28%
2020	2019	2.2194	33,644,344,347	8,990,796,267	2,091,229,863	627,954,052	560,217,666	244,535,011	100.00%	36,295,791,876	9,863,285,330	27.17%

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

Table 7

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

Fiscal Year Ending June 30	Tax Year	Rutherford County				(1) Average Daily Attendance Factor	(2) Net County Rate	Percent of Direct Tax Rate Collected for Benefit of the City of Murfreesboro	Overlapping Rate				Total Direct & Overlapping Rate (3)
		County Operating	Education	Debt Service	Total County Rate				City of Murfreesboro	Town of Smyrna	City of LaVergne	City of Eagleville	
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
2019	2018**	0.5470	1.0524	0.5000	2.0994	0.1495	1.9491	7.16%	0.9494	0.7007	0.7100	0.5570	5.0165
2020	2019	0.6170	1.1224	0.4800	2.2194	0.1508	2.0615	7.11%	0.9494	0.7007	0.7100	0.5570	5.1365

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 county and city school systems. By law, Rutherford County must share locally generated revenue directed to the school's general operating fund with the City of Murfreesboro for its school system.

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

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

** Reappraisal year

Table 8

Rutherford County, Tennessee
Principal Taxpayers
For the Fiscal Year Ended June 30, 2020

Taxpayer	Type of Business	2019			Percentage of Total Taxes Levied (2)	2010			Percentage of Total Taxes Levied (2)
		Rank	Assessed Valuation	2019 Tax Liability		Rank	Assessed Valuation	2010 Tax Liability	
Nissan Motor Mfg. Co. Automobile Maker		1	\$ 609,225,914	\$ 5,158,790	2.36%	1	\$ 491,928,991	\$ 4,176,976 (1)	2.80%
Middle Tennessee Electric Public Utility-Electric Company		2	89,747,934	1,991,865	0.91%	2	52,666,905	1,440,440	0.97%
Pillsbury Co./General Mills Bakery Goods		3	94,698,712	1,862,410	0.85%	3	54,324,277	1,320,552	0.89%
Prologis Real Estate Development		4	82,482,860	1,830,622	0.84%				
Heins Global Reit / CF Murfreesboro Assoc. Retail Mall (The Avenues)		5	65,986,113	1,464,496	0.67%	6	31,243,835	770,223	0.52%
Bridgestone Tire Maker		6	47,435,129	1,052,775	0.48%	4	44,552,882	1,098,318	0.74%
Swanson Development Commercial Properties		7	41,447,869	919,894	0.42%	10	23,863,110	588,280	0.39%
LC Henley Station, LLC Apartments		8	35,040,000	777,678	0.36%				
HCA Health Services Stone Crest Medical Center		9	25,729,037	571,030	0.26%				
Atmos Public Utility		10	25,575,707	567,627	0.26%				
CH Realty (formerly Southpark, Nashville, LLC) Warehousing						5	35,797,560	882,482	0.59%
Embassy Suites Hotel/Convention Center						7	28,982,251	714,470	0.48%
Stone Ridge Farms Apartments						8	24,883,760	613,435	0.41%
BellSouth Public Utility - Telephone						9	21,863,104	597,956	0.40%
					<u>7.41%</u>				<u>8.18%</u>

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

- (1) The taxes represent \$693,399 (2018 tax year) and \$1,082,976 (2009 tax year) collected on real and personal property not covered by the PILOT agreement. The remaining amounts of \$4,628,807 (2018) and \$3,531,006 (2009) 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, 2020

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
2010	\$ 149,180,338	\$ 142,559,175	95.56%	\$ 6,478,704	\$ 149,037,879	99.90%	\$ 142,459	0.10%
2011	149,526,088	143,397,179	95.90%	6,011,347	149,408,526	99.92%	117,562	0.08%
2012	149,938,381	145,139,838	96.80%	4,686,875	149,826,713	99.93%	111,668	0.07%
2013	157,643,335	153,702,248	97.50%	3,797,326	157,499,574	99.91%	143,761	0.09%
2014	160,554,547	157,029,432	97.80%	3,378,485	160,407,917	99.91%	146,630	0.09%
2015	177,329,882	173,966,599	98.10%	3,190,990	177,157,589	99.90%	172,293	0.10%
2016	183,684,656	180,789,656	98.42%	2,676,237	183,465,893	99.88%	218,763	0.12%
2017	192,522,373	189,470,950	98.42%	2,616,328	192,087,278	99.77%	435,095	0.23%
2018	197,965,359	194,416,867	98.21%	2,596,829	197,013,696	99.52%	951,663	0.48%
2019	218,454,575	214,957,808	98.40%	(1)	214,957,808	98.40%	3,496,767	1.60%

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	Tax	Estimated	Assessed	Tax
Ending	Year			Payments
June 30				
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
2019	2018	2,159,563,288	746,458,126	6,174,236
2020	2019	2,086,766,418	724,470,608	5,751,196

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 15 companies in 2019-2020. Nissan represents approximately 74.26% of the total estimated assessed values of properties under PILOTs and paid 72.61% 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	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)
2011	\$ 354,180,000	\$ 6,034,170,347	5.87%	262,604	\$ 1,349	4.30%	\$ 1,349	4.30%
2012	379,345,000	6,097,873,015	6.22%	268,921	1,411	4.34%	1,411	4.34%
2013	356,489,102	6,120,354,263	5.82%	274,454	1,299	3.93%	1,299	3.93%
2014	356,302,259	6,145,784,457	5.80%	281,029	1,268	3.80%	1,268	3.80%
2015	361,267,344	6,460,622,318	5.59%	288,906	1,250	3.56%	1,250	3.56%
2016	332,250,683	6,602,290,907	5.03%	298,612	1,113	3.18%	1,113	3.18%
2017	405,159,525	6,861,881,755	5.90%	308,251	1,314	3.60%	1,314	3.60%
2018	456,823,706	7,181,155,485	6.36%	317,157	1,440	3.89%	1,440	3.89%
2019	463,800,273	9,448,594,721	4.91%	324,890	1,428	3.66%	1,428	3.66%
2020	442,238,728	9,863,285,330	4.48%	332,285	1,331	3.24%	1,331	3.24%

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

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, 2020

		% of Estimated Property Value (1)	% of Assessed Property Value (1)
<u>Direct Debt</u>			
General Bonded Debt	\$ 439,745,000		
County School District of Rutherford (Notes)	<u>2,493,728</u>		
Total Direct Debt	\$ 442,238,728	100.00%	100.00%
<u>Overlapping Debt</u>			
City of Murfreesboro	\$ 269,063,027	46.04%	48.35%
Town of Smyrna	27,480,400	15.84%	16.60%
City of LaVergne	8,705,000	11.45%	11.82%
City of Eagleville	<u>975,018</u>	0.29%	0.28%
Total Overlapping Debt	<u>306,223,445</u>		
Total Direct and Overlapping Debt	<u><u>\$ 748,462,173</u></u>		

Source: City Recorders, Table 6, State of Tennessee 2019 Tax Aggregate Report

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

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
2011	262,604	\$ 31,400	\$ 8,245,765,600	32.1	38,013	8.37%
2012	268,921	32,500	8,739,932,500	32.1	38,607	7.20%
2013	274,454	33,050	9,070,704,700	32.1	39,671	6.30%
2014	281,029	33,350	9,372,317,150	32.1	40,861	5.80%
2015	288,906	35,113	10,144,356,378	32.1	41,376	5.10%
2016	298,612	36,194	10,456,560,000	32.8	42,556	3.89%
2017	308,251	37,654	11,244,031,000	32.9	43,850	3.70%
2018	317,157	38,098	11,743,613,000	32.9	44,768	2.63%
2019	324,890	39,968	12,676,094,000	33.1	45,848	2.58%
2020	332,285	41,031	13,633,985,835	32.2	47,027	5.21%

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 2016-2020.

Table 14

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

Employer	2020			2011		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Nissan Motor Manufacturing Corp. USA	8,000	1	4.99%	3,400	2	2.61%
Rutherford County Government & Board of Education	6,482	2	4.05%	5,503	1	4.23%
Middle Tennessee State University	2,205	3	1.38%	1,150	3	1.71%
National Healthcare Corp.	2,071	4	1.29%			
Ingram Book Company	2,000	5	1.25%	1,324	7	1.02%
State Farm Insurance	1,650	6	1.03%	1,626	5	1.25%
Amazon Fulfillment Center	1,550	7	0.97%			
St. Thomas Rutherford	1,400	8	0.87%			
Alvin C. York Veterans Administration Medical Center	1,300	9	0.81%	1,461	6	1.12%
Asurion	1,250	10	0.78%	1,050	10	0.81%
City of Murfreesboro & Board of Education				2,025	4	1.56%
Middle Tennessee Medical Center				1,300	8	0.97%
Verizon				1,068	9	0.82%
Total			<u>17.42%</u>			<u>16.10%</u>

Source: Rutherford County Chamber of Commerce, Tennessee ECD

Table 15

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

Employees as of June 30,

	<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>2019</u>	<u>2020</u>
Function:										
General Government	80	79	82	81	82	84	87	89	93	96
Finance	90	91	90	91	91	88	90	93	94	94
Justice	88	90	92	94	94	116	133	141	159	161
Public Safety	504	505	504	518	528	534	580	580	611	621
Health & Welfare	216	216	214	215	218	221	222	242	252	252
Agriculture	7	8	8	7	7	5	5	5	6	6
Other	3	3	3	3	3	3	3	3	3	3
Road & Bridge	72	64	64	64	64	60	65	65	67	70
Total	1060	1056	1057	1073	1087	1111	1185	1218	1285	1303
COMPONENT UNIT:										
Education	4,555	4,609	4,681	4,841	4,912	4,981	5,095	5,264	5,396	5,703

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

Table 16

Rutherford County, Tennessee
Operating Indicators by Function

FUNCTION	<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>2019</u>	<u>2020</u>
<u>General Government</u>										
Registered Voters (1)	142,856	148,849	149,445	153,131	151,276	158,899	158,723	163,963	167,963	180,032
Building Permits Issued										
Single Family Homes	305	410	582	581	638	634	739	713	737	412
All other permits	1,445	1,620	1,837	1,868	2,016	2,189	2,625	2,682	2,492	3,438
<u>Public Safety</u>										
Number of warrants										
State - Issued	13,436	13,568	14,200	14,707	15,557	14,708	14,227	12,862	12,364	10,581
State - Served	12,722	12,484	12,755	13,469	13,626	11,513	10,670	10,561	9,939	7,203
Civil - Issued	19,394	19,902	19,576	19,750	19,804	19,526	18,663	17,325	18,237	17,902
Civil - Served	19,069	19,054	19,273	19,240	19,542	12,108	12,308	10,809	11,305	17,355
Rural Fire - Call Volume	1,306	1,748	1,960	2,170	2,683	2,738	3,747	6,312	5,803	6,829
<u>Public Health</u>										
Ambulance- Call Volume	22,119	24,331	24,877	26,015	28,700	31,433	34,920	34,343	35,055	35,905
Response Time -avg. minutes	7.60	7.60	7.80	7.80	8.00	8.00	7.90	7.60	6.90	6.50
Animal Control										
Requests for service	14,328	15,920	16,430	18,628	18,707	18,681	18,837	20,825	21,555	20,098
Animals Impounded	8,208	8,403	7,982	7,740	6,876	6,949	6,701	7,286	6,615	6,527
Animals Adopted	1,658	1,471	1,701	1,754	1,939	2,516	3,104	3,735	3,176	2,764
<u>Road & Bridge</u>										
Street Resurfaced (miles)	55.9	56.2	37.9	52.3	35.1	36.5	48.1	41.2	48.2	41.9
<u>Sanitation</u>										
(tons per day)										
Refuse Collected	103.8	104.1	100.3	123.0	113.1	120.8	112.4	120.4	122.0	120.3
Recyclables Collected	12.4	14.9	15.0	14.1	13.6	11.3	24.9	15.7	17.2	17.9
Tires Collected	N/A	N/A	N/A	8.8	13.7	9.8	10.1	11.2	12.9	12.1

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

Source: Election Commission, Building Codes, Sheriff's Department, Rural Fire Department, Ambulance Department, PAWS, Highway Department, and 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Highways and Streets										
Number of Streets in System	2,039	2,039	2,071	2,108	2,150	2,200	2,246	2,286	2,359	2,326
Number of Miles	965	963	967	976	971	973	980	974	972	970
Number of Bridges	165	165	166	166	166	166	166	166	167	167
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	25	25	25	27	29	28	32	34	33	31
Sanitation/Landfill										
Number of SW trucks	17	17	19	19	17	18	18	18	21	22
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	4,555	4,609	4,681	4,841	4,912	4,981	5,095	5,264	5,396	5,703
Elementary Schools	24	24	24	24	24	24	24	24	24	24
Middle Schools	10	10	10	10	10	10	10	11	11	11
High Schools	7	7	7	8	8	8	8	8	8	9
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	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
Deputy Comptroller

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, 2020, and the related notes to the financial statements, which collectively comprise Rutherford County's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 19, 2020. 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) as a basis for designing 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 financial statements. 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2020-001.

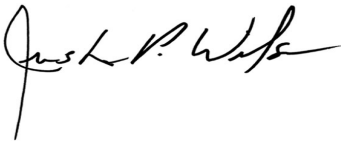
Rutherford County's Response to the Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results 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 19, 2020

JPW/yu



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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, 2020. 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, 2020.

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.

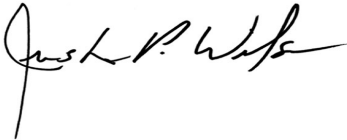
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2020, and the related notes to the financial statements, which collectively comprise Rutherford County's basic financial statements. We issued our report thereon dated November 19, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 19, 2020

JPW/yu

Rutherford County, Tennessee, and the Rutherford County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)
For the Year Ended June 30, 2020

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: (5)			
School Breakfast Program	10.553	(4)	\$ 2,100,908 (6)
COVID 19 - School Breakfast Program	10.553	(4)	44,627 (6)
National School Lunch Program	10.555	(4)	6,698,166 (6)
COVID 19 - National School Lunch Program	10.555	(4)	764,111 (6)
Equipment Assistance Grants	10.579	(4)	19,100
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(4)	716,811 (6)
Total U.S. Department of Agriculture			<u>\$ 10,343,723</u>
U.S. Department of Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 47,531
Total U.S. Department of Interior			<u>\$ 47,531</u>
U.S. Department of Justice:			
Direct Programs:			
Coronavirus Emergency Supplemental Funding Program	16.034	N/A	\$ 50,723
State Criminal Alien Assistance Program (SCAAP)	16.606	N/A	77,659
Children of Incarcerated Parents	16.831	N/A	87,014
Equitable Sharing Program	16.922	N/A	66,137
Passed-through State Department of Mental Health and Substance Abuse:			
Drug Court Discretionary Grant Program	16.585	60146	77,065
Passed-through State Department of Finance and Administration:			
Violence Against Women Formula Grants	16.588	(7)	113,854
Edward Byrne Memorial Justice Assistance Grant Program	16.738	JAG 32077	58,346 (8)
Passed-through City of Murfreesboro:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DG-BX-0330	30,648 (8)
Total U.S. Department of Justice			<u>\$ 561,446</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	(4)	\$ 39,723
Total U.S. Department of Labor			<u>\$ 39,723</u>
U.S. Department of Transportation:			
Passed-through State Department of Safety and Homeland Security:			
Highway Safety Cluster: (5)			
State and Community Highway Safety	20.600	(9)	\$ 21,723
Alcohol Open Container Requirements	20.607	(10)	47,068
Total U.S. Department of Transportation			<u>\$ 68,791</u>

(Continued)

Rutherford County, Tennessee, and the Rutherford County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	(4)	\$ 5,305,211
Title 1 State Agency Program for Neglected and Delinquent Children and Youth Special Education Cluster: (5)	84.013	(4)	99,733
Special Education - Grants to States	84.027	(4)	8,745,215
Special Education - Preschool Grants	84.173	(4)	87,984
Career and Technical Education - Basic Grants to States	84.048	(4)	671,952
Career and Technical Education - National Programs	84.051	(4)	32,661
Education for Homeless Children and Youth	84.196	(4)	186,282
English Language Acquisition State Grants	84.365	(4)	394,006
Student Support and Academic Enrichment Program	84.424A	(4)	248,126
Supporting Effective Instruction State Grants	84.367	(4)	968,952
Total U.S. Department of Education			<u>\$ 16,740,122</u>
Election Assistance Commission:			
Passed-through the Secretary of State:			
HAVA Election Security Grant	90.404	61969	\$ 1,837 (11)
COVID 19 - 2020 Supplemental Election Security Grants (Noncash Assistance)	90.404	(4)	3,253 (11)
Total Election Assistance Commission			<u>\$ 5,090</u>
U.S. Department of Health and Human Services:			
Direct Programs:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	\$ 277,999
COVID 19 - Provider Relief Fund	93.498	N/A	277,048
Passed-through the State Department of Human Services:			
Child Support Enforcement	93.563	34513-83814	30,371
Total U.S. Department of Health and Human Services			<u>\$ 585,418</u>
U.S. Department of Homeland Security:			
Direct Programs:			
Assistance to Firefighters Grant	97.044	N/A	\$ 116,789 (12)
COVID 19 - Assistance to Firefighters Grant	97.044	N/A	4,505 (12)
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	97.083	N/A	572,466
Passed-through State Department of Military:			
COVID 19 - Disaster Relief Fund - PPE (Noncash Assistance)	97.036	(4)	46,099
Emergency Management Performance Grants	97.042	34101-06618	69,350
Homeland Security Grant Program	97.067	34101-13418	19,646
Total U.S. Department of Homeland Security			<u>\$ 828,855</u>
Total Expenditures of Federal Awards			<u>\$ 29,220,699</u>

(Continued)

Rutherford County, Tennessee, and the Rutherford County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Tennessee Certified Recovery Court Program - State Department of Mental Health and Substance Abuse Services	N/A	59284	\$ 53,159
Tennessee Certified Recovery Court Program - State Department of Mental Health and Substance Abuse Services	N/A	63163	54,341
Tennessee Veterans Treatment Court Initiative (TVTCI) - State Department of Mental Health and Substance Abuse Services	N/A	63162	70,000
Tennessee Mental Health Recovery Court Program - State Department of Mental Health and Substance Abuse Services	N/A	64731	30,000
Juvenile Court Custody Prevention - State Department of Children Services Day Treatment - Academic & Behavioral Remediation- Custody Prevention - State Department of Children Services	N/A	60796	38,749
Juvenile Justice - State Commission on Children and Youth	N/A	35910-02913	418,018
Farmers' Market Promotion and Retail Grant Program - State Department of Agriculture	N/A	39471	4,500
Local Health Services - State Department of Health	N/A	70883	1,000
Low Cost Sterilization of Dogs and Cats - State Department of Health	N/A	GG-19-59658-01	2,296,920
COVID 19 - PPE - State Department of Military	N/A	32505-06119	31,550
Litter Grant - State Department of Transportation	N/A	(4)	15,366
Early Childhood Education - State Department of Education	N/A	(4)	98,701
Promotion of the Arts - Tennessee Arts Commission	N/A	(4)	1,340,162
Coordinated School Health - State Department of Education	N/A	(4)	3,000
Safe Schools - State Department of Education	N/A	(4)	193,000
			885,491
Total State Grants			\$ 5,533,957

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 minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Information not available.
- (5) Child Nutrition Cluster total \$10,324,623; Highway Safety Cluster total \$21,723; Special Education Cluster total \$8,833,199.
- (6) Total for CFDA No. 10.553 is \$2,145,535; Total for CFDA No. 10.555 is \$8,179,088.
- (7) 35488: \$66,824; 35489: \$47,030.
- (8) Total for CFDA No. 16.738 is \$88,994.
- (9) Z-20-THS219: \$8,683; Z-20-THS: \$1,523; Z-19-THS240: \$11,517.
- (10) Z-20-THS218: \$22,173; Z-19-THS239: \$24,895.
- (11) Total for CFDA No. 90.404 is \$5,090.
- (12) Total for CFDA No. 97.044 is \$121,294.

Rutherford County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2020

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, 2020.

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, 2020

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? | NONE REPORTED |
| 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 Number: 84.010 | Title I - Grants to Local Educational Agencies |
| * CFDA Number: 84.367 | Supporting Effective Instruction State Grants |
| 8. Dollar threshold used to distinguish between Type A and Type B Programs. | \$876,621 |
| 9. Auditee qualified as low-risk auditee? | YES |

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

A finding and recommendation, as a result of our audit, is presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response. A written response for the finding is paraphrased and presented following the finding and recommendation. Management's corrective action plan, whether related to the financial statements or federal awards, is 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 DIRECTOR OF SCHOOLS

FINDING 2020-001

BID SPECIFICATIONS APPLIED ONLY TO ONE BRAND (Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 27 disbursements totaling \$11,237,121 from a population of 20,373 vendor checks totaling \$215,916,105. The school department purchased a flight simulator (\$105,170) using bid specifications that applied only to a specific brand. While bids were competitively solicited, our sample revealed that the bid specifications were brand specific for this item. Purchasing procedures for the school department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *Tennessee Code Annotated*, which provides for the 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 that competitive bids be solicited through newspaper advertisement on all purchases exceeding \$10,000. Management advised that they were brand specific in listing the bid specifications because they were familiar with the technology of this brand. This deficiency is the result of a lack of management oversight and the failure to follow the school department's purchasing law.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We do not concur with the audit finding. The bid in question was for the purchase of a full motion flight simulator that is used in three dual-enrollment aviation courses with Middle Tennessee State University (MTSU). Our Career and Technical Education Department entered into a memorandum of understanding (MOU) with MTSU for these dual enrollment courses with the understanding that a full motion flight simulator would be utilized in the coursework. After the MOU was approved, the process to purchase this full motion flight simulator commenced.

The course instructor at Siegal High School , a retired airline and military pilot, believed that the national vendor in question was the only vendor that currently manufactured the full motion flight simulator that was agreed with MTSU to be utilized in the coursework for the dual enrollment aviation classes. We were provided a sole source provider letter from the manufacturer. On the off chance that a vendor existed, that our staff was not aware of, that could manufacture a full motion flight simulator, we decided to solicit competitive public sealed bids for this flight simulator to get the best price while still complying with our MOU with MTSU.

Our bid request, that was mailed to five flight simulator vendors and posted in a public manner, contained a statement on the first page of the solicitation that a product “equal or better than” would be acceptable (fifth bullet point of our standard bid request). We were informed by field auditors that this standard wording of our bid request was not sufficient as we did not duplicate “equal or better than” next to the vendor name on the bid specification sheet (page three of the bid request). While we understand the field auditor’s concern, and we can place this wording on future bid requests on the bid specification sheet, we believe the wording on the first page of the bid request form would lead a potential vendor to ascertain that our intent was to maximize competition while complying with the agreement with MTSU to have a full motion flight simulator for our student to utilize for their educational needs.

AUDITOR’S COMMENT

Rather than bidding for any brand of full motion flight simulator that met the specific requirements of the Siegal High School aviation class, the public advertisement listed by the school department stated a specific brand, "Redbird Flight Simulator" eliminating the ability for other brands to competitively bid.

The only company that could provide a Redbird product is Redbird Flight Simulations Inc. themselves. This is even stated explicitly by Redbird in their sole source letter, "All Redbird simulators, aircraft configurations, flight modeling software, upgrades for enhanced flight training and peripherals are designed, manufactured, and shipped directly from Redbird Flight Simulations Inc. in Austin, Texas."

In addition, the bid specifications listed a specific brand by leading with “Rutherford County Board of Education intends by this bid to purchase ‘Redbird Flight Simulator and Equipment’ for Siegal High School ...” and again states “Redbird FMX Advanced Aviation Training Device” in the list of bid specifications - violating the intent of competition in the school department’s purchasing law.

The bid solicitation conditions state that “Items of various manufacturers may be bid; however, it is the responsibility of the bidder to satisfy the board’s representative that substituted items are equal to or better than the specified items.” Unfortunately putting a brand name in the bid specifications makes it impossible for other brands to be equal to the specified items, leaving only the possibility for other brands to present a superior product. In the Tennessee Supreme Court case State ex rel. Wright v. Leech, 622 S.W.2d 807 (Tenn. 1981), the request for bids “must not unduly restrict competition, and all persons or corporations having ability to furnish supplies or materials needed, or to perform work to be done, should be allowed to compete freely without any unreasonable restrictions." It is the

auditor's opinion that listing a specific brand violates the intent of competitive bidding and places unreasonable restrictions on other persons or corporations with the ability to furnish the supplies or materials needed. Furthermore, the memorandum of understanding with MTSU would not supersede state statute.

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, 2020.

Rutherford County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2020

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 DIRECTOR OF SCHOOLS

2020-001	Bid Specifications Applied Only to One Brand	344
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Bill C. Spurlock
Director of Schools

Rutherford County Board of Education

2240 Southpark Drive, Murfreesboro, TN 37128 Phone: 615.893.5812 www.rcschools.net

Corrective Action Plan

FINDING: BID SPECIFICATIONS APPLIED ONLY TO ONE BRAND

Response and Corrective Action Plan Prepared by:
Doug Bodary, Assistant Superintendent of Budget & Finance

Person Responsible for Implementing the Corrective Action:
Lynn Pater, Purchasing Director

Anticipated Completion Date of Corrective Action:
September 21, 2020

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
We will begin to duplicate the wording that RCS will accept the equivalent or better of a product, that is already present on the first page of our standard request for proposal form, on the specification sheet of future bid proposals as well.

Signature: 

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 operates under a private act that provides for a central system of accounting and budgeting covering all county departments under the supervision of the County Mayor, Highway Superintendent, and Director of Schools. However, Rutherford County has not adopted a central system of purchasing covering all of these departments. 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.