
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
RUTHERFORD COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2013



COMPREHENSIVE ANNUAL FINANCIAL REPORT
RUTHERFORD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2013

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

EUGENE HAMPTON II, CPA, CGFM
Auditor 4

TERYN McNEAL, CPA
MICHAEL GUNCKEL
JACOB KENNEDY, CISA
State Auditors

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

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

RUTHERFORD COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		7-8
<u>INTRODUCTORY SECTION</u>		9
Letter of Transmittal		10-14
GFOA Certificate of Achievement for FY12 Report		15
Organization Chart		16
Rutherford County Officials		17-18
<u>FINANCIAL SECTION</u>		19
Independent Auditor's Report		20-23
Management's Discussion and Analysis		24-37
BASIC FINANCIAL STATEMENTS:		38
Government-wide Financial Statements:		
Statement of Net Position	A	39-40
Statement of Activities	B	41-42
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	43-44
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	45
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	46
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	47
Statement of Revenues, Expenditures, and Changes in Fund Balance – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	48-51
Proprietary Funds:		
Statement of Net Position	D-1	52
Statement of Revenues, Expenses, and Changes in Net Position	D-2	53
Statement of Cash Flows	D-3	54
Fiduciary Funds:		
Statement of Fiduciary Net Position	E-1	55
Statement of Changes in Fiduciary Net Position	E-2	56
Index and Notes to the Financial Statements		57-120

	Exhibit	Page(s)
REQUIRED SUPPLEMENTARY INFORMATION:		121
Schedule of Funding Progress – Pension Plan – Primary Government, Discretely Presented Rutherford County School Department, Discretely Presented Community Care of Rutherford County, Inc., and Discretely Presented Rutherford County Emergency Communications District	F-1	122
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Rutherford County School Department, Discretely Presented Community Care of Rutherford County, Inc., and Discretely Presented Rutherford County Emergency Communications District	F-2	123
Notes to the Required Supplementary Information		124
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		125
Nonmajor Governmental Funds:		126-127
Combining Balance Sheet	G-1	128-131
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	132-133
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Solid Waste/Sanitation Fund	G-3	134
Ambulance Service Fund	G-4	135
Industrial/Economic Development Fund	G-5	136
Special Purpose Fund	G-6	137
Drug Control Fund	G-7	138
Highway/Public Works Fund	G-8	139
Major Governmental Fund:		140
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	141
Proprietary Funds:		142
Combining Statement of Net Position	I-1	143
Combining Statement of Revenues, Expenses, and Changes in Net Position	I-2	144
Combining Statement of Cash Flows	I-3	145
Fiduciary Funds:		146
Combining Statement of Fiduciary Assets and Liabilities	J-1	147
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	J-2	148-149
Component Unit:		
Discretely Presented Rutherford County School Department:		150
Statement of Activities	K-1	151
Balance Sheet – Governmental Funds	K-2	152

	Exhibit	Page(s)
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	K-3	153
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	K-4	154
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	K-5	155
Combining Balance Sheet – Nonmajor Governmental Funds	K-6	156
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	K-7	157
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	K-8	158-159
School Federal Projects Fund	K-9	160
Central Cafeteria Fund	K-10	161
Education Capital Projects Fund	K-11	162
Statement of Fiduciary Net Position	K-12	163
Statement of Changes in Fiduciary Net Position	K-13	164
Miscellaneous Schedules:		165
Schedule of Changes in Long-term Notes, Capital Lease, and Bonds	L-1	166-167
Schedule of Long-term Debt Requirements by Year	L-2	168-169
Schedule of Investments	L-3	170
Schedule of Notes Receivable	L-4	171
Schedule of Transfers – Primary Government and Discretely Presented Rutherford County School Department	L-5	172
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Rutherford County School Department	L-6	173
Schedule of Detailed Revenues – All Governmental Fund Types	L-7	174-183
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Rutherford County School Department	L-8	184-186
Schedule of Detailed Expenditures – All Governmental Fund Types	L-9	187-217
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Rutherford County School Department	L-10	218-231
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	L-11	232

	Table	Page(s)
<u>STATISTICAL SECTION</u>		233
Financial Trends:		
Net Position by Component	1	234
Changes in Net Position	2-2a	235-237
Governmental Activities Tax Revenue by Source	3-3a	238-239
Fund Balances of Governmental Funds	4-4a	240-241
Changes in Fund Balances of Governmental Funds	5-5a	242-245
Revenue Capacity:		
Assessed and Estimated Actual Value of Property	6	246
Property Tax Rates – Direct and Overlapping Governments	7	247
Principal Taxpayers	8	248
Property Tax Levies and Collections by Tax Year	9	249
Assessed and Estimated Actual Value of in-Lieu-of Tax Agreements and Tax Payments	10	250
Debt Capacity:		
Ratios of Net General Outstanding Bonded Debt	11	251
Direct and Overlapping Debt	12	252
Demographic and Economic Information:		
Demographic Statistics	13	253
Principal Employers	14	254
Operating Information:		
Full-time Employees by Function	15	255
Operating Indicators by Function	16	256
Capital Assets by Function	17	257
<u>SINGLE AUDIT SECTION</u>		258
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government</i> <i>Auditing Standards</i>		259-261
Auditor's Report on Compliance for Every Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133		262-264
Schedule of Expenditures of Federal Awards and State Grants		265-267
Schedule of Audit Findings Not Corrected		268
Schedule of Findings and Questioned Costs		269-274
Auditee Reporting Responsibilities		275

Audit Highlights

Comprehensive Annual Financial Report
Rutherford County, Tennessee
For the Year Ended June 30, 2013

Scope

We have audited the basic financial statements of Rutherford County as of and for the year ended June 30, 2013.

Results

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

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

Findings and Best Practice

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

OFFICE OF FINANCE DIRECTOR

- ◆ The receipting software used by the office did not have adequate application controls.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ The office had accounting software deficiencies.
- ◆ Duties were not segregated adequately.
- ◆ Multiple employees operated from the same cash drawer.

OFFICE OF SHERIFF

- ◆ The office had deficiencies in computer system backup procedures.
-

BEST PRACTICE

Rutherford County does not have a central system of purchasing. The Division of Local Government Audit strongly believes that a central system of purchasing is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of the services provided to the citizens of Rutherford County.

INTRODUCTORY SECTION



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

LETTER OF TRANSMITTAL

November 25, 2013

To the Honorable Ernest G. Burgess, County Mayor,
Board of County Commissioners, and Citizens of
Rutherford County, Tennessee

The Comprehensive Annual Financial Report of Rutherford County, Tennessee, for the year ended June 30, 2013, 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, 2013, 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, 2013, 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 is recognized as one of the fastest growing counties in America, growing at a rate of over 36 percent during the past ten years.

Our largest manufacturing employers include Nissan USA, Ingram Book Co., Asurion, Bridgestone, and General Mills. While manufacturing is our strongest economic segment, we have expanded into distribution, transportation, and other service-related industries. We are also home to Tennessee's second largest state university with an enrollment exceeding 26,000, a regional veteran's facility with 510 hospital beds and 166 nursing home beds, the south central regional office for State Farm Insurance, and numerous other companies including a call center for Verizon Wireless and a call center for the Veteran's Administration.

Investment for major manufacturing activity continues in Rutherford County. The construction of a battery plant and modification of the Nissan manufacturing facility represent an investment of up to \$1.7 billion and positions Nissan as a leader in producing electric vehicles. In September 2010, General Mills, Inc., of Minneapolis, Minnesota, announced its decision to invest \$100 million in the expansion of the company's production facility in Murfreesboro. NHK Seating of America, Inc., broke ground in November 2010 to build a \$54 million manufacturing facility in Murfreesboro, which when completed is expected to employ up to 224 hourly and salary workers when all phases of production are implemented in 2015.

In May 2013, NHK Seating of America, Inc., officials announced plans to expand their facility in Murfreesboro, representing a \$6.8 million investment and will create approximately 94 jobs in Rutherford County. NHK Seating of America is a world-class manufacturer of automotive seats and safety units in North America.

In July 2013, Taylor Farms officials announced plans to expand their Smyrna operations resulting in a \$5.9 million investment and the creation of 170 new positions. Taylor Farms is an American-based producer of fresh-cut fruits and vegetables and ranks as the world's largest producer of fresh-cut vegetables.

Similar to the nation and the State of Tennessee, Rutherford County's unemployment rate has improved over the course of the fiscal year. As of June 2013, Rutherford County had a labor force of 151,200 with 140,260 employed resulting in a 7.2 percent unemployment rate. Based on the unemployment data reported by the U.S. Department of Labor for June 2013, Rutherford County's unemployment rate was below both the state's average of 8.5 percent and the national average of 7.6 percent. These rates are lower than the June 2012 rates, which were reported as 7.4 percent for the county, 8.7 percent for the state, and 8.4 percent for the country.

The improvement in the county's economy was again reflected in the local option sales tax revenue for county schools during FY 2013 when this revenue component increased eight percent over the prior year to a new high of \$43.6 million. Rutherford County Board of Education depends on the education component of the local option sales tax to provide 15 percent of its budget's income for the fiscal year.

Major Initiatives

Major financial pressures continue as a result of the very high population growth rate being experienced by Rutherford County. The most significant impact of this growth is the demand for additional capital investment. Tennessee statutes mandate to counties the primary responsibility for elementary and secondary education. Education is the largest single major expenditure function of the county. During the fiscal year, the Rutherford County Board of Education primarily finished the construction of a high school located in Smyrna. Opening of the school will provide relief to the existing high schools located in LaVergne, Smyrna, and Murfreesboro. In addition to the high school, the Board of Education also completed an expansion project to add ten classrooms at the Eagleville K-12 school. This was done to eliminate reliance on portable classroom buildings. Even with these two projects, the Board of Education determined it will need an additional elementary school and significant additions to existing schools within the next five years if growth continues.

On the horizon for the county is the planning of a new judicial building. The need for a new facility was determined over ten years ago. However, because of the pressing need for additional schools for a fast growing population, the judicial building project continued to be delayed. It is readily apparent to all concerned that we can no longer wait. The Board of Commissioners approved an update of the 2008 study to ensure that the growth projections are still valid or if they need to be adjusted. It is estimated that this project will cost over \$70 million.

Long-term Financial Planning and Relevant Financial Policies

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

Unassigned fund balance in the General Fund totals \$16.3 million, which represents 21.43 percent of the General Fund's current-year expenditures and 19.65 percent of the 2013-2014 original appropriation. This exceeds the amount set by policy (15 percent). According to the commission's policy, the excess is available to cover revenue shortfalls, unanticipated expenditures, and to ensure stable tax rates.

To better serve the needs of the commission and the public, the commission reviewed and revised the county's policy concerning the fund balance in the General Debt Service Fund. The policy requires the finance director to determine or estimate the principal and interest requirements of the county and recommend sources of revenues to meet those actual or projected requirements. Additionally, the policy of the county requires that at the beginning of each fiscal year, the county will maintain an adequate amount in cash or investments in the 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, 2012. 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 18 consecutive fiscal years. We believe that our current CAFR continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department during the past fiscal year. They are Elaine Short, Teresa Jolly, Faye Elam, Linda Godsey, Chrissi Caruthers, Robert Brown, Sue Hollandsworth, Sheryl Sandefur, Susan Thompson, Nancy Jolly, Jennifer Henson and Scott Magner. I would also like to thank the staff of the county's Office of Information Technology for keeping our accounting system operational. Credit should also be given to the county mayor and the governing body for their interest and support in planning and conducting the operations of Rutherford County government in a responsible and progressive manner.

Sincerely,



Lisa A. Nolen, CPA, CGFM
Finance Director



Government Finance Officers Association

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

Presented to

**Rutherford County
Tennessee**

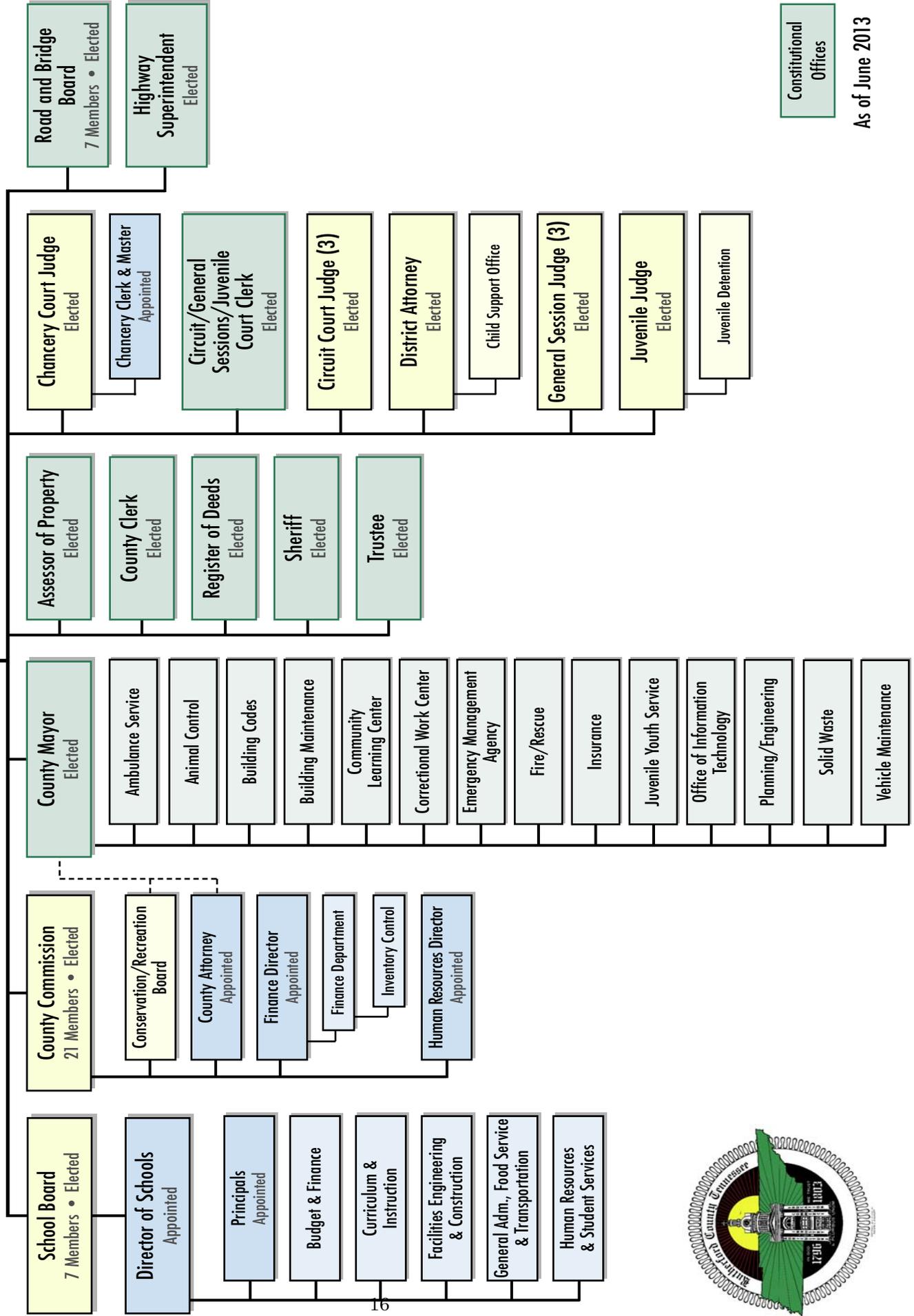
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

RUTHERFORD COUNTY GOVERNMENT ORGANIZATIONAL CHART

ELECTORATE



Rutherford County Officials

June 30, 2013

Officials

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

Board of County Commissioners

Ernest G. Burgess, County Mayor, Chairman	Rhonda Allen
Doug Shafer	Robert Stevens
Jack Black	Jeff Jordan
Will Jordan	Charlie Baum
Robert Peay, Jr.	Adam Coggin
Carol Cook	Matthew Young
Joe Frank Jernigan	Jeff Phillips
Gary L. Farley	Allen McAdoo
Tiffany Phillips	Joyce Ealy
Steve Sandlin	Trey Gooch
Brad Turner	Chantho Sourinho

Highway Commissioners

William Bratcher, Chairman	Richard Stegall
Michael Anderson	Paul Johnson
Greg Brooks	David Victory
John Goad	

Rutherford County Officials (Cont.)

Board of Education

Terry Hodge, Chairman
Wayne Blair
Helen Blankenship
Aaron Hollady

David Nipper
Tim Tackett
Coy Young

Audit Committee

Charlie Baum, Chairman
William Bratcher
Mark Crocker
Will Jordan

Wayne Blair
Steve Schroeder

FINANCIAL SECTION



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

Independent Auditor's Report

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

To the County Mayor and 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, 2013, 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 .8 percent, .7 percent, and three percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Also, we did not audit the financial statements of the discretely presented Emergency Communications District, which represent 1.2 percent, 1.5 percent, and .6 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have 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 Emergency Communications District, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rutherford County, Tennessee, as of June 30, 2013, and the respective changes in financial position 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.

Emphasis of Matter

Note I.D.10. to the financial statements describes a restatement to the beginning balance of Governmental Activities and of the nonmajor governmental funds totaling \$314,534. This restatement was made to reclassify the District Attorney General Fund from a special revenue fund to an agency fund.

As described in Note I.D.10. to the financial statements, beginning net position of governmental activities was restated \$1,878,432 (primary government) and \$12,785 (discretely presented School Department). These restatements were necessary due to the implementation of GASB Statement No. 65.

As described in Note V.B., Rutherford County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting*

Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34); Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements; and Statement No. 63, Reporting Deferred Outflows, Deferred Inflows and Net Position, which became effective for the year ended June 30, 2013. Rutherford County early implemented Statement No. 65, Items Previously Reported as Assets and Liabilities and Statement No. 66, Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62, which have an effective date of June 30, 2014.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 24-37 and the schedules of funding progress – pension plan and other postemployment benefits plans on pages 122-124 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Rutherford County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial

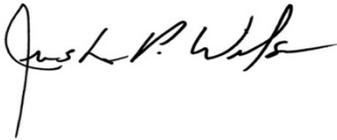
statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Rutherford County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2013, on our consideration of Rutherford County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rutherford County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 25, 2013

JPW/yu

**Rutherford County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2013**

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, 2013. 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 \$15,637 (net position). Of this amount, \$308,591 is long-term debt that is attributable to the Rutherford County Board of Education.
- From yearly activity, the government's total net position decreased by \$42,468.
- Net position was further decreased by \$315 due to a reclassification of the District Attorney General Fund (classified as an agency fund instead of a special revenue fund) and by \$1,878 due to an accounting change (*implementation of GASB Statement No. 65*).
- As of the close of the current fiscal year, the governmental funds of Rutherford County, Tennessee, reported combined ending fund balances of \$83,128, a decrease of \$362 in comparison with the prior year. Most of this total amount, \$71,340, is available for spending at the government's discretion (assigned and unassigned fund balances).
- At the end of the current fiscal year, assigned fund balance totaled \$3,443 in the General Fund. This amount will be used to fund operations in the 2013-2014 fiscal year. Unassigned fund balance for the General Fund was \$16,332, or 21.4 percent of total General Fund expenditures.
- The total debt of Rutherford County, Tennessee, decreased by \$24,809 (6.5 percent) during the current fiscal year. Bonded debt of \$29,730 was retired and \$60,420 was replaced with refunded debt of \$65,700 to achieve significant savings in debt service in future years.

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 between the two 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 12 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the General Debt Service Fund, both of which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on Exhibits C-1 through C-5 of this report.

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Rutherford County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibit E-1 through E-2 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the table of contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning 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 \$15,637 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, 2013, Rutherford County had outstanding debt totaling \$308,591 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	
	2012	2013
Assets:		
Current and other assets	\$ 203,052	\$ 213,167
Capital assets	259,417	259,213
Total assets	\$ 462,469	\$ 472,380
Deferred outflows of resources:		
Deferred charge on refunding	\$ 0	\$ 13,685
Total deferred outflows of resources	\$ 0	\$ 13,685
Liabilities:		
Long-term liabilities outstanding	\$ 424,482	\$ 417,468
Other liabilities	80,455	6,372
Total liabilities	\$ 504,937	\$ 423,840
Deferred inflows of resources:		
Deferred current property taxes	\$ 0	\$ 77,862
Total deferred inflows of resources	\$ 0	\$ 77,862
Net position:		
Net investment in capital assets	\$ 207,456	\$ 210,959
Restricted	6,003	4,214
Unrestricted	(255,927)	(230,810)
Total net position	\$ (42,468)	\$ (15,637)

By far the largest portion of Rutherford County's net position (\$210,959) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Rutherford County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Rutherford County's investment in 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, (\$4,214) 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 \$29,024. Key elements of this increase are displayed on the Changes in Net Position Table. The table also presents 2013 revenues and expenditures as a percentage of total revenues and expenditures.

CHANGES IN NET POSITION

	Governmental Activities		
	2012	2013	
Revenues:			
Program revenues:			
Charges for services	\$ 71,553	\$ 74,881	38%
Operating grants and contributions	8,590	7,822	4%
Capital grants and contributions	1,770	2,731	1%
General revenues:			
Property taxes	77,209	77,379	39%
Payment in-lieu-of taxes	6,751	14,346	7%
Local option sales taxes	1,583	2,189	1%
Hotel/Motel tax	1,216	1,400	1%
Wheel tax	5,860	5,999	3%
Business tax	1,825	2,189	1%
Litigation tax	2,422	2,449	1%
Development tax	2,051	3,210	2%
Mineral severance tax	257	249	0%
Bank excise tax	68	87	0%
Wholesale beer tax	825	832	0%
Interstate telecommunication tax	5	7	0%
Grants and contributions not restricted to specific programs	1,351	648	0%
Unrestricted investment income	407	311	0%
Other	140	241	0%
Total revenues	\$ 183,883	\$ 196,970	100%

	Governmental Activities (Cont.)		
	2012	2013	
Expenses:			
General government	\$ 16,038	\$ 16,706	10%
Finance	8,387	8,450	5%
Administration of justice	6,854	7,668	5%
Public safety	41,151	43,798	26%
Public health and welfare	19,369	19,958	12%
Social, cultural, and recreation services	2,112	2,264	1%
Agriculture and natural resources	1,141	1,092	1%
Highways	11,206	10,474	6%
Education	89,448	42,373	25%
Interest on long-term debt	15,177	14,840	9%
Other debt service	0	323	0%
Total expenses	<u>\$ 210,883</u>	<u>\$ 167,946</u>	<u>100%</u>
Increase (Decrease) in net position	\$ (27,000)	\$ 29,024	
Net position, July 1	(15,468)	(42,468)	
Reclassification	0	(315)	
Accounting change (see note V.B.)		(1,878)	
Net position, June 30	<u>\$ (42,468)</u>	<u>\$ (15,637)</u>	

In addition to normal activities, a reclassification of the District Attorney General Fund from a special revenue fund to an agency fund resulted in a decrease of net position of \$315. Implementing an accounting change also resulted in a decrease of \$1,878 of net position by recognizing accumulated debt issuance costs (*GASB Statement No. 65*).

Governmental Program Expenses

The cost of all governmental activities was \$167,946. However, as shown on the previous page, 50.87 percent of these costs (\$85,434) were either paid by those who directly benefited from the programs (\$74,881), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$7,822) and capital grants and contributions (\$2,731). The county paid for the remaining “public benefit” portion of governmental activities with taxes, general grants and contributions, and other miscellaneous revenue. Each program’s net cost to taxpayers is presented on the next page.

Education expenses of \$42,373, Public Safety expenses of \$43,798, and Public Health and Welfare expenses of \$19,958 comprise the largest categories of expenses of Rutherford County, which when combined (\$106,129) comprise 63.2 percent of total expenses. Of the \$106,129, \$56,298 was recovered by charges for services, \$3,155 from operating grants/contributions, and \$1,093 from capital grants/contributions. Rutherford County’s Board of Education is a component unit of the primary government and does not have the authority to issue debt. Rutherford County issues debt on the Board of Education’s behalf; then contributes the proceeds to the Board so they can purchase, build, or renovate schools. The noticeable decrease in Education expenses during FY 2013, compared to the prior year,

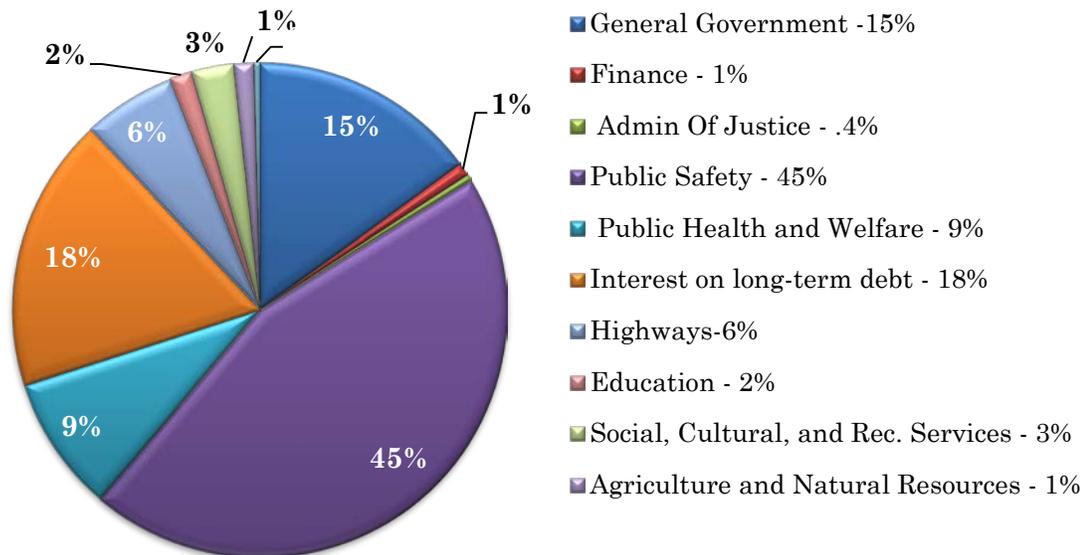
was the result of such a borrowing in the prior fiscal year. No additional debt was incurred in the current fiscal year. Public Safety’s expenses increased 6.4 percent and were mostly due to increases in salaries/wages, unanticipated expenses related to the repair and maintenance of the jail and continued improvements to the facility. Public Health and Welfare increased three percent and was due to an increase in salaries/wages.

Expenses by Governmental Activities. The following table shows the “net (expenses) revenue” as a percentage of the total expense. Net expense is all program expenses less all program revenue. Citizens must then pay for these governmental activities through taxes, unrestricted grants, contributions, and investment income. The graph following the table depicts how the citizen tax base is then allocated to the various governmental activities.

Net Program Cost to Taxpayers

Governmental Activities:	Program Revenue	Expense	Net (Expense) Revenue	Net Expense as % to Total Expense
General government	\$ 4,351	\$ 16,706	\$ (12,355)	7.4%
Finance	7,728	8,450	(722)	0.4%
Administration of justice	7,327	7,668	(341)	0.2%
Public safety	6,733	43,798	(37,065)	22.1%
Public health and welfare	12,649	19,958	(7,309)	4.4%
Social, cultural, and recreational services	1	2,264	(2,263)	1.3%
Agriculture and natural resources	38	1,092	(1,054)	0.6%
Highway/public works	5,443	10,474	(5,031)	3.0%
Education	41,164	42,373	(1,209)	0.7%
Interest on long-term debt	-	14,840	(14,840)	8.8%
Other debt service	-	323	(323)	0.2%
Total governmental activities	\$ 85,434	\$ 167,946	\$ (82,512)	49.1%

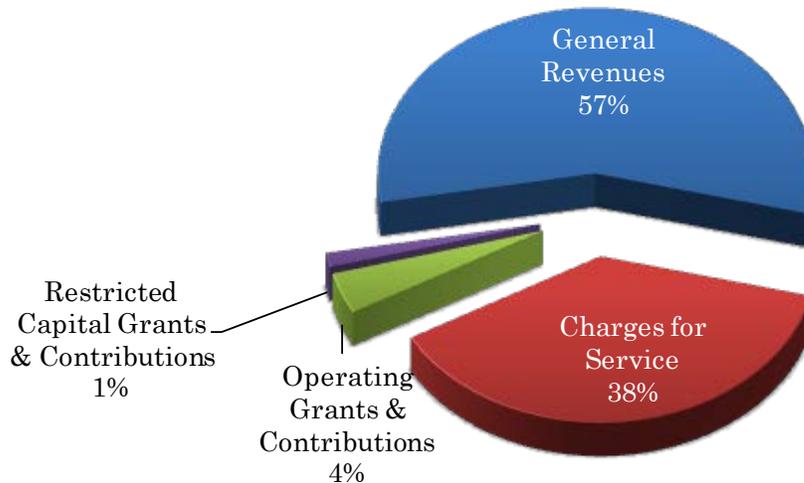
Allocation of the Citizen Tax Base to Governmental Activities



Unlike the preceding table, the 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 2012-2013 fiscal year, 45 percent of the local citizen tax base was spent for Public Safety.

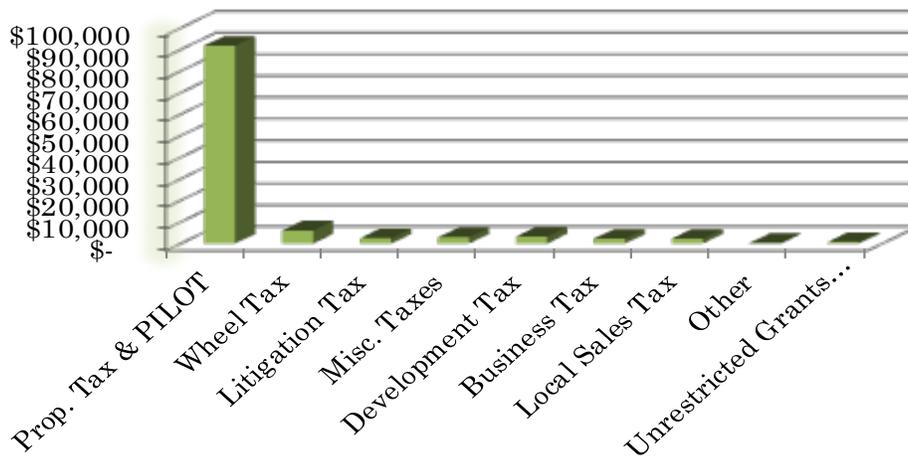
Revenues

Revenues on the government-wide statement of activities are broken into two major categories: program and general revenues. Of the total revenues, 43 percent is received from program revenues and 57 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 on the chart above, the largest source of program revenue is from charges for services.

General revenues are all revenues that do not qualify as program revenues and by far are the largest revenue source. Within this major category, the largest single revenue source is property tax and payments in-lieu-of tax (PILOT) as illustrated in the following chart.



Financial Analysis of the Government's Funds

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

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

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

- Non-spendable Fund Balance, \$34 – 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, \$7,363 – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed Fund Balance, \$4,391 – 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, \$55,007 – 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, \$16,332 – the residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

As of the end of the current fiscal year, Rutherford County Government's governmental funds reported combined ending fund balances of \$83,128, which was a decrease of \$362 in comparison with the prior year.

The General Fund is the chief operating fund of Rutherford County Government. At the end of the current fiscal year, unassigned fund balance was \$16,332 while total fund balance was \$24,048. Assigned fund balance was \$3,443, which has been assigned to help fund operations in the next fiscal year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund

expenditures. Unassigned fund balance represents 21.44 percent of total General Fund expenditures, while total fund balance represents 31.57 percent of that same amount. It should be noted that with the adoption of the 2012-2013 original budget, the unassigned fund balance was estimated at \$14,902 at June 30, 2013. The General Fund's fund balance actually increased by \$738 during the current fiscal year. The difference in estimated and actual revenue was primarily due to the increase in fees collected from county officials, which came in \$1,056 higher than originally estimated and revenues derived from residential housing taxes and related permits, which were \$1,304 higher than originally estimated. These revenues were offset by unanticipated expenses in public safety, administration of justice, and general government as detailed below.

General Fund Budgetary Highlights

During the fiscal year, there was an increase in appropriations from the original budget. These differences are summarized in the following table:

Net Change in Budget - Amended over (under) Original

	2012	2013
General Government	\$ 219	\$ 435
Finance	102	96
Administration of Justice	68	760
Public Safety	2,106	1,116
Public Health and Welfare	77	177
Social, Cultural, and Recreational Services	122	132
Agriculture and Natural Resources	50	9
Other Operations	273	(29)
Total Increase in Appropriations	<u>\$ 3,017</u>	<u>\$ 2,696</u>

There were several areas with significant increases to their original budget: in General Government, the increase in the County Attorney's budget was needed to pay litigation costs from prior years that were not billed until the current year. An increase in the Register of Deeds' budget was needed to pay for an initiative to microfilm many of the various county departments' permanent records.

The increase in Finance was due to a need in the data processing department to cover the cost of an Exchange migration and other Microsoft Office services.

The increase in Administration of Justice was primarily due to the purchase of a case management system for the Circuit Court Clerk's Office, which is needed since the courts are using mid-1980's computer technology. This project is expected to be completed in the 2013-2014 fiscal year.

The increase in Public Safety was in large part due to the sheriff and jail operations. Additional funding was appropriated for overtime, vehicles, data processing, food supplies, and building improvements.

The increase in Public Health and Welfare was due to increases for the county’s animal control department need for additional drugs/medical supplies and to purchase a trailer that is used for offsite adoptions. In addition, the number of autopsies performed in the county was more than anticipated.

The increase in Social, Cultural, and Recreational Services was due to an unanticipated donation to Middle Tennessee State University Foundation in Murfreesboro for the purpose of offsetting the cost of their new science building.

The decrease in Other Operations was due to appropriations transferred from this function to various other functions for employee health insurance.

At the close of the fiscal year, actual expenditures were \$3.2 million less than budgetary estimates. Most of the unspent appropriation is in the personnel and benefit line items. The county typically budgets all positions as being filled for the entire year. Because of turnover, there are normally appropriations left unspent in those cost categories. Since Public Safety has almost 50 percent of the total full-time employment, this function typically will have more unspent appropriations than the other functions. A similar situation occurred in the Public Health and Welfare function, with some positions left vacant for portions of the year.

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

	2012	2013
General Government	\$ 415	\$ 322
Finance	554	556
Administration of Justice	242	237
Public Safety	1,118	951
Public Health and Welfare	388	642
Social, Cultural, and Recreational Services	7	32
Agriculture and Natural Resources	42	87
Other Operations	350	351
Total Results	<u>\$ 3,116</u>	<u>\$ 3,178</u>

Capital Assets and Debt Administration

Capital Assets. Rutherford County Government’s investment in capital assets for its governmental funds as of June 30, 2013, totaled \$259,213 (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 decrease in Rutherford County Government's investment in capital assets for the current fiscal year totaled \$204, which represented a .08 percent decrease over the prior year.

	Governmental Activities	
	2012	2013
Land	\$ 33,364	\$ 33,793
Intangibles (Right of Way)	45,035	45,501
Buildings and improvements	70,210	73,587
Infrastructure	97,759	96,613
Intangibles (other)	482	633
Other capital assets	6,368	6,520
Construction in progress	6,199	2,566
	<u>6,199</u>	<u>2,566</u>
Total	<u>\$ 259,417</u>	<u>\$ 259,213</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 and notes outstanding of \$356,489. 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	
	2012	2013	2012	2013	2012	2013
Notes	\$ 9,513	\$ 9,154	\$ 1,440	\$ 1,440	\$ 10,953	\$ 10,594
Bonds	319,500	299,437	50,845	46,458	370,345	345,895
Total	<u>\$ 329,013</u>	<u>\$ 308,591</u>	<u>\$ 52,285</u>	<u>\$ 47,898</u>	<u>\$ 381,298</u>	<u>\$ 356,489</u>

Rutherford County Board of Education is currently servicing some of the debt on behalf of the primary government. In the prior year, 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. The 2012 amounts reflected above have been changed to include this debt for comparison.

Not reflected above is a capital lease entered into by the county on behalf of the schools during the 2012-2013 with the purpose to increase water efficiency in various schools. The cost of the lease totaled \$1.461 million, and at June 30, 2013, the remaining commitment totaled \$1.373 million. The School Department will be servicing this debt as well.

Rutherford County decreased its long-term debt by \$24,809 (6.5 percent) during the 2012-2013 fiscal year. In February 2013, refunding bonds totaling \$65.7 million were issued to replace \$60.42 million of previously issued bonds with the purpose of reducing

future debt service payments. 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, 2014, on June 28, 2013. 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 increases in the local sales tax and revenues related to residential construction, it appears that the county’s economy will continue to rebound. However, estimates for revenues from property tax, sales tax, development tax, and building related revenues were conservatively developed for the next fiscal year. Rutherford County’s Board of Commissioners has strived to limit the tax burden on property owners but has always been cognizant of the financial policies they have set in place. For the 2013 property tax year, the Commissioners approved a property tax increase of ten cents to ensure that fund balances in the major funds meet their policies. In addition, they also chose to reallocate 3.6 cents of the existing property tax rate from the Ambulance, Highway/Public Works, and General Debt Service funds to the General Fund.

Distribution of the Property Tax Rate

Fund	2012 Adopted		2013 Adopted	
	Rate	Ratio	Rate	Ratio
General	\$ 0.5840	23.69%	\$ 0.6700	26.12%
Ambulance	0.0829	3.36%	0.0579	2.26%
Highway/Public Works	0.0140	0.57%	0.0130	0.51%
Education	1.1430	46.37%	1.1930	46.51%
Ed. Capital Projects	0.0451	1.83%	0.0451	1.76%
General Debt Service	0.5962	24.18%	0.5862	22.85%
Total	\$ 2.4652	100.00%	\$ 2.5652	100.00%

Projected amounts were sufficient and available in the unassigned fund balance in the General Fund at fiscal year-end to allow a portion to be used to fund operations in the next fiscal year. Rutherford County Government has appropriated \$3,443 for spending in the 2013-2014 fiscal year. This is reflected in the assigned fund balance of the General Fund. Unassigned fund balance in the General Fund is projected at \$16,332 as of June 30, 2014, which is 19.65 percent of the original 2013-2014 General Fund appropriations.

Fund balance in the General Debt Service Fund decreased by \$665 to close with \$35,149 at fiscal year-end. It is anticipated that \$1,704 will be used to fund next year’s appropriations. Projected fund balance in the General Debt Service Fund as of June 30, 2014, is expected to be \$31,625, or 62.6 percent of budgeted debt service expenditures. The Commissioners are

expecting to refinance a capital outlay note in the next fiscal year, along with borrowing new monies to finance improvements to schools, roads, and planning/design for a new judicial center. An estimate for payment of interest and principal for the future borrowing has been provided in the 2013-2014 fiscal year budget for the General Debt Service Fund.

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, 2013

	Primary Government <u>Governmental</u> <u>Activities</u>	Component Units		
		Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
<u>ASSETS</u>				
Cash	\$ 2,147,529	\$ 1,301,983	\$ 2,627,695	\$ 5,490,669
Equity in Pooled Cash and Investments	112,728,568	54,518,534	0	0
Inventories	0	232,691	22,386	0
Investments	60,899	0	0	0
Accounts Receivable	20,883,170	95,845	1,017,937	40,565
Allowance for Uncollectibles	(9,762,705)	0	(75,000)	0
Property Taxes Receivable	84,015,671	67,167,169	0	0
Allowance for Uncollectible Property Taxes	(4,867,090)	(3,889,424)	0	0
Accrued Interest Receivable	0	0	0	1,405
Advances to Other Funds	125,000	0	0	0
Due from Other Governments	3,227,689	9,553,690	0	110,085
Due from Component Units	2,372,211	0	0	0
Prepaid Items	33,863	16,334	22,557	25,708
Notes Receivable - Long-term	2,202,620	0	0	0
Capital Assets:				
Assets Not Depreciated:				
Land	33,793,368	8,467,427	0	17,500
Intangible Assets (Right-of-Ways)	45,500,648	0	0	0
Construction in Progress	2,566,277	47,089,091	270,803	383,292
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	73,586,896	366,185,615	396,429	921,765
Infrastructure	96,613,301	0	0	0
Intangible Assets	632,600	176,759	0	0
Other Capital Assets	6,519,962	8,860,507	292,429	131,657
Total Assets	<u>\$ 472,380,477</u>	<u>\$ 559,776,221</u>	<u>\$ 4,575,236</u>	<u>\$ 7,122,646</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Charge on Refunding	\$ 13,685,105	\$ 0	\$ 0	\$ 0
Total Deferred Outflows of Resources	<u>\$ 13,685,105</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,716,271	\$ 3,880,669	\$ 135,197	\$ 1,217
Accrued Payroll	1,180,807	20,383,509	116,905	0
Contracts Payable	3,036	0	75,589	0
Retainage Payable	15,868	0	13,864	0
Accrued Interest Payable	3,237,155	0	0	0
Payroll Deductions Payable	1,423	4,438	77,389	0
Due to Primary Government	0	2,370,399	1,812	0
Other Current Liabilities	217,613	0	28,591	0
Noncurrent Liabilities:				
Due Within One Year	44,266,776	40,907	251,629	28,484
Due in More Than One Year (net of unamortized premium on debt)	373,201,019	52,786,015	983,499	45,383
Total Liabilities	<u>\$ 423,839,968</u>	<u>\$ 79,465,937</u>	<u>\$ 1,684,475</u>	<u>\$ 75,084</u>

(Continued)

Exhibit A

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

	Primary Government <u>Governmental Activities</u>	Component Units		
		Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 77,862,336	\$ 62,252,252	\$ 0	\$ 0
Deferred Grants Received in Advance	0	0	0	832,083
Total Deferred Inflows of Resources	<u>\$ 77,862,336</u>	<u>\$ 62,252,252</u>	<u>\$ 0</u>	<u>\$ 832,083</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 210,959,181	\$ 430,779,399	\$ 959,661	\$ 1,454,214
Restricted for:				
General Government	407,140	0	0	0
Finance	21,238	0	0	0
Administrative of Justice	860,272	0	0	0
Public Safety	1,013,128	0	0	0
Public Health and Welfare	54,303	0	0	0
Capital Projects	1,858,186	4,287,529	0	0
School Federal Projects	0	2,200	0	0
Central Cafeteria	0	4,850,715	0	0
Drivers Education	0	115,512	0	0
Other Purposes	0	117,310	0	0
Unrestricted	<u>(230,810,170)</u>	<u>(22,094,633)</u>	<u>1,931,100</u>	<u>4,761,275</u>
Total Net Position	<u>\$ (15,636,722)</u>	<u>\$ 418,058,032</u>	<u>\$ 2,890,761</u>	<u>\$ 6,215,489</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, 2013

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District		
Primary Government:										
General Government	\$ 16,706,322	\$ 4,185,162	\$ 165,741	\$ 0	\$ (12,355,419)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	8,450,476	7,727,368	1,500	0	(721,608)	0	0	0	0	0
Administration of Justice	7,668,323	6,584,577	742,653	0	(341,093)	0	0	0	0	0
Public Safety	43,797,741	5,960,749	578,049	194,235	(37,064,708)	0	0	0	0	0
Public Health and Welfare	19,957,857	9,173,495	2,576,929	898,682	(7,308,751)	0	0	0	0	0
Social, Cultural, and Recreational Services	2,263,942	812	0	0	(2,263,130)	0	0	0	0	0
Agriculture and Natural Resources	1,091,758	37,987	0	0	(1,053,771)	0	0	0	0	0
Highways/Public Works	10,474,065	46,761	3,757,338	1,638,411	(5,031,555)	0	0	0	0	0
Education	42,372,598	41,163,960	0	0	(1,208,638)	0	0	0	0	0
Interest on Long-term Debt	14,840,465	0	0	0	(14,840,465)	0	0	0	0	0
Other Debt Service	322,651	0	0	0	(322,651)	0	0	0	0	0
Total Primary Government	\$ 167,946,198	\$ 74,880,871	\$ 7,822,210	\$ 2,731,328	\$ (82,511,789)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:										
Rutherford County School Department	\$ 328,433,655	\$ 6,683,616	\$ 24,157,518	\$ 0	\$ 0	\$ (297,592,521)	\$ 0	\$ 0	\$ 0	\$ 0
Community Care of Rutherford County, Inc.	9,862,208	9,390,855	228,703	0	0	0	(242,650)	0	0	0
Emergency Communications District	1,334,230	1,588,770	0	0	0	0	0	254,540	0	254,540
Total Component Units	\$ 339,630,093	\$ 17,663,241	\$ 24,386,221	\$ 0	\$ 0	\$ (297,592,521)	\$ (242,650)	\$ 254,540	\$ 0	\$ 254,540

(Continued)

Exhibit B

Rutherford County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Units			
				Primary Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 41,259,047	\$ 61,720,912	\$ 0	\$ 0
Property Taxes Levied for Debt Service				36,120,301	0	0	0
Payments in-Lieu-of Tax				14,346,182	890,519	0	0
Local Option Sales Taxes				2,189,183	43,798,031	0	0
Hotel/Motel Tax				1,400,008	0	0	0
Wheel Tax				5,999,232	3,429,990	0	0
Business Tax				2,188,807	1,750,331	0	0
Litigation Tax				2,449,275	0	0	0
Adequate Facilities/Development Tax				3,210,000	0	0	0
Mineral Severance Tax				248,614	0	0	0
Bank Excise Tax				86,437	0	0	0
Wholesale Beer Tax				831,967	0	0	0
Interstate Telecommunications Tax				6,856	19,034	0	0
Grants and Contributions Not Restricted to Specific Programs				647,942	167,391,458	11,332	166,477
Unrestricted Investment Income				310,837	89,005	4,994	32,126
Miscellaneous				241,213	45,636	0	116
Total General Revenues				\$ 111,535,901	\$ 279,134,916	\$ 16,326	\$ 198,719
Change in Net Position				\$ 29,024,112	\$ (18,457,605)	\$ (226,324)	\$ 453,259
Net Position, July 1, 2012				(42,467,868)	436,528,422	3,117,085	5,762,230
Restatement - See Note I.D.10.				(2,192,966)	(12,785)	0	0
Net Position, June 30, 2013				\$ (15,636,722)	\$ 418,058,032	\$ 2,890,761	\$ 6,215,489

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, 2013

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 14,681	\$ 0	\$ 549,711	\$ 564,392
Equity in Pooled Cash and Investments	23,092,923	33,372,605	22,853,405	79,318,933
Investments	0	0	60,899	60,899
Accounts Receivable	8,677,087	12,181	11,846,221	20,535,489
Allowance for Uncollectibles	0	0	(9,762,705)	(9,762,705)
Due from Other Governments	1,765,058	74,588	1,367,218	3,206,864
Due from Other Funds	392,183	0	0	392,183
Due from Component Units	5,260	0	0	5,260
Property Taxes Receivable	42,297,929	37,173,427	4,544,315	84,015,671
Allowance for Uncollectible Property Taxes	(2,400,626)	(2,180,411)	(286,053)	(4,867,090)
Prepaid Items	33,863	0	0	33,863
Notes Receivable - Long-term	0	1,820,785	381,835	2,202,620
Total Assets	<u>\$ 73,878,358</u>	<u>\$ 70,273,175</u>	<u>\$ 31,554,846</u>	<u>\$ 175,706,379</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 661,589	\$ 205,144	\$ 845,788	\$ 1,712,521
Accrued Payroll	767,679	0	413,128	1,180,807
Payroll Deductions Payable	1,423	0	0	1,423
Contracts Payable	0	0	3,036	3,036
Retainage Payable	0	0	15,868	15,868
Due to Other Funds	0	0	382,311	382,311
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	217,613	0	0	217,613
Total Liabilities	<u>\$ 1,648,304</u>	<u>\$ 205,144</u>	<u>\$ 1,660,131</u>	<u>\$ 3,513,579</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 39,309,121	\$ 34,392,547	\$ 4,160,668	\$ 77,862,336
Deferred Delinquent Property Taxes	515,364	526,130	85,512	1,127,006
Other Deferred/Unavailable Revenue	8,357,288	0	1,718,188	10,075,476
Total Deferred Inflows of Resources	<u>\$ 48,181,773</u>	<u>\$ 34,918,677</u>	<u>\$ 5,964,368</u>	<u>\$ 89,064,818</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Prepaid Items	\$ 33,863	\$ 0	\$ 0	\$ 33,863
Restricted:				
Restricted for General Government	407,140	0	0	407,140
Restricted for Finance	21,238	0	0	21,238
Restricted for Administration of Justice	860,272	0	0	860,272
Restricted for Public Safety	115,648	0	897,480	1,013,128
Restricted for Public Health and Welfare	46,065	0	8,238	54,303
Restricted for Capital Projects	1,858,186	0	3,148,865	5,007,051

(Continued)

Exhibit C-1

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>				
Committed:				
Committed for General Government	\$ 132,303	\$ 0	\$ 0	\$ 132,303
Committed for Finance	101,602	0	0	101,602
Committed for Administration of Justice	686	0	0	686
Committed for Public Safety	401,310	0	0	401,310
Committed for Public Health and Welfare	81,263	0	0	81,263
Committed for Agriculture and Natural Resources	211,445	0	0	211,445
Committed for Other Operations	1,533	0	0	1,533
Committed for Highways/Public Works	0	0	1,640,379	1,640,379
Committed for Debt Service	0	1,820,785	0	1,820,785
Assigned:				
Assigned for Finance	0	0	110,000	110,000
Assigned for Administration of Justice	0	0	71,601	71,601
Assigned for Public Health and Welfare	0	0	10,324,672	10,324,672
Assigned for Other Operations	0	0	1,048,664	1,048,664
Assigned for Highways/Public Works	0	0	6,680,448	6,680,448
Assigned for Debt Service	0	33,328,569	0	33,328,569
Assigned for Other Purposes	3,443,304	0	0	3,443,304
Unassigned	16,332,423	0	0	16,332,423
Total Fund Balances	\$ 24,048,281	\$ 35,149,354	\$ 23,930,347	\$ 83,127,982
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 73,878,358	\$ 70,273,175	\$ 31,554,846	\$ 175,706,379

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, 2013

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)		\$ 83,127,982
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 33,793,368	
Add: intangible assets – right-of-ways	45,500,648	
Add: construction in progress	2,566,277	
Add: buildings and improvements net of accumulated depreciation	73,586,896	
Add: infrastructure net of accumulated depreciation	96,613,301	
Add: intangible assets net of accumulated depreciation	632,600	
Add: other capital assets net of accumulated depreciation	<u>6,519,962</u>	259,213,052
(2) Internal service funds are used by management to charge the cost of liability insurance, workers' compensation insurance, and employee health benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.		24,411,874
(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	\$ (345,895,000)	
Less: notes payable	(10,594,102)	
Less: capital lease payable	(1,372,849)	
Add: due from component unit for debt retirement	2,366,951	
Add: deferred amount on refunding	13,685,105	
Less: compensated absences payable	(5,118,998)	
Less: other postemployment benefits liability	(11,088,219)	
Less: landfill closure/postclosure care costs	(4,395,498)	
Less: accrued interest on notes and bonds	(3,237,155)	
Less: other deferred revenue - premium on debt	<u>(27,942,347)</u>	(393,592,112)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>11,202,482</u>
Net position of governmental activities (Exhibit A)		<u>\$ (15,636,722)</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, 2013

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 51,085,182	\$ 40,523,292	\$ 11,045,199	\$ 102,653,673
Licenses and Permits	1,642,937	0	0	1,642,937
Fines, Forfeitures, and Penalties	2,067,356	0	983,191	3,050,547
Charges for Current Services	1,257,793	0	10,306,302	11,564,095
Other Local Revenues	958,197	209,883	511,834	1,679,914
Fees Received from County Officials	10,903,933	0	0	10,903,933
State of Tennessee	6,930,964	0	4,598,405	11,529,369
Federal Government	1,439,994	0	396,545	1,836,539
Other Governments and Citizens Groups	608,298	1,124,002	425,000	2,157,300
Total Revenues	\$ 76,894,654	\$ 41,857,177	\$ 28,266,476	\$ 147,018,307
<u>Expenditures</u>				
Current:				
General Government	\$ 8,975,784	\$ 778,594	\$ 0	\$ 9,754,378
Finance	7,946,670	0	492,354	8,439,024
Administration of Justice	5,475,102	0	2,199,183	7,674,285
Public Safety	41,610,946	0	799,625	42,410,571
Public Health and Welfare	3,877,458	0	13,582,388	17,459,846
Social, Cultural, and Recreational Services	2,263,942	0	0	2,263,942
Agriculture and Natural Resources	908,286	0	0	908,286
Other Operations	5,119,799	0	318,960	5,438,759
Highways	0	0	7,850,337	7,850,337
Debt Service:				
Principal on Debt	0	30,177,194	0	30,177,194
Interest on Debt	0	14,586,550	0	14,586,550
Other Debt Service	0	7,661,703	0	7,661,703
Capital Projects	0	0	4,853,352	4,853,352
Total Expenditures	\$ 76,177,987	\$ 53,204,041	\$ 30,096,199	\$ 159,478,227
Excess (Deficiency) of Revenues Over Expenditures				
	\$ 716,667	\$ (11,346,864)	\$ (1,829,723)	\$ (12,459,920)
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 0	\$ 0	\$ 946,967	\$ 946,967
Refunding Debt Issued	0	65,700,000	0	65,700,000
Premiums on Debt Issued	0	5,401,891	0	5,401,891
Insurance Recovery	154,875	0	97,497	252,372
Transfers In	535,737	0	673,675	1,209,412
Transfers Out	(669,175)	0	(8,789)	(677,964)
Payments to Refunded Debt Escrow Agent	0	(60,420,000)	0	(60,420,000)
Total Other Financing Sources (Uses)	\$ 21,437	\$ 10,681,891	\$ 1,709,350	\$ 12,412,678
Net Change in Fund Balances	\$ 738,104	\$ (664,973)	\$ (120,373)	\$ (47,242)
Restatement	0	0	(314,534)	(314,534)
Fund Balance, July 1, 2012	23,310,177	35,814,327	24,365,254	83,489,758
Fund Balance, June 30, 2013	\$ 24,048,281	\$ 35,149,354	\$ 23,930,347	\$ 83,127,982

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

Exhibit C-4

Rutherford County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2013

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)		\$ (47,242)
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 5,048,435	
Less: current-year depreciation expense	<u>(6,080,651)</u>	(1,032,216)
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.</p>		
Add: assets donated and capitalized	\$ 1,166,811	
Less: loss on disposal of capital assets	<u>(338,495)</u>	828,316
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Less: deferred delinquent property taxes and other deferred June 30, 2012	\$ (4,437,367)	
Add: deferred delinquent property taxes and other deferred June 30, 2013	<u>11,202,482</u>	6,765,115
<p>(4) The issuance of long-term debt (e.g., notes, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net 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:</p>		
Less: refunding debt proceeds	\$ (65,700,000)	
Less: change in premium on debt issuances	(912,652)	
Less: debt service contributions for principal to primary government	(1,047,194)	
Add: principal payments on notes	359,030	
Add: principal payment on bonds	29,730,000	
Add: principal payment on capital lease	88,164	
Add: change in deferred amount on refunding debt	2,309,970	
Add: payment to refunding agent	<u>60,420,000</u>	25,247,318
<p>(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</p>		
Change in accrued interest payable	\$ 285,928	
Change in landfill closure/postclosure care costs	113,503	
Change in other postemployment benefits liability	(1,887,538)	
Change in compensated absences payable	<u>(135,532)</u>	(1,623,639)
<p>(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.</p>		
		<u>(1,113,540)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 29,024,112</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, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 51,085,182	\$ 0	\$ 0	\$ 51,085,182	\$ 49,238,666	\$ 51,187,844	\$ (102,662)
Licenses and Permits	1,642,937	0	0	1,642,937	1,352,700	1,648,700	(5,763)
Fines, Forfeitures, and Penalties	2,067,356	0	0	2,067,356	1,796,400	2,067,750	(394)
Charges for Current Services	1,257,793	0	0	1,257,793	931,700	1,275,870	(18,077)
Other Local Revenues	958,197	0	0	958,197	808,900	887,826	70,371
Fees Received from County Officials	10,903,933	0	0	10,903,933	9,848,000	10,866,300	37,633
State of Tennessee	6,930,964	0	0	6,930,964	6,549,796	7,297,872	(366,908)
Federal Government	1,439,994	0	0	1,439,994	643,913	1,539,777	(99,783)
Other Governments and Citizens Groups	608,298	0	0	608,298	497,100	595,480	12,818
Total Revenues	\$ 76,894,654	\$ 0	\$ 0	\$ 76,894,654	\$ 71,667,175	\$ 77,367,419	\$ (472,765)
Expenditures							
General Government							
County Commission	\$ 217,667	\$ 0	\$ 0	\$ 217,667	\$ 245,157	\$ 245,157	\$ 27,490
Board of Equalization	4,413	0	0	4,413	23,270	17,270	12,857
County Mayor/Executive	467,437	(854)	300	466,883	519,586	538,276	71,393
Personnel Office	253,238	(149)	42	253,131	286,690	286,690	33,559
County Attorney	423,786	0	0	423,786	259,000	433,500	9,714
Election Commission	798,047	(16,002)	4,367	786,412	806,623	815,413	29,001
Register of Deeds	1,259,272	(4,886)	7,603	1,261,989	1,058,109	1,300,400	38,411
Planning	739,039	(3,203)	3,401	739,237	752,506	757,241	18,004
Codes Compliance	406	0	0	406	600	600	194
Geographical Information Systems	1,420,781	(438,536)	90,731	1,072,976	1,173,380	1,092,380	19,404
County Buildings	1,873,564	(7,429)	30,174	1,896,309	1,861,403	1,926,366	30,057
Other General Administration	239,643	(1,185)	1,000	239,458	241,292	241,292	1,834
Preservation of Records	188,357	(46)	0	188,311	194,656	194,656	6,345
Risk Management	1,090,134	(985)	2,288	1,091,437	1,107,014	1,115,444	24,007
Finance							
Accounting and Budgeting	1,028,459	(11,991)	11,321	1,027,789	1,047,472	1,047,472	19,683

(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 7/1/2012	Add: Encumbrances 6/30/2013	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	\$ 1,586,231	\$ (731)	\$ 27,186	\$ 1,612,686	\$ 1,882,424	\$ 1,875,424	\$ 262,738
Reappraisal Program	498,585	0	0	498,585	531,933	544,933	46,348
County Trustee's Office	562,694	(348)	3,888	566,234	623,950	623,950	57,716
County Clerk's Office	2,149,660	(2,143)	5,602	2,153,119	2,208,083	2,216,625	63,506
Data Processing	2,121,041	(115,003)	57,636	2,063,674	2,088,640	2,169,640	103,966
<u>Administration of Justice</u>							
Circuit Court	1,034,731	(33,646)	175,211	1,176,296	497,250	1,235,050	58,754
Circuit Court Judge	241,380	0	0	241,380	248,765	248,765	7,385
General Sessions Court	1,314,910	0	0	1,314,910	1,370,262	1,373,062	58,152
Drug Court	404,866	(1,472)	3,369	406,763	410,510	420,410	13,647
Chancery Court	826,289	0	261	826,550	880,080	880,080	53,530
Juvenile Court	499,586	0	125	499,711	509,862	518,595	18,884
District Attorney General	83,011	0	0	83,011	85,675	85,675	2,664
Office of Public Defender	35,338	0	0	35,338	35,400	35,400	62
Probation Services	881,690	(400)	300	881,590	897,304	897,304	15,714
Victims Assistance Programs	153,301	0	700	154,001	161,870	162,600	8,599
<u>Public Safety</u>							
Sheriff's Department	18,943,801	(244,447)	278,934	18,978,288	19,058,066	19,360,598	382,310
Special Patrols	38,556	0	0	38,556	58,980	58,980	20,424
Traffic Control	16,218	(4,780)	0	11,438	20,000	20,000	8,562
Administration of the Sexual Offender Registry	68,184	0	1,000	69,184	75,975	78,982	9,798
Jail	14,579,382	(90,614)	117,816	14,606,584	14,231,473	14,747,838	141,254
Workhouse	3,506,234	(1,737)	58	3,504,555	3,692,875	3,697,825	193,270
Juvenile Services	1,886,395	(875)	15,824	1,901,344	1,873,806	1,989,116	87,772
Rural Fire Protection	866,988	(39,118)	46,283	874,153	795,379	890,632	16,479
Disaster Relief	933,681	(361,275)	8,435	580,841	577,218	649,718	68,877
Inspection and Regulation	771,507	(451)	1,324	772,380	787,913	793,913	21,533

(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 7/1/2012	Add: Encumbrances 6/30/2013	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	\$ 632,914	\$ (4,683)	\$ 1,464	\$ 629,695	\$ 659,131	\$ 660,446	\$ 30,751
Rabies and Animal Control	1,330,256	(1,803)	361	1,328,814	1,402,230	1,517,735	188,921
Nursing Home	0	0	4,891	4,891	15,000	15,000	10,109
Dental Health Program	8,460	(55)	523	8,928	12,400	12,400	3,472
Other Local Health Services	1,587,981	0	0	1,587,981	1,984,396	1,984,396	396,415
General Welfare Assistance	43,500	0	0	43,500	43,500	43,500	0
Sanitation Management	33,008	0	0	33,008	33,100	33,100	92
Other Public Health and Welfare	241,339	0	0	241,339	193,000	253,000	11,661
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	32,000	0	0	32,000	32,000	32,000	0
Senior Citizens Assistance	1,500	0	0	1,500	1,500	1,500	0
Libraries	1,183,500	0	0	1,183,500	1,183,500	1,183,500	0
Parks and Fair Boards	409,300	0	0	409,300	409,175	441,125	31,825
Other Social, Cultural, and Recreational	637,642	0	0	637,642	537,642	637,642	0
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	647,070	0	0	647,070	707,096	709,571	62,501
Soil Conservation	109,986	0	0	109,986	119,470	119,470	9,484
Storm Water Management	151,230	(3,132)	2,365	150,463	158,655	165,765	15,302
<u>Other Operations</u>							
Tourism	470,700	0	0	470,700	375,000	470,700	0
Other Economic and Community Development	181,726	0	0	181,726	222,868	222,868	41,142
Other Charges	219,506	(6,999)	1,533	214,040	293,290	293,290	79,250
Employee Benefits	507,407	0	0	507,407	696,500	628,587	121,180
Payments to Cities	1,916,068	0	0	1,916,068	1,928,146	1,928,146	12,078
ARRA Grant # 6	97,487	(97,487)	0	0	0	0	0
Miscellaneous	1,726,905	0	0	1,726,905	1,881,400	1,824,400	97,495
Total Expenditures	\$ 76,177,987	\$ (1,496,465)	\$ 906,316	\$ 75,587,838	\$ 76,069,450	\$ 78,765,413	\$ 3,177,575

(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 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 716,667	\$ 1,496,465	\$ (906,316)	\$ 1,306,816	\$ (4,402,275)	\$ (1,397,994)	\$ 2,704,810
Other Financing Sources (Uses)							
Insurance Recovery	\$ 154,875	\$ 0	\$ 0	\$ 154,875	\$ 0	\$ 154,953	\$ (78)
Transfers In	535,737	0	0	535,737	564,014	568,303	(32,566)
Transfers Out	(669,175)	0	0	(669,175)	0	(669,175)	0
Total Other Financing Sources	\$ 21,437	\$ 0	\$ 0	\$ 21,437	\$ 564,014	\$ 54,081	\$ (32,644)
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 738,104	\$ 1,496,465	\$ (906,316)	\$ 1,328,253	\$ (3,838,261)	\$ (1,343,913)	\$ 2,672,166
Fund Balance, June 30, 2013	\$ 23,310,177	(1,496,465)	0	21,813,712	18,740,148	18,740,148	3,073,564
	\$ 24,048,281	\$ 0	\$ (906,316)	\$ 23,141,965	\$ 14,901,887	\$ 17,396,235	\$ 5,745,730

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, 2013

	<u>Governmental Activities - Internal Service Funds</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 1,583,137
Equity in Pooled Cash and Investments	33,409,635
Accounts Receivable	347,681
Due from Other Governments	20,825
Advances to Other Funds	125,000
Total Assets	<u>\$ 35,486,278</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 3,750
Claims and Judgments Payable	2,417,267
Due to Other Funds	9,872
Long-term Liabilities:	
Claims and Judgments Payable	8,643,516
Total Liabilities	<u>\$ 11,074,405</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 24,411,874</u>
Total Net Position	<u>\$ 24,411,874</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, 2013

	<u>Governmental Activities - Internal Service Funds</u>
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 47,475,693
Other Employee Benefits Charges/Contributions	1,300,275
Service Charges	7,315
Other Local Revenues:	
Retirees' Insurance Payments	3,505,309
Cobra Insurance Payments	156,152
State of Tennessee:	
On-Behalf Contributions for OPEB	131,300
Federal Government:	
On-Behalf Contributions for OPEB	432,876
Total Operating Revenues	<u>\$ 53,008,920</u>
<u>Operating Expenses</u>	
Employee Benefits:	
Handling Charges and Administrative Costs	\$ 2,430,238
Disability Insurance	400,120
Bank Charges	1,200
Consultants	86,256
Contracts with Private Agencies	2,227,093
Other Contracted Services	5,250
Medical Claims	47,161,332
Premiums on Corporate Surety Bonds	7,500
Liability Claims	780,369
Other Self-Insured Claims	767,386
Other Charges	2,501
Total Operating Expenses	<u>\$ 53,869,245</u>
Operating Income (Loss)	<u>\$ (860,325)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Insurance Recovery	\$ 278,233
Total Nonoperating Revenues (Expenses)	<u>\$ 278,233</u>
Income (Loss) Before Transfers	\$ (582,092)
Transfers Out	<u>(531,448)</u>
Change in Net Position	\$ (1,113,540)
Net Position, July 1, 2012	<u>25,525,414</u>
Net Position, June 30, 2013	<u>\$ 24,411,874</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, 2013

	<u>Governmental Activities - Internal Service Funds</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 52,872,745
Payments to Suppliers	(5,185,129)
Claims Paid	(48,438,225)
Insurance Recovery	278,233
Net Cash Provided By (Used In) Operating Activities	<u>\$ (472,376)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	<u>\$ (531,448)</u>
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (531,448)</u>
Net Increase (Decrease) in Cash	\$ (1,003,824)
Cash, July 1, 2012	<u>35,996,596</u>
Cash, June 30, 2013	<u><u>\$ 34,992,772</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (860,325)
Insurance Recovery	278,233
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	(215,350)
(Increase) Decrease in Due from Other Governments	(20,825)
(Increase) Decrease in Due from Other Funds	100,000
Increase (Decrease) in Accounts Payable	(24,595)
Increase (Decrease) in Due to Other Funds	(752)
Increase (Decrease) in Claims and Judgments Payable	271,238
Net Cash Provided By (Used In) Operating Activities	<u>\$ (472,376)</u>
<u>Reconciliation of Cash with Statement of Net Position</u>	
Cash per Net Position	\$ 1,583,137
Equity in Pooled Cash and Investments per Net Position	<u>33,409,635</u>
Cash, June 30, 2013	<u><u>\$ 34,992,772</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, 2013

	Other Employee Benefit Trust Fund	
	<u>Flexible Benefits Fund</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Cash	\$ 91,875	\$ 8,886,034
Equity in Pooled Cash and Investments	105,626	634,498
Investments	0	7,287
Accounts Receivable	996	13,353
Due from Other Governments	0	9,669,576
Taxes Receivable	0	11,207,591
Allowance for Uncollectible Taxes	0	(648,994)
	<u>0</u>	<u>(648,994)</u>
Total Assets	<u>\$ 198,497</u>	<u>\$ 29,769,345</u>
<u>LIABILITIES</u>		
Claims and Judgments Payable	\$ 1,295	\$ 0
Due to Other Taxing Units	0	20,511,230
Due to Litigants, Heirs, and Others	0	9,245,482
Due to Joint Ventures	0	12,633
Advances Payable to Other Funds	125,000	0
	<u>125,000</u>	<u>0</u>
Total Liabilities	<u>\$ 126,295</u>	<u>\$ 29,769,345</u>
<u>NET POSITION</u>		
Held in Trust for Other Employee Benefits	<u>\$ 72,202</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, 2013

	Other Employee Benefit Trust Fund
	<u>Flexible Benefits Fund</u>
<u>ADDITIONS</u>	
Charges for Services:	
Other Employee Benefit Charges/Contributions	\$ 783,118
Total Additions	<u>\$ 783,118</u>
<u>DEDUCTIONS</u>	
Employee Benefits:	
Other Fringe Benefits	\$ 766,734
Total Deductions	<u>\$ 766,734</u>
Change in Net Position	\$ 16,384
Net Position, July 1, 2012	<u>55,818</u>
Net Position, June 30, 2013	<u><u>\$ 72,202</u></u>

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

RUTHERFORD COUNTY, TENNESSEE
Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	59
B. Government-wide and Fund Financial Statements	60
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	61
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	64
2. Receivables and Payables	65
3. Inventories and Prepaid Items	66
4. Capital Assets	67
5. Deferred Outflows/Inflows of Resources	68
6. Compensated Absences	68
7. Long-term Obligations	68
8. Net Position and Fund Balance	69
9. Minimum Fund Balance Policy	71
10. Restatement	71
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	72
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	72
III. Stewardship, Compliance, and Accountability	
Budgetary Information	72
IV. Detailed Notes on All Funds	
A. Deposits and Investments	74
B. Notes Receivable	76
C. Capital Assets	76
D. Construction Commitments	78
E. Interfund Receivables, Payables, and Transfers	79
F. Capital Leases	80
G. Long-term Obligations	81
H. Donor Restricted Endowments	87
V. Other Information	
A. Risk Management	87
B. Accounting Changes	89
C. Subsequent Events	90
D. Contingent Liabilities	90
E. Changes in Administration	91
F. Landfill Closure/Postclosure Care Costs	91
G. Joint Ventures	91
H. Retirement Commitments	93
I. Other Postemployment Benefits (OPEB)	96
J. Office of Central Accounting and Budgeting	99
K. Purchasing Laws	99

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

Note		Page(s)
VI.	Other Notes - Discretely Presented Community Care of Rutherford County, Inc.	100
VII.	Other Notes - Discretely Presented Rutherford County Emergency Communications District	109

RUTHERFORD COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

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 County Farm Road
Murfreesboro, TN 37130

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

Related Organization – The Rutherford County Industrial Development Board is a related organization of Rutherford County. The County Commission’s Steering Committee nominates and the Rutherford County Commission confirms the board members, but the county’s accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net 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 of the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Rutherford County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Rutherford County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or

directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Rutherford County issues all debt for the discretely presented Rutherford County School Department. Net debt issues totaling \$946,967 were contributed by the county to the School Department during the year ended June 30, 2013.

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.

Capital Projects Funds – 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 Trust Fund – The Flexible Benefits Fund is used to account for operations of the flexible benefits program for Rutherford County employees.

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

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

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

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

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

Capital Projects Fund – The Other Capital Projects 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.

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has three proprietary funds, internal service funds, used to account for self-insured liability, employees' health insurance, and workers' compensation programs. Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenues of the county's internal service funds are charges for services. Operating expenses for the internal service funds include administrative expenses, liability insurance claims, and employee benefits.

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes demand deposits, cash on deposit with the county trustee, and cash on deposit with a paying agent.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Rutherford County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General, General Debt Service, and General Purpose School funds. In addition, investments are held separately by the General Capital Projects Fund and 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 fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

Accounts receivable in the General Fund include \$8,100,000 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.

Advances between funds: the Employee Insurance – Health Fund (internal service fund) loaned the Flexible Benefits Fund (other employee benefit trust fund) \$125,000.

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

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 totaling \$217,613. Claims and judgments payable totaling \$11,606,782 are discussed in Note V.A. – Risk Management. Other postemployment benefits payable totaling \$11,088,219 are discussed in Note V.G. – Other Postemployment Benefits.

Retainage payable in the primary government's nonmajor governmental funds represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the nonmajor governmental funds.

3. Inventories and Prepaid Items

Inventories of the discretely presented Rutherford County School Department totaling \$232,691 are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when

purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. Prepaids are offset in the nonspendable fund balance account in governmental funds.

4. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), and intangibles (e.g., easements, computer software, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 (infrastructure \$50,000 and intangible \$25,000) or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, infrastructure, and intangible assets of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	50
Other Capital Assets	6 - 20
Infrastructure:	
Roads	75
Bridges	50
Intangibles	2 - 15

5. 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 only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 several sources: current and delinquent property taxes and various receivables for revenue, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

The county's and the School Department's policies permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since their policies do not pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county and the discretely presented School Department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Obligations

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and amortized

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

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

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

8. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

The government-wide Statement of Net Position reports \$4,214,267 of restricted net position for the primary government, of which \$1,858,186 is restricted by enabling legislation.

As of June 30, 2013, Rutherford County had \$308,590,540 in outstanding debt for capital purposes for the discretely presented Rutherford County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with another public school system in the county (Murfreesboro City School District) based on an average daily attendance proration. This debt is a liability of Rutherford County, but the capital assets acquired are reported in the financial statements of the Rutherford County School Department and Murfreesboro City School District. Therefore, Rutherford County has incurred a liability significantly decreasing its unrestricted net 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.

9. Minimum Fund Balance Policy

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

General Fund – 15 percent of subsequent year appropriations.

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

10. Restatement

In prior years, the District Attorney General Fund was classified as a special revenue fund; however, effective July 1, 2012, this fund has been reclassified as an agency fund to better reflect the control of these funds by the district attorney general.

Prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of GASB Statement No. 65, debt issuance costs become period costs. Adjustments to beginning net position totaling \$1,878,432 (primary government) and \$12,785 (school department) have been recognized for accumulated debt issuance costs on the government-wide financial statements.

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

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers – Fees funds (special revenue funds), which is not budgeted, and the primary government’s General Capital Projects Fund and the School Department’s Other Capital Projects Fund, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

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

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

At June 30, 2013, the Rutherford County School Department reported the following significant encumbrances:

<u>Funds</u>	<u>Description</u>	<u>Amount</u>
<u>Primary Government</u>		
Major Fund:		
General	Computer software	\$ 145,265
<u>School Department</u>		
Major Fund:		
General Purpose School	Textbooks	717,550
Nonmajor Funds:		
Education Capital Projects	School construction	367,815

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Rutherford County and the Rutherford County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash and investments reflected on the balance sheets or statements of net position represent nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state

Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2013, Rutherford County had the following investments carried at fair 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.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Pooled:			
State Treasurer's Investment Pool	11 to 138	N/A	<u>\$ 122,633,491</u>
Nonpooled:			
Primary Government:			
General Capital Projects Fund:			
State Treasurer's Investment Pool	11 to 138	N/A	\$ 60,899
Constitutional Officers - Agency Fund:			
Clerk and Master:			
State Treasurer's Investment Pool	11 to 138	N/A	<u>7,287</u>
Total Nonpooled			<u>\$ 68,186</u>

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments, as previously disclosed. Rutherford County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Rutherford County has an investment policy that further limits its investment choices. The policy limits the trustee's investments to collateralized certificates of deposit, U.S. Treasury Bills and Notes, the State Treasurer's Investment Pool, collateralized cash management accounts, and shared certificates of deposit. As of June 30, 2013, Rutherford County's investment in the State Treasurer's Investment Pool was unrated.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer.

Rutherford County places a limit on the amount the county may invest in one issuer. The policy allows the trustee to invest up to 70 percent of the portfolio in collateralized certificates of deposit, up to 100 percent of the portfolio in either U.S. Treasury Bills and Notes or the State Treasurer's Investment Pool, up to 70 percent of the portfolio in collateralized cash management accounts, and up to 50 percent of the portfolio in shared certificates of deposit.

B. Notes Receivable

The Industrial/Economic Development Fund had a long-term note receivable of \$381,835 on June 30, 2013, from financing projects for the Smyrna-Rutherford County Airport (Joint Venture).

The General Debt Service Fund had a long-term note receivable of \$1,820,785 on June 30, 2013, from financing projects for the City of Murfreesboro's Rockvale Utility District.

C. Capital Assets

Capital assets activity for the year ended June 30, 2013, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 33,363,487	\$ 644,356	\$ (214,475)	\$ 33,793,368
Intangible Assets (Right-of-Ways)	45,035,342	465,306	0	45,500,648
Construction in Progress	6,198,401	713,261	(4,345,385)	2,566,277
Total Capital Assets Not Depreciated	\$ 84,597,230	\$ 1,822,923	\$ (4,559,860)	\$ 81,860,293
Capital Assets Depreciated:				
Buildings and Improvements	\$ 98,499,254	\$ 5,635,683	\$ 0	\$ 104,134,937
Infrastructure	135,168,679	701,505	0	135,870,184
Intangible Assets	2,357,048	353,905	0	2,710,953
Other Capital Assets	30,616,884	2,046,615	(821,829)	31,841,670
Total Capital Assets Depreciated	\$ 266,641,865	\$ 8,737,708	\$ (821,829)	\$ 274,557,744

Governmental Activities (Cont.):

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Less Accumulated Depreciation For: Buildings and Improvements	\$ 28,288,813	\$ 2,259,228	\$ 0	\$ 30,548,041
Infrastructure	37,409,338	1,847,545	0	39,256,883
Intangible Assets	1,875,004	203,349	0	2,078,353
Other Capital Assets	24,248,988	1,770,529	(697,809)	25,321,708
Total Accumulated Depreciation	<u>\$ 91,822,143</u>	<u>\$ 6,080,651</u>	<u>\$ (697,809)</u>	<u>\$ 97,204,985</u>
Total Capital Assets Depreciated, Net	<u>\$ 174,819,722</u>	<u>\$ 2,657,057</u>	<u>\$ (124,020)</u>	<u>\$ 177,352,759</u>
Governmental Activities Capital Assets, Net	<u>\$ 259,416,952</u>	<u>\$ 4,479,980</u>	<u>\$ (4,683,880)</u>	<u>\$ 259,213,052</u>

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

Governmental Activities:

General Government	\$ 565,271
Finance	370,643
Administration of Justice	19,917
Public Safety	1,946,263
Public Health and Welfare	907,097
Agriculture and Natural Resources	190,926
Highways	<u>2,080,534</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 6,080,651</u>

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

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 8,467,427	\$ 0	\$ 0	\$ 8,467,427
Construction in Progress	24,360,573	23,805,960	(1,077,442)	47,089,091
Total Capital Assets Not Depreciated	<u>\$ 32,828,000</u>	<u>\$ 23,805,960</u>	<u>\$ (1,077,442)</u>	<u>\$ 55,556,518</u>

Governmental Activities (Cont.):

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets				
Depreciated:				
Buildings and				
Improvements	\$ 483,910,617	\$ 2,180,360	\$ 0	\$ 486,090,977
Intangible Assets	590,820	0	(60,101)	530,719
Other Capital Assets	20,460,794	1,156,682	(252,355)	21,365,121
Total Capital Assets	<u>504,962,231</u>	<u>3,337,042</u>	<u>(312,456)</u>	<u>507,986,817</u>
Depreciated	\$ 504,962,231	\$ 3,337,042	\$ (312,456)	\$ 507,986,817
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 108,962,921	\$ 10,942,441	\$ 0	\$ 119,905,362
Intangible Assets	338,841	57,501	(42,382)	353,960
Other Capital Assets	11,458,927	1,284,878	(239,191)	12,504,614
Total Accumulated	<u>120,760,689</u>	<u>12,284,820</u>	<u>(281,573)</u>	<u>132,763,936</u>
Depreciation	\$ 120,760,689	\$ 12,284,820	\$ (281,573)	\$ 132,763,936
Total Capital Assets				
Depreciated, Net	<u>\$ 384,201,542</u>	<u>\$ (8,947,778)</u>	<u>\$ (30,883)</u>	<u>\$ 375,222,881</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 417,029,542</u>	<u>\$ 14,858,182</u>	<u>\$ (1,108,325)</u>	<u>\$ 430,779,399</u>

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

Governmental Activities:

Instruction	\$ 57,501
Support Services	11,781,537
Operation of Non-Instructional Services	<u>445,782</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 12,284,820</u>

D. Construction Commitments

At June 30, 2013, Rutherford County had uncompleted construction contracts of approximately \$1,349,905 in the General Capital Projects Fund for the construction of communication towers. Funding has been received for these future expenditures.

At June 30, 2013, the discretely presented Rutherford County School Department had uncompleted construction contracts of approximately \$2,337,715 and \$416,184 in the Other Capital Projects and School Capital

Projects funds 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, 2013, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Internal service	\$ 9,872
"	Nonmajor governmental	382,311

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

Interfund loans to/from other funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
Employee Insurance - Health	Flexible Benefits	\$ 125,000

The balance of \$125,000 due to the Employee Health Insurance Fund (internal service fund) from the Flexible Benefits Fund (other employee benefits trust fund) resulted from an advance to the Flexible Benefits for cash flow purposes.

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Primary Government: Component Unit:		
General	Community Care of Rutherford Co., Inc.	\$ 1,812
"	Rutherford County School Department	3,448
Primary Government	Rutherford County School Department	2,366,951

The \$2,366,951 due the primary government from the discretely presented School Department relates to primary government debt, which is being serviced by the School Department.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2013, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 669,175
Nonmajor governmental funds	4,289	4,500
Internal service funds	531,448	0
Total	\$ 535,737	\$ 673,675

Discretely Presented Rutherford County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Fund
Nonmajor governmental funds	\$ 193,473	\$ 0
General Purpose School Fund	0	85,000
Total	\$ 193,473	\$ 85,000

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

F. Capital Leases

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

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2013, were as follows:

Year Ending June 30	Governmental Funds
2014	\$ 239,561
2015	239,561
2016	239,560
2017	239,560
2018	239,561
2019-2020	<u>359,343</u>
Total Minimum Lease Payments	\$ 1,557,146
Less: Amount Representing Interest	<u>(184,297)</u>
 Present Value of Minimum Lease Payments	 <u>\$ 1,372,849</u>

G. Long-term Obligations

Primary Government

General Obligation Bonds and Notes

Rutherford County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds and capital outlay notes. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes were issued for original terms of up to 20 years for bonds and up to three years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2013, will be retired from the General Debt Service Fund.

General obligation bonds and notes outstanding as of June 30, 2013, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-13
Capital Outlay Notes	1.65	% 1-3-14	\$ 9,600,000	\$ 9,600,000
Capital Outlay Notes - Refunding	0-3	4-1-18	1,609,188	994,102
General Obligation Bonds	2.42 to 5	4-1-32	251,235,595	128,184,710
General Obligation Bonds - Refunding	2 to 5	4-1-32	276,329,405	217,710,290
Capital Leases	3.7	6-15-16	1,461,013	1,372,849

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2013, including interest payments, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	\$ 9,894,180	\$ 136,096	\$ 10,030,276
2015	300,948	9,648	310,596
2016	267,998	2,715	270,713
2017	71,424	0	71,424
2018	59,552	0	59,552
Total	<u>\$ 10,594,102</u>	<u>\$ 148,459</u>	<u>\$ 10,742,561</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	\$ 25,045,000	\$ 13,917,904	\$ 38,962,904
2015	26,430,000	12,608,687	39,038,687
2016	26,045,000	11,427,532	37,472,532
2017	25,890,000	10,232,680	36,122,680
2018	26,880,000	9,344,927	36,224,927
2019-2023	113,725,000	32,360,228	146,085,228
2024-2028	74,770,000	12,210,322	86,980,322
2029-2032	27,110,000	1,824,261	28,934,261
Total	<u>\$ 345,895,000</u>	<u>\$ 103,926,541</u>	<u>\$ 449,821,541</u>

There is \$35,149,354 available in the General Debt Service Fund to service long-term debt. Debt per capita, including notes, bonds and capital leases, totaled \$1,363, based on the 2010 federal census.

The School Department is currently servicing 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. In the prior year, this debt was reflected as debt of the School Department; however, this debt has been reclassified as debt of the primary government because the primary government is legally obligated to repay the debt.

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-13</u>
<u>Payable through General Purpose School Fund to the General Debt Service Fund</u>	
<u>Notes Payable</u>	
Energy Efficiency Note	\$ 648,854
Energy Efficiency Note	345,248
<u>Capital Lease Payable</u>	
Energy Efficiency Water Upgrade	<u>1,372,849</u>
Total	<u>\$ 2,366,951</u>

Changes in Long-term Obligations

Long-term obligation activity for the year ended June 30, 2013, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2012	\$ 369,745,000	\$ 9,600,000
Reclassification of School Debt	600,000	1,353,132
Additions	65,700,000	0
Reductions	<u>(90,150,000)</u>	<u>(359,030)</u>
Balance, June 30, 2013	<u>\$ 345,895,000</u>	<u>\$ 10,594,102</u>
Balance Due Within One Year	<u>\$ 25,045,000</u>	<u>\$ 9,894,180</u>

	<u>Capital Leases</u>
Balance, July 1, 2012	\$ 0
Reclassification of School Debt	514,046
Additions	946,967
Reductions	<u>(88,164)</u>
Balance, June 30, 2013	<u>\$ 1,372,849</u>
Balance Due Within One Year	<u>\$ 190,511</u>

	<u>Compensated Absences</u>	<u>Landfill Closure/ Postclosure Care Costs</u>
Balance, July 1, 2012	\$ 4,983,466	\$ 4,509,001
Additions	5,288,052	81,957
Reductions	<u>(5,152,520)</u>	<u>(195,460)</u>
Balance, June 30, 2013	<u>\$ 5,118,998</u>	<u>\$ 4,395,498</u>
Balance Due Within One Year	<u>\$ 153,570</u>	<u>\$ 340,000</u>

	<u>Claims and Judgments</u>	<u>Other Postemployment Benefits</u>
Balance, July 1, 2012	\$ 10,789,544	\$ 9,200,681
Additions	48,709,087	2,360,126
Reductions	<u>(48,437,849)</u>	<u>(472,588)</u>
Balance, June 30, 2013	<u>\$ 11,060,782</u>	<u>\$ 11,088,219</u>
Balance Due Within One Year	<u>\$ 8,643,515</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 389,525,448
Less: Due Within One Year	(44,266,776)
Add: Unamortized Premium on Debt	<u>27,942,347</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 373,201,019</u>

The internal service funds primarily serve the governmental funds. Accordingly, long-term liabilities for claims and judgments in the internal service funds are included in governmental activities. Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General, Solid Waste/Sanitation, and Highway/Public Works funds. Landfill closure/postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Current and Advance Refundings

On February 27, 2013, Rutherford County current refunded one and partially advance refunded four general obligation bond issues with two separate general obligation bond issues. The county issued \$65,700,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county’s long-term debt. As a result of the current and advance refunding, total debt service payments over the next 17 years will be reduced by \$5,306,224, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$5,001,885 was obtained.

Defeasance of Prior Debt

In prior years, Rutherford County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county’s financial statements. At June 30, 2013, the following outstanding bonds are considered defeased:

	<u>Amount</u>
2004 General Obligation	\$ 19,850,000
2006 School Facilities and Public Improvements	24,445,000

Discretely Presented Rutherford County School Department

Changes in Long-term Obligations

Long-term obligation activity for the discretely presented Rutherford County School Department for the year ended June 30, 2013, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2012	\$ 600,000	\$ 1,353,132
Additions	0	0
Reductions	0	0
Reclassification of School Debt	<u>(600,000)</u>	<u>(1,353,132)</u>
Balance, June 30, 2013	<u>\$ 0</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

	<u>Capital Leases</u>	<u>Compensated Absences</u>
Balance, July 1, 2012	\$ 514,046	\$ 1,219,343
Additions	0	1,065,001
Reductions	0	(920,768)
Reclassification of School Debt	<u>(514,046)</u>	<u>0</u>
Balance, June 30, 2013	<u>\$ 0</u>	<u>\$ 1,363,576</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 40,907</u>

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2012	\$ 42,614,677
Additions	11,336,549
Reductions	<u>(2,487,880)</u>
Balance, June 30, 2013	<u>\$ 51,463,346</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 52,826,922
Less: Due Within One Year	<u>(40,907)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 52,786,015</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, 2013, interest earned and expended totaled \$168 with no resulting effect on net position.

V. OTHER INFORMATION

A. Risk Management

Rutherford County and the School Department have chosen to establish the Self-Insurance Fund for liability risks. The Self-Insurance Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county and the School Department are self-insured to a limit of \$350,000 per claim for general liability claims and \$350,000 per claim for automobile claims. The county and School Department obtained commercial insurance for claims beyond the above-noted amounts. The maximum liability the county can incur is \$5,000,000 for general liability and \$5,000,000 for automobile claims.

Rutherford County has chosen to establish the Employee Insurance - Health Fund for risks associated with the employees' health insurance plan. The Employee Insurance - Health Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county is self-insured to a limit of \$750,000 per person per agreement year. The county carries no aggregate reinsurance coverage. Group life and accident insurance premiums paid to a private insurance company are also recorded in this fund.

Rutherford County and the discretely presented School Department have chosen to establish the Workers' Compensation Fund for risks associated with workers' compensation claims. The Workers' Compensation Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county is self-insured to a limit of \$500,000 for a single claim except for Communicable Disease – Tuberculosis excluded, which is \$1,000,000.

On January 1, 2009, Rutherford County and the discretely presented School Department decided to establish an on-the-job injury program for risks associated with workplace injury. The on-the-job injury program is accounted for in the Workers' Compensation Fund (internal service fund) where assets are set aside for claims settlements. Qualified individuals shall receive two-thirds of their salary averaged over the past 52 weeks provided there is

medical documentation from a county-designated physician stating that it is medically necessary for the qualified individual to remain off work, or to undergo therapy in relation to an on-the-job injury. Benefits (not including long-term disability benefits) shall not extend beyond one calendar year from the date of injury or illness.

All full-time employees of the primary government, the Smyrna-Rutherford County Airport (Joint Venture), and the discretely presented component units (School Department, Emergency Communications District, and Community Care of Rutherford County, Inc.) are eligible to participate in the Employee Insurance – Health Fund. All full-time employees of the primary government and the discretely presented School Department component unit are eligible to participate in the Workers’ Compensation Fund. Premium charges are allocated to each fund that accounts for full-time employees. These charges are based on actuarial estimates of the amounts needed to pay prior- and current-year claims. Liabilities of the funds are reported when losses are probable and the amounts of the losses can be reasonably estimated. The Employee Insurance - Health Fund and the Workers’ Compensation Fund establish claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years for the Self-Insurance, Employee Insurance – Health, and Workers’ Compensation funds are as follows:

Self-Insurance Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2011-12	\$ 1,152,532	\$ 1,974,288	\$ (1,651,585)	\$ 1,475,235
2012-13	1,475,235	780,369	(844,270)	1,411,334

Employee Insurance - Health Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2011-12	\$ 8,296,654	\$ 45,067,383	\$ (44,863,328)	\$ 8,500,709
2012-13	8,500,709	47,161,332	(46,826,193)	8,835,848

Workers' Compensation Fund

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

Workers' Compensation Program

2011-12	\$ 1,186,000	\$ 283,970	\$ (920,970)	\$ 549,000
2012-13	549,000	257,151	(257,151)	549,000

Workers' Compensation Fund (Cont.)

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

On-the-Job Injury Program

2011-12	\$ 152,500	\$ 251,822	\$ (139,722)	\$ 264,600
2012-13	264,600	510,235	(510,235)	264,600

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position* became effective for the year ended June 30, 2013. Rutherford County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

GASB Statement No. 60 provides accounting and financial reporting guidance related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The standard establishes criteria for determining whether a SCA exists, how to account for SCAs, and requires certain disclosures associated with a SCA.

GASB Statement No. 61 amends Statements No. 14 and No. 34 and modifies certain requirements for inclusion of component units in the financial reporting entity to ensure that the reporting entity includes only organizations for which the elected officials are financially accountable or

that are determined by the government to be misleading to exclude. Statement No. 61 also clarifies the criteria for blending component units and presenting business-type component units.

GASB Statement No. 62 incorporates into GASB's literature the provisions in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The option to use subsequent FASB guidance has been removed.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources that were introduced and defined by Concepts Statement No. 4, Elements of Financial Statements. Previous financial reporting standards did not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. In addition, the previous Statement of Net Assets was renamed to a Statement of Financial Position.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66 resolves conflicting guidance by removing the provision that limits fund based reporting of an entity's risk financing activities to the General Fund and the internal service fund type. Under Statement No. 66 decisions about fund type classifications are based on the nature of the activity to be reported as required by Statements No. 54 and No. 34. This statement also modifies guidance on operating lease payments, purchased loans, and servicing fees related to mortgage loans.

C. Subsequent Events

On October 7, 2013, the county's General Debt Service Fund issued a \$7,400,000 bond anticipation note to the School Department's Other Capital Projects Fund for temporary operating funds.

On November 14, 2013, the County Commission authorized the issuance of \$9,300,000 in capital outlay refunding notes.

D. Contingent Liabilities

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

E. Changes in Administration

On June 30, 2012, Harry Gill, Jr., left the Office of Director of Schools and was succeeded by Don Odom effective July 1, 2012.

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

F. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Rutherford County closed its sanitary landfill in 2000. The \$4,395,498 reported as postclosure care liability at June 30, 2013, represents amounts based on what it would cost to perform all postclosure care in 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Joint Ventures

The Rutherford County Library System is jointly owned by Rutherford County and the cities of Murfreesboro and Smyrna and is operated by an appointed board. The board comprises 14 members, seven of whom are appointed by the Rutherford County Commission, with two being residents of Smyrna. The remaining seven members are appointed by the City of Murfreesboro. Rutherford County has control over budgeting and financing the joint venture only to the extent of representation by the seven board members appointed. Rutherford County contributed \$1,183,500 to the operations of the libraries during the year ended June 30, 2013.

Rutherford County is a participant with Cannon, Coffee, and Warren counties in a multi-county Municipal Solid Waste Planning Region. This entity was created to promote the preparation of municipal solid waste regional plans to effectively and efficiently manage solid waste. This entity is governed by a 13-member board comprising appointees from Cannon County (2), Coffee County (2), Rutherford County (3), Warren County (2), the City of Manchester (1), the City of McMinnville (1), the City of Murfreesboro (1), and the City of Woodbury (1). Funding is provided from member

contributions and grants. There are no separately issued financial statements for the Municipal Solid Waste Planning Region. Rutherford County has been designated as the fiscal agent for the Planning Region and accounts for its activities through the Joint Venture Fund (agency fund), which is included in the financial statements of this report.

The Smyrna-Rutherford County Airport is operated through a joint operations agreement between Rutherford County and the Town of Smyrna, Tennessee. The agreement created a joint board of directors to manage the airport. The board comprises five members, two of whom are appointed by the Rutherford County Commission, two by the City of Smyrna, and one jointly appointed by Rutherford County and the City of Smyrna. Rutherford County has control over budgeting and financing the joint venture only to the extent of its representation by its board members.

The Joint Parking Authority of Rutherford County was created by Rutherford County and the City of Murfreesboro to operate and maintain a jointly owned parking garage. The Joint Parking Authority comprises seven members, three of whom are appointed by Rutherford County, three by the City of Murfreesboro, and one jointly by the county mayor and the city mayor. Rutherford County has control over budgeting and financing the joint venture only to the extent of representation by the three board members appointed. This agency had no financial activity to report.

The Rutherford County Chamber of Commerce Economic Development Council has been designated as the Joint Economic and Community Development Board for Rutherford County, the City of Murfreesboro, the Town of Smyrna, the City of LaVergne, and the Town of Eagleville. This designation was authorized by an interlocal agreement between the governments, as provided by Section 6-58-115(j), *Tennessee Code Annotated (TCA)*. The purpose of this board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. If funding through the Rutherford County Chamber of Commerce is inadequate, the funding formula established by the Comprehensive Growth Plan, Section 6-58-101, et seq., *TCA*, shall be followed. Rutherford County has control over budgeting and financing the board through the county mayor or designee to the board. Separate financial statements are not prepared for the board; however, financial information may be obtained through the Rutherford County Chamber of Commerce. Rutherford County contributed \$96,500 to the operations of the board during the year ended June 30, 2013.

Rutherford County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Rutherford County Library System and the Smyrna-Rutherford County Airport can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Rutherford County Library System
105 West Vine Street
Murfreesboro, TN 37130

Smyrna-Rutherford County Airport
660 Fitzhugh Boulevard
Smyrna, TN 37167

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

Employees of Rutherford County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Rutherford County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

Funding Policy

Rutherford County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 12.69 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2013, Rutherford County's annual pension cost of \$9,888,217 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. Rutherford County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was two years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	\$9,888,217	100%	\$0
6-30-12	9,590,022	100	0
6-30-11	9,346,375	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 96.54 percent funded. The actuarial accrued liability for benefits was \$164.05 million, and the actuarial value of assets was \$158.38 million,

resulting in an unfunded actuarial accrued liability (UAAL) of \$5.67 million. The covered payroll (annual payroll of active employees covered by the plan) was \$71.49 million, and the ratio of the UAAL to the covered payroll was 7.93 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

SCHOOL TEACHERS

Plan Description

The Rutherford County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salary to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2013, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2013, 2012, and 2011, were \$12,776,739, \$12,662,673, and \$12,316,888, respectively, equal to the required contributions for each year.

2. Deferred Compensation

Rutherford County and the discretely presented Rutherford County School Department offer their employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 457 and Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 457 and 403(b) establish participation, contribution, and withdrawal provisions for the plans.

I. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

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

An employee who retires from Rutherford County becomes eligible for retiree health coverage upon the earlier of attaining either: (1) age 55 with 15 years of service and active coverage for five continuous years, (2) age 62 with ten years of service and active coverage for five continuous years, or (3) any age with 30 years of service and active coverage for five continuous years. An employee who becomes disabled becomes eligible for retiree health coverage if they are under age 65 and have completed at least ten years of service prior to total disability termination plus the employee must have had active coverage for a continuous five-year period and have filed and qualified for Medicare disability coverage. If the retiree is eligible for health insurance coverage, the coverage is also provided for the retiree's spouse and/or dependent children. The State of Tennessee and federal government contributed \$131,300 and \$432,876, respectively, to Rutherford County's Medicare Plan.

Eligible retirees and dependents are required to share in the cost of health insurance coverage. Retirees under the age of 65 are required to contribute 50 percent of the active employee premium. Effective May 1, 2009, current retirees and actives age 65 and over as of December 31, 2009, and actives that have completed 30 years of service as of December 31, 2009, will be required to contribute 25 percent of the adequate premium for themselves and 50 percent of the adequate premium for their spouses. Effective January 1, 2010, all other retirees, upon attaining age 65, will be required to contribute 50 percent of the adequate premium for themselves and their spouses. This structure will be phased in over four years (2010-2013) such that contributions will be approximately 32 percent in 2010, 38 percent in 2011, 44 percent in 2012, and 50 percent in 2013, and thereafter.

The following changes will apply to employees hired after February 12, 2009: an employee who retires from Rutherford County becomes eligible for retiree health coverage upon the earlier of attaining: age 60 with 20 years of service and active coverage for 15 continuous years, or any age with 30 years of service and active coverage for 15 continuous years. In addition, no prescription drug coverage will be provided post age 65, and the county's contribution will be limited to the lesser of \$300 per month or the actual cost of coverage. If hired after December 31, 2010, no benefits will be provided after age 65.

Annual OPEB Cost and Net OPEB Obligation

	Primary Government	School Department
ARC	\$ 2,516,563	\$ 12,049,252
Interest on the NOPEBO	374,279	1,705,156
Adjustment to the ARC	(530,716)	(2,417,859)
Annual OPEB cost	\$ 2,360,126	\$ 11,336,549
Amount of contribution	(472,588)	(2,487,880)
Increase/decrease in NOPEBO	\$ 1,887,538	\$ 8,848,669
Net OPEB obligation, July 1, 2012	9,200,681	42,614,677
Net OPEB obligation, June 30, 2013	\$ 11,088,219	\$ 51,463,346

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-11	Primary Government	\$ 2,404,946	13.96 %	\$ 7,350,646
6-30-12	"	2,380,067	22.27	9,200,681
6-30-13	"	2,360,126	20.02	11,088,219
6-30-11	School Department	11,183,421	13.72	33,906,122
6-30-12	"	11,071,876	21.35	42,614,677
6-30-13	"	11,336,549	21.95	51,463,346

Funded Status and Funding Progress

The funded status of the plan as of January 1, 2012, was as follows:

	Primary Government	School Department
Actuarial valuation date	1-1-12	1-1-12
Actuarial accrued liability (AAL)	\$ 25,719,079	\$ 124,059,617
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 25,719,079	\$ 124,059,617
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 42,859,885	\$ 170,055,415
UAAL as a % of covered payroll	60%	73%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements,

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

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the January 1, 2012, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a four percent investment rate of return (net of administrative expenses), an annual pre-Medicare cost trend rate of 8.5 percent for 2012, grading down to five percent for 2023 and beyond, and an annual post-Medicare cost trend rate of seven percent for 2012, grading down to five percent for 2023 and beyond. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with June 30, 2009.

J. Office of Central Accounting and Budgeting

Office of Director of Finance

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

K. Purchasing Laws

Office of County Mayor

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

Office of Highway Superintendent

Chapter 55, Private Acts of 1951, as amended, and Section 54-7-113, *Tennessee Code Annotated (TCA)* (Uniform Road Law), govern purchasing procedures for the Highway Department. These statutes require all

purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

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

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

A. Summary of Significant Accounting Policies

The financial statements of Community Care of Rutherford County, Inc., (the nursing home) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The financial statements and footnotes are the representations of the nursing home's management.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

Reporting Entity - Component Unit – The nursing home is a component unit of the primary government of Rutherford County, Tennessee. The nursing home reports its financial information separately from Rutherford County; however, the county, in its financial report, also discretely presents the nursing home's financial information.

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

GASB Statements No. 14 and No. 61 specify that component units must be legally separate organizations, which have financial accountability to a primary government. Financial accountability exists prima facie if a special-purpose government is not fiscally independent. GASB states that to be fiscally independent, the government has to have the authority to do all of three activities. One of these activities is to issue bonded debt without approval by another government. The nursing home may not issue debt

without Rutherford County's approval, as the county remains contingently liable for all debt obligations. Because the nursing home is both a legal entity and financially accountable to the primary government of Rutherford County as the County Commission approves all members of the governing board and by the nature of its fiscal dependence on Rutherford County as described above, it is a component unit of Rutherford County, Tennessee.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – The nursing home accounts for its financial position and results of operations in accordance with generally accepted accounting principles as defined in the statement of Governmental Accounting Standards Board (GASB) for proprietary funds. Generally accepted accounting principles for proprietary fund types are those applicable to similar business in the private sector, and the measurement focus is on the flow of economic resources.

Proprietary fund types are accounted for on the accrual basis, whereby income is recognized as it is earned and expenses are recognized as they are incurred, whether or not cash is received or paid out at that time. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations.

As a component unit of Rutherford County, Tennessee, the financial statements of the nursing home are presented in the manner required by generally accepted governmental accounting principles for enterprise funds.

Enterprise funds account for operations that are financed and operated in a manner similar to that of a private business. The intent of the governing body is that the costs (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

Net Resident Revenue – The principal operating revenue of the nursing home is resident revenue 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 resident revenue to determine net resident revenue. Amounts paid under the Medicare and Medicaid programs are generally based on fixed rates per resident day, adjusted prospectively. All amounts earned under the 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.

Cash, Cash Equivalents, and Investments – Cash and cash equivalents consist of cash, demand deposits, and short-term certificates of deposit with

an original maturity of three months or less. At June 30, 2013, there were no certificates of deposit that qualified as cash equivalents. Investments were limited to certificates of deposit and were stated at fair value.

Inventories – Inventories consist of expendable supplies held for consumption and are valued at the lower of cost or market based on the first-in, first-out method.

Property and Equipment – Property and equipment are stated at cost. Depreciation of property and equipment is provided using the straight-line method. Maintenance and repairs are charged to operations when incurred. The nursing home eliminates the costs and related allowances from the accounts for properties sold or retired, and any resulting gains or losses are included in income. Donated capital assets are valued at their estimated fair value on the date donated. The center estimates the useful lives of the respective classes of plant and equipment as follows:

<u>Assets</u>	<u>Years</u>
Land improvements	10 - 20
Buildings and leasehold improvements	10 - 25
Transportation equipment	4 - 5
Furniture, fixtures, and equipment	3 - 20

Compensated Absences – Nursing home employees accrue personal leave or compensated absences by a prescribed formula based on length of service. Compensated absences related to nursing home employees are recorded within the period earned.

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

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

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

B. Cash and Certificates of Deposit

The nursing home is authorized to make investments in bonds, notes, or treasury bills of the United States; certificates of deposit at Tennessee state chartered or federally chartered banks and savings and loan associations; Federal Loan Bank bonds; Federal Home Loan Bank notes and bonds; Federal National Mortgage Association notes and debentures; banks or cooperative debentures; or any of its other agencies; or obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law. In the past, the board of directors chose to limit the investment of funds to certificates of deposit at banks and savings and loan institutions. Cash reserves for operations were held in bank checking and savings accounts.

Cash – At June 30, 2013, the carrying amount of cash was \$2,626,332, and the bank balance was \$2,840,619. At June 30, 2013, the entire bank balance was covered by federal depository insurance or collateral held by the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool is a multiple financial institution collateral pool in which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to members of the pool if the value of collateral is inadequate to cover a loss. Additionally, cash and cash equivalents presented on the balance sheet include \$350 of cash on hand not included in cash deposits above.

Certificates of Deposit – The certificates of deposit, held during the year but withdrawn upon maturity prior to June 30, 2013, were insured by the Federal Deposit Insurance Corporation or the Tennessee Bank Collateral Pool.

C. Accounts Receivable

Receivables totaling \$942,937 as of June 30, 2013, were comprised of:

Resident service fees	\$ 1,017,937
Less: allowance for uncollectibles	<u>(75,000)</u>
Net resident service fees	<u><u>\$ 942,937</u></u>

Resident service revenue is reported at the estimated net realizable amounts from residents, third-party payers, and others for services rendered. Revenue under third-party payer agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party settlements are provided in the period the related services are rendered. Differences between the

estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

Resident accounts receivable are due within ten days after the issuance of the request for payment. Third-party payer receivables are usually collected within 60 days. Receivables past due more than 120 days are considered delinquent. Management, based on individual evaluation and specific circumstances, writes off delinquent accounts. Some delinquent accounts deemed to be collectible are placed with an attorney for collection. Management uses the allowance method in accordance with generally accepted accounting principles and presents revenue net of written-off delinquent accounts.

D. Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows:

Description	Balance 7-1-12	Additions	Retirements	Balance 6-30-13
Capital assets not depreciated:				
Construction in progress	\$ 99,210	\$ 284,777	\$ (113,184)	\$ 270,803
Capital assets being depreciated:				
Land improvements	\$ 12,946	\$ 113,184	\$ 0	\$ 126,130
Buildings and improvements	410,019	0	0	410,019
Transportation equipment	85,155	1,940	0	87,095
Furniture, fixtures, and equipment	658,706	42,943	(12,137)	689,512
Total	\$ 1,166,826	\$ 158,067	\$ (12,137)	\$ 1,312,756
Accumulated depreciation:				
Land improvements	\$ 1,527	\$ 1,459	\$ 0	\$ 2,986
Buildings and improvements	111,025	25,709	0	136,734
Transportation equipment	53,566	8,753	0	62,319
Furniture, fixtures, and equipment	375,527	58,469	(12,137)	421,859
Total	\$ 541,645	\$ 94,390	\$ (12,137)	\$ 623,898
Net capital assets	\$ 724,391	\$ 348,454	\$ (113,184)	\$ 959,661

Depreciation expense for the fiscal year ended June 30, 2013, totaled \$94,390.

E. Resident Funds Held in Trust

At June 30, 2013, the nursing home had a fiduciary responsibility for funds totaling \$28,591 on behalf of residents. Of this amount, \$26,466 was held in a separate interest-bearing cash account, \$100 was held as cash on hand as resident trust petty cash, and \$2,025 was due from the facility's operating cash account as of June 30, 2013.

The nursing home is required to maintain a cash account as a depository for resident funds. The fund is restricted in use and can be accessed only for

providing spending money for residents, purchasing supplies for residents with cash in the fund, or paying amounts due to the nursing home for resident care, providing the amount does not include monies stipulated for residents' use only. All funds are required to be placed in an insured interest-bearing account.

F. Lease Commitment

On April 7, 2013, the nursing home renewed a lease agreement with Rutherford County, Tennessee, for the building it occupies. The nursing home, under terms of the lease, will incur no lease expense as long as the nursing home meets its responsibility to pay timely its cost of group health and life insurance premiums incurred. The lease term is five years, from July 1, 2011, through June 30, 2016, and may be terminated by either party upon a 30-day written notice. During the fiscal year ended June 30, 2013, the nursing home incurred and paid group health and life insurance premiums totaling \$1,072,401.

G. Litigation

The nursing home was a party to one lawsuit at June 30, 2013. A local legal firm was defending the nursing home in this matter and indicated that any loss would not exceed existing insurance coverage or the government limit on liability claims of \$300,000.

H. Concentration of Credit Risk

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

Medicaid	27.99 %
Medicare	44.32
Private	11.62
Insurance	16.07

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

I. Risk Financing

The nursing home is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The nursing home maintains commercial insurance coverage on each area of risk. Exposure is limited to claims in excess of standard policy limitations. The nursing home annually reviews its insurance needs based on claims and/or potential claims to minimize

exposure. There were no claims in excess of insurance coverage during the past three years.

J. Pension Plan

Plan Description – Employees of Rutherford County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The retirement plan for Community Care of Rutherford County is included in the total retirement program for Rutherford County as noted in Note V.H. Therefore, separate retirement information for the nursing home is not available. Details relative to the funding status and progress, actuarially determined contribution requirements and contributions made, and trend information regarding the retirement plan can also be found in Note V.H. Total contributions to the plan by the nursing home for the year ended June 30, 2013, totaled \$572,340.

K. Postemployment Benefits

From an accrual accounting perspective, the cost of other postemployment healthcare benefits (OPEB), like the cost of pension benefits, generally should be associated with periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of Governmental Accounting Standards Board Statement No. 45 during the year ended June 30, 2009, the nursing home recognizes the cost of postemployment benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the nursing home's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years commencing with the 2009 liability.

Plan Description – The nursing home is included under Rutherford County's postretirement health insurance plan. Rutherford County's plan is an agent multiple-employer defined benefit other postemployment benefits (OPEB) plan. Benefits are established and amended by an insurance committee established by the County Commission.

Funding Policy – The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally by the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees' or retired employees' premiums. An employee who retires from Rutherford County becomes eligible for retiree health coverage upon the earlier of attaining: (1) age 55 with 15 years of service and active coverage for five continuous years, (2) age 62 with ten years of service and active coverage for five continuous years, or (3) any age with 30 years of service and active coverage for five continuous years.

Employees who become disabled are eligible for retiree health coverage if they are under age 65 and have completed at least ten years of service prior to total disability termination plus the employees must have had active coverage for a continuous five-year period, and must have filed and qualified for Medicare disability coverage. If a retiree is eligible for health insurance coverage, health coverage is also provided for the retiree's spouse and/or dependent children. In the event of the retiree's death, the eligible surviving spouse and dependent children may elect to continue coverage until they would no longer qualify as dependents if the retiree were alive. Eligible retirees and dependents are required to share in the cost of health insurance coverage. Effective May 1, 2009, current retirees and actives age 65 and over as of December 31, 2009, and actives that have completed 30 years of service as of December 31, 2009, will be required to contribute 25 percent of the adequate premiums for themselves and 50 percent of the adequate premiums for their spouses. Effective January 1, 2010, all retirees that are retirement eligible as of December 31, 2010, or have at least 20 years of service as of December 31, 2010, upon attaining age 65, will be required to contribute 50 percent of the adequate premium for themselves and their spouses. This structure will be phased in over four years (2010-13) such that contributions will be approximately 32 percent in 2010, 38 percent in 2011, 44 percent in 2012, 50 percent in 2013 and thereafter.

Adopted in May 2010 and effective January 1, 2011, the following changes took effect: (1) employees with at least ten years of service but less than 20 years of service as of December 31, 2010, no prescription drug coverage will be provided after age 65, and contributions will be 50 percent of the adequate premium rate for themselves and their spouses; (2) employees with at least seven years of service but less than ten years of service as of December 31, 2010, no prescription drug coverage will be provided after age 65 and contributions will be 50 percent of the adequate premium rate for themselves and 75 percent of the adequate premium rate for their spouses; (3) or employees hired prior to February 12, 2009, with less than seven years of service as of December 31, 2010, no prescription coverage will be provided post age 65, and Rutherford County's contribution will be limited to the lesser of \$500 or the actual cost of coverage.

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

Annual OPEB and Net OPEB Obligation – The components of the annual required contribution (ARC) and the net OPEB obligation are as follows for Community Care of Rutherford County, Inc.:

Annual required contributions (ARC)	\$ 199,711
Interest on the NOPEBO	34,167
Adjustment to the ARC	<u>(48,448)</u>
Annual OPEB cost	\$ 185,430
Amount of contribution	<u>(56,110)</u>
Increase/decrease in NOPEBO	\$ 129,320
Net OPEB obligation, July 1, 2012	<u>854,179</u>
Net OPEB obligation, June 30, 2013	<u><u>\$ 983,499</u></u>

Funded Status and Funding Progress – The funding status and funding progress of the plan as of January 1, 2012, for Community Care of Rutherford County, Inc., are as follows:

Actuarial valuation date	1-1-12
Actuarial accrued liability (AAL)	\$ 2,130,673
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 2,130,673
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 4,601,067
UAAL as a % of covered payroll	46%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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

Actuarial methods and assumptions – The discount rate as of January 1, 2012, is four percent. The discount rate is determined by the plan sponsor based on the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Rutherford County does not pre-fund the ARC, and therefore the discount rate is based on the expected return on Rutherford County’s general assets.

The trend rate for pre-Medicare health claims is 8.5 percent for 2012 grading down to five percent for 2023 and beyond. The trend rate is determined by the plan sponsor based on historical data and anticipated experience under the plan.

The method used to calculate normal cost and actuarial accrued liability is the projected unit credit cost method. Under this method, the present value of projected benefits is estimated at each decrement age, taking into account

the value of future increases in medical claims and the effect of medical contributions and Medicare reimbursement. The total present value of projected benefits is the sum of the present values for each decrement age. The actuarial accrued liability is calculated by prorating the present value of projected benefits by service at the valuation date over service projected to the date of decrement. The normal cost is the present value of projected benefits attributable to the valuation year.

L. Health Care Regulations

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

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

A. Summary of Significant Accounting Policies

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

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

Financial Reporting Entity - Component Unit – The district is a component unit of the primary government of Rutherford County, Tennessee. The district reports its financial information separately from Rutherford County; however, the district’s financial information should also be discretely presented by the county in its financial report.

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

GASB Statements No. 14 and No. 61 specify that component units must be legally separate organizations that have financial accountability to a primary government. Financial accountability exists prima facie if a special-purpose government is not fiscally independent. GASB states that to be fiscally independent, the government has to have the authority to do three activities. Two of these activities do not require approval by another government: to issue bonded debt and to levy taxes or set rates or charges. As provided by Section 7-86-114, *Tennessee Code Annotated*, before issuing negotiable bonds, the district must have approval of the legislative body of a county wherein a district is established. It also must have approval before making purchase contracts, lease agreements, and notes payable of over five years’ duration. In addition, the Rutherford County Commission has the ability to adjust the district’s service charges. Because the district is both a legal entity and is financially accountable to the primary government of Rutherford County, as the County Commission appoints all members of the governing board and by the nature of its fiscal dependence on Rutherford County as described above, it is a component unit of Rutherford County.

At June 30, 2013, there were no related receivables or payables between Rutherford County and the district. The district did not engage in any activities that were subject to the approval of Rutherford County.

Basis of Presentation – The financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

The accounts of the district are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the district’s assets, liabilities, net position, revenues, and expenses. Enterprise funds account for activities (i) that are financed with debt that is secured by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by laws or regulations that the activity’s costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges

designed to recover its costs, including capital costs (such as depreciation or debt service).

The accounting and financial reporting treatment applied to the district is determined by its measurement focus. The transactions of the district are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statements of Net Position. Net position (i.e., total assets plus net deferred outflows net of total liabilities and net deferred inflows) are segregated into investment in capital assets and unrestricted components. As of June 30, 2013, the district had no long-term debt that related to the aforementioned categories.

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, 2013, 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 March 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, 2013, prepaid insurance and service contract costs were \$25,708.

Property and Equipment – Property and equipment are stated at cost. The district defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. For financial statement purposes, depreciation of property and equipment is provided using the straight-line method. Maintenance and repairs are charged to operations when incurred. Major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related costs

and accumulated depreciation are removed from the accounts, and any gain or loss is included as nonoperating revenue or loss.

The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40
Furniture and fixtures	5 - 10
Office equipment	3 - 10
Communications equipment	3 - 10
Vehicles	5
Other capital assets	5-10

Compensated Absences – The Board of Directors voted to adopt a policy for vacation, sick leave, and holidays effective January 1, 1995. Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the district. Excess days earned are transferred to sick leave days. Sick leave accrues to full-time, permanent employees at the rate of one day per month of service. An employee is entitled to accrue sick leave days without limitation on the number of days. If an employee should leave prior to the vesting of his retirement benefits, no compensation will be paid for unused sick days. After an employee is eligible to receive vested benefits in the retirement plan, any sick leave that said employee has accrued will be credited to retirement service days. Employees are entitled to overtime or compensatory time. The maximum amount of compensatory time that may be accrued by non-emergency personnel is 250 hours, and the maximum hours for emergency personnel is 450 hours. Hours in excess of the maximum convert to sick leave on January 1. The director cannot acquire overtime pay, but can build and use compensatory time.

An estimated liability for vacation has been accrued under the vesting method. The estimated amount calculated for compensated absences was recorded as a liability at June 30, 2013, and is \$28,484.

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 non-operating 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.

Deferred Inflow – The deferred inflow balance at June 30, 2013, represents grant funds received from the Tennessee Emergency Communications Board during the current period, which were not earned prior to the end of the fiscal year.

B. Cash and Certificates of Deposit Investments

The district is authorized to make investments in bonds, notes, or treasury bills of the United States, Federal Land Bank bonds, Federal Home Loan Bank notes and bonds, Federal National Mortgage Association notes and debentures, banks for cooperative debentures, or any of its other agencies, or obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law.

During the year ended June 30, 2013, the Board of Directors chose to limit the investment of funds to demand deposits and certificates of deposits at banking institutions.

At June 30, 2013, the carrying amount of cash deposits was \$2,140,652, and the bank balance was \$2,257,530, as listed below. All bank accounts earn a variable rate of interest. At June 30, 2013, the entire bank balance was covered by federal depository insurance or by collateral held in the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool (the pool) is a multiple financial institution collateral pool to which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to the members of the pool if the value of collateral is inadequate to cover a loss.

Cash Accounts	Interest Rate	Carrying Amount	Bank Balance
SunTrust Bank checking	.05%	\$ 1,677,317	\$ 1,794,195
SunTrust Bank cash investment	.05	463,335	463,335
Total		\$ 2,140,652	\$ 2,257,530

Certificates of Deposit – At June 30, 2013, the district held the following certificates of deposit:

<u>Bank</u>	<u>Maturity</u>	<u>Interest</u>	<u>Amount</u>
CB & S Bank	12-19-13	0.50 %	\$ 250,000
First Bank	10-03-14	1.00	250,000
Pinnacle National Bank	1-13-17	1.30	250,000
SunTrust Bank	12-16-16	1.29	250,000
First Tennessee Bank	2-22-14	0.25	250,000
First Nat'l Bank of McMinnville	12-12-16	2.25	250,000
U.S. Bank	6-20-16	0.75	250,000
F&M Bank	10-24-13	0.55	250,010
Bank of America	8-21-14	0.25	100,002
First Nat'l Bank of Manchester	4-18-15	1.55	250,000
Regions Bank	12-21-16	1.09	250,000
MidSouth Bank	2-18-14	0.99	250,005
Wilson Bank & Trust	10-19-13	0.55	250,000
Southern Community Bank	7-20-13	0.75	<u>250,000</u>
Total			<u>\$ 3,350,017</u>

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

C. Accounts Receivable

The district receives its revenue from telephone subscribers residing within Rutherford County. As provided in the act, telephone companies collect the fees from the subscribers and remit the funds on a not longer than bi-monthly basis to the district. The policy of the telephone companies has been to remit funds based upon their billings rather than on their collections. Accordingly, the financial statements do not include a provision for bad debts.

The following is the detail of receivables from the telephone companies at June 30, 2013:

AT&T	\$ 23,619
NUVOX Communications	5,785
Others	<u>11,161</u>
Total	<u>\$ 40,565</u>

D. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-12	Additions	Reductions	Balance 6-30-13
<u>Depreciable Assets</u>				
Buildings and Improvements	\$ 1,200,456	\$ 0	\$ 0	\$ 1,200,456
Furniture and Fixtures	45,975	0	0	45,975
Office Equipment	39,478	0	0	39,478
Communications Equipment	751,885	9,386	0	761,271
Vehicle	63,112	0	0	63,112
Other Capital Assets	323,341	9,085	0	332,426
Total	<u>\$ 2,424,247</u>	<u>\$ 18,471</u>	<u>\$ 0</u>	<u>\$ 2,442,718</u>
<u>Less: Accumulated Depreciation</u>				
Buildings and Improvements	\$ (309,961)	\$ (30,012)	\$ 0	\$ (339,973)
Furniture and Fixtures	(45,442)	(200)	0	(45,642)
Office Equipment	(35,601)	(1,559)	0	(37,160)
Communications Equipment	(673,845)	(28,794)	0	(702,639)
Vehicle	(56,665)	(5,861)	0	(62,526)
Other Capital Assets	(167,298)	(34,057)	(1)	(201,356)
Total	<u>\$ (1,288,812)</u>	<u>\$ (100,483)</u>	<u>\$ (1)</u>	<u>\$ (1,389,296)</u>
<u>Non-depreciable Assets</u>				
Land	\$ 17,500	\$ 0	\$ 0	\$ 17,500
Construction in Progress	0	383,292	0	383,292
Total	<u>\$ 17,500</u>	<u>\$ 383,292</u>	<u>\$ 0</u>	<u>\$ 400,792</u>
Total Capital Assets	<u>\$ 1,152,935</u>	<u>\$ 301,280</u>	<u>\$ (1)</u>	<u>\$ 1,454,214</u>

E. Long-term Liabilities

Long-term liability activity for the year ended June 30, 2013, consisted of an addition of the postemployment benefits obligation totaling \$8,987 to \$45,383.

F. Retirement Plan

Plan Description – Employees of Rutherford County Emergency Communications District are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service, or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement

for disability that is the result of an accident or injury occurring while the member was in the performance of duty.

Members joining the system after July 1, 1979, became vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly.

Political subdivisions such as the Rutherford County Emergency Communications District participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body. The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

Funding Policy – The Rutherford County Emergency Communications District has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The Rutherford County Emergency Communications District is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 10.09 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Rutherford County Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost – For the year ended June 30, 2013, Rutherford County Emergency Communications District's annual pension cost of \$23,019 to TCRS was equal to Rutherford County Emergency Communications District's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. Rutherford County Emergency Communications District's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was ten years. An

actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	\$ 23,019	100 %	\$ 0
6-30-12	22,980	100	0
6-30-11	21,979	100	0

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

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

G. Risk Management

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

H. Postemployment Benefits

From an accrual accounting perspective, the cost of other postemployment benefits (OPEB), like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. The district recognizes the cost of postemployment benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the district’s future cash flows. Recognition of the liability accumulated from prior years will be phased in as a level dollar amount on an open basis over 30 years commencing with the 2009 liability.

Plan Description – In addition to pension benefits described in Note VII.F, the district is included under Rutherford County’s postretirement health insurance plan. Rutherford County’s plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee established by the Rutherford County Commission.

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

An employee who retires from Rutherford County becomes eligible for retiree health coverage upon the earlier of attaining: (1) age 55 with 15 years of service and active coverage for five continuous years, (2) age 62 with ten years of service and active coverage for five continuous years, or (3) any age with 30 years of services and active coverage for five continuous years.

An employee who becomes disabled becomes eligible for retiree health coverage if they are under age 65 and have completed at least ten years of service prior to total disability termination plus the employee must have had active coverage for a continuous five-year period and have filed and qualified for Medicare disability coverage. If the retiree is eligible for health insurance coverage, the health coverage is also provided for the retiree’s spouse and/or dependent children. In the event of the retiree’s death, the eligible surviving spouse and dependent children may elect to continue coverage until they would no longer qualify as dependents if the retiree were alive.

Eligible retirees and dependents are required to share in the cost of health insurance coverage. Effective May 1, 2009, current retirees and actives age 65 and over as of December 31, 2009, and actives that have completed 30 years of service as of December 31, 2009, will be required to contribute 25 percent of the adequate premium for themselves and 50 percent of the adequate premium for their spouses. Effective January 1, 2010, all retirees that are retirement eligible as of December 31, 2010, or have at least 20 years of service as of December 31, 2010, upon attaining age 65, will be required to contribute 50 percent of the adequate premium for themselves and their spouses. This structure will be phased in over four years (2010-2013) such that contributions will be approximately 32 percent in 2010, 38 percent in 2011, 44 percent in 2012, 50 percent in 2013, and thereafter.

Adopted in May 2010 and effective January 1, 2011, the follow changes took effect: (1) employees with at least ten years of service but less than 20 years of service as of December 31, 2010, no prescription drug coverage will be provided after age 65, and contributions will be 50 percent of the adequate premium rate for themselves and their spouses; (2) employees with at least seven years of service but less than 10 years of service as of

December 31, 2010, no prescription drug coverage will be provided after age 65, and contributions will be 50 percent of the adequate premium rate for themselves and 75 percent of the adequate premium rate for their spouses; and (3) employees hired prior to February 12, 2009, with less than seven years of service as of December 31, 2010, no prescription drug coverage will be provided after age 65, and the county's contribution will be limited to the lesser of \$500 or the actual cost of coverage.

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

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

ARC	\$	9,596
Interest on the NOPEBO		1,455
Adjustment to the ARC		(2,064)
Annual OPEB cost	\$	<u>8,987</u>
Amount of contribution		<u>0</u>
Increase/decrease in NOPEBO	\$	8,987
Net OPEB obligation, 7-1-12		<u>36,386</u>
Net OPEB obligation, 6-30-13	\$	<u><u>45,373</u></u>

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

Actuarial valuation date		1-1-12
Actuarial accrued liability (AAL)	\$	73,184
Actuarial value of plan assets	\$	0
Unfunded actuarial accrued liability (UAAL)	\$	73,184
Actuarial value of assets as a % of the AAL		0%
Covered payroll (active plan members)	\$	225,476
UAAL as a % of covered payroll		32.46

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan

assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions – The discount rate as of January 1, 2012, is four percent. The discount rate is determined by the plan sponsor based on the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Rutherford County does not pre-fund the ARC, and therefore, the discount rate is based on the expected return on the county's general assets.

The trend rate for health claims is 8.5 percent for 2012 grading down to 5.5 percent for 2023 and beyond. The trend rate is determined by the plan sponsor based on historical data and anticipated experience under the plan.

The method used to calculate normal cost and actuarial accrued liability is the projected unit credit cost method. Under this method, the present value of projected benefits is estimated at each decrement age, taking into account the value of future increases in medical claims and the effect of medical contributions and Medicare reimbursement. The total present value of projected benefits is the sum of the present values for each decrement age. The actuarial accrued liability is calculated by prorating the present value of projected benefits by service at the valuation date over service projected to the date of decrement. The normal cost is the present value of projected benefits attributable to the valuation year.

I. Commitments

During the year ended June 30, 2012, the district entered into an inter-agency agreement with Rutherford County to remit \$15,000 annually for three years, (a total of \$45,000), for the district's share of cost associated with a license agreement. The future payments for the year ending June 30, 2014, are \$15,000.

The district entered into a contract dated September 28, 2012, with a vendor to purchase an auxiliary PSAP console system for \$449,800. As of June 30, 2013, \$314,860 has been remitted to the vendor with the remaining \$134,940 due upon installation of the equipment and acceptance of the system.

J. Transactions with Primary Government

Amounts paid to Rutherford County included amounts paid for mapping services and maintenance agreements of \$50,000 and \$15,000, respectively. Rutherford County also administers the payroll reporting for the district. The district reimbursed Rutherford County \$295,000 for salaries and benefits paid on the district's behalf.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Rutherford County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government, Discretely Presented Rutherford County School Department,
Discretely Presented Community Care of Rutherford County, Inc., and
Discretely Presented Rutherford County Emergency Communications District
June 30, 2013

(Dollar amounts in thousands)

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

Exhibit F-2

Rutherford County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government, Discretely Presented Rutherford County School Department,
Discretely Presented Community Care of Rutherford County, Inc., and
Discretely Presented Rutherford County Emergency Communications District
June 30, 2013

(Dollar amounts in thousands)

Plans	Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Primary Government	6-30-11	1-1-10	\$ 0	\$ 22,803	\$ 22,803	0 %	\$ 40,801	56 %
"	6-30-12	1-1-10	0	22,803	22,803	0	41,675	55
"	6-30-13	1-1-12	0	25,719	25,719	0	42,860	60
Rutherford County School Department	6-30-11	1-1-10	0	111,161	111,161	0	163,973	68
"	6-30-12	1-1-10	0	111,161	111,161	0	169,496	66
"	6-30-13	1-1-12	0	124,060	124,060	0	170,055	73
Community Care of Rutherford County, Inc.	6-30-11	1-1-10	0	1,996	1,996	0	4,744	42
"	6-30-12	1-1-10	0	1,927	1,927	0	4,681	41
"	6-30-13	1-1-12	0	2,131	2,131	0	4,601	46
Emergency Communications District	6-30-10	1-1-09	0	64	64	0	202	32
"	6-30-11	1-1-10	0	68	68	0	214	32
"	6-30-12	1-1-12	0	73	73	0	225	32

RUTHERFORD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2013

BUDGETARY INFORMATION

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Rutherford County’s demolition landfill operations, convenience center operations, and postclosure care costs of the county’s closed landfill.

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

Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to account for the operations of the Smyrna Airport properties.

Special Purpose Fund – The Special Purpose Fund is used to account for revenues received from federal drug-related forfeitures and seizures.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

District Attorney General Fund – In prior years, the District Attorney General Fund was classified as a special revenue fund; however, effective July 1, 2012, this fund has been reclassified as an agency fund to better reflect the control of these funds by the district attorney general.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register, and sheriff.

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

Capital Projects Funds

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

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

Exhibit G-1

Rutherford County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue Funds					
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	
\$	400	100	0	0	0	0
Equity in Pooled Cash and Investments	4,467,772	5,698,352	666,829	34,618	871,658	871,658
Investments	0	0	0	0	0	0
Accounts Receivable	87,208	11,741,299	0	0	0	0
Allowance for Uncollectibles	0	(9,762,705)	0	0	0	0
Due from Other Governments	283,337	13,196	0	6	39	39
Property Taxes Receivable	0	3,718,415	0	0	0	0
Allowance for Uncollectible Property Taxes	0	(237,140)	0	0	0	0
Notes Receivable - Long-term	0	0	381,835	0	0	0
Total Assets	4,838,717	11,171,517	1,048,664	34,624	871,697	871,697
Accounts Payable	17,571	102,064	0	0	1,494	1,494
Accrued Payroll	41,143	364,638	0	0	7,347	7,347
Contracts Payable	0	0	0	0	0	0
Retainage Payable	0	0	0	0	0	0
Due to Other Funds	140	3,071	0	0	0	0
Total Liabilities	58,854	469,773	0	0	8,841	8,841

ASSETS

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

Total Assets

LIABILITIES

Accounts Payable
Accrued Payroll
Contracts Payable
Retainage Payable
Due to Other Funds
Total Liabilities

(Continued)

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

	Special Revenue Funds				
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
\$	0	3,397,781	0	0	0
	0	73,157	0	0	0
	121,287	1,556,472	0	0	0
\$	121,287	5,027,410	0	0	0
\$	0	0	0	34,624	862,856
	0	8,238	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	4,658,576	5,666,096	0	0	0
	0	0	1,048,664	0	0
	0	0	0	0	0
\$	4,658,576	5,674,334	1,048,664	34,624	862,856
\$	4,838,717	11,171,517	1,048,664	34,624	871,697

DEFERRED INFLOWS OF RESOURCES

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

FUND BALANCES

Restricted:
 Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Capital Projects
 Committed:
 Committed for Highways/Public Works
 Assigned:
 Assigned for Finance
 Assigned for Administration of Justice
 Assigned for Public Health and Welfare
 Assigned for Other Operations
 Assigned for Highways/Public Works
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

(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
	Constitutional Officers - Fees	Highway / Public Works	Total	General Capital Projects		
\$ 549,211	\$ 0	\$ 0	\$ 549,711	\$ 0	\$ 0	\$ 549,711
0	7,537,754	19,276,983	19,276,983	3,576,422	0	22,853,405
0	0	0	0	60,899	0	60,899
11,490	1,724	11,841,721	11,841,721	4,500	0	11,846,221
0	0	(9,762,705)	(9,762,705)	0	0	(9,762,705)
0	950,637	1,247,215	1,247,215	120,003	0	1,367,218
0	825,900	4,544,315	4,544,315	0	0	4,544,315
0	(48,913)	(286,053)	(286,053)	0	0	(286,053)
0	0	381,835	381,835	0	0	381,835
\$ 560,701	\$ 9,267,102	\$ 27,793,022	\$ 27,793,022	\$ 3,761,824	\$ 0	\$ 31,554,846

ASSETS

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

LIABILITIES

Accounts Payable	
Accrued Payroll	
Contracts Payable	
Retainage Payable	
Due to Other Funds	
Total Liabilities	

(Continued)

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

	Special Revenue Funds (Cont.)				Capital Projects Fund		Total Nonmajor Governmental Funds
	Constitutional Officers - Fees	Highway / Public Works	Total	Capital Projects Fund			
				General Capital Projects			
\$	0 \$	762,887 \$	4,160,668 \$	0 \$	0 \$	4,160,668	
	0	12,355	85,512	0	0	85,512	
	0	40,429	1,718,188	0	0	1,718,188	
\$	0 \$	815,671 \$	5,964,368 \$	0 \$	0 \$	5,964,368	

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes 4,160,668 \$
 Deferred Delinquent Property Taxes 85,512
 Other Deferred/Unavailable Revenue 1,718,188
 Total Deferred Inflows of Resources 5,964,368 \$

FUND BALANCES

Restricted:
 Restricted for Public Safety 897,480 \$
 Restricted for Public Health and Welfare 8,238
 Restricted for Capital Projects 3,148,865
 Committed:
 Committed for Highways/Public Works 1,640,379
 Assigned:
 Assigned for Finance 110,000
 Assigned for Administration of Justice 71,601
 Assigned for Public Health and Welfare 10,324,672
 Assigned for Other Operations 1,048,664
 Assigned for Highways/Public Works 6,680,448
 Total Fund Balances 20,781,482 \$

Total Liabilities, Deferred Inflows of Resources, and Fund Balances 31,554,846 \$

Rutherford County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2013

	Special Revenue Funds						
	Solid Waste / Sanitation	Ambulance Service	Industrial/ Economic Development	Special Purpose	Drug Control	District Attorney	
<u>Revenues</u>							
Local Taxes	\$ 1,294,119	\$ 5,190,881	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	983,191	0	0
Charges for Current Services	1,354,436	6,434,829	0	0	0	0	0
Other Local Revenues	325,937	11,722	24,698	147	3,857	0	0
State of Tennessee	369,467	0	0	0	0	0	0
Federal Government	0	0	0	50,288	0	0	0
Other Governments and Citizens Groups	0	280,000	0	0	0	0	0
Total Revenues	\$ 3,343,959	\$ 11,917,432	\$ 24,698	\$ 50,435	\$ 987,048	\$ 0	\$ 0
<u>Expenditures</u>							
Current:							
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Administration of Justice	0	0	0	0	0	0	0
Public Safety	0	0	0	186,843	612,782	0	0
Public Health and Welfare	2,955,628	10,626,760	0	0	0	0	0
Other Operations	75,183	0	243,777	0	0	0	0
Highways	0	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0	0
Total Expenditures	\$ 3,030,811	\$ 10,626,760	\$ 243,777	\$ 186,843	\$ 612,782	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 313,148	\$ 1,290,672	\$ (219,079)	\$ (136,408)	\$ 374,266	\$ 0	\$ 0
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Insurance Recovery	0	28,184	0	0	0	0	0
Transfers In	0	0	0	0	0	0	0
Transfers Out	0	0	0	(4,500)	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 28,184	\$ 0	\$ (4,500)	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ 313,148	\$ 1,318,856	\$ (219,079)	\$ (140,908)	\$ 374,266	\$ 0	\$ 0
Reclassification	0	0	0	0	0	(314,534)	0
Fund Balance, July 1, 2012	4,345,428	4,355,478	1,267,743	175,532	488,590	314,534	314,534
Fund Balance, June 30, 2013	\$ 4,658,576	\$ 5,674,334	\$ 1,048,664	\$ 34,624	\$ 862,856	\$ 0	\$ 0

(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
	Constituti- onal Officers - Fees	Highway / Public Works	Total	General Capital Projects	Education Capital Projects	Total	
Revenues							
Local Taxes	\$ 0	\$ 4,560,199	\$ 11,045,199	\$ 0	\$ 0	\$ 0	\$ 11,045,199
Fines, Forfeitures, and Penalties	0	0	983,191	0	0	0	983,191
Charges for Current Services	2,517,037	0	10,306,302	0	0	0	10,306,302
Other Local Revenues	0	48,761	415,122	96,712	0	96,712	511,834
State of Tennessee	0	4,228,938	4,598,405	0	0	0	4,598,405
Federal Government	0	0	50,288	346,257	0	346,257	396,545
Other Governments and Citizens Groups	0	0	280,000	145,000	0	145,000	425,000
Total Revenues	\$ 2,517,037	\$ 8,837,898	\$ 27,678,507	\$ 587,969	\$ 0	\$ 587,969	\$ 28,266,476
Expenditures							
Current:							
Finance	\$ 492,354	\$ 0	\$ 492,354	\$ 0	\$ 0	\$ 0	\$ 492,354
Administration of Justice	2,199,183	0	2,199,183	0	0	0	2,199,183
Public Safety	0	0	799,625	0	0	0	799,625
Public Health and Welfare	0	0	13,582,388	0	0	0	13,582,388
Other Operations	0	0	318,960	0	0	0	318,960
Highways	0	7,850,337	7,850,337	0	0	0	7,850,337
Capital Projects	0	0	0	3,906,385	946,967	4,853,352	4,853,352
Total Expenditures	\$ 2,691,537	\$ 7,850,337	\$ 25,242,847	\$ 3,906,385	\$ 946,967	\$ 4,853,352	\$ 30,096,199
Excess (Deficiency) of Revenues Over Expenditures	\$ (174,500)	\$ 987,561	\$ 2,435,660	\$ (3,318,416)	\$ (946,967)	\$ (4,265,383)	\$ (1,829,723)
Other Financing Sources (Uses)							
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 946,967	\$ 946,967	\$ 946,967
Insurance Recovery	0	21,310	49,494	48,003	0	48,003	97,497
Transfers In	0	0	0	673,675	0	673,675	673,675
Transfers Out	0	0	(4,500)	(4,289)	0	(4,289)	(8,789)
Total Other Financing Sources (Uses)	\$ 0	\$ 21,310	\$ 44,994	\$ 717,389	\$ 946,967	\$ 1,664,356	\$ 1,709,350
Net Change in Fund Balances Restatement	\$ (174,500)	\$ 1,008,871	\$ 2,480,654	\$ (2,601,027)	\$ 0	\$ (2,601,027)	\$ (120,373)
Fund Balance, July 1, 2012	356,101	7,311,956	18,615,362	5,749,892	0	5,749,892	24,365,254
Fund Balance, June 30, 2013	\$ 181,601	\$ 8,320,827	\$ 20,781,482	\$ 3,148,865	\$ 0	\$ 3,148,865	\$ 23,930,347

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, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 1,294,119	\$ 0	\$ 0	\$ 1,294,119	\$ 720,000	\$ 1,306,000	\$ (11,881)
Charges for Current Services	1,354,436	0	0	1,354,436	1,250,000	1,341,000	13,436
Other Local Revenues	325,937	0	0	325,937	350,000	320,000	5,937
State of Tennessee	369,467	0	0	369,467	387,500	386,748	(17,281)
Total Revenues	\$ 3,343,959	\$ 0	\$ 0	\$ 3,343,959	\$ 2,707,500	\$ 3,353,748	\$ (9,789)
Expenditures							
Public Health and Welfare							
Sanitation Education/Information	\$ 131,768	(150)	682	132,300	134,630	140,955	8,655
Convenience Centers	2,012,931	(400)	6,820	2,019,351	2,288,479	2,413,472	394,121
Other Waste Collection	66,091	(526)	234	65,799	136,065	136,065	70,266
Landfill Operation and Maintenance	549,378	(338)	15,941	564,981	847,372	847,372	282,391
Postclosure Care Costs	195,460	0	0	195,460	340,000	340,000	144,540
Other Operations							
Employee Benefits	24,040	0	0	24,040	26,040	25,722	1,682
Miscellaneous	51,143	0	0	51,143	45,900	52,400	1,257
Total Expenditures	\$ 3,030,811	\$ (1,414)	\$ 23,677	\$ 3,053,074	\$ 3,818,486	\$ 3,955,986	\$ 902,912
Excess (Deficiency) of Revenues Over Expenditures	\$ 313,148	\$ 1,414	\$ (23,677)	\$ 290,885	\$ (1,110,986)	\$ (602,238)	\$ 893,123
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 313,148	\$ 1,414	\$ (23,677)	\$ 290,885	\$ (1,110,986)	\$ (602,238)	\$ 893,123
	4,345,428	(1,414)	0	4,344,014	4,344,013	4,344,013	1
Fund Balance, June 30, 2013	\$ 4,658,576	\$ 0	\$ (23,677)	\$ 4,634,899	\$ 3,233,027	\$ 3,741,775	\$ 893,124

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, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 5,190,881	\$ 0	\$ 0	\$ 5,190,881	\$ 5,133,794	\$ 5,198,374	\$ (7,493)
Charges for Current Services	6,434,829	0	0	6,434,829	6,218,900	6,694,900	(260,071)
Other Local Revenues	11,722	0	0	11,722	0	11,970	(248)
Other Governments and Citizens Groups	280,000	0	0	280,000	0	280,000	0
Total Revenues	\$ 11,917,432	\$ 0	\$ 0	\$ 11,917,432	\$ 11,352,694	\$ 12,185,244	\$ (267,812)
<u>Expenditures</u>							
Public Health and Welfare							
Ambulance/Emergency Medical Services	\$ 10,626,760	\$ (19,575)	\$ 31,565	\$ 10,638,750	\$ 10,637,880	\$ 10,993,880	\$ 355,130
Total Expenditures	\$ 10,626,760	\$ (19,575)	\$ 31,565	\$ 10,638,750	\$ 10,637,880	\$ 10,993,880	\$ 355,130
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,290,672	\$ 19,575	\$ (31,565)	\$ 1,278,682	\$ 714,814	\$ 1,191,364	\$ 87,318
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 28,184	\$ 0	\$ 0	\$ 28,184	\$ 0	\$ 12,717	\$ 15,467
Total Other Financing Sources	\$ 28,184	\$ 0	\$ 0	\$ 28,184	\$ 0	\$ 12,717	\$ 15,467
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 1,318,856	\$ 19,575	\$ (31,565)	\$ 1,306,866	\$ 714,814	\$ 1,204,081	\$ 102,785
Fund Balance, July 1, 2012	4,355,478	(19,575)	0	4,335,903	3,850,492	3,850,492	485,411
Fund Balance, June 30, 2013	\$ 5,674,334	\$ 0	\$ (31,565)	\$ 5,642,769	\$ 4,565,306	\$ 5,054,573	\$ 588,196

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, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 24,698	\$ 24,698	\$ 24,698	\$ 0
Total Revenues	\$ 24,698	\$ 24,698	\$ 24,698	\$ 0
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 226,747	\$ 226,747	\$ 226,747	\$ 0
Payments to Cities	17,030	17,030	17,030	0
Total Expenditures	\$ 243,777	\$ 243,777	\$ 243,777	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ (219,079)	\$ (219,079)	\$ (219,079)	\$ 0
Net Change in Fund Balance	\$ (219,079)	\$ (219,079)	\$ (219,079)	\$ 0
Fund Balance, July 1, 2012	1,267,743	831,406	831,406	436,337
Fund Balance, June 30, 2013	\$ 1,048,664	\$ 612,327	\$ 612,327	\$ 436,337

Exhibit G-6

Rutherford County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Special Purpose Fund
 For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less:		Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2012	Encumbrances 6/30/2013			Original	Final	
<u>Revenues</u>								
Other Local Revenues	\$ 147 \$	0 \$	0 \$	147 \$	0 \$	133 \$	14	
Federal Government	50,288	0	0	50,288	0	50,287	1	
Total Revenues	\$ 50,435 \$	0 \$	0 \$	50,435 \$	0 \$	50,420 \$	15	
<u>Expenditures</u>								
Public Safety								
Sheriff's Department	186,843 \$	(25,034) \$	2,202 \$	164,011 \$	64,740 \$	196,116 \$	32,105	
Total Expenditures	\$ 186,843 \$	(25,034) \$	2,202 \$	164,011 \$	64,740 \$	196,116 \$	32,105	
Excess (Deficiency) of Revenues Over Expenditures	\$ (136,408) \$	25,034 \$	(2,202) \$	(113,576) \$	(64,740) \$	(145,696) \$	32,120	
<u>Other Financing Sources (Uses)</u>								
Transfers Out	\$ (4,500) \$	0 \$	0 \$	(4,500) \$	0 \$	(4,500) \$	0	
Total Other Financing Sources	\$ (4,500) \$	0 \$	0 \$	(4,500) \$	0 \$	(4,500) \$	0	
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ (140,908) \$	25,034 \$	(2,202) \$	(118,076) \$	(64,740) \$	(150,196) \$	32,120	
	175,532	(25,034)	0	150,498	150,498	150,498	0	
Fund Balance, June 30, 2013	\$ 34,624 \$	0 \$	(2,202) \$	32,422 \$	85,758 \$	302 \$	32,120	

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, 2013

	Actual (GAAP Basis)	Less:		Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2012	Encumbrances 6/30/2012			Original	Final	
<u>Revenues</u>								
Fines, Forfeitures, and Penalties	\$ 983,191	\$ 0	\$ 0	\$ 0	\$ 983,191	\$ 440,000	\$ 869,254	\$ 113,937
Other Local Revenues	3,857	0	0	0	3,857	500	3,709	148
Total Revenues	\$ 987,048	\$ 0	\$ 0	\$ 0	\$ 987,048	\$ 440,500	\$ 872,963	\$ 114,085
<u>Expenditures</u>								
<u>Public Safety</u>								
Drug Enforcement	\$ 612,782	\$ (22,143)	\$ 13,305	\$ 13,305	\$ 603,944	\$ 638,600	\$ 650,206	\$ 46,262
Total Expenditures	\$ 612,782	\$ (22,143)	\$ 13,305	\$ 13,305	\$ 603,944	\$ 638,600	\$ 650,206	\$ 46,262
Excess (Deficiency) of Revenues Over Expenditures	\$ 374,266	\$ 22,143	\$ (13,305)	\$ (13,305)	\$ 383,104	\$ (198,100)	\$ 222,757	\$ 160,347
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 374,266	\$ 22,143	\$ (13,305)	\$ (13,305)	\$ 383,104	\$ (198,100)	\$ 222,757	\$ 160,347
	488,590	(22,143)	0	0	466,447	466,447	466,447	0
Fund Balance, June 30, 2013	\$ 862,856	\$ 0	\$ (13,305)	\$ (13,305)	\$ 849,551	\$ 268,347	\$ 689,204	\$ 160,347

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, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,560,199	\$ 4,242,059	\$ 4,658,289	\$ (98,090)
Other Local Revenues	48,761	47,700	62,700	(13,939)
State of Tennessee	4,228,938	3,588,684	4,304,195	(75,257)
Total Revenues	<u>\$ 8,837,898</u>	<u>\$ 7,878,443</u>	<u>\$ 9,025,184</u>	<u>\$ (187,286)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 703,327	\$ 685,359	\$ 730,517	\$ 27,190
Highway and Bridge Maintenance	4,933,972	5,985,350	5,985,350	1,051,378
Operation and Maintenance of Equipment	1,001,781	1,239,585	1,239,585	237,804
Other Charges	673,781	534,325	846,525	172,744
Employee Benefits	108,986	209,320	164,162	55,176
Capital Outlay	428,490	724,860	724,860	296,370
Total Expenditures	<u>\$ 7,850,337</u>	<u>\$ 9,378,799</u>	<u>\$ 9,690,999</u>	<u>\$ 1,840,662</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 987,561</u>	<u>\$ (1,500,356)</u>	<u>\$ (665,815)</u>	<u>\$ 1,653,376</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 21,310	\$ 0	\$ 21,310	\$ 0
Total Other Financing Sources	<u>\$ 21,310</u>	<u>\$ 0</u>	<u>\$ 21,310</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 1,008,871	\$ (1,500,356)	\$ (644,505)	\$ 1,653,376
Fund Balance, July 1, 2012	<u>7,311,956</u>	<u>5,532,121</u>	<u>5,532,121</u>	<u>1,779,835</u>
Fund Balance, June 30, 2013	<u>\$ 8,320,827</u>	<u>\$ 4,031,765</u>	<u>\$ 4,887,616</u>	<u>\$ 3,433,211</u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 40,523,292	\$ 38,864,279	\$ 40,639,029	\$ (115,737)
Other Local Revenues	209,883	200,200	210,200	(317)
Other Governments and Citizens Groups	1,124,002	0	1,124,002	0
Total Revenues	<u>\$ 41,857,177</u>	<u>\$ 39,064,479</u>	<u>\$ 41,973,231</u>	<u>\$ (116,054)</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 778,594	\$ 1,030,000	\$ 1,044,040	\$ 265,446
<u>Principal on Debt</u>				
General Government	5,379,210	4,166,910	5,379,210	0
Education	24,797,984	20,473,090	24,797,984	0
<u>Interest on Debt</u>				
General Government	2,081,993	2,286,377	2,082,220	227
Education	12,504,557	13,695,306	12,506,459	1,902
<u>Other Debt Service</u>				
General Government	2,029,437	0	2,029,437	0
Education	5,632,266	0	5,632,267	1
Total Expenditures	<u>\$ 53,204,041</u>	<u>\$ 41,651,683</u>	<u>\$ 53,471,617</u>	<u>\$ 267,576</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (11,346,864)</u>	<u>\$ (2,587,204)</u>	<u>\$ (11,498,386)</u>	<u>\$ 151,522</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 65,700,000	\$ 0	\$ 65,700,000	\$ 0
Premiums on Debt Issued	5,401,891	0	5,401,891	0
Payments to Refunded Debt Escrow Agent	(60,420,000)	0	(60,420,000)	0
Total Other Financing Sources	<u>\$ 10,681,891</u>	<u>\$ 0</u>	<u>\$ 10,681,891</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (664,973)	\$ (2,587,204)	\$ (816,495)	\$ 151,522
Fund Balance, July 1, 2012	<u>35,814,327</u>	<u>33,993,542</u>	<u>33,993,542</u>	<u>1,820,785</u>
Fund Balance, June 30, 2013	<u>\$ 35,149,354</u>	<u>\$ 31,406,338</u>	<u>\$ 33,177,047</u>	<u>\$ 1,972,307</u>

Proprietary Funds

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

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

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

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

Exhibit I-1

Rutherford County, Tennessee
 Combining Statement of Net Position
 Proprietary Funds
 June 30, 2013

	Internal Service Funds			Total Proprietary Funds
	Self- Insurance	Employee Insurance -	Workers' Compensation	
\$	174,373	\$ 1,267,000	\$ 141,764	\$ 1,583,137
	1,465,756	30,027,586	1,916,293	33,409,635
	181,629	166,052	0	347,681
	0	20,825	0	20,825
	0	125,000	0	125,000
\$	1,821,758	\$ 31,606,463	\$ 2,058,057	\$ 35,486,278

ASSETS

Current Assets:

Cash	Equity in Pooled Cash and Investments
Accounts Receivable	Due from Other Governments
Advances to Other Funds	
Total Assets	

LIABILITIES

Current Liabilities:

Accounts Payable	Claims and Judgments Payable	Due to Other Funds	Total Liabilities
\$ 3,750	\$ 8,835,848	\$ 4,936	\$ 8,840,784
1,411,334	813,600	4,936	11,060,782
0			9,872
\$ 1,415,084	\$ 8,840,784	\$ 818,536	\$ 11,074,404

NET POSITION

Unrestricted	Total Net Position
\$ 406,674	\$ 24,411,874
\$ 406,674	\$ 24,411,874

Exhibit I-2

Rutherford County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Internal Service Funds			Total
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	
<u>Operating Revenues</u>				
Charges for Current Services:				
Self-Insurance Premiums/Contributions	\$ 1,117,236	\$ 45,177,797	\$ 1,180,660	\$ 47,475,693
Other Employee Benefit Charges/Contributions	0	1,300,275	0	1,300,275
Service Charges	0	7,315	0	7,315
Other Local Revenues:				
Retirees' Insurance Payments	0	3,505,309	0	3,505,309
Cobra Insurance Payments	0	156,152	0	156,152
State of Tennessee:				
On-Behalf Contributions for OPEB	0	131,300	0	131,300
Federal Government:				
On-Behalf Contributions for OPEB	0	432,876	0	432,876
Total Operating Revenues	<u>\$ 1,117,236</u>	<u>\$ 50,711,024</u>	<u>\$ 1,180,660</u>	<u>\$ 53,008,920</u>
<u>Operating Expenses</u>				
Employee Benefits:				
Handling Charges and Administrative Costs	\$ 138,080	\$ 2,258,548	\$ 33,610	\$ 2,430,238
Disability Insurance	0	0	400,120	400,120
Bank Charges	0	1,200	0	1,200
Consultants	0	86,256	0	86,256
Contracts with Private Agencies	0	2,227,093	0	2,227,093
Other Contracted Services	0	0	5,250	5,250
Medical Claims	0	47,161,332	0	47,161,332
Premiums on Corporate Surety Bonds	0	0	7,500	7,500
Liability Claims	780,369	0	0	780,369
Other Self-Insured Claims	0	0	767,386	767,386
Other Charges	0	2,501	0	2,501
Total Operating Expenses	<u>\$ 918,449</u>	<u>\$ 51,736,930</u>	<u>\$ 1,213,866</u>	<u>\$ 53,869,245</u>
Operating Income (Loss)	<u>\$ 198,787</u>	<u>\$ (1,025,906)</u>	<u>\$ (33,206)</u>	<u>\$ (860,325)</u>
<u>Nonoperating Revenues (Expenses)</u>				
Insurance Recovery	\$ 207,161	\$ 0	\$ 71,072	\$ 278,233
Total Nonoperating Revenues (Expenses)	<u>\$ 207,161</u>	<u>\$ 0</u>	<u>\$ 71,072</u>	<u>\$ 278,233</u>
Income (Loss) Before Transfers	<u>\$ 405,948</u>	<u>\$ (1,025,906)</u>	<u>\$ 37,866</u>	<u>\$ (582,092)</u>
Transfers Out	<u>0</u>	<u>(265,724)</u>	<u>(265,724)</u>	<u>(531,448)</u>
Change in Net Position	<u>\$ 405,948</u>	<u>\$ (1,291,630)</u>	<u>\$ (227,858)</u>	<u>\$ (1,113,540)</u>
Net Position, July 1, 2012	<u>726</u>	<u>\$ 24,057,309</u>	<u>\$ 1,467,379</u>	<u>\$ 25,525,414</u>
Net Position, June 30, 2013	<u>\$ 406,674</u>	<u>\$ 22,765,679</u>	<u>\$ 1,239,521</u>	<u>\$ 24,411,874</u>

Exhibit I-3

Rutherford County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	Internal Service Funds			
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	Total
<u>Cash Flows from Operating Activities</u>				
Receipts for Self-Insurance Premiums	\$ 1,039,148	\$ 50,652,937	\$ 1,180,660	\$ 52,872,745
Payments to Suppliers	(153,085)	(4,575,974)	(456,070)	(5,185,129)
Claims Paid	(844,270)	(46,826,193)	(767,762)	(48,438,225)
Insurance Recovery	207,161	0	71,072	278,233
Net Cash Provided By (Used In) Operating Activities	<u>\$ 248,954</u>	<u>\$ (749,230)</u>	<u>\$ 27,900</u>	<u>\$ (472,376)</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers to Other Funds	\$ 0	\$ (265,724)	\$ (265,724)	\$ (531,448)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 0</u>	<u>\$ (265,724)</u>	<u>\$ (265,724)</u>	<u>\$ (531,448)</u>
Net Increase (Decrease) in Cash	\$ 248,954	\$ (1,014,954)	\$ (237,824)	\$ (1,003,824)
Cash, July 1, 2012	1,391,175	32,309,540	2,295,881	35,996,596
Cash, June 30, 2013	<u>\$ 1,640,129</u>	<u>\$ 31,294,586</u>	<u>\$ 2,058,057</u>	<u>\$ 34,992,772</u>
<u>Reconciliation of Operating Income (Loss)</u>				
<u>to Net Cash Provided By (Used In) Operating Activities</u>				
Operating Income (Loss)	\$ 198,787	\$ (1,025,906)	\$ (33,206)	\$ (860,325)
Insurance Recovery	207,161	0	71,072	278,233
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	(178,088)	(37,262)	0	(215,350)
(Increase) Decrease in Due from Other Governments	0	(20,825)	0	(20,825)
(Increase) Decrease in Due from Other Funds	100,000	0	0	100,000
Increase (Decrease) in Accounts Payable	(15,005)	0	(9,590)	(24,595)
Increase (Decrease) in Due to Other Funds	0	(376)	(376)	(752)
Increase (Decrease) in Claims and Judgments Payable	(63,901)	335,139	0	271,238
Net Cash Provided By (Used In) Operating Activities	<u>\$ 248,954</u>	<u>\$ (749,230)</u>	<u>\$ 27,900</u>	<u>\$ (472,376)</u>
<u>Reconciliation of Cash with Statement of Net Position</u>				
Cash per Net Position	\$ 174,373	\$ 1,267,000	\$ 141,764	\$ 1,583,137
Equity in Pooled Cash and Investments per Net Position	1,465,756	30,027,586	1,916,293	33,409,635
Cash, June 30, 2013	<u>\$ 1,640,129</u>	<u>\$ 31,294,586</u>	<u>\$ 2,058,057</u>	<u>\$ 34,992,772</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.

City School ADA - Murfreesboro Fund – The City School ADA - Murfreesboro Fund is used to account for the city school system's share of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school system on a monthly basis.

Joint Venture Fund – The Joint Venture Fund is used to account for transactions of the Central Tennessee Solid Waste Planning Board for Rutherford, Cannon, Warren, and Coffee counties.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk; circuit, general sessions, and juvenile courts clerk; clerk and master; register; and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

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.

Rutherford County, Tennessee
 Combining Statement of Fiduciary Assets and Liabilities
 Fiduciary Funds
 June 30, 2013

Exhibit J-1

	Agency Funds							Total
	Cities - Sales Tax	City School ADA - Murfreesboro	Joint Venture	Constitu- tional Officers - Agency	District Attorney General			
ASSETS								
Cash	\$ 0	\$ 0	\$ 0	\$ 8,886,034	\$ 0	\$ 0	\$ 8,886,034	
Equity in Pooled Cash and Investments	0	283,543	12,633	0	338,322	0	634,498	
Investments	0	0	0	7,287	0	0	7,287	
Accounts Receivable	0	0	0	13,353	0	0	13,353	
Due from Other Governments	8,323,216	1,345,874	0	0	486	0	9,669,576	
Taxes Receivable	0	11,207,591	0	0	0	0	11,207,591	
Allowance for Uncollectible Taxes	0	(648,994)	0	0	0	0	(648,994)	
Total Assets	\$ 8,323,216	\$ 12,188,014	\$ 12,633	\$ 8,906,674	\$ 338,808	\$ 0	\$ 29,769,345	
LIABILITIES								
Due to Other Taxing Units	\$ 8,323,216	\$ 12,188,014	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,511,230	
Due to Joint Ventures	0	0	12,633	0	0	0	12,633	
Due to Litigants, Heirs, and Others	0	0	0	8,906,674	338,808	0	9,245,482	
Total Liabilities	\$ 8,323,216	\$ 12,188,014	\$ 12,633	\$ 8,906,674	\$ 338,808	\$ 0	\$ 29,769,345	

Exhibit J-2

Rutherford County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 48,432,366	\$ 48,432,366	\$ 0
Due from Other Governments	8,304,393	8,323,216	8,304,393	8,323,216
Total Assets	\$ 8,304,393	\$ 56,755,582	\$ 56,736,759	\$ 8,323,216
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 8,304,393	\$ 56,755,582	\$ 56,736,759	\$ 8,323,216
Total Liabilities	\$ 8,304,393	\$ 56,755,582	\$ 56,736,759	\$ 8,323,216
<u>City School ADA - Murfreesboro Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 228,977	\$ 18,685,960	\$ 18,631,394	\$ 283,543
Due from Other Governments	1,281,852	1,345,874	1,281,852	1,345,874
Taxes Receivable	11,226,647	11,207,591	11,226,647	11,207,591
Allowance for Uncollectible Taxes	(686,479)	(648,994)	(686,479)	(648,994)
Total Assets	\$ 12,050,997	\$ 30,590,431	\$ 30,453,414	\$ 12,188,014
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 12,050,997	\$ 30,590,431	\$ 30,453,414	\$ 12,188,014
Total Liabilities	\$ 12,050,997	\$ 30,590,431	\$ 30,453,414	\$ 12,188,014
<u>Joint Venture</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 12,823	\$ 0	\$ 190	\$ 12,633
Total Assets	\$ 12,823	\$ 0	\$ 190	\$ 12,633
<u>Liabilities</u>				
Due to Joint Ventures	\$ 12,823	\$ 0	\$ 190	\$ 12,633
Total Liabilities	\$ 12,823	\$ 0	\$ 190	\$ 12,633
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 7,456,486	\$ 64,627,854	\$ 63,198,306	\$ 8,886,034
Investments	7,277	7,287	7,277	7,287
Accounts Receivable	1,270	13,353	1,270	13,353
Total Assets	\$ 7,465,033	\$ 64,648,494	\$ 63,206,853	\$ 8,906,674
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 7,465,033	\$ 64,648,494	\$ 63,206,853	\$ 8,906,674
Total Liabilities	\$ 7,465,033	\$ 64,648,494	\$ 63,206,853	\$ 8,906,674

(Continued)

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 371,933	\$ 33,611	\$ 338,322
Due from Other Governments	0	486	0	486
Total Assets	\$ 0	\$ 372,419	\$ 33,611	\$ 338,808
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 0	\$ 372,419	\$ 33,611	\$ 338,808
Total Liabilities	\$ 0	\$ 372,419	\$ 33,611	\$ 338,808
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 7,456,486	\$ 64,627,854	\$ 63,198,306	\$ 8,886,034
Equity in Pooled Cash and Investments	241,800	67,490,259	67,097,561	634,498
Investments	7,277	7,287	7,277	7,287
Accounts Receivable	1,270	13,353	1,270	13,353
Due from Other Governments	9,586,245	9,669,576	9,586,245	9,669,576
Taxes Receivable	11,226,647	11,207,591	11,226,647	11,207,591
Allowance for Uncollectible Taxes	(686,479)	(648,994)	(686,479)	(648,994)
Total Assets	\$ 27,833,246	\$ 152,366,926	\$ 150,430,827	\$ 29,769,345
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 20,355,390	\$ 87,346,013	\$ 87,190,173	\$ 20,511,230
Due to Joint Ventures	12,823	0	190	12,633
Due to Litigants, Heirs, and Others	7,465,033	65,020,913	63,240,464	9,245,482
Total Liabilities	\$ 27,833,246	\$ 152,366,926	\$ 150,430,827	\$ 29,769,345

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, 2013

Functions/Programs	Program Revenues		Expenses	Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions		
Governmental Activities:				
Instruction	\$ 201,312,821	\$ 13,026,780	\$ 108,465,961	\$ (188,122,667)
Support Services	41,276	1,140,833	18,593,021	(107,283,852)
Operation of Non-Instructional Services	6,478,966	9,989,905	61,852	(2,124,150)
Other Debt Service	0	0		(61,852)
Total Governmental Activities	\$ 328,433,655	\$ 24,157,518	\$ 6,683,616	\$ (297,592,521)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 61,720,912
Payments in-lieu-of Tax				890,519
Local Option Sales Tax				43,798,031
Wheel Tax				3,429,990
Business Tax				1,750,331
Interstate Telecommunications Tax				19,034
Grants and Contributions Not Restricted for Specific Programs				167,391,458
Unrestricted Investment Income				89,005
Miscellaneous				45,636
Total General Revenues				\$ 279,134,916
Change in Net Position				\$ (18,457,605)
Net Position, July 1, 2012				436,528,422
Accounting Change - See Note V.B.				(12,785)
Net Position, June 30, 2013				\$ 418,058,032

Exhibit K-2

Rutherford County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Rutherford County School Department
 June 30, 2013

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Governmental Funds
<u>ASSETS</u>			
Cash	\$ 300	\$ 1,301,683	\$ 1,301,983
Equity in Pooled Cash and Investments	46,216,965	8,301,569	54,518,534
Inventories	0	232,691	232,691
Accounts Receivable	86,603	9,242	95,845
Due from Other Governments	8,114,423	1,439,267	9,553,690
Property Taxes Receivable	64,717,447	2,449,722	67,167,169
Allowance for Uncollectible Property Taxes	(3,746,279)	(143,145)	(3,889,424)
Prepaid Items	16,334	0	16,334
Total Assets	<u>\$ 115,405,793</u>	<u>\$ 13,591,029</u>	<u>\$ 128,996,822</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 3,656,158	\$ 224,511	\$ 3,880,669
Accrued Payroll	19,691,909	691,600	20,383,509
Payroll Deductions Payable	4,412	26	4,438
Due to Primary Government	3,448	0	3,448
Total Liabilities	<u>\$ 23,355,927</u>	<u>\$ 916,137</u>	<u>\$ 24,272,064</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 59,984,603	\$ 2,267,649	\$ 62,252,252
Deferred Delinquent Property Taxes	864,427	34,108	898,535
Other Deferred/Unavailable Revenue	3,690,055	0	3,690,055
Total Deferred Inflows of Resources	<u>\$ 64,539,085</u>	<u>\$ 2,301,757</u>	<u>\$ 66,840,842</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 232,691	\$ 232,691
Prepaid Items	16,334	0	16,334
Restricted:			
Restricted for Education	232,822	4,852,915	5,085,737
Restricted for Capital Projects	0	4,287,529	4,287,529
Committed:			
Committed for Education	0	1,000,000	1,000,000
Assigned:			
Assigned for Education	11,995,393	0	11,995,393
Unassigned	15,266,232	0	15,266,232
Total Fund Balances	<u>\$ 27,510,781</u>	<u>\$ 10,373,135</u>	<u>\$ 37,883,916</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 115,405,793</u>	<u>\$ 13,591,029</u>	<u>\$ 128,996,822</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, 2013

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)		\$ 37,883,916
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 8,467,427	
Add: construction in progress	47,089,091	
Add: buildings and improvements net of accumulated depreciation	366,185,615	
Add: intangible assets net of accumulated depreciation	176,759	
Add: other capital assets net of accumulated depreciation	<u>8,860,507</u>	430,779,399
(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 notes payable on primary government debt	\$ (994,102)	
Less: contributions due on capital leases payable on primary government debt	(1,372,849)	
Less: compensated absences payable	(1,363,576)	
Less: other postemployment benefits liability	<u>(51,463,346)</u>	(55,193,873)
(3) Certain earned amounts are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>4,588,590</u>
Net position of governmental activities (Exhibit A)		<u>\$ 418,058,032</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, 2013

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 109,303,483	\$ 2,425,100	\$ 111,728,583
Licenses and Permits	11,596	0	11,596
Charges for Current Services	148,973	6,445,722	6,594,695
Other Local Revenues	308,344	8,512	316,856
State of Tennessee	165,679,064	172,789	165,851,853
Federal Government	1,445,612	24,140,340	25,585,952
Other Governments and Citizens Groups	0	946,967	946,967
Total Revenues	\$ 276,897,072	\$ 34,139,430	\$ 311,036,502
<u>Expenditures</u>			
Current:			
Instruction	\$ 183,033,049	\$ 9,355,883	\$ 192,388,932
Support Services	87,576,080	5,218,502	92,794,582
Operation of Non-Instructional Services	2,235,739	16,509,626	18,745,365
Capital Outlay	34,743	0	34,743
Debt Service:			
Other Debt Service	1,124,255	0	1,124,255
Capital Projects	0	29,265,447	29,265,447
Total Expenditures	\$ 274,003,866	\$ 60,349,458	\$ 334,353,324
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,893,206	\$ (26,210,028)	\$ (23,316,822)
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 100,311	\$ 0	\$ 100,311
Transfers In	193,473	85,000	278,473
Transfers Out	(85,000)	(193,473)	(278,473)
Total Other Financing Sources (Uses)	\$ 208,784	\$ (108,473)	\$ 100,311
Net Change in Fund Balances	\$ 3,101,990	\$ (26,318,501)	\$ (23,216,511)
Fund Balance, July 1, 2012	24,408,791	36,691,636	61,100,427
Fund Balance, June 30, 2013	\$ 27,510,781	\$ 10,373,135	\$ 37,883,916

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, 2013

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)		\$ (23,216,511)
(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	\$ 26,065,560	
Less: current-year depreciation expense	<u>(12,284,820)</u>	13,780,740
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: capital asset disposals		(30,883)
(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, 2012	\$ (4,702,075)	
Add: deferred delinquent property taxes and other deferred June 30, 2013	<u>4,588,590</u>	(113,485)
(4) The issuance of long-term debt (e.g., notes, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Less: debt proceeds from primary government	\$ (946,967)	
Add: contribution payments on debt for primary government	<u>1,047,194</u>	100,227
(5) Governmental funds report the effect of premiums related to long-term debt issuance when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Add: change in premium on debt issuances		4,600
(6) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 10,609	
Change in other postemployment benefits liability	(8,848,669)	
Change in compensated absences payable	<u>(144,233)</u>	<u>(8,982,293)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (18,457,605)</u>

Rutherford County, Tennessee
 Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Rutherford County School Department
 June 30, 2013

Exhibit K-6

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Other Capital Projects	Total	
\$	0	1,301,683	1,301,683	0	0	0	1,301,683
Equity in Pooled Cash and Investments	510,258	3,500,482	4,010,740	1,666,449	2,624,380	4,290,829	8,301,569
Inventories	0	232,691	232,691	0	0	0	232,691
Accounts Receivable	0	8,740	8,740	502	0	502	9,242
Due from Other Governments	1,297,864	136,705	1,434,569	4,698	0	4,698	1,439,267
Property Taxes Receivable	0	0	0	2,449,722	0	2,449,722	2,449,722
Allowance for Uncollectible Property Taxes	0	0	0	(143,145)	0	(143,145)	(143,145)
Total Assets	\$ 1,808,122	\$ 5,180,301	\$ 6,988,423	\$ 3,978,226	\$ 2,624,380	\$ 6,602,606	\$ 13,591,029

ASSETS

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

Total Assets

LIABILITIES

Accounts Payable	114,296	96,895	211,191	13,320	0	13,320	224,511
Accrued Payroll	691,600	0	691,600	0	0	0	691,600
Payroll Deductions Payable	26	0	26	0	0	0	26
Total Liabilities	\$ 805,922	\$ 96,895	\$ 902,817	\$ 13,320	\$ 0	\$ 13,320	\$ 916,137

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	0	0	0	2,267,649	0	2,267,649	2,267,649
Deferred Delinquent Property Taxes	0	0	0	34,108	0	34,108	34,108
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 2,301,757	\$ 0	\$ 2,301,757	\$ 2,301,757

FUND BALANCES

Nonspendable:	0	232,691	232,691	0	0	0	232,691
Inventory	0	0	0	0	0	0	0
Restricted:	2,200	4,850,715	4,852,915	0	0	0	4,852,915
Restricted for Education	0	0	0	1,663,149	2,624,380	4,287,529	4,287,529
Restricted for Capital Projects	0	0	0	0	0	0	0
Committed:	1,000,000	0	1,000,000	0	0	0	1,000,000
Committed for Education	0	0	0	0	0	0	0
Total Fund Balances	\$ 1,002,200	\$ 5,083,406	\$ 6,085,606	\$ 1,663,149	\$ 2,624,380	\$ 4,287,529	\$ 10,373,135

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

\$ 1,808,122	\$ 5,180,301	\$ 6,988,423	\$ 3,978,226	\$ 2,624,380	\$ 6,602,606	\$ 13,591,029
--------------	--------------	--------------	--------------	--------------	--------------	---------------

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, 2013

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Other Capital Projects	Total	
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 2,425,100	\$ 0	\$ 2,425,100	\$ 2,425,100
Charges for Current Services	0	6,445,722	6,445,722	0	0	0	6,445,722
Other Local Revenues	0	8,512	8,512	0	0	0	8,512
State of Tennessee	0	172,789	172,789	0	0	0	172,789
Federal Government	14,330,224	9,810,116	24,140,340	0	0	0	24,140,340
Other Governments and Citizens Groups	0	0	0	0	946,967	946,967	946,967
Total Revenues	\$ 14,330,224	\$ 16,437,139	\$ 30,767,363	\$ 2,425,100	\$ 946,967	\$ 3,372,067	\$ 34,139,430
<u>Expenditures</u>							
Current:							
Instruction	\$ 9,355,883	\$ 0	\$ 9,355,883	\$ 0	\$ 0	\$ 0	\$ 9,355,883
Support Services	5,114,677	56,394	5,171,071	47,431	0	47,431	5,218,502
Operation of Non-Instructional Services	0	16,509,626	16,509,626	0	0	0	16,509,626
Capital Projects	0	0	0	2,065,294	27,200,153	29,265,447	29,265,447
Total Expenditures	\$ 14,470,560	\$ 16,566,020	\$ 31,036,580	\$ 2,112,725	\$ 27,200,153	\$ 29,312,878	\$ 60,349,458
Excess (Deficiency) of Revenues Over Expenditures	\$ (140,336)	\$ (128,881)	\$ (269,217)	\$ 312,375	\$ (26,253,186)	\$ (25,940,811)	\$ (26,210,028)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 85,000	\$ 85,000	\$ 85,000
Transfers Out	(146,980)	(46,493)	(193,473)	0	0	0	(193,473)
Total Other Financing Sources (Uses)	\$ (146,980)	\$ (46,493)	\$ (193,473)	\$ 0	\$ 85,000	\$ 85,000	\$ (108,473)
Net Change in Fund Balances Fund Balance, July 1, 2012	\$ (287,316)	\$ (175,374)	\$ (462,690)	\$ 312,375	\$ (26,168,186)	\$ (25,855,811)	\$ (26,318,501)
Fund Balance, July 1, 2012	1,289,516	5,258,780	6,548,296	1,350,774	28,792,566	30,143,340	36,691,636
Fund Balance, June 30, 2013	\$ 1,002,200	\$ 5,083,406	\$ 6,085,606	\$ 1,663,149	\$ 2,624,380	\$ 4,287,529	\$ 10,373,135

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, 2013

	Actual (GAAP Basis)	Less:		Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2012	0 \$			Original	Final	
Revenues								
Local Taxes	\$ 109,303,483	\$ 0	\$ 0	\$ 0	\$ 109,303,483	\$ 105,279,182	\$ 108,071,443	\$ 1,232,040
Licenses and Permits	11,596	0	0	0	11,596	11,500	11,500	96
Charges for Current Services	148,973	0	0	0	148,973	201,987	201,987	(53,014)
Other Local Revenues	308,344	0	0	0	308,344	142,793	251,599	56,745
State of Tennessee	165,679,064	0	0	0	165,679,064	163,329,703	163,673,444	2,005,620
Federal Government	1,445,612	0	0	0	1,445,612	1,237,850	1,454,085	(8,473)
Total Revenues	\$ 276,897,072	\$ 0	\$ 0	\$ 0	\$ 276,897,072	\$ 270,203,015	\$ 273,664,058	\$ 3,233,014
Expenditures								
Instruction								
Regular Instruction Program	\$ 147,005,934	\$ (1,654,645)	\$ 1,408,563	\$ 146,759,852	\$ 149,339,295	\$ 149,418,657	\$ 2,658,805	
Alternative Instruction Program	1,669,466	(611)	827	1,669,682	1,765,107	1,838,722	169,040	
Special Education Program	23,116,247	(1,749)	390	23,114,888	23,488,416	23,642,824	527,936	
Vocational Education Program	10,888,341	(561,304)	46,630	10,373,667	10,898,174	10,895,521	521,854	
Adult Education Program	353,061	0	0	353,061	522,953	522,953	169,892	
Support Services								
Attendance	626,845	(2,086)	4,683	629,442	688,650	691,650	62,208	
Health Services	3,545,954	0	0	3,545,954	3,568,228	3,611,840	65,886	
Other Student Support	7,848,662	(8,934)	6,189	7,845,917	8,073,916	8,073,115	227,198	
Regular Instruction Program	8,415,424	(18,100)	26,567	8,423,891	8,870,392	8,851,631	427,740	
Alternative Instruction Program	717,594	(4,384)	2,733	715,943	742,088	758,529	42,586	
Special Education Program	1,022,695	0	524	1,023,219	1,096,922	1,149,037	125,818	
Vocational Education Program	190,919	(4,216)	2,473	189,176	191,326	192,326	3,150	
Adult Programs	179,842	0	0	179,842	191,421	198,421	18,579	
Board of Education	4,786,308	0	0	4,786,308	5,029,844	5,032,251	245,943	
Director of Schools	422,468	(7,422)	4,671	419,717	512,708	512,708	92,991	
Office of the Principal	15,310,915	0	4,093	15,315,008	15,739,438	15,725,773	410,765	
Fiscal Services	850,766	(157)	2,580	853,189	878,512	873,698	20,509	

(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 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Human Services/Personnel	\$ 428,513	\$ 0	\$ 24	\$ 428,537	\$ 449,265	\$ 454,567	\$ 26,030
Operation of Plant	20,390,192	(25,349)	74,746	20,439,589	21,373,223	21,288,933	849,344
Maintenance of Plant	6,358,614	(170,922)	104,144	6,291,836	6,295,224	6,321,224	29,388
Transportation	14,008,153	(291)	22,528	14,030,390	13,894,481	14,074,790	44,400
Central and Other	2,472,216	(27,231)	27,372	2,472,357	2,571,276	2,585,866	113,509
<u>Operation of Non-Instructional Services</u>							
Community Services	35,152	0	0	35,152	40,000	40,000	4,848
Early Childhood Education	2,200,587	0	0	2,200,587	2,260,656	2,320,858	120,271
<u>Capital Outlay</u>							
Regular Capital Outlay	34,743	0	0	34,743	75,000	35,000	257
<u>Principal on Debt</u>							
Education	0	0	0	0	1,047,197	0	0
Interest on Debt	0	0	0	0	76,809	0	0
Education							
Other Debt Service							
Education	1,124,255	0	0	1,124,255	250	1,124,256	1
<u>Total Expenditures</u>	\$ 274,003,866	\$ (2,487,401)	\$ 1,739,737	\$ 273,256,202	\$ 279,680,771	\$ 280,235,150	\$ 6,978,948
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 2,893,206	\$ 2,487,401	\$ (1,739,737)	\$ 3,640,870	\$ (9,477,756)	\$ (6,571,092)	\$ 10,211,962
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 100,311	\$ 0	\$ 0	\$ 100,311	\$ 0	\$ 98,816	\$ 1,495
Transfers In	193,473	0	0	193,473	225,000	225,000	(31,527)
Transfers Out	(85,000)	0	0	(85,000)	0	(85,000)	0
<u>Total Other Financing Sources</u>	\$ 208,784	\$ 0	\$ 0	\$ 208,784	\$ 225,000	\$ 238,816	\$ (30,032)
<u>Net Change in Fund Balance</u>	\$ 3,101,990	\$ 2,487,401	\$ (1,739,737)	\$ 3,849,654	\$ (9,252,756)	\$ (6,332,276)	\$ 10,181,930
<u>Fund Balance, July 1, 2012</u>	24,408,791	(2,487,401)	0	21,921,390	21,654,992	21,654,992	266,398
<u>Fund Balance, June 30, 2013</u>	\$ 27,510,781	\$ 0	\$ (1,739,737)	\$ 25,771,044	\$ 12,402,236	\$ 15,322,716	\$ 10,448,328

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, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Federal Government	\$ 14,330,224	\$ 0	\$ 0	\$ 14,330,224	\$ 16,807,589	\$ 17,467,073	\$ (3,136,849)
Total Revenues	\$ 14,330,224	\$ 0	\$ 0	\$ 14,330,224	\$ 16,807,589	\$ 17,467,073	\$ (3,136,849)
Expenditures							
<u>Instruction</u>							
Regular Instruction Program	\$ 4,565,602	\$ (5,805)	\$ 0	\$ 4,559,797	\$ 4,325,181	\$ 5,149,968	\$ 590,171
Special Education Program	4,312,007	0	2,200	4,314,207	5,566,324	5,518,782	1,204,575
Vocational Education Program	478,274	0	0	478,274	474,137	478,278	4
<u>Support Services</u>							
Health Services	222,018	0	0	222,018	237,358	237,358	15,340
Other Student Support	917,506	0	0	917,506	946,789	969,154	51,648
Regular Instruction Program	1,756,339	(283,711)	0	1,472,628	2,078,451	1,885,705	413,077
Special Education Program	1,921,098	0	0	1,921,098	2,643,642	2,688,091	766,993
Vocational Education Program	13,498	0	0	13,498	18,893	14,760	1,262
Transportation	284,218	0	0	284,218	346,389	345,284	61,066
Total Expenditures	\$ 14,470,560	\$ (289,516)	\$ 2,200	\$ 14,183,244	\$ 16,637,164	\$ 17,287,380	\$ 3,104,136
Excess (Deficiency) of Revenues Over Expenditures	\$ (140,336)	\$ 289,516	\$ (2,200)	\$ 146,980	\$ 170,425	\$ 179,693	\$ (32,713)
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (146,980)	\$ 0	\$ 0	\$ (146,980)	\$ (171,071)	\$ (179,694)	\$ 32,714
Total Other Financing Sources	\$ (146,980)	\$ 0	\$ 0	\$ (146,980)	\$ (171,071)	\$ (179,694)	\$ 32,714
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ (287,316)	\$ 289,516	\$ (2,200)	\$ 0	\$ (646)	\$ (1)	\$ 1
Fund Balance, July 1, 2012	1,289,516	(289,516)	0	1,000,000	787,711	787,711	212,289
Fund Balance, June 30, 2013	\$ 1,002,200	\$ 0	\$ (2,200)	\$ 1,000,000	\$ 787,065	\$ 787,710	\$ 212,290

Exhibit K-10

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Rutherford County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 6,445,722	\$ 0	\$ 0	\$ 6,445,722	\$ 6,857,000	\$ 6,449,551	\$ (3,829)
Other Local Revenues	8,512	0	0	8,512	6,500	8,357	155
State of Tennessee	172,789	0	0	172,789	167,200	172,789	0
Federal Government	9,810,116	0	0	9,810,116	10,702,500	10,372,129	(562,013)
Total Revenues	\$ 16,437,139	\$ 0	\$ 0	\$ 16,437,139	\$ 17,733,200	\$ 17,002,826	\$ (565,687)
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 56,394	\$ 0	\$ 0	\$ 56,394	\$ 66,100	\$ 56,683	\$ 289
<u>Operation of Non-Instructional Services</u>							
Food Service	16,509,626	(21,412)	104,705	16,592,919	17,910,900	17,391,611	798,692
Total Expenditures	\$ 16,566,020	\$ (21,412)	\$ 104,705	\$ 16,649,313	\$ 17,977,000	\$ 17,448,294	\$ 798,981
Excess (Deficiency) of Revenues Over Expenditures	\$ (128,881)	\$ 21,412	\$ (104,705)	\$ (212,174)	\$ (243,800)	\$ (445,468)	\$ 233,294
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (46,493)	\$ 0	\$ 0	\$ (46,493)	\$ (56,200)	\$ (56,200)	\$ 9,707
Total Other Financing Sources	\$ (46,493)	\$ 0	\$ 0	\$ (46,493)	\$ (56,200)	\$ (56,200)	\$ 9,707
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ (175,374)	\$ 21,412	\$ (104,705)	\$ (258,667)	\$ (300,000)	\$ (501,668)	\$ 243,001
	5,258,780	(21,412)	0	5,237,368	5,237,368	5,237,368	0
Fund Balance, June 30, 2013	\$ 5,083,406	\$ 0	\$ (104,705)	\$ 4,978,701	\$ 4,937,368	\$ 4,735,700	\$ 243,001

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, 2013

	Actual (GAAP Basis)	Less:		Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2012	Encumbrances 6/30/2013			Original	Final	
<u>Revenues</u>								
Local Taxes	\$ 2,425,100	\$ 0	\$ 0	\$ 0	2,425,100	2,374,702	2,374,702	\$ 50,398
Total Revenues	\$ 2,425,100	\$ 0	\$ 0	\$ 0	2,425,100	2,374,702	2,374,702	\$ 50,398
<u>Expenditures</u>								
<u>Support Services</u>								
Board of Education	\$ 47,431	\$ 0	\$ 0	\$ 0	47,431	50,000	50,000	\$ 2,569
Capital Projects	2,065,294	(55,196)	416,184	416,184	2,426,282	2,330,027	2,510,223	83,941
Education Capital Projects	\$ 2,112,725	\$ (55,196)	\$ 416,184	\$ 416,184	\$ 2,473,713	\$ 2,380,027	\$ 2,560,223	\$ 86,510
Total Expenditures	\$ 312,375	\$ 55,196	\$ (416,184)	\$ (416,184)	\$ (48,613)	\$ (5,325)	\$ (185,521)	\$ 136,908
Excess (Deficiency) of Revenues Over Expenditures	\$ 312,375	\$ 55,196	\$ (416,184)	\$ (416,184)	\$ (48,613)	\$ (5,325)	\$ (185,521)	\$ 136,908
Net Change in Fund Balance Fund Balance, July 1, 2012	1,350,774	(55,196)	0	0	1,295,578	1,350,774	1,350,774	(55,196)
Fund Balance, June 30, 2013	\$ 1,663,149	\$ 0	\$ (416,184)	\$ (416,184)	\$ 1,246,965	\$ 1,345,449	\$ 1,165,253	\$ 81,712

Exhibit K-12

Rutherford County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Rutherford County School Department
Fiduciary Fund
June 30, 2013

	<u>Private- Purpose Trust Fund</u> <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, 2013

	Private- Purpose Trust Fund
	<u>Endowment Fund</u>
<u>ADDITIONS</u>	
Investment Income:	
Interest	\$ 168
Total Additions	<u>\$ 168</u>
<u>DEDUCTIONS</u>	
Education:	
Scholarship	\$ 168
Total Deductions	<u>\$ 168</u>
Change in Net Position	\$ 0
Net Position, July 1, 2012	<u>28,783</u>
Net Position, June 30, 2013	<u><u>\$ 28,783</u></u>

MISCELLANEOUS SCHEDULES

Exhibit L-1

Rutherford County, Tennessee
 Schedule of Changes in Long-term Notes, Capital Lease, and Bonds
 For the Year Ended June 30, 2013

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-12	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-13
NOTES PAYABLE									
Payable through General Debt Service Fund									
Refunding Notes, Series 2011	\$ 9,600,000	1.65 %	1-7-11	1-3-14	\$ 9,600,000	\$ 0	\$ 0	\$ 0	\$ 9,600,000
Payable by School Department Contributions from the General Purpose School Fund to the General Debt Service Fund									
Energy Efficiency Note	500,000	0	7-17-06	8-15-12	71,426	0	71,426	0	0
Energy Efficiency Note	1,109,188	3	7-22-10	4-1-16	865,034	0	216,180	0	648,854
Energy Efficiency Note	500,000	0	7-22-10	4-1-18	416,672	0	71,424	0	345,248
Total Notes Payable					\$ 10,953,132	\$ 0	\$ 359,030	\$ 0	\$ 10,594,102
CAPITAL LEASE PAYABLE									
Payable by School Department Contributions from the General Purpose School Fund to the General Debt Service Fund									
Energy Efficient Water Upgrade	1,461,013	3.7	6-15-12	6-15-20	\$ 514,046	\$ 946,967	\$ 88,164	\$ 0	\$ 1,372,849
Total Capital Lease Payable					\$ 514,046	\$ 946,967	\$ 88,164	\$ 0	\$ 1,372,849
BONDS PAYABLE									
Payable through General Debt Service Fund									
Various Purpose and Refunding (24.29%) School Facilities and Public Improvement Refunding Bonds	30,115,000	4.1446	4-1-03	2-27-13	\$ 5,940,000	\$ 0	\$ 5,940,000	\$ 0	\$ 0
School Facilities and Public Improvement Refunding Bonds	24,995,000	2.75 to 4.5	12-10-03	6-1-13	1,000,000	0	1,000,000	0	0
School Facilities and Public Improvement Refunding Bonds - School	42,400,000	3 to 5	11-1-04	4-1-21	31,550,000	0	4,330,000	14,865,000	12,355,000
General Obligation Bonds	53,500,000	2.5 to 5	12-1-04	4-1-30	23,500,000	0	1,650,000	18,350,000	3,500,000
School Facilities and Public Improvement Refunding Bonds	17,765,000	3.5 to 5	2-1-05	4-1-21	16,345,000	0	1,475,000	9,985,000	4,885,000
School Facilities and Public Improvement Refunding Bonds	64,220,000	4.375 to 5	6-1-06	6-1-26	26,385,000	0	2,610,000	17,220,000	6,555,000
School Facilities and Public Improvement Refunding Bonds	42,700,000	4.17	10-24-07	4-1-28	36,575,000	0	1,675,000	0	34,900,000
School Facilities and Public Improvement Refunding Bonds	41,325,000	3.67	5-28-09	4-1-29	37,095,000	0	1,620,000	0	35,475,000
School Facilities and Public Improvement Refunding Bonds	88,800,000	2.48	9-28-10	4-1-26	88,800,000	0	6,400,000	0	82,400,000
School Facilities, Public Improvement and Refunding	41,875,000	2.037	1-7-11	4-1-20	33,275,000	0	0	0	33,275,000
Refunding Bonds	69,280,000	2.4245	2-15-12	4-1-32	69,280,000	0	2,430,000	0	66,850,000
Refunding Bonds	38,410,000	2	2-27-13	4-1-30	0	38,410,000	0	0	38,410,000
Refunding Bonds	27,290,000	2	2-27-13	4-1-21	0	27,290,000	0	0	27,290,000

(Continued)

Exhibit L-1

Rutherford County, Tennessee
Schedule of Changes in Long-term Notes, Capital Lease, and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-12	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-13
BONDS PAYABLE (CONT.)									
<u>Payable by School Department Contributions from the General Purpose School Fund to the General Debt Service Fund</u>	\$ 4,035,000	3.7 to 4 %	12-1-05	2-1-13	\$ 600,000	\$ 0	\$ 600,000	\$ 0	\$ 0
School Facilities and Improvement					\$ 370,345,000	\$ 65,700,000	\$ 29,730,000	\$ 60,420,000	\$ 345,895,000
Total Bonds Payable					\$ 370,345,000	\$ 65,700,000	\$ 29,730,000	\$ 60,420,000	\$ 345,895,000

Exhibit L-2

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

Year Ending June 30	Notes		Total
	Principal	Interest	
2014	\$ 9,894,180	\$ 136,096	\$ 10,030,276
2015	300,948	9,648	310,596
2016	267,998	2,715	270,713
2017	71,424	0	71,424
2018	59,552	0	59,552
Total	\$ 10,594,102	\$ 148,459	\$ 10,742,561

Year Ending June 30	Capital Lease		Total
	Principal	Interest	
2014	\$ 190,511	\$ 49,050	\$ 239,561
2015	197,626	41,935	239,561
2016	205,005	34,555	239,560
2017	212,660	26,900	239,560
2018	220,602	18,959	239,561
2019	228,840	10,721	239,561
2020	117,605	2,177	119,782
Total	\$ 1,372,849	\$ 184,297	\$ 1,557,146

Year Ending June 30	Bonds		Total
	Principal	Interest	
2014	\$ 25,045,000	\$ 13,917,904	\$ 38,962,904
2015	26,430,000	12,608,687	39,038,687
2016	26,045,000	11,427,532	37,472,532
2017	25,890,000	10,232,680	36,122,680
2018	26,880,000	9,344,927	36,224,927
2019	24,900,000	8,394,465	33,294,465
2020	23,990,000	7,417,852	31,407,852
2021	23,785,000	6,514,662	30,299,662
2022	20,930,000	5,508,974	26,438,974
2023	20,120,000	4,524,275	24,644,275
2024	15,990,000	3,650,499	19,640,499
2025	16,505,000	3,005,012	19,510,012
2026	16,990,000	2,442,787	19,432,787

(Continued)

Exhibit L-2

Rutherford County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2027	\$ 12,495,000	\$ 1,771,950	\$ 14,266,950
2028	12,790,000	1,340,074	14,130,074
2029	10,420,000	884,736	11,304,736
2030	7,750,000	523,775	8,273,775
2031	4,400,000	273,875	4,673,875
2032	4,540,000	141,875	4,681,875
Total	<u>\$ 345,895,000</u>	<u>\$ 103,926,541</u>	<u>\$ 449,821,541</u>

Exhibit L-3

Rutherford County, Tennessee
Schedule of Investments
June 30, 2013

<u>Fund and Type</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
<u>General Capital Projects Fund</u>				
State Treasurer's Investment Pool	various	none	varies	\$ 60,899
<u>Constitutional Officers - Agency Fund</u>				
<u>Clerk and Master</u>				
State Treasurer's Investment Pool	various	none	varies	<u>7,287</u>
Total Investments				<u>\$ 68,186</u>

Rutherford County, Tennessee
Schedule of Notes Receivable
June 30, 2013

Exhibit L-4

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rates	Balance 6-30-13
Industrial/Economic Development Fund: Construction/Renovations	Smyrna/Rutherford County Airport	\$ 639,724	8-17-06	8-17-19	6 %	\$ 381,835
General Debt Service Fund: Rockvale Utility District Waterlines	City of Murfreesboro, Tennessee	1,820,785	Various	Various	0	<u>1,820,785</u>
Total						<u>\$ 2,202,620</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, 2013

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Capital projects	\$ 669,175
Special Purpose	"	"	4,500
General Capital Projects	General	"	4,289
Employee Insurance - Health	"	Operations	265,724
Workers' Compensation	"	"	265,724
Total Transfers Primary Government			<u>\$ 1,209,412</u>
<u>DISCRETELY PRESENTED RUTHERFORD COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Other Capital Projects	Capital projects	\$ 85,000
School Federal Projects	General Purpose School	Indirect cost	146,980
Central Cafeteria	"	Salaries and maintenance	46,493
Total Transfers Discretely Presented Rutherford County School Department			<u>\$ 278,473</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, 2013

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 120,938	\$ 60,000	Hartford Fire Insurance Company
Highway Superintendent:				
Mike Williams (7-1-12 through 8-31-12)	Section 8-24-102, TCA	19,197	100,000	Ohio Farmers Insurance Company
Greg Brooks (9-1-12 through 6-30-13)	Section 8-24-102, TCA	95,982	100,000	Hartford Fire Insurance Company
Director of Schools	State Board of Education and Local Board of Education	141,000 (1)		
Trustee	Section 8-24-102, TCA	95,189	10,904,500	"
Assessor of Property:				
Bill Boner (7-1-12 through 8-31-12)	Section 8-24-102, TCA	15,865	10,000	Ohio Farmers Insurance Company
Rob Mitchell (9-1-12 through 6-30-13)	Section 8-24-102, TCA	79,324	50,000	Hartford Fire Insurance Company
Director of Finance	County Commission	108,870 (2)	100,000	"
County Clerk	Section 8-24-102, TCA	95,189	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	104,708 (3)	100,000	"
Clerk and Master	and County Commission			
	Section 8-24-102, TCA, Chancery			
Register of Deeds	Court Judge and County Commission	95,664 (4)	100,000	Ohio Farmers Insurance Company
Sheriff	Section 8-24-102, TCA	95,189	100,000	Hartford Fire Insurance Company
	Section 8-24-102, TCA	115,779 (5)	25,000	"
<u>Other Bonds</u>				
Employee Blanket Bond			500,000	Great American Insurance Company

- (1) Includes a \$1,000 career ladder payment.
- (2) Includes longevity pay of \$400 and a salary supplement of \$1,800.
- (3) Includes \$9,519 for serving more than one court.
- (4) Includes longevity pay of \$475.
- (5) Includes a law enforcement training supplement of \$600.

Exhibit L-7

Rutherford County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2013

	Special Revenue Funds							
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 34,077,376	\$ 0	\$ 4,833,263	\$ 0	\$ 0	\$ 0	\$ 0	\$ 819,928
Trustee's Collections - Prior Year	667,123	0	94,619	0	0	0	0	16,052
Circuit/Clerk & Master Collections - Prior Years	643,097	0	91,212	0	0	0	0	15,473
Interest and Penalty	171,455	0	24,317	0	0	0	0	4,126
Pick-up Taxes	35,142	0	4,984	0	0	0	0	846
Payments in-Lieu-of Taxes - T.V.A.	3,587	0	509	0	0	0	0	86
Payments in-Lieu-of Taxes - Other	6,238,339	0	0	0	0	0	0	0
<u>County Local Option Taxes</u>								
Local Option Sales Tax	431,373	1,294,119	0	0	0	0	0	431,373
Hotel/Motel Tax	1,400,008	0	0	0	0	0	0	0
Wheel Tax	2,999,616	0	0	0	0	0	0	2,999,616
Litigation Tax - General	251,917	0	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0	0
Litigation Tax - Courtroom Security	634,869	0	0	0	0	0	0	0
Business Tax	1,001,020	0	141,977	0	0	0	0	24,085
Mineral Severance Tax	0	0	0	0	0	0	0	248,614
Adequate Facilities/Development Tax	1,605,000	0	0	0	0	0	0	0
<u>Statutory Local Taxes</u>								
Bank Excise Tax	86,437	0	0	0	0	0	0	0
Wholesale Beer Tax	831,967	0	0	0	0	0	0	0
Interstate Telecommunications Tax	6,856	0	0	0	0	0	0	0
Total Local Taxes	\$ 51,085,182	\$ 1,294,119	\$ 5,190,881	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,560,199
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Animal Registration	\$ 101,496	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Animal Vaccination	28,782	0	0	0	0	0	0	0
Cable TV Franchise	812,756	0	0	0	0	0	0	0
<u>Permits</u>								
Building Permits	586,778	0	0	0	0	0	0	0
Plumbing Permits	78,050	0	0	0	0	0	0	0
Other Permits	35,075	0	0	0	0	0	0	0
Total Licenses and Permits	\$ 1,642,937	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit L-7

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

	Special Revenue Funds							Highway / Public Works
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	Constitu- tional Officers - Fees	
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 34,967	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	497,570	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	79,986	0	0
Drug Court Fees	15,179	0	0	0	0	0	0	0
Jail Fees	236,434	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	2,710	0	0	0	0	0	0	0
Courtroom Security Fee	1,227	0	0	0	0	0	0	0
<u>Criminal Court</u>								
DUI Treatment Fines	5,359	0	0	0	0	0	0	0
Data Entry Fee - Criminal Court	1,616	0	0	0	0	0	0	0
Courtroom Security Fee	3,594	0	0	0	0	0	0	0
Victims Assistance Assessments	14,980	0	0	0	0	0	0	0
<u>General Sessions Court</u>								
Fines	517,130	0	0	0	0	0	0	0
Game and Fish Fines	1,541	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	168,156	0	0
Drug Court Fees	70,010	0	0	0	0	0	0	0
DUI Treatment Fines	68,396	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	87,068	0	0	0	0	0	0	0
Courtroom Security Fee	17,032	0	0	0	0	0	0	0
Victims Assistance Assessments	177,064	0	0	0	0	0	0	0
<u>Juvenile Court</u>								
Fines	4,687	0	0	0	0	0	0	0
Drug Control Fines	437	0	0	0	0	0	0	0
Drug Court Fees	9,200	0	0	0	0	0	0	0
Jail Fees	186,278	0	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	8,267	0	0	0	0	0	0	0
Courtroom Security Fee	3,788	0	0	0	0	0	0	0
<u>Chancery Court</u>								
Data Entry Fee - Chancery Court	19,024	0	0	0	0	0	0	0
<u>Other Courts - In-county</u>								
Fines	63,407	0	0	0	0	0	0	0
<u>Judicial District Drug Program</u>								
Victims Assistance Assessments	20,391	0	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	0	0	0	735,049	0	0
Total Fines, Forfeitures, and Penalties	\$ 2,067,356	\$ 0	\$ 0	\$ 0	\$ 0	\$ 983,191	\$ 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	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Tipping Fees	\$ 0	\$ 554,075	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - Host Agency	0	800,361	0	0	0	0	0	0
Patient Charges	0	0	6,313,148	0	0	0	0	0
Past Due Collections - Ambulance	0	0	46,163	0	0	0	0	0
Zoning Studies	60,010	0	0	0	0	0	0	0
Work Release Charges for Board Fees	56,694	0	0	0	0	0	0	0
Subdivision Lot Fees	52,050	0	0	0	0	0	0	0
Recreation Fees	812	0	0	0	0	0	0	0
Archives and Records Management Fee - County Clerk	125,074	0	0	0	0	0	0	0
Telephone Commissions	354,726	0	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	2,517,037	0
Data Processing Fee - Register	117,634	0	0	0	0	0	0	0
Probation Fees	60,522	0	0	0	0	0	0	0
Data Processing Fee - Sheriff	18,434	0	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	9,000	0	0	0	0	0	0	0
Data Processing Fee - County Clerk	20,568	0	0	0	0	0	0	0
<u>Education Charges</u>								
Contract for Administrative Services with Other LEAs	329,874	0	0	0	0	0	0	0
TBI Criminal Background Fees	52,395	0	0	0	0	0	0	0
<u>Other Charges for Services</u>								
Other Charges for Services	0	0	75,518	0	0	0	0	0
Total Charges for Current Services	\$ 1,257,793	\$ 1,354,436	\$ 6,434,829	\$ 0	\$ 0	\$ 0	\$ 2,517,037	\$ 0
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$ 189,379	\$ 0	\$ 0	\$ 24,698	\$ 147	\$ 651	\$ 0	\$ 16,350
Lease/Rentals	163,626	0	0	0	0	0	0	0
Sale of Materials and Supplies	10,148	0	1,650	0	0	167	0	32,411
Commissary Sales	76,620	0	0	0	0	0	0	0
Sale of Maps	12,655	0	0	0	0	0	0	0
Sale of Recycled Materials	18,846	325,937	0	0	0	0	0	0
Sale of Animals/Livestock	124,901	0	0	0	0	0	0	0
Miscellaneous Refunds	164,865	0	1,072	0	0	0	0	0
<u>Nonrecurring Items</u>								
Damages Recovered from Individuals	568	0	0	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	Constitutional Officers - Fees	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>								
Nonrecurring Items (Cont.)								
Contributions and Gifts	\$ 53,141	\$ 0	\$ 9,000	\$ 0	\$ 0	\$ 3,039	\$ 0	\$ 0
Performance Bond Forfeitures	69,226	0	0	0	0	0	0	0
Other Local Revenues	74,222	0	0	0	0	0	0	0
Total Other Local Revenues	\$ 958,197	\$ 325,937	\$ 11,722	\$ 24,698	\$ 147	\$ 3,857	\$ 0	\$ 48,761
<u>Fees Received from County Officials</u>								
Excess Fees								
Circuit Court Clerk	\$ 1,300,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	4,244,146	0	0	0	0	0	0	0
Fees in-Lieu-of-Salary								
County Clerk	2,802,016	0	0	0	0	0	0	0
Clerk and Master	708,568	0	0	0	0	0	0	0
Register	1,711,301	0	0	0	0	0	0	0
Sheriff	137,902	0	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 10,903,933	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>								
General Government Grants	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Juvenile Services Program	0	9,248	0	0	0	0	0	0
Solid Waste Grants								
Public Safety Grants	119,400	0	0	0	0	0	0	0
Law Enforcement Training Programs								
Health and Welfare Grants	1,587,981	0	0	0	0	0	0	0
Public Works Grants								
State Aid Program	0	0	0	0	0	0	0	471,600
Litter Program	0	110,500	0	0	0	0	0	0
Other State Revenues								
Flood Control	0	0	0	0	0	0	0	13,711
Income Tax	297,751	0	0	0	0	0	0	0
Beer Tax	18,586	0	0	0	0	0	0	0
Alcoholic Beverage Tax	304,165	0	0	0	0	0	0	0
Mixed Drink Tax	19,682	0	0	0	0	0	0	0
Contracted Prisoner Boarding	3,900,595	0	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0	3,554,146

(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	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>								
Other State Revenues (Cont.)								
Petroleum Special Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 189,481
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0
Other State Grants	564,090	0	0	0	0	0	0	0
Other State Revenues	94,550	249,719	0	0	0	0	0	0
Total State of Tennessee	\$ 6,930,964	\$ 369,467	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,228,938
<u>Federal Government</u>								
Federal Through State								
Community Development	\$ 181,748	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	64,350	0	0	0	0	0	0	0
Homeland Security Grants	554,332	0	0	0	0	0	0	0
Law Enforcement Grants	31,313	0	0	0	0	0	0	0
Other Federal through State	329,019	0	0	0	0	0	0	0
Direct Federal Revenue								
Police Service (Lake Area)	32,011	0	0	0	0	0	0	0
Asset Forfeiture Funds	45,335	0	0	0	50,288	0	0	0
Other Direct Federal Revenue	201,886	0	0	0	0	0	0	0
Total Federal Government	\$ 1,439,994	\$ 0	\$ 0	\$ 0	\$ 50,288	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>								
Other Governments								
Prisoner Board	\$ 22,587	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	143,070	0	280,000	0	0	0	0	0
Contracted Services	429,141	0	0	0	0	0	0	0
Citizens Groups								
Donations	13,000	0	0	0	0	0	0	0
Other	500	0	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 608,298	\$ 0	\$ 280,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 76,894,654	\$ 3,343,959	\$ 11,917,432	\$ 24,698	\$ 50,435	\$ 987,048	\$ 2,517,037	\$ 8,837,898

(Continued)

Exhibit L-7

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

	Debt Service Fund		Capital Projects Fund		Total
	General	Debt Service	General	Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax		\$ 34,782,227	\$ 0	\$ 0	\$ 74,512,794
Trustee's Collections - Prior Year		680,922	0	0	1,458,716
Circuit/Clerk & Master Collections - Prior Years		656,399	0	0	1,406,181
Interest and Penalty		175,001	0	0	374,899
Pick-up Taxes		35,868	0	0	76,840
Payments in-Lieu-of Taxes - T.V.A.		3,661	0	0	7,843
Payments in-Lieu-of Taxes - Other		0	0	0	6,238,339
<u>County Local Option Taxes</u>					
Local Option Sales Tax		0	0	0	2,156,865
Hotel/Motel Tax		0	0	0	1,400,008
Wheel Tax		0	0	0	5,999,232
Litigation Tax - General		688,386	0	0	940,303
Litigation Tax - Jail, Workhouse, or Courthouse		874,103	0	0	874,103
Litigation Tax - Courtroom Security		0	0	0	634,869
Business Tax		1,021,725	0	0	2,188,807
Mineral Severance Tax		0	0	0	248,614
Adequate Facilities/Development Tax		1,605,000	0	0	3,210,000
<u>Statutory Local Taxes</u>					
Bank Excise Tax		0	0	0	86,437
Wholesale Beer Tax		0	0	0	831,967
Interstate Telecommunications Tax		0	0	0	6,856
Total Local Taxes		\$ 40,523,292	\$ 0	\$ 0	\$ 102,653,673
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration		0	0	0	101,496
Animal Vaccination		0	0	0	28,782
Cable TV Franchise		0	0	0	812,756
<u>Permits</u>					
Building Permits		0	0	0	586,778
Plumbing Permits		0	0	0	78,050
Other Permits		0	0	0	35,075
Total Licenses and Permits		0	0	0	1,642,937

(Continued)

Exhibit L-7

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

	Debt Service Fund		Capital Projects Fund		Total
	General	Debt Service	General	Capital Projects	
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines		\$ 0	\$ 0	\$ 0	34,967
Officers Costs		0	0	0	497,570
Drug Control Fines		0	0	0	79,986
Drug Court Fees		0	0	0	15,179
Jail Fees		0	0	0	236,434
Data Entry Fee - Circuit Court		0	0	0	2,710
Courtroom Security Fee		0	0	0	1,227
<u>Criminal Court</u>					
DUI Treatment Fines		0	0	0	5,359
Data Entry Fee - Criminal Court		0	0	0	1,616
Courtroom Security Fee		0	0	0	3,594
Victims Assistance Assessments		0	0	0	14,980
<u>General Sessions Court</u>					
Fines		0	0	0	517,130
Game and Fish Fines		0	0	0	1,541
Drug Control Fines		0	0	0	168,156
Drug Court Fees		0	0	0	70,010
DUI Treatment Fines		0	0	0	68,396
Data Entry Fee - General Sessions Court		0	0	0	87,068
Courtroom Security Fee		0	0	0	17,032
Victims Assistance Assessments		0	0	0	177,064
<u>Juvenile Court</u>					
Fines		0	0	0	4,687
Drug Control Fines		0	0	0	437
Drug Court Fees		0	0	0	9,200
Jail Fees		0	0	0	186,278
Data Entry Fee - Juvenile Court		0	0	0	8,267
Courtroom Security Fee		0	0	0	3,788
<u>Chancery Court</u>					
Data Entry Fee - Chancery Court		0	0	0	19,024
<u>Other Courts - In-county</u>					
Fines		0	0	0	63,407
<u>Judicial District Drug Program</u>					
Victims Assistance Assessments		0	0	0	20,391
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property		0	0	0	735,049
Total Fines, Forfeitures, and Penalties		0	0	0	3,050,547

(Continued)

Exhibit L-7

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

	Debt Service Fund		Capital Projects Fund		Total
	General	Debt Service	General	Capital Projects	
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees		0 \$	0 \$	0 \$	554,075
Surcharge - Host Agency		0	0	0	800,361
Patient Charges		0	0	0	6,313,148
Past Due Collections - Ambulance		0	0	0	46,163
Zoning Studies		0	0	0	60,010
Work Release Charges for Board Fees		0	0	0	56,694
Subdivision Lot Fees		0	0	0	52,050
Recreation Fees		0	0	0	812
Archives and Records Management Fee - County Clerk		0	0	0	125,074
Telephone Commissions		0	0	0	354,726
Constitutional Officers' Fees and Commissions		0	0	0	2,517,037
Data Processing Fee - Register		0	0	0	117,634
Probation Fees		0	0	0	60,522
Data Processing Fee - Sheriff		0	0	0	18,434
Sexual Offender Registration Fees - Sheriff		0	0	0	9,000
Data Processing Fee - County Clerk		0	0	0	20,568
Education Charges					
Contract for Administrative Services with Other LEAs		0	0	0	329,874
TBI Criminal Background Fees		0	0	0	52,395
<u>Other Charges for Services</u>					
Other Charges for Services		0 \$	0 \$	0 \$	75,518
Total Charges for Current Services		0 \$	0 \$	0 \$	11,564,095
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income		79,415 \$	197 \$	0	310,837
Lease/Rentals		130,204	0	0	293,830
Sale of Materials and Supplies		0	0	0	44,376
Commissary Sales		0	0	0	76,620
Sale of Maps		0	0	0	12,655
Sale of Recycled Materials		0	0	0	344,783
Sale of Animals/Livestock		0	0	0	124,901
Miscellaneous Refunds		264	790	0	166,991
<u>Nonrecurring Items</u>					
Damages Recovered from Individuals		0	0	0	568

(Continued)

Exhibit L-7

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

	Debt Service Fund		Capital Projects Fund		Total
	General	Debt Service	General	Capital Projects	
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items (Cont.)</u>					
Contributions and Gifts	0	0	0	0	65,180
Performance Bond Forfeitures	0	0	95,725	0	164,951
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	74,222
Total Other Local Revenues	0	0	96,712	0	1,679,914
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
Circuit Court Clerk	0	0	0	0	1,300,000
Trustee	0	0	0	0	4,244,146
<u>Fees in-Lieu-of Salary</u>					
County Clerk	0	0	0	0	2,802,016
Clerk and Master	0	0	0	0	708,568
Register	0	0	0	0	1,711,301
Sheriff	0	0	0	0	137,902
Total Fees Received from County Officials	0	0	0	0	10,903,933
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	0	0	0	0	9,000
Solid Waste Grants	0	0	0	0	9,248
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	119,400
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	1,587,981
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	471,600
Litter Program	0	0	0	0	110,500
<u>Other State Revenues</u>					
Flood Control	0	0	0	0	13,711
Income Tax	0	0	0	0	297,751
Beer Tax	0	0	0	0	18,586
Alcoholic Beverage Tax	0	0	0	0	304,165
Mixed Drink Tax	0	0	0	0	19,682
Contracted Prisoner Boarding	0	0	0	0	3,900,595
Gasoline and Motor Fuel Tax	0	0	0	0	3,554,146

(Continued)

Exhibit L-7

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

	Debt Service Fund		Capital Projects Fund		Total
	General	Debt Service	General	Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Petroleum Special Tax		0 \$	0 \$	0 \$	189,481
Registrar's Salary Supplement		0	0	0	15,164
Other State Grants		0	0	0	564,090
Other State Revenues		0	0	0	344,269
Total State of Tennessee		0 \$	0 \$	0 \$	11,529,369
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development		0 \$	0 \$	0 \$	181,748
Civil Defense Reimbursement		0	0	0	64,350
Homeland Security Grants		0	0	0	554,332
Law Enforcement Grants		0	0	0	31,313
Other Federal through State		0	0	0	329,019
<u>Direct Federal Revenue</u>		0	0	0	32,011
Police Service (Lake Area)		0	0	0	95,623
Asset Forfeiture Funds		0	346,257	0	548,143
Other Direct Federal Revenue		0	0	0	0
Total Federal Government		0 \$	346,257 \$	0 \$	1,836,539
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board		0 \$	0 \$	0 \$	22,587
Contributions		1,124,002	145,000	0	1,692,072
Contracted Services		0	0	0	429,141
<u>Citizens Groups</u>		0	0	0	13,000
Donations		0	0	0	0
<u>Other</u>		0	0	0	500
Total Other Governments and Citizens Groups		1,124,002 \$	145,000 \$	0 \$	2,157,300
Total		41,857,177 \$	587,969 \$	147,018,307 \$	

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, 2013

	Special Revenue Funds		Capital Projects Funds			Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 57,164,421	\$ 0	\$ 0	\$ 2,258,395	\$ 0	\$ 59,422,816
Trustee's Collections - Prior Year	1,117,299	0	0	44,156	0	1,161,455
Circuit/Clerk & Master Collections - Prior Years	1,084,080	0	0	42,470	0	1,126,550
Interest and Penalty	286,394	0	0	11,325	0	297,719
Pick-up Taxes	58,908	0	0	2,327	0	61,235
Payments in-Lieu-of Taxes - T. V.A.	6,044	0	0	237	0	6,281
Payments in-Lieu-of Taxes - Local Utilities	890,519	0	0	0	0	890,519
<u>County Local Option Taxes</u>						
Local Option Sales Tax	43,562,653	0	0	0	0	43,562,653
Wheel Tax	3,429,990	0	0	0	0	3,429,990
Business Tax	1,684,141	0	0	66,190	0	1,750,331
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	19,034	0	0	0	0	19,034
Total Local Taxes	\$ 109,303,483	\$ 0	\$ 0	\$ 2,425,100	\$ 0	\$ 111,728,583
<u>Licenses and Permits</u>						
Licenses	\$ 11,596	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,596
Marriage Licenses	11,596	0	0	0	0	11,596
Total Licenses and Permits	\$ 23,192	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,192
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Summer School	\$ 70,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 70,500
Tuition - Other	49,606	0	0	0	0	49,606
Lunch Payments - Children	0	0	4,624,402	0	0	4,624,402
Lunch Payments - Adults	0	0	251,991	0	0	251,991
Income from Breakfast	0	0	775,082	0	0	775,082
A la carte Sales	0	0	791,139	0	0	791,139
Contract for Administrative Services with Other LEAs	8,022	0	0	0	0	8,022
<u>Other Charges for Services</u>						
Other Charges for Services	20,845	0	3,108	0	0	23,953
Total Charges for Current Services	\$ 148,973	\$ 0	\$ 6,445,722	\$ 0	\$ 0	\$ 6,594,695

(Continued)

Exhibit L-8

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

	Special Revenue Funds			Capital Projects Funds			Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects		
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 81,751	\$ 0	\$ 7,254	\$ 0	\$ 0	\$ 0	\$ 89,005
Lease/Rentals	36,352	0	0	0	0	0	36,352
Sale of Materials and Supplies	20,431	0	0	0	0	0	20,431
Miscellaneous Refunds	41,763	0	1,023	0	0	0	42,786
<u>Nonrecurring Items</u>							
Sale of Equipment	2,615	0	235	0	0	0	2,850
Contributions and Gifts	93,294	0	0	0	0	0	93,294
<u>Other Local Revenues</u>							
Other Local Revenues	32,138	0	0	0	0	0	32,138
<u>Total Other Local Revenues</u>	<u>\$ 308,344</u>	<u>\$ 0</u>	<u>\$ 8,512</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 316,856</u>
<u>State of Tennessee</u>							
<u>State Education Funds</u>							
Basic Education Program	\$ 160,024,013	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 160,024,013
Early Childhood Education	995,177	0	0	0	0	0	995,177
School Food Service	0	0	172,789	0	0	0	172,789
Driver Education	195,059	0	0	0	0	0	195,059
Other State Education Funds	580,479	0	0	0	0	0	580,479
Career Ladder Program	910,072	0	0	0	0	0	910,072
Career Ladder - Extended Contract	142,500	0	0	0	0	0	142,500
<u>Other State Revenues</u>							
Mixed Drink Tax	505,309	0	0	0	0	0	505,309
State Revenue Sharing - T.V.A.	2,312,637	0	0	0	0	0	2,312,637
Other State Grants	13,398	0	0	0	0	0	13,398
Other State Revenues	420	0	0	0	0	0	420
<u>Total State of Tennessee</u>	<u>\$ 165,679,064</u>	<u>\$ 0</u>	<u>\$ 172,789</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 165,851,853</u>
<u>Federal Government</u>							
<u>Federal Through State</u>							
USDA School Lunch Program	\$ 0	\$ 0	\$ 7,042,621	\$ 0	\$ 0	\$ 0	\$ 7,042,621
USDA - Commodities	0	0	497,501	0	0	0	497,501
Breakfast	0	0	2,095,207	0	0	0	2,095,207
USDA - Other	0	0	174,787	0	0	0	174,787
Vocational Education - Basic Grants to States	0	549,173	0	0	0	0	549,173
Title I Grants to Local Education Agencies	0	4,438,328	0	0	0	0	4,438,328

(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>								
Special Education - Grants to States	\$ 691,326	\$ 7,297,746	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,989,072	
Special Education - Preschool Grants	0	52,634	0	0	0	0	52,634	
English Language Acquisition Grants	0	274,601	0	0	0	0	274,601	
Education for Homeless Children and Youth	0	90,000	0	0	0	0	90,000	
Eisenhower Professional Development State Grants	0	631,533	0	0	0	0	631,533	
ARRA Grant # 1	0	2,500	0	0	0	0	2,500	
Race-to-the-Top - ARRA	0	880,907	0	0	0	0	880,907	
Other Federal through State	221,699	112,802	0	0	0	0	334,501	
Direct Federal Revenue	532,587	0	0	0	0	0	532,587	
ROTC Reimbursement	1,445,612	14,330,224	9,810,116	0	0	0	25,585,952	
Total Federal Government	\$ 1,445,612	\$ 14,330,224	\$ 9,810,116	\$ 0	\$ 0	\$ 0	\$ 25,585,952	
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Contributions	0	0	0	0	0	946,967	946,967	
Total Other Governments and Citizens Groups	0	0	0	0	0	946,967	946,967	
Total	\$ 276,897,072	\$ 14,330,224	\$ 16,437,139	\$ 2,425,100	\$ 946,967	\$ 311,036,502		

Exhibit L-9

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2013

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	83,550	
Other Per Diem and Fees		80,400	
Social Security		9,653	
Employer Medicare		2,378	
Dues and Memberships		35,686	
Other Contracted Services		6,000	
Total County Commission			\$ 217,667

Board of Equalization

Board and Committee Members Fees	\$	4,100	
Social Security		254	
Employer Medicare		59	
Total Board of Equalization			4,413

County Mayor/Executive

County Official/Administrative Officer	\$	120,938	
Assistant(s)		13,955	
Secretary(ies)		135,928	
Part-time Personnel		7,200	
Longevity Pay		2,025	
Social Security		16,126	
State Retirement		34,624	
Employee and Dependent Insurance		27,895	
Disability Insurance		476	
Employer Medicare		3,914	
Architects		14,302	
Communication		189	
Dues and Memberships		2,625	
Operating Lease Payments		7,560	
Legal Notices, Recording, and Court Costs		7,431	
Maintenance and Repair Services - Office Equipment		1,439	
Postal Charges		2,180	
Travel		349	
Duplicating Supplies		1,315	
Office Supplies		5,755	
Other Charges		61,211	
Total County Mayor/Executive			467,437

Personnel Office

County Official/Administrative Officer	\$	88,000	
Assistant(s)		66,109	
Part-time Personnel		8,487	
Longevity Pay		100	
Social Security		9,977	
State Retirement		19,569	
Employee and Dependent Insurance		15,572	
Disability Insurance		298	
Employer Medicare		2,333	
Advertising		63	
Communication		763	

(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.)

Dues and Memberships	\$	660	
Evaluation and Testing		29,624	
Maintenance Agreements		943	
Postal Charges		357	
Travel		1,760	
Other Contracted Services		300	
Gasoline		254	
Office Supplies		2,126	
Other Supplies and Materials		640	
Other Charges		5,303	
Total Personnel Office			\$ 253,238

County Attorney

County Official/Administrative Officer	\$	72,000	
Secretary(ies)		33,430	
Longevity Pay		700	
Social Security		6,360	
State Retirement		13,468	
Employee and Dependent Insurance		20,912	
Disability Insurance		192	
Employer Medicare		1,487	
Legal Services		275,237	
Total County Attorney			423,786

Election Commission

County Official/Administrative Officer	\$	85,670	
Part-time Personnel		5,301	
Longevity Pay		1,600	
Overtime Pay		9,496	
Other Salaries and Wages		236,925	
Election Commission		9,850	
Election Workers		198,404	
In-Service Training		3,100	
Social Security		28,871	
State Retirement		42,346	
Employee and Dependent Insurance		45,200	
Disability Insurance		596	
Unemployment Compensation		703	
Employer Medicare		6,771	
Communication		4,901	
Data Processing Services		1,575	
Dues and Memberships		507	
Legal Notices, Recording, and Court Costs		18,414	
Maintenance Agreements		22,255	
Maintenance and Repair Services - Office Equipment		693	
Postal Charges		15,667	
Printing, Stationery, and Forms		18,303	
Rentals		1,100	
Travel		5,266	
Data Processing Supplies		2,776	

(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.)

Office Supplies	\$	14,420	
Data Processing Equipment		17,337	
Total Election Commission			\$ 798,047

Register of Deeds

County Official/Administrative Officer	\$	95,189	
Deputy(ies)		543,647	
Part-time Personnel		37,505	
Longevity Pay		5,650	
In-Service Training		225	
Social Security		38,693	
State Retirement		81,785	
Employee and Dependent Insurance		130,840	
Disability Insurance		1,179	
Employer Medicare		9,539	
Communication		1,200	
Data Processing Services		83,942	
Maintenance Agreements		11,606	
Postal Charges		5,627	
Travel		200	
Other Contracted Services		8,404	
Data Processing Supplies		9,650	
Office Supplies		8,497	
Data Processing Equipment		184,955	
Furniture and Fixtures		939	
Total Register of Deeds			1,259,272

Planning

County Official/Administrative Officer	\$	91,642	
Assistant(s)		182,113	
Supervisor/Director		70,860	
Secretary(ies)		117,359	
Part-time Personnel		9,865	
Longevity Pay		2,300	
Board and Committee Members Fees		28,200	
In-Service Training		3,277	
Social Security		30,319	
State Retirement		57,821	
Employee and Dependent Insurance		65,715	
Disability Insurance		819	
Employer Medicare		7,090	
Communication		1,952	
Consultants		28,686	
Dues and Memberships		10,856	
Legal Notices, Recording, and Court Costs		4,508	
Maintenance Agreements		9,041	
Postal Charges		2,312	
Printing, Stationery, and Forms		620	
Data Processing Supplies		1,335	
Gasoline		3,782	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Office Supplies	\$	5,895	
Periodicals		1,586	
Other Supplies and Materials		1,086	
Total Planning			\$ 739,039

Codes Compliance

Communication	\$	406	
Total Codes Compliance			406

Geographical Information Systems

Data Processing Personnel	\$	211,280	
Part-time Personnel		29,687	
Longevity Pay		1,300	
Overtime Pay		2,488	
Social Security		14,631	
State Retirement		27,292	
Employee and Dependent Insurance		34,806	
Disability Insurance		391	
Employer Medicare		3,422	
Data Processing Services		44,424	
Maintenance Agreements		241,585	
Postal Charges		25	
Travel		7,187	
Data Processing Supplies		16,640	
Data Processing Equipment		5,046	
Other Capital Outlay		780,577	
Total Geographical Information Systems			1,420,781

County Buildings

Supervisor/Director	\$	66,635	
Clerical Personnel		30,930	
Custodial Personnel		87,228	
Maintenance Personnel		151,409	
Part-time Personnel		229,217	
Longevity Pay		2,500	
Overtime Pay		7,321	
Social Security		34,808	
State Retirement		43,815	
Employee and Dependent Insurance		101,643	
Disability Insurance		760	
Unemployment Compensation		1,885	
Employer Medicare		8,141	
Communication		56,750	
Contracts with Government Agencies		97,000	
Maintenance and Repair Services - Buildings		34,308	
Travel		1,284	
Other Contracted Services		88,268	
Custodial Supplies		42,259	
Gasoline		18,960	
Utilities		551,896	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Other Supplies and Materials	\$	83,676	
Building Improvements		126,472	
Maintenance Equipment		6,399	
Total County Buildings			\$ 1,873,564

Other General Administration

Supervisor/Director	\$	73,664	
Teachers		104,088	
Salary Supplements		4,500	
Longevity Pay		1,450	
Social Security		11,112	
State Retirement		23,312	
Employee and Dependent Insurance		13,971	
Disability Insurance		329	
Employer Medicare		2,599	
Communication		2	
Maintenance Agreements		772	
Riprap		2,680	
Other Supplies and Materials		1,164	
Total Other General Administration			239,643

Preservation of Records

County Official/Administrative Officer	\$	45,050	
Part-time Personnel		7,630	
Longevity Pay		125	
Social Security		3,146	
State Retirement		5,733	
Employee and Dependent Insurance		12,381	
Disability Insurance		83	
Employer Medicare		736	
Communication		758	
Dues and Memberships		525	
Maintenance Agreements		320	
Postal Charges		194	
Office Supplies		1,620	
Other Supplies and Materials		4,515	
Other Charges		25,702	
Furniture and Fixtures		76,921	
Office Equipment		2,918	
Total Preservation of Records			188,357

Risk Management

Supervisor/Director	\$	75,910	
Clerical Personnel		164,520	
Longevity Pay		1,200	
Other Salaries and Wages		121,725	
Board and Committee Members Fees		3,900	
Social Security		21,974	
State Retirement		46,110	
Employee and Dependent Insurance		62,929	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

Risk Management (Cont.)

Disability Insurance	\$	670	
Employer Medicare		5,149	
Communication		1,777	
Maintenance Agreements		1,145	
Postal Charges		2,036	
Travel		1,878	
Gasoline		565	
Office Supplies		4,432	
Building and Contents Insurance		99,029	
Liability Insurance		450,384	
Premiums on Corporate Surety Bonds		580	
Other Charges		17,404	
Office Equipment		6,817	
Total Risk Management			\$ 1,090,134

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	106,670	
Accountants/Bookkeepers		438,464	
Salary Supplements		7,200	
Clerical Personnel		25,550	
Part-time Personnel		27,965	
Longevity Pay		5,700	
Overtime Pay		3,247	
Other Salaries and Wages		60,958	
Board and Committee Members Fees		1,200	
Social Security		40,733	
State Retirement		82,204	
Employee and Dependent Insurance		91,783	
Disability Insurance		1,169	
Employer Medicare		9,526	
Audit Services		78,781	
Communication		294	
Dues and Memberships		2,329	
Maintenance Agreements		1,375	
Maintenance and Repair Services - Equipment		243	
Postal Charges		11,201	
Travel		5,529	
Other Contracted Services		910	
Office Supplies		25,428	
Total Accounting and Budgeting			1,028,459

Property Assessor's Office

County Official/Administrative Officer	\$	95,189	
Deputy(ies)		892,316	
Salary Supplements		5,500	
Part-time Personnel		5,076	
Longevity Pay		5,675	
Overtime Pay		17	
In-Service Training		2,728	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Social Security	\$	60,066	
State Retirement		124,962	
Employee and Dependent Insurance		175,663	
Disability Insurance		1,795	
Employer Medicare		14,121	
Communication		1,060	
Data Processing Services		84,529	
Dues and Memberships		2,600	
Maintenance Agreements		31,034	
Postal Charges		5,218	
Travel		162	
Data Processing Supplies		59	
Office Supplies		17,155	
Other Supplies and Materials		2,170	
Data Processing Equipment		57,980	
Furniture and Fixtures		880	
Office Equipment		276	
Total Property Assessor's Office			\$ 1,586,231

Reappraisal Program

Deputy(ies)	\$	317,503	
Longevity Pay		2,425	
Social Security		18,972	
State Retirement		40,599	
Employee and Dependent Insurance		69,744	
Disability Insurance		589	
Employer Medicare		4,437	
Communication		5,879	
Postal Charges		7,680	
Data Processing Supplies		3,657	
Gasoline		22,903	
Other Supplies and Materials		4,197	
Total Reappraisal Program			498,585

County Trustee's Office

Communication	\$	249	
Data Processing Services		5,700	
Legal Notices, Recording, and Court Costs		200	
Maintenance Agreements		792	
Postal Charges		35,571	
Office Supplies		6,476	
Tax Relief Program		513,477	
Data Processing Equipment		229	
Total County Trustee's Office			562,694

County Clerk's Office

County Official/Administrative Officer	\$	95,189	
Deputy(ies)		1,324,572	
Part-time Personnel		11,945	
Longevity Pay		11,925	

(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.)

Social Security	\$	86,728	
State Retirement		181,186	
Employee and Dependent Insurance		250,383	
Disability Insurance		2,588	
Unemployment Compensation		7,041	
Employer Medicare		20,284	
Communication		18,927	
Data Processing Services		16,491	
Maintenance Agreements		3,944	
Maintenance and Repair Services - Equipment		1,442	
Postal Charges		48,703	
Travel		803	
Other Contracted Services		9,200	
Gasoline		1,366	
Office Supplies		37,724	
Other Supplies and Materials		2,325	
Data Processing Equipment		8,343	
Office Equipment		8,551	
Total County Clerk's Office			\$ 2,149,660

Data Processing

County Official/Administrative Officer	\$	102,010	
Data Processing Personnel		637,547	
Part-time Personnel		65,753	
Longevity Pay		2,350	
Overtime Pay		5,685	
Social Security		49,258	
State Retirement		94,974	
Employee and Dependent Insurance		107,747	
Disability Insurance		1,346	
Employer Medicare		11,520	
Communication		124,208	
Data Processing Services		175,352	
Dues and Memberships		1,766	
Maintenance Agreements		64,993	
Postal Charges		6	
Travel		3,947	
Data Processing Supplies		57,071	
Gasoline		985	
Data Processing Equipment		584,663	
Other Equipment		29,860	
Total Data Processing			2,121,041

Administration of Justice

Circuit Court

Jury and Witness Expense	\$	44,046	
Communication		3,467	
Data Processing Services		119,010	
Legal Services		12,211	
Maintenance Agreements		5,960	

(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.)

Postal Charges	\$	25,737	
Office Supplies		42,079	
Other Charges		124,748	
Data Processing Equipment		645,429	
Furniture and Fixtures		181	
Office Equipment		11,863	
Total Circuit Court			\$ 1,034,731

Circuit Court Judge

Assistant(s)	\$	48,250	
Deputy(ies)		120,808	
Longevity Pay		250	
Overtime Pay		219	
Social Security		10,244	
State Retirement		21,409	
Employee and Dependent Insurance		37,113	
Disability Insurance		316	
Employer Medicare		2,396	
Postal Charges		215	
Other Supplies and Materials		160	
Total Circuit Court Judge			241,380

General Sessions Court

Judge(s)	\$	459,231	
Assistant(s)		49,930	
Deputy(ies)		106,000	
Part-time Personnel		21,134	
Longevity Pay		2,275	
Overtime Pay		1,999	
Other Salaries and Wages		320,447	
Social Security		51,256	
State Retirement		119,301	
Employee and Dependent Insurance		103,280	
Disability Insurance		1,486	
Employer Medicare		13,641	
Communication		2,955	
Data Processing Services		19,600	
Dues and Memberships		2,861	
Evaluation and Testing		4,200	
Maintenance Agreements		2,554	
Maintenance and Repair Services - Office Equipment		165	
Postal Charges		34	
Travel		9,999	
Library Books/Media		376	
Office Supplies		7,111	
Uniforms		1,150	
Data Processing Equipment		13,925	
Total General Sessions Court			1,314,910

(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

Assistant(s)	\$	45,050	
Supervisor/Director		59,495	
Secretary(ies)		25,621	
Part-time Personnel		28,585	
Longevity Pay		1,000	
Other Salaries and Wages		115,610	
Social Security		16,401	
State Retirement		31,316	
Employee and Dependent Insurance		42,132	
Disability Insurance		453	
Employer Medicare		3,836	
Communication		3,497	
Dues and Memberships		200	
Licenses		1,010	
Maintenance Agreements		1,002	
Postal Charges		503	
Office Supplies		2,471	
Other Supplies and Materials		19,871	
In Service/Staff Development		1,134	
Office Equipment		5,679	
Total Drug Court			\$ 404,866

Chancery Court

County Official/Administrative Officer	\$	95,189	
Deputy(ies)		393,695	
Attendants		28,146	
Part-time Personnel		41,353	
Longevity Pay		3,650	
Overtime Pay		4,352	
Jury and Witness Expense		4,596	
Social Security		34,345	
State Retirement		66,659	
Employee and Dependent Insurance		66,532	
Disability Insurance		954	
Employer Medicare		8,032	
Communication		2,707	
Data Processing Services		14,176	
Dues and Memberships		828	
Maintenance Agreements		7,824	
Maintenance and Repair Services - Equipment		316	
Postal Charges		22,508	
Travel		1,460	
Other Contracted Services		587	
Office Supplies		19,962	
Other Supplies and Materials		754	
Office Equipment		7,664	
Total Chancery Court			826,289

Juvenile Court

Judge(s)	\$	153,077	
----------	----	---------	--

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Deputy(ies)	\$	31,705	
Secretary(ies)		35,910	
Part-time Personnel		33,738	
Longevity Pay		200	
Other Salaries and Wages		92,263	
Social Security		18,567	
State Retirement		39,739	
Employee and Dependent Insurance		32,837	
Disability Insurance		487	
Employer Medicare		4,938	
Communication		790	
Dues and Memberships		2,571	
Maintenance Agreements		630	
Postal Charges		282	
Travel		1,747	
Other Contracted Services		41,911	
Library Books/Media		2,527	
Office Supplies		2,465	
Uniforms		400	
Other Supplies and Materials		2,802	
Total Juvenile Court			\$ 499,586

District Attorney General

Assistant(s)	\$	54,985	
Longevity Pay		200	
Social Security		3,229	
State Retirement		7,003	
Employee and Dependent Insurance		12,381	
Disability Insurance		102	
Employer Medicare		755	
Data Processing Services		3,956	
Dues and Memberships		400	
Total District Attorney General			83,011

Office of Public Defender

Contracts with Government Agencies	\$	35,000	
Postal Charges		338	
Total Office of Public Defender			35,338

Probation Services

County Official/Administrative Officer	\$	63,280	
Assistant(s)		47,435	
Youth Service Officer(s)		144,942	
Secretary(ies)		29,330	
Longevity Pay		1,700	
In-Service Training		1,217	
Social Security		17,090	
State Retirement		36,380	
Employee and Dependent Insurance		61,987	
Disability Insurance		528	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Employer Medicare	\$	3,997	
Communication		1,739	
Contracts with Private Agencies		464,144	
Data Processing Services		4,350	
Maintenance Agreements		584	
Postal Charges		85	
Travel		288	
Office Supplies		1,956	
Other Supplies and Materials		658	
Total Probation Services			\$ 881,690

Victims Assistance Programs

Assistant(s)	\$	43,740	
Part-time Personnel		33,514	
Other Salaries and Wages		42,710	
In-Service Training		627	
Social Security		7,420	
State Retirement		10,971	
Employee and Dependent Insurance		4,705	
Disability Insurance		160	
Employer Medicare		1,735	
Communication		696	
Dues and Memberships		400	
Maintenance Agreements		1,195	
Postal Charges		8	
Other Contracted Services		4,315	
Office Supplies		1,105	
Total Victims Assistance Programs			153,301

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	115,179	
Assistant(s)		412,276	
Deputy(ies)		37,450	
Detective(s)		838,777	
Captain(s)		398,759	
Lieutenant(s)		906,356	
Youth Service Officer(s)		1,437,262	
Sergeant(s)		1,667,818	
Accountants/Bookkeepers		281,510	
Salary Supplements		118,800	
Dispatchers/Radio Operators		634,819	
Clerical Personnel		520,075	
Part-time Personnel		434,086	
Longevity Pay		59,075	
Overtime Pay		848,682	
Other Salaries and Wages		3,021,679	
In-Service Training		160,321	
Social Security		707,603	
State Retirement		1,431,421	

(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.)

Employee and Dependent Insurance	\$	1,985,568	
Disability Insurance		18,891	
Unemployment Compensation		4,344	
Employer Medicare		165,514	
Communication		171,676	
Contracts with Private Agencies		19,082	
Data Processing Services		340,652	
Dues and Memberships		9,043	
Maintenance Agreements		15,091	
Maintenance and Repair Services - Equipment		60,702	
Maintenance and Repair Services - Vehicles		129,739	
Postal Charges		10,778	
Printing, Stationery, and Forms		9,953	
Rentals		36,000	
Other Contracted Services		16,395	
Data Processing Supplies		13,602	
Gasoline		826,329	
Instructional Supplies and Materials		13,149	
Law Enforcement Supplies		71,217	
Office Supplies		41,913	
Periodicals		5,291	
Uniforms		105,123	
Vehicle Parts		188,408	
Other Supplies and Materials		39,019	
Judgments		13,478	
Other Charges		8,447	
Communication Equipment		110,269	
Data Processing Equipment		147,911	
Law Enforcement Equipment		81,471	
Motor Vehicles		230,041	
Office Equipment		22,757	
Total Sheriff's Department			\$ 18,943,801
<u>Special Patrols</u>			
Nightwatchmen	\$	32,065	
Social Security		1,964	
State Retirement		4,068	
Employer Medicare		459	
Total Special Patrols			38,556
<u>Traffic Control</u>			
Maintenance and Repair Services - Equipment	\$	4,445	
Utilities		11,773	
Total Traffic Control			16,218
<u>Administration of the Sexual Offender Registry</u>			
Longevity Pay	\$	325	
Overtime Pay		6,012	
Other Salaries and Wages		41,200	
Social Security		2,753	

(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.)

State Retirement	\$	6,032	
Employee and Dependent Insurance		9,223	
Disability Insurance		73	
Employer Medicare		644	
Office Supplies		122	
Other Charges		1,800	
Total Administration of the Sexual Offender Registry			\$ 68,184

Jail

Assistant(s)	\$	68,970	
Captain(s)		54,520	
Lieutenant(s)		301,086	
Sergeant(s)		379,766	
Guards		3,744,993	
Clerical Personnel		40,505	
Maintenance Personnel		130,520	
Part-time Personnel		19,862	
Longevity Pay		23,325	
Overtime Pay		250,466	
Other Salaries and Wages		498,908	
In-Service Training		19,811	
Social Security		330,681	
State Retirement		697,708	
Employee and Dependent Insurance		1,132,476	
Disability Insurance		9,566	
Unemployment Compensation		13,562	
Employer Medicare		77,337	
Dues and Memberships		80	
Maintenance Agreements		53,515	
Maintenance and Repair Services - Buildings		387,463	
Maintenance and Repair Services - Equipment		34,932	
Printing, Stationery, and Forms		6,910	
Transportation - Other than Students		21,153	
Other Contracted Services		3,591,662	
Custodial Supplies		117,320	
Data Processing Supplies		21,518	
Food Preparation Supplies		100,526	
Food Supplies		1,194,703	
Law Enforcement Supplies		11,904	
Office Supplies		14,067	
Prisoners Clothing		83,709	
Uniforms		37,210	
Utilities		621,949	
Other Supplies and Materials		11,479	
Building Improvements		376,776	
Communication Equipment		152	
Data Processing Equipment		66,042	
Maintenance Equipment		3,376	
Office Equipment		3,990	
Other Equipment		24,884	
Total Jail			14,579,382

(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	\$	65,490	
Captain(s)		58,470	
Lieutenant(s)		45,330	
Sergeant(s)		263,114	
Guards		1,050,215	
Secretary(ies)		29,850	
Clerical Personnel		122,092	
Part-time Personnel		13,432	
Longevity Pay		4,850	
Overtime Pay		14,978	
Board and Committee Members Fees		4,400	
In-Service Training		15,365	
Social Security		100,605	
State Retirement		208,559	
Employee and Dependent Insurance		340,194	
Disability Insurance		2,926	
Unemployment Compensation		4,888	
Employer Medicare		23,532	
Communication		7,066	
Dues and Memberships		408	
Evaluation and Testing		2,069	
Operating Lease Payments		780	
Maintenance Agreements		29,254	
Maintenance and Repair Services - Buildings		21,305	
Maintenance and Repair Services - Equipment		28,626	
Medical and Dental Services		280	
Postal Charges		282	
Other Contracted Services		682,437	
Custodial Supplies		22,065	
Data Processing Supplies		5,349	
Equipment and Machinery Parts		221	
Gasoline		10,376	
Law Enforcement Supplies		6,267	
Office Supplies		8,192	
Prisoners Clothing		20,292	
Uniforms		7,527	
Utilities		237,799	
Other Supplies and Materials		19,636	
Data Processing Equipment		27,713	
Total Workhouse			\$ 3,506,234

Juvenile Services

County Official/Administrative Officer	\$	67,780
Captain(s)		53,565
Lieutenant(s)		46,980
Sergeant(s)		215,777
Guards		216,696
Secretary(ies)		37,815
Attendants		500,049
Part-time Personnel		16,284

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Longevity Pay	\$	3,475	
Overtime Pay		30,143	
Other Salaries and Wages		25,815	
In-Service Training		3,048	
Social Security		73,603	
State Retirement		148,427	
Employee and Dependent Insurance		204,421	
Disability Insurance		2,098	
Unemployment Compensation		3,406	
Employer Medicare		17,214	
Communication		2,266	
Data Processing Services		7,775	
Maintenance Agreements		7,121	
Maintenance and Repair Services - Buildings		399	
Maintenance and Repair Services - Equipment		532	
Maintenance and Repair Services - Vehicles		1,446	
Medical and Dental Services		48,269	
Postal Charges		353	
Printing, Stationery, and Forms		1,154	
Travel		1,124	
Other Contracted Services		47,189	
Gasoline		375	
Instructional Supplies and Materials		25,641	
Office Supplies		785	
Uniforms		7,847	
Other Supplies and Materials		57,867	
Other Charges		9,656	
Total Juvenile Services			\$ 1,886,395

Rural Fire Protection

County Official/Administrative Officer	\$	63,280
Salary Supplements		600
Longevity Pay		100
Social Security		3,806
State Retirement		8,119
Employee and Dependent Insurance		13,275
Disability Insurance		117
Employer Medicare		890
Communication		26,007
Contributions		2,000
Dues and Memberships		1,048
Evaluation and Testing		9,304
Maintenance Agreements		18,695
Maintenance and Repair Services - Buildings		15,627
Maintenance and Repair Services - Equipment		4,153
Maintenance and Repair Services - Vehicles		62,453
Pest Control		593
Postal Charges		20
Travel		2,159
Other Contracted Services		397,500

(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.)

Custodial Supplies	\$	1,898	
Data Processing Supplies		1,865	
Diesel Fuel		48,897	
Gasoline		8,809	
Instructional Supplies and Materials		1,989	
Office Supplies		3,979	
Uniforms		45,432	
Utilities		26,029	
Other Supplies and Materials		20,071	
Other Charges		23,063	
Communication Equipment		1,719	
Data Processing Equipment		5,377	
Motor Vehicles		1,466	
Other Equipment		46,648	
Total Rural Fire Protection			\$ 866,988

Disaster Relief

County Official/Administrative Officer	\$	69,542	
Assistant(s)		29,337	
Supervisor/Director		46,980	
Secretary(ies)		39,140	
Longevity Pay		1,100	
In-Service Training		8,050	
Social Security		11,195	
State Retirement		22,060	
Employee and Dependent Insurance		25,293	
Disability Insurance		325	
Employer Medicare		2,618	
Communication		23,729	
Dues and Memberships		256	
Maintenance Agreements		3,430	
Maintenance and Repair Services - Vehicles		2,037	
Postal Charges		21	
Printing, Stationery, and Forms		45	
Other Contracted Services		370	
Data Processing Supplies		1,359	
Diesel Fuel		306	
Electricity		7,217	
Gasoline		6,303	
Instructional Supplies and Materials		299	
Office Supplies		1,846	
Uniforms		2,168	
Other Supplies and Materials		26,766	
Communication Equipment		6,100	
Data Processing Equipment		10,886	
Other Equipment		584,903	
Total Disaster Relief			933,681

Inspection and Regulation

County Official/Administrative Officer	\$	76,465	
--	----	--------	--

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Inspection and Regulation (Cont.)

Deputy(ies)	\$	353,838	
Salary Supplements		5,000	
Clerical Personnel		103,340	
Longevity Pay		4,325	
Social Security		32,864	
State Retirement		68,903	
Employee and Dependent Insurance		80,300	
Disability Insurance		997	
Employer Medicare		7,686	
Communication		4,074	
Dues and Memberships		1,638	
Maintenance Agreements		2,979	
Postal Charges		732	
Printing, Stationery, and Forms		1,320	
Travel		2,597	
Other Contracted Services		3,161	
Gasoline		13,942	
Office Supplies		4,310	
Uniforms		460	
Other Supplies and Materials		997	
In Service/Staff Development		1,579	
Total Inspection and Regulation			\$ 771,507

Public Health and Welfare

Local Health Center

Longevity Pay	\$	1,750	
Other Salaries and Wages		223,141	
Social Security		13,478	
State Retirement		28,539	
Employee and Dependent Insurance		54,657	
Disability Insurance		414	
Employer Medicare		3,152	
Communication		16,962	
Contracts with Government Agencies		128,375	
Maintenance and Repair Services - Buildings		11,770	
Maintenance and Repair Services - Equipment		3,880	
Travel		3,820	
Other Contracted Services		48,174	
Drugs and Medical Supplies		9,564	
Utilities		69,274	
Other Supplies and Materials		15,964	
Total Local Health Center			632,914

Rabies and Animal Control

County Official/Administrative Officer	\$	61,060
Supervisor/Director		69,740
Attendants		396,341
Part-time Personnel		101,714
Longevity Pay		750
Overtime Pay		31,942

(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.)

Other Salaries and Wages	\$	52,994	
Social Security		43,691	
State Retirement		77,833	
Employee and Dependent Insurance		100,217	
Disability Insurance		1,057	
Unemployment Compensation		5,032	
Employer Medicare		10,218	
Advertising		613	
Communication		16,173	
Dues and Memberships		1,180	
Maintenance Agreements		13,739	
Maintenance and Repair Services - Buildings		9,100	
Maintenance and Repair Services - Vehicles		12,354	
Postal Charges		107	
Travel		3,038	
Veterinary Services		14,805	
Other Contracted Services		75,000	
Animal Food and Supplies		9,846	
Custodial Supplies		12,004	
Drugs and Medical Supplies		61,834	
Gasoline		41,001	
Office Supplies		5,840	
Uniforms		1,039	
Utilities		48,225	
Other Supplies and Materials		7,218	
Refunds		116	
Communication Equipment		716	
Data Processing Equipment		4,248	
Other Equipment		39,471	
Total Rabies and Animal Control			\$ 1,330,256

Dental Health Program

Medical and Dental Services	\$	8,460	
Total Dental Health Program			8,460

Other Local Health Services

Medical Personnel	\$	1,072,282	
Longevity Pay		5,550	
Social Security		64,345	
State Retirement		127,394	
Employee and Dependent Insurance		281,614	
Disability Insurance		1,916	
Employer Medicare		15,049	
Travel		19,831	
Total Other Local Health Services			1,587,981

General Welfare Assistance

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

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management

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

Other Public Health and Welfare

Medical and Dental Services	\$ 15,600	
Other Contracted Services	224,100	
Liability Insurance	1,639	
Total Other Public Health and Welfare		241,339

Social, Cultural, and Recreational Services

Adult Activities

Contributions	\$ 32,000	
Total Adult Activities		32,000

Senior Citizens Assistance

Contributions	\$ 1,500	
Total Senior Citizens Assistance		1,500

Libraries

Contributions	\$ 1,183,500	
Total Libraries		1,183,500

Parks and Fair Boards

Supervisor/Director	\$ 30,000	
Other Salaries and Wages	151,855	
Board and Committee Members Fees	2,700	
Social Security	9,582	
Employer Medicare	2,677	
Contributions	141,900	
Matching Share	17,000	
Postal Charges	125	
Travel	2,229	
Other Contracted Services	40,000	
Equipment and Machinery Parts	9,574	
Office Supplies	100	
Other Supplies and Materials	1,558	
Total Parks and Fair Boards		409,300

Other Social, Cultural, and Recreational

Contributions	\$ 637,642	
Total Other Social, Cultural, and Recreational		637,642

Agriculture and Natural Resources

Agriculture Extension Service

Teachers	\$ 75,493	
Secretary(ies)	73,333	
Longevity Pay	975	
Other Salaries and Wages	57,409	
Board and Committee Members Fees	950	
Social Security	12,491	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

State Retirement	\$	26,295	
Employee and Dependent Insurance		32,052	
Disability Insurance		389	
Employer Medicare		2,922	
Advertising		400	
Communication		2,913	
Contracts with Government Agencies		241,124	
Data Processing Services		263	
Postal Charges		2,982	
Travel		1,555	
Other Contracted Services		1,944	
Fertilizer, Lime, and Seed		1,997	
Gasoline		3,332	
Office Supplies		4,131	
Utilities		95,996	
Other Supplies and Materials		8,124	
Total Agriculture Extension Service			\$ 647,070

Soil Conservation

Assistant(s)	\$	39,140	
Part-time Personnel		35,168	
Longevity Pay		350	
Social Security		4,554	
State Retirement		5,011	
Employee and Dependent Insurance		9,626	
Disability Insurance		72	
Employer Medicare		1,065	
Contributions		15,000	
Total Soil Conservation			109,986

Storm Water Management

Assistant(s)	\$	63,349	
Part-time Personnel		15,302	
Longevity Pay		175	
In-Service Training		825	
Social Security		4,634	
State Retirement		8,100	
Employee and Dependent Insurance		10,493	
Disability Insurance		111	
Employer Medicare		1,084	
Communication		1,853	
Contracts with Private Agencies		33,707	
Dues and Memberships		1,752	
Travel		996	
Other Contracted Services		2,296	
Data Processing Supplies		387	
Gasoline		1,355	
Office Supplies		569	
Other Supplies and Materials		2,676	
Data Processing Equipment		1,566	
Total Storm Water Management			151,230

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Other Operations

Tourism

Contributions	\$	470,700	
Total Tourism			\$ 470,700

Other Economic and Community Development

Contracts with Other Public Agencies	\$	12,600	
Other Contracted Services		169,126	
Total Other Economic and Community Development			181,726

Other Charges

Mechanic(s)	\$	46,150	
Laborers		63,596	
Longevity Pay		725	
Overtime Pay		1,032	
Social Security		6,838	
State Retirement		14,150	
Employee and Dependent Insurance		16,032	
Disability Insurance		208	
Employer Medicare		1,599	
Communication		983	
Equipment and Machinery Parts		549	
Gasoline		4,714	
Utilities		18,403	
Vehicle Parts		32,846	
Other Supplies and Materials		11,681	
Total Other Charges			219,506

Employee Benefits

Unemployment Compensation	\$	422	
Other Fringe Benefits		230,485	
Workers' Compensation Insurance		276,500	
Total Employee Benefits			507,407

Payments to Cities

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

ARRA Grant # 6

Maintenance and Repair Services - Buildings	\$	97,487	
Total ARRA Grant # 6			97,487

Miscellaneous

Judgments	\$	721,700	
Trustee's Commission		943,432	
Land		61,773	
Total Miscellaneous			1,726,905

Total General Fund			\$ 76,177,987
--------------------	--	--	---------------

(Continued)

Exhibit L-9

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Laborers	\$	24,875	
Part-time Personnel		13,725	
Longevity Pay		150	
Overtime Pay		87	
Other Salaries and Wages		41,950	
Social Security		4,858	
State Retirement		8,510	
Employee and Dependent Insurance		13,143	
Disability Insurance		124	
Employer Medicare		1,136	
Travel		164	
Gasoline		13,978	
Instructional Supplies and Materials		1,790	
Other Supplies and Materials		7,278	
Total Sanitation Education/Information			\$ 131,768

Convenience Centers

Supervisor/Director	\$	64,386
Foremen		40,210
Truck Drivers		362,117
Laborers		373,876
Clerical Personnel		35,540
Longevity Pay		2,450
Overtime Pay		16,737
Social Security		54,197
State Retirement		65,057
Employee and Dependent Insurance		135,136
Disability Insurance		904
Unemployment Compensation		317
Employer Medicare		12,678
Advertising		622
Communication		15,254
Contracts with Private Agencies		14,819
Evaluation and Testing		287
Maintenance and Repair Services - Buildings		874
Maintenance and Repair Services - Equipment		15,112
Maintenance and Repair Services - Vehicles		134,460
Postal Charges		33
Rentals		19,482
Towing Services		2,505
Travel		100
Crushed Stone		443
Diesel Fuel		236,706
Equipment and Machinery Parts		55,826
Gasoline		7,787
Lubricants		3,457
Tires and Tubes		66,427
Uniforms		5,828
Utilities		18,194
Fencing		11

(Continued)

Exhibit L-9

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Other Supplies and Materials	\$	7,294	
Data Processing Equipment		270	
Land		223,176	
Site Development		5,746	
Solid Waste Equipment		14,613	
Total Convenience Centers			\$ 2,012,931

Other Waste Collection

Laborers	\$	25,107	
Part-time Personnel		25,512	
Overtime Pay		175	
Social Security		3,119	
State Retirement		3,195	
Employee and Dependent Insurance		4,304	
Disability Insurance		43	
Employer Medicare		729	
Contracts with Private Agencies		1,408	
Other Supplies and Materials		2,499	
Total Other Waste Collection			66,091

Landfill Operation and Maintenance

Mechanic(s)	\$	37,160	
Laborers		23,029	
Clerical Personnel		30,930	
Longevity Pay		725	
Overtime Pay		2,956	
Social Security		5,555	
State Retirement		12,030	
Employee and Dependent Insurance		32,671	
Disability Insurance		168	
Employer Medicare		1,299	
Communication		2,915	
Contracts with Private Agencies		126,194	
Engineering Services		17,137	
Maintenance and Repair Services - Equipment		5,630	
Postal Charges		20	
Rentals		1,374	
Travel		456	
Disposal Fees		194,427	
Crushed Stone		14,811	
Data Processing Supplies		1,394	
Diesel Fuel		14,956	
Equipment Parts - Light		380	
Equipment and Machinery Parts		10,424	
Lubricants		1,920	
Tires and Tubes		1,415	
Uniforms		2,506	
Utilities		5,046	
Vehicle Parts		15	
Other Supplies and Materials		1,835	
Total Landfill Operation and Maintenance			549,378

(Continued)

Exhibit L-9

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Postclosure Care Costs

Contracts with Private Agencies	\$	160,447	
Engineering Services		17,610	
Contracts for Postclosure Care Costs		5,075	
Crushed Stone		2,927	
Fertilizer, Lime, and Seed		590	
Testing		6,775	
Other Supplies and Materials		2,036	
Total Postclosure Care Costs			\$ 195,460

Other Operations

Employee Benefits

Workers' Compensation Insurance	\$	24,040	
Total Employee Benefits			24,040

Miscellaneous

Building and Contents Insurance	\$	2,901	
Judgments		11,000	
Liability Insurance		8,252	
Trustee's Commission		28,990	
Total Miscellaneous			51,143

Total Solid Waste/Sanitation Fund \$ 3,030,811

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	85,643	
Supervisor/Director		1,222,206	
Accountants/Bookkeepers		197,422	
Paraprofessionals		3,839,944	
Dispatchers/Radio Operators		365,143	
Maintenance Personnel		29,850	
Part-time Personnel		333,684	
Longevity Pay		28,750	
Overtime Pay		223,736	
In-Service Training		37,974	
Social Security		381,866	
State Retirement		761,095	
Employee and Dependent Insurance		1,051,192	
Disability Insurance		7,901	
Employer Medicare		89,309	
Communication		130,792	
Contracts with Private Agencies		53,772	
Evaluation and Testing		7,999	
Maintenance and Repair Services - Buildings		29,661	
Maintenance and Repair Services - Vehicles		139,919	
Medical and Dental Services		12,710	
Pest Control		5,268	
Postal Charges		2,744	
Printing, Stationery, and Forms		875	

(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.)

Travel	\$	1,224	
Other Contracted Services		328,718	
Custodial Supplies		13,706	
Data Processing Supplies		4,153	
Drugs and Medical Supplies		249,556	
Gasoline		219,462	
Instructional Supplies and Materials		6,025	
Office Supplies		8,366	
Uniforms		36,555	
Utilities		95,691	
Other Supplies and Materials		25,647	
Refunds		53,204	
Trustee's Commission		167,266	
In Service/Staff Development		12,508	
Other Charges		60,297	
Communication Equipment		5,830	
Data Processing Equipment		12,226	
Office Equipment		9,659	
Health Equipment		277,212	
Total Ambulance/Emergency Medical Services			\$ 10,626,760

Total Ambulance Service Fund \$ 10,626,760

Industrial/Economic Development Fund

Other Operations

Industrial Development

Contracts with Other Public Agencies	\$	130,000	
Contributions		96,500	
Trustee's Commission		247	
Total Industrial Development			\$ 226,747

Payments to Cities

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

Total Industrial/Economic Development Fund 243,777

Special Purpose Fund

Public Safety

Sheriff's Department

In-Service Training	\$	37,478	
Confidential Drug Enforcement Payments		65,000	
Law Enforcement Supplies		148	
Other Supplies and Materials		1,050	
Data Processing Equipment		23,171	
Motor Vehicles		30,040	
Other Equipment		29,956	
Total Sheriff's Department			\$ 186,843

Total Special Purpose Fund 186,843

(Continued)

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

Drug Control Fund

Public Safety

Drug Enforcement

Detective(s)	\$	153,240	
Sergeant(s)		45,835	
Longevity Pay		950	
Overtime Pay		57,713	
In-Service Training		27,606	
Social Security		15,643	
State Retirement		32,707	
Employee and Dependent Insurance		47,421	
Disability Insurance		372	
Employer Medicare		3,658	
Confidential Drug Enforcement Payments		150,000	
Maintenance and Repair Services - Vehicles		9,490	
Veterinary Services		217	
Animal Food and Supplies		6,026	
Law Enforcement Supplies		3,004	
Uniforms		2,078	
Other Supplies and Materials		17,722	
Trustee's Commission		8,935	
Law Enforcement Equipment		30,165	
Total Drug Enforcement			\$ 612,782

Total Drug Control Fund \$ 612,782

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	492,354	
Total County Trustee's Office			\$ 492,354

Administration of Justice

Circuit Court Clerk

Constitutional Officers' Operating Expenses	\$	2,199,183	
Total Circuit Court Clerk			2,199,183

Total Constitutional Officers - Fees Fund 2,691,537

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	115,179	
Assistant(s)		69,840	
Secretary(ies)		90,432	
Longevity Pay		1,450	
Board and Committee Members Fees		24,900	
Social Security		18,262	
State Retirement		34,296	
Employee and Dependent Insurance		39,259	
Disability Insurance		496	
Employer Medicare		4,271	
Communication		5,941	

(Continued)

Exhibit L-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Dues and Memberships	\$	6,820	
Janitorial Services		7,500	
Legal Notices, Recording, and Court Costs		1,749	
Maintenance and Repair Services - Office Equipment		652	
Postal Charges		774	
Printing, Stationery, and Forms		1,371	
Travel		156	
Drugs and Medical Supplies		133	
Electricity		22,103	
Natural Gas		9,812	
Office Supplies		1,583	
Water and Sewer		8,415	
Building and Contents Insurance		7,642	
Liability Insurance		125,158	
Trustee's Commission		91,974	
Other Charges		9,980	
Office Equipment		3,179	
Total Administration			\$ 703,327

Highway and Bridge Maintenance

Foremen	\$	267,184	
Equipment Operators		802,056	
Truck Drivers		250,558	
Longevity Pay		12,675	
Overtime Pay		6,518	
Social Security		79,708	
State Retirement		169,285	
Employee and Dependent Insurance		310,390	
Disability Insurance		2,430	
Employer Medicare		18,642	
Engineering Services		5,842	
Other Contracted Services		42,164	
Asphalt		2,807,062	
Crushed Stone		64,000	
General Construction Materials		6,770	
Pipe - Metal		47,212	
Road Signs		23,308	
Uniforms		18,168	
Total Highway and Bridge Maintenance			4,933,972

Operation and Maintenance of Equipment

Foremen	\$	48,596	
Mechanic(s)		190,442	
Laborers		65,663	
Longevity Pay		2,600	
Overtime Pay		4,757	
Social Security		18,760	
State Retirement		39,600	
Employee and Dependent Insurance		63,047	
Disability Insurance		571	

(Continued)

Exhibit L-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Employer Medicare	\$	4,387	
Maintenance and Repair Services - Equipment		76,635	
Other Contracted Services		24,692	
Diesel Fuel		202,023	
Equipment and Machinery Parts		111,838	
Garage Supplies		5,011	
Gasoline		67,675	
Lubricants		9,967	
Tires and Tubes		50,883	
Other Supplies and Materials		14,634	
Total Operation and Maintenance of Equipment			\$ 1,001,781

Other Charges

Assistant(s)	\$	63,280	
Salary Supplements		10,000	
Foremen		41,130	
Equipment Operators		89,679	
Secretary(ies)		40,350	
Longevity Pay		825	
Overtime Pay		585	
In-Service Training		2,265	
Social Security		14,251	
State Retirement		31,199	
Employee and Dependent Insurance		65,889	
Disability Insurance		437	
Employer Medicare		3,333	
Communication		1,387	
Legal Notices, Recording, and Court Costs		362	
Maintenance and Repair Services - Equipment		4,196	
Travel		2,907	
Other Contracted Services		280	
Crushed Stone		130	
Data Processing Supplies		619	
Diesel Fuel		14,269	
Equipment and Machinery Parts		2,751	
Gasoline		5,665	
General Construction Materials		1,862	
Lubricants		104	
Pipe - Metal		554	
Other Supplies and Materials		154	
Other Equipment		275,318	
Total Other Charges			673,781

Employee Benefits

Other Fringe Benefits	\$	108,986	
Total Employee Benefits			108,986

Capital Outlay

Bridge Construction	\$	116,613	
Building Improvements		4,945	

(Continued)

Exhibit L-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay (Cont.)

Highway Equipment	\$	27,462	
State Aid Projects		279,470	
Total Capital Outlay			\$ 428,490

Total Highway/Public Works Fund \$ 7,850,337

General Debt Service Fund

General Government

Other General Administration

Trustee's Commission	\$	768,524	
Other Debt Service		10,070	
Total Other General Administration			\$ 778,594

Principal on Debt

General Government

Principal on Bonds	\$	5,379,210	
Total General Government			5,379,210

Education

Principal on Bonds	\$	24,350,790	
Principal on Notes		359,030	
Principal on Capital Leases		88,164	
Total Education			24,797,984

Interest on Debt

General Government

Interest on Bonds	\$	2,058,233	
Interest on Notes		23,760	
Total General Government			2,081,993

Education

Interest on Bonds	\$	12,315,309	
Interest on Notes		157,632	
Interest on Capital Leases		31,616	
Total Education			12,504,557

Other Debt Service

General Government

Underwriter's Discount	\$	16,484	
Other Debt Issuance Charges		31,409	
Other Debt Service		1,981,544	
Total General Government			2,029,437

Education

Underwriter's Discount	\$	91,167	
Other Debt Issuance Charges		183,591	
Other Debt Service		5,357,508	
Total Education			5,632,266

Total General Debt Service Fund 53,204,041

(Continued)

Exhibit L-9

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

<u>General Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Public Safety Projects</u>		
Architects	\$	39,276
Engineering Services		1,840
Rentals		2,167
Building Construction		355,989
Building Improvements		957,091
Communication Equipment		352,181
Data Processing Equipment		23,974
Furniture and Fixtures		30,784
Site Development		11,935
Building Purchases		754,491
Other Construction		18,052
Total Public Safety Projects		<u>\$ 2,547,780</u>
<u>Public Health and Welfare Projects</u>		
Architects	\$	3,743
Engineering Services		267
Other Contracted Services		3,200
Building Improvements		99,787
Furniture and Fixtures		13,867
Land		410,047
Total Public Health and Welfare Projects		<u>530,911</u>
<u>Highway and Street Capital Projects</u>		
Contracts with Government Agencies	\$	594,055
Engineering Services		1,700
Legal Services		75,574
Highway Construction		156,365
Total Highway and Street Capital Projects		<u>827,694</u>
Total General Capital Projects Fund		<u>\$ 3,906,385</u>
<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Contributions	\$	946,967
Total Education Capital Projects		<u>\$ 946,967</u>
Total Education Capital Projects Fund		<u>946,967</u>
Total Governmental Funds - Primary Government		<u><u>\$ 159,478,227</u></u>

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2013

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	97,323,317	
Career Ladder Program		454,930	
Career Ladder Extended Contracts		109,468	
Educational Assistants		3,654,073	
Other Salaries and Wages		1,084,225	
Social Security		6,190,600	
State Retirement		9,211,003	
Life Insurance		112,880	
Medical Insurance		17,918,297	
Unemployment Compensation		103,479	
Employer Medicare		1,448,449	
Other Fringe Benefits		189,844	
Contracts for Substitute Teachers - Certified		618,588	
Contracts for Substitute Teachers - Non-certified		1,145,647	
Other Contracted Services		64,920	
Instructional Supplies and Materials		2,214,081	
Textbooks		3,972,144	
Other Supplies and Materials		196,530	
Fee Waivers		64,080	
Other Charges		256,037	
Regular Instruction Equipment		673,342	
Total Regular Instruction Program			\$ 147,005,934

Alternative Instruction Program

Teachers	\$	1,122,182	
Career Ladder Program		6,000	
Educational Assistants		91,068	
Social Security		73,558	
State Retirement		111,739	
Life Insurance		1,428	
Medical Insurance		203,147	
Employer Medicare		17,203	
Other Fringe Benefits		2,280	
Contracts for Substitute Teachers - Certified		4,819	
Contracts for Substitute Teachers - Non-certified		3,923	
Other Contracted Services		4,293	
Instructional Supplies and Materials		25,628	
Other Equipment		2,198	
Total Alternative Instruction Program			1,669,466

Special Education Program

Teachers	\$	10,765,837	
Career Ladder Program		77,634	
Educational Assistants		3,257,978	
Speech Pathologist		1,313,456	
Other Salaries and Wages		174,987	
Social Security		937,525	
State Retirement		1,503,828	
Life Insurance		22,079	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Medical Insurance	\$	3,378,058	
Unemployment Compensation		18,311	
Employer Medicare		218,276	
Other Fringe Benefits		29,916	
Contracts for Substitute Teachers - Certified		60,893	
Contracts for Substitute Teachers - Non-certified		229,309	
Other Contracted Services		969,331	
Instructional Supplies and Materials		69,379	
Textbooks		31,985	
Other Supplies and Materials		15,713	
Other Charges		3,765	
Special Education Equipment		37,987	
Total Special Education Program			\$ 23,116,247

Vocational Education Program

Teachers	\$	7,069,823	
Career Ladder Program		24,145	
Clerical Personnel		158,601	
Social Security		436,180	
State Retirement		644,827	
Life Insurance		7,434	
Medical Insurance		1,176,393	
Unemployment Compensation		7,723	
Employer Medicare		102,318	
Other Fringe Benefits		13,291	
Maintenance and Repair Services - Equipment		36,387	
Contracts for Substitute Teachers - Certified		39,528	
Contracts for Substitute Teachers - Non-certified		120,134	
Other Contracted Services		66,144	
Instructional Supplies and Materials		211,625	
T&I Construction Materials		6,869	
Textbooks		547,602	
Other Supplies and Materials		75,982	
Vocational Instruction Equipment		143,335	
Total Vocational Education Program			10,888,341

Adult Education Program

Teachers	\$	262,661	
Other Salaries and Wages		27,934	
Social Security		17,980	
State Retirement		13,115	
Life Insurance		120	
Medical Insurance		10,459	
Unemployment Compensation		1,042	
Employer Medicare		4,205	
Other Fringe Benefits		250	
Other Contracted Services		1,755	
Instructional Supplies and Materials		9,572	
Other Supplies and Materials		3,768	
Other Equipment		200	
Total Adult Education Program			353,061

(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	\$	76,438	
Career Ladder Program		4,100	
Social Workers		238,959	
Clerical Personnel		72,977	
Social Security		20,409	
State Retirement		33,083	
Life Insurance		290	
Medical Insurance		56,461	
Employer Medicare		5,516	
Other Fringe Benefits		617	
Travel		4,684	
Other Contracted Services		102,750	
Other Supplies and Materials		6,018	
In Service/Staff Development		981	
Other Charges		2,148	
Attendance Equipment		1,414	
Total Attendance			\$ 626,845

Health Services

Medical Personnel	\$	2,127,574	
Other Salaries and Wages		369,198	
Social Security		150,913	
State Retirement		305,617	
Life Insurance		2,520	
Medical Insurance		386,958	
Unemployment Compensation		7,150	
Employer Medicare		35,341	
Other Fringe Benefits		4,474	
Travel		17,211	
Contracts for Substitute Teachers - Certified		168	
Contracts for Substitute Teachers - Non-certified		154	
Other Contracted Services		2,531	
Drugs and Medical Supplies		8,530	
Other Supplies and Materials		41,893	
In Service/Staff Development		3,391	
Health Equipment		82,331	
Total Health Services			3,545,954

Other Student Support

Career Ladder Program	\$	30,538	
Guidance Personnel		4,215,459	
Career Ladder Extended Contracts		2,000	
Clerical Personnel		196,570	
Attendants		330,648	
Other Salaries and Wages		512,056	
Social Security		316,653	
State Retirement		480,807	
Life Insurance		5,693	
Medical Insurance		903,268	

(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.)

Unemployment Compensation	\$	14,724	
Employer Medicare		74,248	
Other Fringe Benefits		9,508	
Contracts with Government Agencies		261,745	
Evaluation and Testing		363,323	
Travel		13,039	
Contracts for Substitute Teachers - Certified		4,909	
Contracts for Substitute Teachers - Non-certified		15,535	
Other Contracted Services		77,593	
Other Supplies and Materials		11,647	
In Service/Staff Development		2,975	
Other Equipment		5,724	
Total Other Student Support			\$ 7,848,662

Regular Instruction Program

Supervisor/Director	\$	608,485	
Career Ladder Program		64,472	
Career Ladder Extended Contracts		6,000	
Librarians		2,633,562	
Materials Supervisor		42,041	
Instructional Computer Personnel		1,416,928	
Secretary(ies)		72,578	
Clerical Personnel		73,914	
Educational Assistants		541,380	
Other Salaries and Wages		607,595	
Social Security		364,738	
State Retirement		560,148	
Life Insurance		6,195	
Medical Insurance		953,279	
Employer Medicare		85,638	
Other Fringe Benefits		11,120	
Maintenance and Repair Services - Equipment		600	
Travel		38,778	
Contracts for Substitute Teachers - Certified		10,038	
Contracts for Substitute Teachers - Non-certified		27,133	
Other Contracted Services		72,031	
Library Books/Media		119,370	
Other Supplies and Materials		40,539	
In Service/Staff Development		47,180	
Other Equipment		11,682	
Total Regular Instruction Program			8,415,424

Alternative Instruction Program

Supervisor/Director	\$	165,094	
Career Ladder Program		7,000	
Guidance Personnel		106,293	
Librarians		53,246	
Clerical Personnel		51,297	
Other Salaries and Wages		154,099	

(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.)

Alternative Instruction Program (Cont.)

Social Security	\$	32,342	
State Retirement		51,618	
Life Insurance		538	
Medical Insurance		76,161	
Employer Medicare		7,564	
Other Fringe Benefits		973	
Contracts for Substitute Teachers - Certified		620	
Contracts for Substitute Teachers - Non-certified		408	
Library Books/Media		1,927	
Other Supplies and Materials		7,909	
In Service/Staff Development		200	
Other Equipment		305	
Total Alternative Instruction Program			\$ 717,594

Special Education Program

Supervisor/Director	\$	161,153	
Career Ladder Program		17,503	
Psychological Personnel		434,716	
Career Ladder Extended Contracts		4,000	
Clerical Personnel		34,389	
In-Service Training		800	
Social Security		39,408	
State Retirement		59,249	
Life Insurance		495	
Medical Insurance		84,992	
Employer Medicare		9,217	
Other Fringe Benefits		1,196	
Travel		72,053	
Other Contracted Services		13,159	
Other Supplies and Materials		44,774	
In Service/Staff Development		38,568	
Other Charges		2,180	
Other Equipment		4,843	
Total Special Education Program			1,022,695

Vocational Education Program

Supervisor/Director	\$	89,796	
Clerical Personnel		31,404	
Social Security		7,404	
State Retirement		11,959	
Life Insurance		97	
Medical Insurance		9,865	
Employer Medicare		1,731	
Other Fringe Benefits		224	
Travel		24,614	
Other Contracted Services		10,000	
Other Supplies and Materials		115	
In Service/Staff Development		3,710	
Total Vocational Education Program			190,919

(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.)

Adult Programs

Supervisor/Director	\$	89,796	
Clerical Personnel		48,851	
Social Security		2,990	
State Retirement		14,173	
Life Insurance		124	
Medical Insurance		17,097	
Employer Medicare		699	
Other Fringe Benefits		256	
Travel		541	
Other Contracted Services		2,600	
Other Supplies and Materials		1,017	
In Service/Staff Development		1,521	
Other Charges		177	
Total Adult Programs			\$ 179,842

Board of Education

Secretary to Board	\$	119,718	
Other Salaries and Wages		15,776	
Board and Committee Members Fees		83,375	
Social Security		13,435	
State Retirement		15,144	
Life Insurance		79	
Medical Insurance		1,743,359	
Employer Medicare		3,142	
Other Fringe Benefits		221	
Audit Services		46,044	
Dues and Memberships		9,246	
Legal Services		55,613	
Other Contracted Services		4,200	
Liability Insurance		275,977	
Trustee's Commission		1,898,848	
Workers' Compensation Insurance		435,117	
In Service/Staff Development		32,968	
Criminal Investigation of Applicants - TBI		34,046	
Total Board of Education			4,786,308

Director of Schools

County Official/Administrative Officer	\$	141,000	
Other Salaries and Wages		30,445	
Social Security		9,693	
State Retirement		16,384	
Life Insurance		97	
Medical Insurance		18,840	
Employer Medicare		2,436	
Other Fringe Benefits		261	
Communication		112,461	
Dues and Memberships		6,203	
Postal Charges		23,418	
Travel		793	

(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.)

Director of Schools (Cont.)

Other Contracted Services	\$	11,853	
In Service/Staff Development		2,826	
Other Charges		31,354	
Administration Equipment		14,404	
Total Director of Schools			\$ 422,468

Office of the Principal

Principals	\$	3,589,884	
Career Ladder Program		78,748	
Accountants/Bookkeepers		726,125	
Career Ladder Extended Contracts		66,200	
Assistant Principals		4,188,037	
Secretary(ies)		1,077,024	
Clerical Personnel		1,209,112	
Social Security		664,662	
State Retirement		1,060,935	
Life Insurance		10,794	
Medical Insurance		1,845,845	
Unemployment Compensation		968	
Employer Medicare		154,551	
Other Fringe Benefits		19,304	
Communication		254,794	
Dues and Memberships		39,650	
Contracts for Substitute Teachers - Certified		3,994	
Contracts for Substitute Teachers - Non-certified		15,127	
Other Contracted Services		126,536	
Office Supplies		10,413	
Other Charges		132,988	
Administration Equipment		35,224	
Total Office of the Principal			15,310,915

Fiscal Services

Supervisor/Director	\$	218,745	
Accountants/Bookkeepers		291,137	
Purchasing Personnel		91,557	
Social Security		35,864	
State Retirement		75,071	
Life Insurance		615	
Medical Insurance		99,233	
Employer Medicare		8,535	
Other Fringe Benefits		1,092	
Travel		1,285	
Other Contracted Services		1,587	
Office Supplies		19,669	
Other Supplies and Materials		1,288	
In Service/Staff Development		3,919	
Other Charges		370	
Administration Equipment		799	
Total Fiscal Services			850,766

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel

Supervisor/Director	\$	99,947	
Clerical Personnel		99,117	
Other Salaries and Wages		78,822	
Social Security		16,725	
State Retirement		28,452	
Life Insurance		242	
Medical Insurance		46,884	
Employer Medicare		3,912	
Other Fringe Benefits		507	
Travel		685	
Contracts for Substitute Teachers - Non-certified		302	
Other Contracted Services		38,130	
Other Supplies and Materials		4,390	
In Service/Staff Development		8,041	
Other Charges		350	
Administration Equipment		2,007	
Total Human Services/Personnel			\$ 428,513

Operation of Plant

Custodial Personnel	\$	5,597,196	
Social Security		334,896	
State Retirement		656,936	
Life Insurance		10,003	
Medical Insurance		1,212,552	
Unemployment Compensation		18,492	
Employer Medicare		78,437	
Other Fringe Benefits		9,616	
Other Contracted Services		395,028	
Custodial Supplies		721,962	
Electricity		8,634,763	
Natural Gas		1,245,357	
Water and Sewer		1,020,652	
Other Supplies and Materials		10,420	
Building and Contents Insurance		382,616	
Other Charges		23,296	
Plant Operation Equipment		37,970	
Total Operation of Plant			20,390,192

Maintenance of Plant

Supervisor/Director	\$	414,203	
Secretary(ies)		117,291	
Maintenance Personnel		2,004,860	
Social Security		152,550	
State Retirement		321,717	
Life Insurance		2,852	
Medical Insurance		485,372	
Employer Medicare		35,678	
Other Fringe Benefits		4,641	
Laundry Service		19,884	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Maintenance and Repair Services - Buildings	\$	589,904	
Maintenance and Repair Services - Equipment		591,839	
Other Contracted Services		647,419	
Other Supplies and Materials		827,917	
Vehicle and Equipment Insurance		61,149	
In Service/Staff Development		5,047	
Other Charges		10,430	
Maintenance Equipment		65,861	
Total Maintenance of Plant			\$ 6,358,614

Transportation

Supervisor/Director	\$	71,361	
Clerical Personnel		122,067	
Other Salaries and Wages		37,755	
Social Security		13,856	
State Retirement		29,337	
Life Insurance		290	
Medical Insurance		29,069	
Employer Medicare		3,241	
Other Fringe Benefits		426	
Contracts with Private Agencies		343,820	
Contracts with Parents		525	
Contracts with Vehicle Owners		13,165,116	
Travel		36	
Other Contracted Services		11,610	
Other Supplies and Materials		8,324	
Vehicle and Equipment Insurance		119,701	
In Service/Staff Development		2,297	
Other Charges		25,606	
Administration Equipment		2,898	
Transportation Equipment		20,818	
Total Transportation			14,008,153

Central and Other

Supervisor/Director	\$	172,922	
Career Ladder Program		1,000	
Computer Programmer(s)		922,315	
Clerical Personnel		68,916	
Other Salaries and Wages		309,374	
Social Security		89,941	
State Retirement		184,003	
Life Insurance		1,307	
Medical Insurance		184,201	
Employer Medicare		21,035	
Other Fringe Benefits		2,717	
Data Processing Services		110,900	
Maintenance and Repair Services - Equipment		4,303	
Travel		11,261	
Other Contracted Services		34,289	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other (Cont.)

Data Processing Supplies	\$	159,858	
Other Supplies and Materials		107,648	
In Service/Staff Development		8,123	
Administration Equipment		627	
Data Processing Equipment		31,868	
Other Equipment		45,608	
Total Central and Other			\$ 2,472,216

Operation of Non-Instructional Services

Community Services

Other Charges	\$	35,152	
Total Community Services			35,152

Early Childhood Education

Teachers	\$	1,052,787	
Career Ladder Program		7,000	
Educational Assistants		441,478	
Social Security		89,470	
State Retirement		150,134	
Life Insurance		2,386	
Medical Insurance		359,734	
Unemployment Compensation		8,815	
Employer Medicare		20,925	
Other Fringe Benefits		2,934	
Travel		367	
Contracts for Substitute Teachers - Certified		8,584	
Contracts for Substitute Teachers - Non-certified		34,544	
Other Contracted Services		1,773	
Food Supplies		4,339	
Instructional Supplies and Materials		10,040	
Other Supplies and Materials		1,594	
In Service/Staff Development		3,683	
Total Early Childhood Education			2,200,587

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	34,743	
Total Regular Capital Outlay			34,743

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	1,124,002	
Other Debt Service		253	
Total Education			1,124,255

Total General Purpose School Fund \$ 274,003,866

(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

Instruction

Regular Instruction Program

Teachers	\$	1,665,102	
Educational Assistants		685,647	
Other Salaries and Wages		54,650	
Social Security		142,846	
State Retirement		235,491	
Life Insurance		3,440	
Medical Insurance		506,276	
Employer Medicare		33,872	
Other Fringe Benefits		4,502	
Contracts for Substitute Teachers - Non-certified		95,309	
Other Contracted Services		60,905	
Instructional Supplies and Materials		829,412	
Other Supplies and Materials		101,997	
Regular Instruction Equipment		146,153	
Total Regular Instruction Program			\$ 4,565,602

Special Education Program

Teachers	\$	1,044,812	
Educational Assistants		1,225,518	
Speech Pathologist		205,244	
Other Salaries and Wages		107,313	
Social Security		152,937	
State Retirement		279,004	
Life Insurance		4,887	
Medical Insurance		635,282	
Employer Medicare		35,858	
Other Fringe Benefits		5,138	
Contracts for Substitute Teachers - Non-certified		41,707	
Other Contracted Services		305,758	
Instructional Supplies and Materials		204,631	
Other Charges		400	
Special Education Equipment		63,518	
Total Special Education Program			4,312,007

Vocational Education Program

Contracts for Substitute Teachers - Non-certified	\$	462	
Instructional Supplies and Materials		50,987	
Other Supplies and Materials		42,806	
Vocational Instruction Equipment		384,019	
Total Vocational Education Program			478,274

Support Services

Health Services

Other Salaries and Wages	\$	156,034	
Social Security		9,401	
State Retirement		19,805	
Life Insurance		135	
Medical Insurance		34,142	
Employer Medicare		2,199	
Other Fringe Benefits		302	
Total Health Services			222,018

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support

Social Workers	\$	430,345	
Other Salaries and Wages		103,863	
Social Security		32,261	
State Retirement		45,906	
Life Insurance		504	
Medical Insurance		92,468	
Employer Medicare		7,545	
Other Fringe Benefits		937	
Travel		38,158	
Other Contracted Services		6,800	
Other Supplies and Materials		105,367	
In Service/Staff Development		23,511	
Other Charges		29,841	
Total Other Student Support			\$ 917,506

Regular Instruction Program

Supervisor/Director	\$	88,300	
Secretary(ies)		34,458	
Other Salaries and Wages		254,761	
In-Service Training		38,499	
Social Security		24,247	
State Retirement		36,404	
Life Insurance		290	
Medical Insurance		56,016	
Employer Medicare		5,860	
Other Fringe Benefits		669	
Travel		4,215	
Contracts for Substitute Teachers - Certified		6,214	
Contracts for Substitute Teachers - Non-certified		44,545	
Other Supplies and Materials		5,572	
In Service/Staff Development		1,152,843	
Other Equipment		3,446	
Total Regular Instruction Program			1,756,339

Special Education Program

Psychological Personnel	\$	728,278	
Clerical Personnel		31,404	
Other Salaries and Wages		654,882	
Social Security		85,455	
State Retirement		128,161	
Life Insurance		1,179	
Medical Insurance		149,191	
Employer Medicare		19,985	
Other Fringe Benefits		2,648	
In Service/Staff Development		119,915	
Total Special Education Program			1,921,098

Vocational Education Program

Travel	\$	452	
In Service/Staff Development		13,046	
Total Vocational Education Program			13,498

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation

Other Salaries and Wages	\$	178,696	
Social Security		10,684	
State Retirement		19,445	
Life Insurance		498	
Medical Insurance		55,474	
Employer Medicare		2,498	
Other Fringe Benefits		377	
Contracts with Parents		1,964	
Contracts with Vehicle Owners		6,312	
Maintenance and Repair Services - Vehicles		426	
Gasoline		7,844	
Total Transportation			\$ 284,218

Total School Federal Projects Fund \$ 14,470,560

Central Cafeteria Fund

Support Services

Board of Education

Audit Services	\$	11,511	
Workers' Compensation Insurance		44,883	
Total Board of Education			\$ 56,394

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	1,634,186	
Accountants/Bookkeepers		79,879	
Cafeteria Personnel		4,065,734	
Other Salaries and Wages		30,917	
Social Security		349,597	
State Retirement		351,878	
Life Insurance		6,778	
Medical Insurance		933,705	
Unemployment Compensation		15,914	
Employer Medicare		82,283	
Other Fringe Benefits		5,899	
Communication		622	
Maintenance and Repair Services - Equipment		67,116	
Postal Charges		3,238	
Transportation - Other than Students		85,491	
Travel		11,661	
Other Contracted Services		269,654	
Food Preparation Supplies		401,563	
Food Supplies		6,398,261	
Office Supplies		19,961	
Uniforms		10,338	
USDA - Commodities		497,501	
Other Supplies and Materials		252,914	
In Service/Staff Development		20,747	
Food Service Equipment		913,789	
Total Food Service			16,509,626

Total Central Cafeteria Fund 16,566,020

(Continued)

Exhibit L-10

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

<u>Education Capital Projects Fund</u>		
<u>Support Services</u>		
<u>Board of Education</u>		
Trustee's Commission	\$ 47,431	
Total Board of Education		\$ 47,431
 <u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Architects	\$ 6,345	
Engineering Services	9,895	
Maintenance and Repair Services - Buildings	2,049,054	
Total Education Capital Projects		<u>2,065,294</u>
Total Education Capital Projects Fund		\$ 2,112,725
 <u>Other Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Architects	\$ 380,926	
Engineering Services	98,262	
Building Construction	22,543,409	
Building Improvements	946,967	
Furniture and Fixtures	972,442	
Regular Instruction Equipment	1,900,961	
Site Development	104,775	
Other Equipment	107,944	
Other Capital Outlay	144,467	
Total Education Capital Projects		<u>\$ 27,200,153</u>
Total Other Capital Projects Fund		<u>27,200,153</u>
Total Governmental Funds - Rutherford County School Department		<u><u>\$ 334,353,324</u></u>

Exhibit L-11

Rutherford County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2013

	Cities - Sales Tax Fund	City School ADA - Murfreesboro Fund	Total
<u>Cash Receipts</u>			
Current Property Tax	\$ 0	\$ 9,939,760	\$ 9,939,760
Trustee's Collections - Prior Years	0	226,383	226,383
Circuit/Clerk and Master Collections - Prior Years	0	191,624	191,624
Interest and Penalty	0	50,722	50,722
Pick-up Taxes	0	10,264	10,264
Payments in-Lieu-of Taxes - T.V.A.	0	1,021	1,021
Payments in-Lieu-of Taxes - Local Utilities	0	148,593	148,593
Local Option Sales Tax	48,432,366	7,229,638	55,662,004
Wheel Tax	0	576,109	576,109
Business Tax	0	285,055	285,055
Interstate Telecommunications Tax	0	3,056	3,056
Marriage Licenses	0	1,920	1,920
Mixed Drink Tax	0	21,815	21,815
Total Cash Receipts	<u>\$ 48,432,366</u>	<u>\$ 18,685,960</u>	<u>\$ 67,118,326</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 47,948,042	\$ 18,330,756	\$ 66,278,798
Trustee's Commission	484,324	300,638	784,962
Total Cash Disbursements	<u>\$ 48,432,366</u>	<u>\$ 18,631,394</u>	<u>\$ 67,063,760</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 54,566	\$ 54,566
Cash Balance, July 1, 2012	0	228,977	228,977
Cash Balance, June 30, 2013	<u>\$ 0</u>	<u>\$ 283,543</u>	<u>\$ 283,543</u>

STATISTICAL SECTION

This part of Rutherford County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. Certain information about the discretely presented Rutherford County School Department is included because, in our judgment, this information is beneficial in assessing the economic condition of the primary government.

	Tables	Pages
Financial Trends:		
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	1-5a	234-245
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6-10	246-250
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	251-252
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	253-254
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	255-257

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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)										
PRIMARY GOVERNMENT: (Note 1, 2)										
Governmental Activities										
Net Investment in Capital Assets	\$ 166,358	\$ 162,068	\$ 146,463	\$ 165,997	\$ 183,690	\$ 195,662	\$ 201,462	\$ 201,854	\$ 207,456	\$ 210,959
Restricted for:										
Capital Projects	10,606	14,397	29,782	17,761	7,674	2,071	403	3,650	3,251	1,858
Debt Service	26,632	31,323	32,053	31,703	30,879	32,067	34,939	-	-	-
General	-	-	-	-	-	-	-	-	588	407
Finance	-	-	-	-	-	-	-	-	22	22
Administration of Justice	-	-	-	-	-	-	-	-	951	860
Public Safety	-	-	-	-	-	-	-	1,576	1,092	1,013
Public Health and Welfare	-	-	-	-	-	-	-	-	99	54
Ambulance Service	-	-	-	-	-	-	5,216	-	-	-
Highways/Public Works	-	6,034	6,412	6,725	6,924	6,823	6,579	1,351	-	-
Solid Waste/Sanitation	-	4,519	5,084	4,649	4,091	4,166	4,257	-	-	-
Industrial/Economic Development	-	-	-	665	871	581	760	-	-	-
Drug Control	-	-	-	1,187	1,199	1,138	880	709	-	-
Adequate Facilities/Development Tax	-	5,827	5,873	5,925	4,340	4,269	-	-	-	-
District Attorney	-	-	-	-	-	210	241	286	-	-
Alcohol and Drug Treatment	-	-	-	-	-	139	-	-	-	-
Litigation Tax - Jail, Workhouse, or Courthouse	-	-	-	872	820	1,412	2,124	-	-	-
Victims Assistance Programs	-	-	-	-	-	169	229	281	-	-
Computer System - Register	-	-	-	590	-	647	691	589	-	-
Other Purposes	10,618	2,924	6,468	475	1,187	46	112	61	-	-
Unrestricted (2)	(221,776)	(254,549)	(278,388)	(250,973)	(267,988)	(325,800)	(300,698)	(225,824)	(255,927)	(230,810)
Total Governmental Activities Net Position	\$ (7,562)	\$ (27,457)	\$ (46,253)	\$ (14,424)	\$ (26,313)	\$ (76,400)	\$ (42,805)	\$ (15,467)	\$ (42,468)	\$ (15,637)
COMPONENT UNIT - Rutherford County Schools (Note 2)										
Governmental Activities										
Net Investment in Capital Assets	\$ 261,946	\$ 273,716	\$ 301,332	\$ 331,320	\$ 361,986	\$ 383,159	\$ 409,435	\$ 405,517	\$ 414,558	\$ 430,779
Restricted for:										
Capital Projects	16,309	38,446	51,723	15,927	14,976	46,795	10,924	1,482	30,143	4,288
Education	-	-	-	-	-	-	-	292	-	-
Textbooks	-	-	3,556	-	-	-	-	-	-	-
Advances to Other	-	-	1,080	1,002	1,569	-	-	-	-	-
School Federal Projects	-	-	-	1,569	384	394	828	86	289	2
Central Cafeteria	-	-	-	-	3,160	4,198	4,902	5,151	5,059	4,851
Career Ladder	-	-	-	-	-	-	335	-	-	-
Driver Education	-	-	-	-	-	260	-	-	256	116
Other Purposes	1,315	1,986	3,098	268	244	25	-	-	10	117
Unrestricted	17,378	16,968	14,592	19,856	14,475	(226)	(2,383)	(8,963)	(13,787)	(22,095)
Total Governmental Activities Net Position	\$ 296,948	\$ 331,116	\$ 375,381	\$ 369,942	\$ 396,794	\$ 434,605	\$ 424,041	\$ 403,565	\$ 436,528	\$ 418,058

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.

Table 2

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
EXPENSES (Note 1)										
Governmental Activities:										
General Government	\$ 2,244	\$ 1,639	\$ 5,341	\$ 2,469	\$ 9,451	\$ 7,962	\$ 15,112	\$ 17,325	\$ 16,038	\$ 16,706
Finance	4,863	5,480	5,727	5,874	5,889	6,989	7,366	7,748	8,387	8,450
Administration of Justice	4,970	4,753	5,331	6,265	4,760	6,496	6,844	6,659	6,854	7,668
Public Safety	24,925	26,807	28,398	34,122	32,701	39,703	38,545	39,080	41,151	43,798
Public Health and Welfare	10,928	10,792	15,762	17,313	16,622	17,927	17,768	18,458	19,369	19,958
Social, Cultural, and Recreational Services	1,203	1,186	1,352	1,350	1,380	2,458	2,786	1,838	2,112	2,264
Agriculture and Natural Resources	971	1,439	802	918	724	864	1,036	1,085	1,141	1,092
Other Operations (Note 2)	4,811	6,880	6,104	6,899	6,876	13,523	-	-	-	-
Highways/Public Works	10,784	13,859	9,750	11,855	14,437	14,529	16,925	9,264	11,206	10,474
Education (Pymts to Comp. Unit)	40,140	67,167	70,937	23,940	62,793	99,547	33,085	35,351	89,448	42,373
Interest on Long-term Debt	13,497	13,123	14,510	16,617	16,447	16,221	17,064	13,850	15,177	14,840
Other Debt Service	-	1,146	-	-	154	-	-	-	-	323
Total Governmental Activities Expenses	\$ 119,336	\$ 154,271	\$ 164,014	\$ 127,622	\$ 172,234	\$ 226,219	\$ 156,531	\$ 150,658	\$ 210,883	\$ 167,946
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 3,679	\$ 4,226	\$ 5,460	\$ 4,757	\$ 4,206	\$ 3,295	\$ 5,280	\$ 2,721	\$ 3,699	\$ 4,185
Finance	5,126	5,514	5,273	6,819	6,483	6,695	6,759	7,158	7,454	7,727
Administration of Justice	4,908	5,525	5,271	5,879	6,243	5,723	6,145	5,803	6,400	6,584
Public Safety	3,459	3,874	5,25	3,904	3,473	5,222	3,621	2,643	4,910	5,961
Public Health and Welfare	5,719	5,616	5,291	7,647	6,866	7,900	8,024	8,335	10,091	9,173
Social, Cultural, and Recreational Services	9	8	5	1	1	58	-	1	1	1
Agriculture and Natural Resources	65	126	118	113	-	19	-	23	41	38
Other Operations	68	-	-	-	-	82	-	-	-	-
Highways/Public Works	19	-	-	-	128	104	76	-	-	69
Education	18,139	21,634	24,969	28,930	34,080	34,122	37,070	40,077	38,887	41,164
Operating Grants and Contributions	5,120	6,279	11,045	7,002	7,158	6,950	8,161	9,591	8,591	7,822
Capital Grants and Contributions	9,292	2,327	4,873	5,041	5,050	13,745	14,707	1,936	1,770	2,732
Total Governmental Activities Program Revenues	\$ 55,603	\$ 55,129	\$ 62,830	\$ 70,093	\$ 73,688	\$ 83,915	\$ 89,843	\$ 78,288	\$ 81,913	\$ 85,434

Table 2

Rutherford County, Tennessee

Changes in Net Position (Cont.)

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/Revenue Governmental Activities	\$ (63,733)	\$ (99,142)	\$ (101,184)	\$ (57,529)	\$ (98,546)	\$ (142,304)	\$ (66,688)	\$ (72,370)	\$ (128,970)	\$ (82,512)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ 22,585	\$ 22,520	\$ 23,957	\$ 21,929	\$ 24,852	\$ 27,428	\$ 36,393	\$ 39,193	\$ 41,132	\$ 41,259
Property Tax Levied for Debt Services	22,621	25,016	27,009	30,523	33,151	38,072	39,729	37,780	36,077	36,121
Payments in-Lieu-of Taxes	-	-	-	-	6,188	6,526	5,535	7,084	6,751	14,346
Local Option Sales Tax	3,891	4,007	4,279	4,812	4,767	2,037	2,035	1,671	1,583	2,189
Hotel/Motel Tax	-	-	-	-	986	932	951	1,067	1,216	1,400
Wheel Tax	-	-	-	-	5,707	5,701	5,696	5,729	5,860	5,999
Business Tax	-	-	-	-	1,385	1,269	1,424	1,709	1,824	2,189
Litigation Tax	-	-	-	-	1,062	1,863	2,242	2,232	2,423	2,449
Development Tax	-	-	-	-	3,960	2,579	1,395	865	2,051	3,210
Mineral Severance Tax	-	-	-	-	-	359	232	220	257	249
Bank Excise Tax	-	-	-	-	-	-	-	77	68	86
Wholesale Beer Tax	-	-	-	-	-	861	837	811	825	832
Interstate Telecommunications Tax	-	-	-	-	-	2	1	1	5	7
Other Local Taxes	15,407	16,366	15,953	22,115	1,492	-	-	-	-	-
Unrestricted Grants and Contributions	5,905	6,011	6,014	1,054	1,073	892	655	618	1,351	648
Investment Earnings	1,065	2,501	5,114	8,500	5,671	2,603	1,218	654	407	311
Gain on Disposal of Capital Assets	36	2,500	62	-	-	-	-	-	-	-
Miscellaneous	467	325	-	424	130	264	119	63	140	241
Total Governmental Activities	\$ 71,977	\$ 79,246	\$ 82,388	\$ 89,357	\$ 90,424	\$ 91,388	\$ 98,462	\$ 99,774	\$ 101,970	\$ 111,536
Change in Net Position	\$ 8,244	\$ (19,896)	\$ (18,796)	\$ 31,828	\$ (8,122)	\$ (50,916)	\$ 31,774	\$ 27,404	\$ (27,000)	\$ 29,024

Notes:

- (1) Rutherford County Government does not engage in any business-type activities.
- (2) Most of the activities previously reported in Other Operations have been reclassified to General Government in fiscal year 2010.

Table 2a

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EXPENSES (Note 1)										
Governmental Activities:										
Education	\$ 175,256	\$ 196,516	\$ 204,893	\$ 225,407	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction	-	-	-	-	155,377	177,210	177,407	195,749	192,333	201,313
Support Services	-	-	-	-	94,371	107,541	95,279	106,283	104,722	108,466
Operation of Noninstructional Services	-	-	-	-	14,510	13,763	15,857	17,093	19,011	18,593
Interest on Long-term Debt	-	-	-	-	120	100	79	65	68	62
Total Governmental Activities Expenses	\$ 175,256	\$ 196,516	\$ 204,893	\$ 225,407	\$ 264,378	\$ 298,614	\$ 288,622	\$ 319,190	\$ 316,134	\$ 328,434
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services - Education	\$ 244	\$ 258	\$ 218	\$ 215	\$ 6,489	\$ 7,353	\$ 6,693	\$ 6,641	\$ 6,760	\$ 6,684
Operating Grants and Contributions	13,040	16,650	17,002	18,018	21,131	20,249	29,948	31,830	28,696	24,158
Capital Grants and Contributions	23,511	43,554	46,255	-	36,322	71,724	-	803	48,267	-
Total Governmental Activities Program Revenues	\$ 36,795	\$ 60,462	\$ 63,475	\$ 18,233	\$ 63,942	\$ 99,326	\$ 36,641	\$ 39,274	\$ 83,723	\$ 30,842
Net (Expense)/Revenue Governmental Activities	\$ (138,461)	\$ (136,054)	\$ (141,418)	\$ (207,174)	\$ (200,436)	\$ (199,288)	\$ (251,981)	\$ (279,916)	\$ (232,411)	\$ (297,592)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ 41,219	\$ 42,453	\$ 45,473	\$ 49,366	\$ 50,464	\$ 55,512	\$ 59,597	\$ 61,012	\$ 61,080	\$ 61,721
Payments in-Lieu-of Taxes	-	-	-	-	650	734	828	841	871	890
Local Option Sales Tax	27,946	29,887	32,888	34,922	37,195	36,185	35,408	37,871	40,662	43,798
Wheel Tax	-	-	-	-	3,202	3,215	3,214	3,255	3,320	3,430
Business Tax	-	-	-	-	1,227	1,077	1,120	1,360	1,442	1,750
Interstate Telecommunications Tax	-	-	-	-	20	19	13	10	14	19
Other Local Taxes	3,398	3,709	3,946	4,804	-	-	-	-	-	-
Unrestricted Grants and Contributions	82,331	93,215	101,632	110,660	132,260	139,098	140,711	154,124	157,772	167,392
Investment Earnings	203	460	1,171	1,624	1,396	731	327	185	108	89
Gain on Disposal of Capital Assets	356	-	573	-	514	-	-	-	-	-
Miscellaneous	296	498	-	359	360	143	197	145	105	45
Total Governmental Activities	\$ 155,749	\$ 170,222	\$ 185,683	\$ 201,735	\$ 227,288	\$ 236,714	\$ 241,415	\$ 258,803	\$ 265,374	\$ 279,134
Change in Net Position	\$ 17,288	\$ 34,168	\$ 44,265	\$ (5,439)	\$ 26,852	\$ 37,426	\$ (10,566)	\$ (21,113)	\$ 32,963	\$ (18,458)

Notes:

(1) Rutherford County Schools do not engage in any business-type activities.

Table 3

Rutherford County, Tennessee
Governmental Activities Tax Revenue by Source
General Government
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax for General Purposes	Property Tax for Debt Service	Payment in Lieu of Taxes	Sales Tax - Primary Government	Hotel/Motel Tax	Wheel Tax	Business Tax	Litigation Tax	Develop. Tax	Mineral		Wholesale Beer Tax	Bank Excise Tax	Interstate Telecom. Tax	Other Local Tax - Primary Govt.	Total
										Severance Tax	Tax					
2004	\$ 22,585	\$ 22,621	\$ -	\$ 3,891	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,407	\$ 64,504
2005	22,520	25,015	-	4,007	-	-	-	-	-	-	-	-	-	-	16,366	67,908
2006	23,958	27,009	-	4,279	-	-	-	-	-	-	-	-	-	-	15,953	71,199
2007	21,929	30,523	-	4,812	-	-	-	-	-	-	-	-	-	-	22,115	79,379
2008	24,853	33,151	6,188	4,768	985	5,707	1,385	1,062	3,960	-	-	-	-	-	1,492	83,551
2009	27,428	38,072	6,526	2,037	932	5,701	1,269	1,863	2,579	359	861	-	-	2	-	87,629
2010	36,393	39,729	5,535	2,035	951	5,696	1,424	2,242	1,395	232	837	-	-	1	-	96,470
2011	39,193	37,780	7,084	1,671	1,067	5,729	1,709	2,232	865	220	811	77	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	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	86	7	-	110,336

Table 3a

Rutherford County, Tennessee
Governmental Activities Tax Revenue by Source

Rutherford County Board of Education

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

Fiscal Year	Property Tax for Ruth. Co. Schools	Payment in Lieu of Taxes	Sales Tax - Ruth. Co. Schools	Wheel Tax	Business Tax	Interstate Telecom. Tax	Other Local Tax - Ruth. Co. Schools	Total
2004	\$ 41,218	\$ -	\$ 27,946	\$ -	\$ -	\$ -	\$ 3,398	\$ 72,562
2005	42,453	-	29,887	-	-	-	3,709	76,049
2006	45,473	-	32,888	-	-	-	3,946	82,307
2007	49,366	-	34,922	-	-	-	4,804	89,092
2008	50,464	650	37,195	3,202	1,227	20	-	92,758
2009	55,512	734	36,185	3,215	1,077	19	-	96,742
2010	59,597	828	35,408	3,214	1,120	13	-	100,180
2011	61,012	841	37,871	3,255	1,360	10	-	104,349
2012	61,080	871	40,663	3,321	1,442	14	-	107,391
2013	61,721	890	43,798	3,430	1,750	19	-	111,608

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

Table 4

	2004	2005	2006	2007	2008	2009	2010	(Note 1) 2011	(Note 1) 2012	(Note 1) 2013
PRIMARY GOVERNMENT										
General Fund										
Nonspendable: Prepaid Items										
Reserved	2,247	2,978	3,387	3,794	2,700	2,983	4,013	-	43	34
Restricted										
General Government								589	588	407
Finance								11	22	21
Admin of Justice								419	636	861
Public Safety								1,629	428	116
Public Health and Welfare									99	46
Other Operations								32		
Capital Projects								2,980	1,742	1,858
Committed										
General Government								155	471	132
Finance								51	129	102
Admin of Justice								5	-	1
Public Safety								524	315	401
Public Health and Welfare								291	94	81
Agriculture and Natural Resources								229	208	211
Other Operations								20	7	2
Assigned for Other Purposes								2,210	3,838	3,443
Unassigned								14,524	14,687	16,332
Unreserved	16,234	16,936	20,580	19,931	17,025	12,794	18,694	-	-	-
Total General Fund	<u>\$ 18,481</u>	<u>\$ 19,914</u>	<u>\$ 23,967</u>	<u>\$ 23,725</u>	<u>\$ 19,725</u>	<u>\$ 15,777</u>	<u>\$ 22,707</u>	<u>\$ 23,712</u>	<u>\$ 23,310</u>	<u>\$ 24,048</u>
All Other Governmental Funds										
Reserved	\$ 757	\$ 501	\$ 508	\$ 836	\$ 1,220	\$ 2,944	\$ 2,628	\$ -	\$ -	\$ -
Restricted										
Admin of Justice								286	314	-
Public Safety								709	664	897
Public Health and Welfare								669	-	8
Highways/Public Works								1,351	-	-
Capital Projects								-	5,750	3,149
Committed										
Public Health and Welfare								29	20	-
Highways/Public Works								-	1,780	1,640
Capital Projects								741	-	-
Debt Service								-	1,821	1,821
Assigned										
Finance								110	110	110
Admin of Justice								173	246	72
Public Health and Welfare								7,402	8,681	10,325
Other Operations								715	1,268	1,049
Highways/Public Works								5,507	5,532	6,680
Debt Service								35,734	33,994	33,329
Unreserved, Reported In:										
Special Revenue Funds	14,743	18,308	19,805	19,540	17,753	17,581	14,376	-	-	-
Debt Service	28,765	30,267	31,183	30,928	30,705	32,182	33,214	-	-	-
Capital Projects Funds	6,117	14,382	29,708	17,719	9,084	1,020	196	-	-	-
Total All Other Governmental Funds	<u>\$ 50,381</u>	<u>\$ 63,458</u>	<u>\$ 81,204</u>	<u>\$ 69,023</u>	<u>\$ 58,762</u>	<u>\$ 53,727</u>	<u>\$ 30,414</u>	<u>\$ 53,426</u>	<u>\$ 60,180</u>	<u>\$ 59,080</u>

(Note 1) GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions" was effective and implemented for the fiscal year ended June 30, 2011. Restricted Fund Balances were reported as Reserved Fund Balances in prior fiscal periods. Committed, Assigned and Unassigned Fund Balances were reported as Unreserved Fund Balances in prior periods.

Table 4a

Rutherford County, Tennessee
 General Government Fund Balances - Rutherford County Board of Education
 Last Ten Fiscal Years

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

	2004	2005	2006	2007	2008	2009	2010	(Note 1) 2011	(Note 1) 2012	(Note 1) 2013
COMPONENT UNIT - Rutherford County Board of Education										
General Purpose School Fund										
Reserved	\$ 7,269	\$ 5,758	\$ 7,050	\$ 5,799	\$ 1,732	\$ 1,216	\$ 3,123	\$ -	\$ -	\$ -
Nondisposable: Prepaid Items	-	-	-	-	-	-	-	797	266	16
Restricted	-	-	-	-	-	-	-	11	-	233
Committed	-	-	-	-	-	-	-	6,873	9,253	11,996
Assigned	-	-	-	-	-	-	-	12,641	14,890	15,266
Unassigned	-	-	-	-	-	-	-	-	-	-
Unreserved	6,954	9,875	11,283	12,832	11,396	10,948	16,318	-	-	-
Total General Purpose School Fund	\$ 14,223	\$ 15,633	\$ 18,333	\$ 18,631	\$ 13,128	\$ 12,164	\$ 19,441	\$ 20,322	\$ 24,409	\$ 27,511
All Other School Funds										
Nondisposable: Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 249	\$ 200	\$ 233
Reserved	7,535	5,659	21,178	15,802	23,167	37,366	8,409	-	-	-
Restricted	-	-	-	-	-	-	-	4,989	5,348	4,853
Education	-	-	-	-	-	-	-	1,482	30,144	4,287
Capital Projects	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	1,000	1,000	1,000
Education	-	-	-	-	-	-	-	571	-	-
Capital Projects	-	-	-	-	-	-	-	-	-	-
Unreserved, Reported In:										
Debt Service	-	-	68	-	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	3,141	3,972	4,695	-	-	-
Capital Projects Funds	10,089	33,399	31,229	1,127	(7,787)	10,049	3,549	-	-	-
Total All Other School Funds	\$ 17,624	\$ 39,058	\$ 52,475	\$ 16,929	\$ 18,521	\$ 51,387	\$ 16,653	\$ 8,291	\$ 36,692	\$ 10,373

(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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 69,607	\$ 73,957	\$ 76,601	\$ 79,885	\$ 83,659	\$ 88,088	\$ 98,054	\$ 98,854	\$ 100,192	\$ 102,654
Licenses and Permits	1,248	1,679	2,040	1,830	1,688	1,263	1,295	1,276	1,421	1,643
Fines and Forfeitures	2,338	2,638	2,979	2,479	2,875	2,724	2,490	2,479	2,531	3,051
Charges for Service	9,177	9,822	10,349	12,004	12,283	11,998	12,511	10,856	11,750	11,504
Other Local Revenue	1,997	3,613	6,423	9,566	7,069	3,588	2,667	1,880	3,215	1,680
Fees from Co. Officials	6,029	6,327	7,147	7,730	7,147	6,559	6,621	9,407 (1)	10,232 (1)	10,904 (1)
State Revenues	9,551	8,898	10,695	11,187	11,382	10,518	9,162	9,856	11,259	11,529
Federal Revenues	1,323	1,805	3,138	1,533	432	602	1,297	1,817	2,080	1,836
Other Govt/Citizens	545	452	1,004	804	508	3,559	2,299	1,045	887	2,157
Total Revenues	\$ 101,815	\$ 109,191	\$ 120,376	\$ 127,018	\$ 127,043	\$ 128,899	\$ 136,396	\$ 137,470	\$ 143,567	\$ 147,018
Expenditures										
General Government	\$ 5,168	\$ 5,331	\$ 6,165	\$ 7,033	\$ 7,492	\$ 7,333	\$ 7,090	\$ 7,943 (1)	\$ 8,757 (1)	\$ 9,754 (1)
Finance	4,872	5,452	5,953	6,417	6,876	6,968	7,065	7,437 (1)	7,993 (1)	8,439 (1)
Admin. of Justice	4,752	4,780	5,258	6,073	6,206	6,311	6,487	6,700	6,803	7,674
Public Safety	24,010	25,910	29,316	32,044	34,455	35,961	35,072	37,477	41,091	42,411
Public Health/Welfare	11,564	11,591	13,614	16,018	16,656	15,843	15,867	16,639	17,387	17,460
Social, Cultural/Rec.	1,103	1,086	1,252	1,350	1,381	1,418	1,422	1,476	2,112	2,264
Agriculture and Natural Resource	852	1,418	690	735	772	755	780	874	964	908
Other Operations	4,805	12,010	9,271	6,878	6,913	7,088	8,535	7,540	5,288	5,439
Highway and Bridge	6,048	6,478	7,000	8,254	8,928	7,688	7,811	7,395	8,659	7,850
Debt Service:										
Principal	16,384	17,719	20,004	24,539	24,515	22,670	22,375	31,935	23,115	30,177
Interest	13,761	14,065	14,769	16,897	16,341	16,441	17,815	14,277	15,339	14,587
Other Charges	164	1,146	237	-	349	432	-	858	504	7,662
Capital Projects	32,142	46,579	52,523	13,632	54,019	85,202	4,709	1,062	52,130	4,853
	\$ 125,625	\$ 153,565	\$ 166,052	\$ 139,870	\$ 184,903	\$ 214,110	\$ 135,028	\$ 141,613	\$ 190,142	\$ 159,478
Excess of Revenues Over (Under) Expenditures	\$ (23,810)	\$ (44,374)	\$ (45,676)	\$ (12,852)	\$ (57,860)	\$ (85,211)	\$ 1,368	\$ (4,143)	\$ (46,575)	\$ (12,460)

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

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

Table 5

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2012
Other Financing Sources (Uses)										
Transfers In	\$ 6,166	\$ 6,421	\$ 7,819	\$ 7,287	\$ 6,509	\$ 3,238	\$ 6,413	\$ 1,873	\$ 3,749	\$ 1,209
Transfers Out	(5,980)	(6,911)	(7,580)	(6,971)	(6,130)	(2,843)	(5,997)	(1,389)	(3,254)	(678)
Insurance Recovery	-	-	-	113	-	100	12	49	14	253
Capital Lease Issued	-	-	-	-	-	-	-	-	-	947
Bond Proceeds	24,995	53,500	64,220	-	42,700	41,325	-	-	49,259	-
Note Proceeds	-	-	-	-	-	31,000	-	-	-	-
Refunding Debt Issued	-	-	-	-	-	-	-	-	20,021	65,700
Proceeds on Refunded Bonds	-	60,165	-	-	-	-	-	140,275	-	-
Payments to Refunded Bond Escrow Agent	-	(64,792)	-	-	-	-	-	(153,003)	(21,420)	(60,420)
Premiums on Debt Issued	-	6,501	3,018	-	473	3,408	-	20,355	4,557	5,402
Sale of Capital Assets	-	4,000	-	-	47	-	-	-	-	-
TOTAL OTHER SOURCES	\$ 25,181	\$ 58,884	\$ 67,477	\$ 429	\$ 43,599	\$ 76,228	\$ 428	\$ 8,160	\$ 52,926	\$ 12,413
Net Change in Fund Balances	\$ 1,371	\$ 14,510	\$ 21,801	\$ (12,423)	\$ (14,261)	\$ (8,983)	\$ 1,796	\$ 4,017	\$ 6,351	\$ (47)

Debt Service as a percentage of noncapital expenditures

Capital Expenditures	26.6%	22.7%	22.2%	34.2%	25.1%	19.2%	30.9%	33.2%	21.1%	29.0%
	12,225	13,739	9,096	18,652	22,426	10,514	4,924	2,299	7,583	5,048

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Property Tax & PILOT	\$ 50,038	\$ 53,177	\$ 56,004	\$ 58,442	\$ 63,949	\$ 71,872	\$ 83,035	\$ 84,328	\$ 84,212	\$ 84,076
Sales Tax	3,895	4,011	4,246	4,770	4,762	2,296	2,016	1,814	1,452	2,157
Hotel/Motel Tax	644	645	748	843	986	932	951	1,067	1,216	1,400
Wheel Tax	4,624	4,897	5,167	5,370	5,707	5,701	5,695	5,729	5,860	5,999
Litigation Tax	884	909	965	975	1,062	1,863	2,242	2,231	2,422	2,449
Business Tax	870	1,040	1,147	1,236	1,385	1,269	1,424	1,709	1,824	2,189
Mineral Severance	453	534	524	690	642	359	232	221	257	249
Development Tax	7,150	7,702	6,697	6,229	3,960	2,579	1,395	866	2,051	3,210
Bank Excise Tax	279	406	372	501	307	342	219	77	68	86
Wholesale Beer Tax	761	627	701	800	845	861	837	811	825	832
Other Statutory Tax	9	9	30	29	54	14	8	1	5	7
	\$ 69,607	\$ 73,957	\$ 76,601	\$ 79,885	\$ 83,659	\$ 88,088	\$ 98,054	\$ 98,854	\$ 100,192	\$ 102,654

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 72,557	\$ 76,896	\$ 82,346	\$ 89,099	\$ 92,476	\$ 96,644	\$ 99,907	\$ 104,406	\$ 107,183	\$ 111,728
Licenses and Permits	14	14	15	16	15	11	11	12	12	11
Charges for Service	208	223	186	186	6,428	7,111	6,594	6,591	6,702	6,595
Other Local Revenue	885	1,158	1,924	3,577	6,584	1,255	743	518	432	317
State Revenues	82,029	94,000	101,319	112,189	133,203	140,433	144,467	153,732	156,628	165,852
Federal Revenues	12,334	14,246	15,477	15,826	15,593	17,784	24,958	32,939	29,669	25,586
Other Govt/Citizens	23,497	43,554	46,255	-	35,322	71,724	-	-	48,257	947
Total Revenues	\$ 191,524	\$ 230,091	\$ 247,522	\$ 220,893	\$ 289,621	\$ 334,962	\$ 276,680	\$ 298,198	\$ 348,883	\$ 311,036
Expenditures										
Education										
Other Operations	\$ 1,267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction	106,845	121,188	125,759	140,849	155,364	161,908	167,761	186,041	183,565	192,389
Support Services	51,068	55,884	63,264	67,680	76,848	82,531	82,355	89,164	90,621	92,795
Operational Services	3,950	4,343	5,211	6,298	13,970	14,089	15,070	17,602	18,696	18,745
Capital Outlay	69	150	347	150	666	38	124	2	-	35
Debt Service										
Principal	-	-	300	541	561	581	601	673	933	-
Interest	-	-	27	148	129	109	89	73	75	-
Other Debt Service	-	-	-	-	-	-	-	13	-	1,124
Capital Projects	26,939	25,681	40,587	40,975	46,557	43,803	38,137	13,724	23,020	29,265
	\$ 190,138	\$ 207,246	\$ 235,495	\$ 256,641	\$ 294,095	\$ 303,059	\$ 304,137	\$ 307,292	\$ 316,910	\$ 334,353
Excess of Revenues Over (Under) Expenditures	\$ 1,386	\$ 22,845	\$ 12,027	\$ (35,748)	\$ (4,474)	\$ 31,903	\$ (27,457)	\$ (9,094)	\$ 31,973	\$ (23,317)
Other Financing Sources (Uses)										
Transfers In	\$ 1,217	\$ 4,766	\$ 3,972	\$ 3,942	\$ 7,433	\$ 1,836	\$ 724	\$ 907	\$ 244	\$ 278
Transfers Out	(1,217)	(4,766)	(3,972)	(3,942)	(7,433)	(1,836)	(724)	(907)	(244)	(278)
Insurance Recovery	-	-	-	-	1	-	-	4	-	100
Bond Proceeds	-	-	4,035	-	-	-	-	-	-	-
Note Proceeds	-	-	-	500	-	-	-	1,609	-	-
Capital Leases Issued	-	-	-	-	-	-	-	-	514	-
Premiums on Bonds Sold	-	-	55	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	562	-	-	-	-	-
TOTAL OTHER SOURCES	\$ -	\$ -	\$ 4,090	\$ 500	\$ 563	\$ -	\$ -	\$ 1,613	\$ 514	\$ 100
Net Change in Fund Balances	\$ 1,386	\$ 22,845	\$ 16,117	\$ (35,248)	\$ (3,911)	\$ 31,903	\$ (27,457)	\$ (7,481)	\$ 32,487	\$ (23,217)
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.2%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%
Capital Expenditures	20,997	22,677	79,765	68,239	38,735	30,257	30,607	8,243	21,028	26,066

General Governmental TAX Revenues by Source - Rutherford County School Department

Last Ten Fiscal Years (expressed in thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Property Tax & PILOT	\$ 41,502	\$ 43,500	\$ 45,946	\$ 49,903	\$ 50,971	\$ 55,952	\$ 60,201	\$ 62,104	\$ 62,093	\$ 62,966
Sales Tax	27,654	29,689	32,452	35,001	37,056	36,381	35,359	37,676	40,313	43,563
Wheel Tax	2,581	2,752	2,900	3,006	3,202	3,215	3,214	3,255	3,321	3,430
Business Tax	794	929	1,022	1,164	1,227	1,077	1,120	1,360	1,442	1,750
Other Statutory Tax	26	26	26	25	20	19	13	11	14	19
	\$ 72,557	\$ 76,896	\$ 82,346	\$ 89,099	\$ 92,476	\$ 96,644	\$ 99,907	\$ 104,406	\$ 107,183	\$ 111,728

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	
2004	2003	\$2.8000	\$10,227,529,400	\$2,927,993,510	\$913,226,059	\$274,004,385	\$201,952,962	\$116,024,129	100%	\$11,342,708,421	\$3,318,022,024	29.25%
2005	2004	2.8000	10,802,285,100	3,086,158,845	941,673,640	282,527,970	217,588,269	119,673,548	95.73%	12,495,087,234	3,488,360,363	27.92%
2006	2005	2.8000	11,466,156,500	3,267,027,185	1,178,800,896	353,671,780	226,489,474	124,569,211	95.73%	13,445,572,830	3,745,268,176	27.86%
2007	2006	2.4400	14,321,064,170	4,060,991,015	1,283,411,880	385,023,564	250,798,762	137,939,319	100%	15,855,274,812	4,583,953,898	28.91%
2008	2007	2.4400	15,268,248,000	4,336,757,155	1,282,688,603	384,827,843	269,837,543	148,410,649	100%	16,820,774,146	4,869,995,647	28.95%
2009	2008	2.5600	17,530,931,700	4,581,398,590	1,282,688,603	397,694,143	271,754,296	149,464,863	95.16%	20,056,089,322	5,128,557,596	25.57%
2010	2009	2.7350	18,384,728,400	4,813,887,200	1,402,580,731	403,644,400	279,699,422	153,834,682	100.00%	20,067,008,553	5,371,366,282	26.77%
2011	2010	2.4652	20,423,301,900	5,472,574,875	1,333,641,764	400,109,784	293,610,342	161,485,688	100.00%	22,050,554,006	6,034,170,347	27.37%
2012	2011	2.4652	20,633,088,200	5,537,544,840	1,299,222,491	389,784,765	310,078,927	170,543,410	100.00%	22,242,389,618	6,097,873,015	27.42%
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%

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

Table 7

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

Fiscal Year Ending June 30	Rutherford County				Total County Rate	(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						Town of Smyrna	City of LaVergne	City of Eagleville		
2004	\$ 0.6700	\$ 1.4600	\$ 0.6700	\$ 2.8000	0.1631	\$ 2.56	8.57%	\$ 1.7200	\$ 0.6900	\$ 0.5000	\$ 0.7200	\$ 6.4300	
2005	0.6400	1.4400	0.7200	2.8000	0.1575	2.57	8.21%	1.7200	0.6900	0.5000	0.7200	6.4300	
2006	0.6400	1.4400	0.7200	2.8000	0.1582	2.57	8.21%	1.7200	0.6900	0.5000	0.8700	6.5800	
2007	0.4800	1.2900	0.6700	2.4400	0.1603	2.23	8.61%	1.4070	0.6800	0.5000	0.8700	5.8970	
2008	0.5100	1.2400	0.6900	2.4400	0.1586	2.24	8.20%	1.4070	0.8600	0.5000	0.9200	6.1270	
2009	0.5400	1.2800	0.7400	2.5600	0.1545	2.36	7.73%	1.4070	0.8600	0.5000	0.9200	6.2470	
2010	0.6800	1.3150	0.7400	2.7350	0.1537	2.53	7.39%	1.4070	0.8600	0.5000	0.9200	6.4220	
2011	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	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	0.6809	1.1881	0.5962	2.4652	0.1430	2.2953	6.89%	1.2703	0.7595	1.0000	0.7512	6.2462	

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

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

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

(3) Overlapping rates are those of local governments that apply to property owners within Rutherford County. Not all overlapping rates apply to all Rutherford County property 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, 2013

Taxpayer	Type of Business	2012			2003			Percentage of Total Taxes Levied (2)	Rank	Assessed Valuation	2003 Tax Liability	Percentage of Total Taxes Levied (2)
		Rank	Assessed Valuation	Tax Liability	2012 Total Taxes Levied (2)	2003 Assessed Valuation	2003 Tax Liability					
Nissan Motor Mfg. Co. Automobile Maker		1	\$ 485,211,506	\$ 4,084,563	2.72%	1	\$ 441,573,483	3,899,949	(1)	4.88%		
Middle Tennessee Electric Public Utility-Electric Company		2	60,313,783	1,486,855	0.99%	3	36,423,900	914,239		1.14%		
Pillsbury Co./General Mills Bakery Goods		3	54,795,038	1,319,167	0.88%	4	22,506,125	630,171		0.79%		
Bridgestone Tire Maker		4	45,468,872	1,120,899	0.75%	2	46,670,060	1,306,762		1.64%		
Swanson Development Commercial Properties		5	32,036,750	789,794	0.53%							
CF Muurfreesboro Assoc. Retail Mall (The Avenues)		6	31,068,241	765,894	0.51%							
CH Realty (formerly Southpark, Nashville, LLC) Warehousing		7	27,314,320	673,353	0.45%	6	15,762,680	442,193		0.55%		
HCA Health Services Stone Crest Medical Center		8	25,365,821	625,317	0.42%							
Stone Ridge Farms Apartments		9	24,818,704	611,830	0.41%							
Transwestern Stones River Shopping Mall (Stones River Mall)		10	23,583,880	581,390	0.39%	9	11,462,615	320,952		0.40%		
BellSouth Public Utility-Telephone Co.						5	24,660,188	618,971		0.77%		
State Farm Insurance Regional Office-Insurance Company						7	12,340,067	345,394		0.43%		
NHR/Adams Place Retirement Facility						8	11,966,680	335,067		0.42%		
Ozburn Hessey Storage Co. Warehousing						10	11,444,240	320,439		0.40%		

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

8.04%

11.42%

(1) The taxes represent \$720,531 (2003 tax year) and \$541,480 (2012 tax year) collected on real and personal property not covered by the PILOT agreement. The remaining amounts of \$3,175,418 (2003) and \$3,543,084 (2012) represent net tax payments collected through payment of in-lieu of tax agreements.

(2) This information is presented instead of the percent of assessed value, since Nissan's payment is principally based on a payment in-lieu-of a tax agreement that is not assessment driven.

Table 9

Rutherford County, Tennessee
Property Tax Levies and Collections-By Tax Year
Last Ten Fiscal Years
As of June 30, 2013

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
2003	\$ 93,099,927	\$ 89,736,798	96.39%	\$ 3,284,118	\$ 93,020,916	99.92%	\$ 79,011	0.08%
2004 (2)	97,889,256	94,864,349	96.91%	2,957,495	97,821,844	99.93%	67,412	0.07%
2005 (2)	105,297,727	101,990,111	96.86%	3,271,214	105,261,325	99.97%	36,402	0.03%
2006 (2)	111,419,529	108,059,865	96.98%	3,248,083	111,307,947	99.90%	111,582	0.10%
2007	119,023,978	113,890,715	95.69%	4,955,159	118,845,874	99.85%	178,104	0.15%
2008	131,273,518	125,819,556	95.85%	5,208,145	125,819,556	95.85%	245,817	0.19%
2009	147,086,182	140,414,404	95.46%	6,190,271	140,414,404	95.46%	481,507	0.33%
2010	149,180,338	142,559,175	95.56%	5,796,678	142,559,175	95.56%	824,486	0.55%
2011	149,526,088	143,397,179	95.90%	4,826,822	143,397,179	95.90%	1,302,087	0.87%
2012	149,938,381	145,139,838	96.80%	(1)	145,139,838	96.80%	4,797,625	3.20%

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

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

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

Table 10

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

Fiscal Year	Ending	Tax	Estimated	Assessed	Tax
June 30	Year				Payments
2004	2003	\$ 1,218,399,585	\$ 424,667,199	\$	3,370,062
2005	2004	1,246,266,807	423,810,464		3,381,739
2006	2005	1,559,590,910	435,054,895		3,520,688
2007	2006	1,782,216,289	497,386,703		4,075,584
2008	2007	1,787,186,089	516,705,426		4,267,223
2009	2008	1,517,417,740	511,705,624		4,678,883
2010	2009	1,573,637,743	539,332,403		5,552,281
2011	2010	1,476,530,477	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

Source: In lieu of tax agreements.

NOTE: The value of properties subject to in-lieu-of tax payments is included in the agreements with each company. The county received payments from 12 companies in 2012-2013 with Nissan representing approximately 72.28% of the total. Section 7-53-305, TCA is the statutory basis for these agreements, which allows the county's Industrial Development Board to finance new development with revenue bonds and establish these agreements during the term of the bonds.

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

Fiscal years 2011 and 2012 have been revised to reflect appealed amounts that have been settled during the fiscal year ended 2013.

Table 11

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

Fiscal Year	General Bonded Debt	Less: Amounts Available in Debt Service Funds	Net Bonded Debt (3)	Assessed Value	Assessed Value	Debt to Assessed Value	Population (1)	Bonded Debt per Capita	% of Bonded Debt to Personal Income (2)	Net Bonded Debt per Capita	% of Net Bonded Debt to Personal Income (2)
2004	\$ 283,797,983	\$ 28,764,889	\$ 246,212,035	\$ 3,318,022,024	7.42%	202,310	\$ 1,403	5.10%	\$ 1,217	4.43%	
2005	318,888,534	30,266,866	288,621,668	3,488,360,363	8.27%	210,025	1,518	5.30%	1,374	4.80%	
2006	366,839,085	31,251,284	335,587,801	3,745,268,176	8.96%	218,292	1,680	5.66%	1,537	5.18%	
2007	338,565,000	30,928,426	307,636,574	4,583,953,898	6.71%	228,829	1,480	4.87%	1,344	4.42%	
2008	356,750,000	30,704,855	326,045,145	4,869,995,647	6.69%	241,462	1,477	4.72%	1,350	4.31%	
2009	406,405,000	32,182,126	374,222,874	5,128,557,596	7.30%	249,270	1,630	5.16%	1,501	4.75%	
2010	384,030,000	33,214,372	350,815,628	5,371,366,282	6.53%	257,048	1,494	4.91%	1,365	4.49%	
2011	354,180,000	0	354,180,000	6,034,170,347	5.87%	262,604	1,349	4.30%	1,349	4.30%	
2012	379,345,000	0	379,345,000	6,097,873,015	6.22%	268,921	1,411	4.34%	1,411	4.34%	
2013	356,489,102	0	356,489,102	6,120,354,263	5.82%	274,454	1,299	4.00%	1,299	4.00%	

Sources: Table 6, Tennessee Dept. of Economic and Community Development, Census Bureau

(1) Population figures are estimated for all years except the 2011 fiscal year.

(2) See Table 13 for personal income data.

(3) For fiscal periods 2011 through 2013, amounts available in Debt Service funds show \$0 because the funds that are available are not restricted by an outside party.

NOTE: General Bonded Debt on this table includes capital outlay notes.

Table 12

Rutherford County, Tennessee
Direct and Overlapping Debt
General Obligation Bonds and Notes
 As of June 30, 2013

	% of Estimated Property Value (1)	% of Assessed Property Value (1)
<u>Direct Debt</u>		
General Bonded Debt	\$ 345,895,000	
Capital Outlay Notes	9,600,000	
County School District of Rutherford (Notes)	994,102	
Less: General Debt Service Funds (2)	<u>(33,328,569)</u>	
Total Direct Debt	\$ 323,160,533	100.00%
<u>Overlapping Debt</u>		
City of Murfreesboro	\$ 218,416,176	44.08%
Town of Smyrna	20,218,898	18.25%
City of LaVergne	11,335,000	11.49%
City of Eagleville	<u>396,666</u>	0.30%
Total Overlapping Debt	<u>250,366,740</u>	
Total Direct and Overlapping Debt	<u>\$ 573,527,273</u>	

Source: City Recorders, Table 6, Rutherford County Assessor
 Note (1) The percentages represent the ratio of the overlapping government's property value to the county's property value.
 Note (2) Amounts available in Debt Service funds do not include a long-term note receivable of \$1,820,785.

Table 13

Rutherford County, Tennessee
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year Ending June 30	(1) Population	Per Capita Income	Total Personal Income	(2) Median Age	County School Enrollment	Average Unemployment rate
2004	202,310	\$ 27,484	\$ 5,560,288,040	31.2	29,410	4.5%
2005	210,025	28,651	6,017,426,275	31.2	31,058	4.4%
2006	218,292	29,700	6,483,272,400	31.2	32,827	4.2%
2007	228,829	30,400	6,956,401,600	31.2	34,512	3.7%
2008	241,462	31,300	7,557,760,600	31.2	35,781	4.4%
2009	249,270	31,600	7,876,932,000	31.2	36,414	7.9%
2010	257,048	30,400	7,814,259,200	31.2	37,152	8.9%
2011	262,604	31,400	8,245,765,600	32.1	38,013	8.4%
2012	268,921	32,500	8,739,932,500	32.1	38,607	7.2%
2013	274,454	32,500	8,919,755,000	32.1	39,671	6.3%

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

(1) Populations are estimated for all years except fiscal year 2011.

(2) The Census Bureau determines the median age for local areas each decade.
The last determination was during the 2010 census and will be determined
again after the 2020 census.

Table 14

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

Employer	2013			2004		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Nissan Motor Manufacturing Corp. USA	6,350	1	4.65%	6,300	1	6.02%
Rutherford County Government and Board of Education	6,073	2	4.45%	3,425	2	3.28%
Middle Tennessee State University	2,205	3	1.62%	1,835	5	1.75%
National Health Corp	2,071	4				
City of Murfreesboro and Board of Education	1,912	5	1.40%	2,103	4	2.01%
State Farm Insurance	1,662	6	1.22%			
Ingram Book Company	1,500	7		2,200	3	2.10%
Alvin C. York Veterans Administration Medical Center	1,461	8	1.07%	1,200	9	1.15%
Asurion	1,250	9	0.92%			
Amazon	1,200	10	0.88%			
Bridgestone/Firestone, Inc.				1,800	6	1.72%
Whirlpool Corp.				1,500	7	1.43%
Middle Tennessee Medical Center				1,335	8	1.28%
Verizon				1,050	10	1.00%
Total			<u>16.20%</u>			<u>19.47%</u>

Source: Rutherford County Chamber of Commerce.

Table 15

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

	<u>Employees as of June 30,</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Function:										
General Government	60	60	67	74	79	81	79	80	79	82
Finance	87	87	85	86	89	88	90	90	91	90
Justice	77	78	81	85	85	89	89	88	90	92
Public Safety	387	397	439	469	478	504	501	504	505	504
Health and Welfare	179	186	205	212	218	217	217	216	216	214
Agriculture	7	12	7	8	8	8	8	7	8	8
Other	3	3	3	3	3	3	3	3	3	3
Road and Bridge	71	71	77	77	77	77	70	72	64	64
Total	871	894	964	1014	1037	1067	1057	1060	1056	1057

COMPONENT UNIT:

Education	2,597	2,748	2,779	3,098	3,987	4,129	4,332	4,555	4,609	4,681
-----------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

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

Table 16

Rutherford County, Tennessee
Operating Indicators by Function

FUNCTION	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>General Government</u>										
Registered Voters	105,286	116,705	121,222	123,350	132,477	141,090	144,150	142,856	148,849	149,445
Building Permits Issued										
Single Family Homes	566	828	996	811	623	314	388	305	410	582
All Other Permits	1,588	1,586	2,488	2,471	2,235	1,646	1,549	1,445	1,620	1,837
<u>Public Safety</u>										
Number of warrants										
State - Issued	N/A	13,436	13,568	14,200						
State - Served	10,542	10,216	10,799	11,177	12,140	12,215	12,012	12,722	12,484	12,755
Civil - Issued	N/A	19,394	19,902	19,576						
Civil - Served	17,638	17,655	17,516	17,499	19,101	19,966	19,795	19,069	19,054	19,273
<u>Public Health</u>										
Ambulance- Call Volume	17,341	16,978	16,993	17,923	19,378	18,600	19,724	22,119	24,331	24,877
Response Time -avg. minutes	8.20	8.50	8.00	7.79	7.83	8.02	7.70	7.60	7.60	7.80
Animal Control										
Requests for Service	13,313	10,937	13,953	14,332	16,415	16,824	16,539	14,328	15,920	16,430
Animals Impounded	8,510	7,421	8,511	8,615	9,193	9,220	8,616	8,208	8,403	7,982
Animals Adopted	1,596	1,774	2,104	2,359	2,457	2,009	2,010	1,658	1,471	1,701
<u>Road & Bridge</u>										
Street Resurfaced (miles)	N/A	71.7	62.8	58.9	62.3	54.4	57.4	55.9	56.2	37.9
<u>Sanitation</u>										
(tons per day)										
Refuse Collected	103.1	111.8	110.9	103.9	110.9	105.7	106.3	103.8	104.1	100.3
Recyclables Collected	10.8	12.7	11.2	8.1	7.5	8.1	8.3	12.4	14.9	15.0

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

Source: Election Commission, Building Codes, Sheriff's Department, Ambulance

Table 17

Rutherford County, Tennessee
Capital Assets by Function

FUNCTION	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Highways and Streets										
Number of Streets in System	1,759	1,763	1,829	1,914	1,962	2,004	2,034	2,039	2,039	2,071
Number of Miles	941	946	942	951	956	959	964	965	963	967
Number of Bridges	157	157	157	163	163	163	164	165	165	166
Public Safety										
Number of Correctional Facilities	3	3	3	3	3	3	3	3	3	3
Health and Welfare										
Nursing Home	1	1	1	1	1	1	1	1	1	1
Number of Beds	131	131	131	131	131	131	131	131	131	131
Dispatch Station	1	1	1	1	1	1	1	1	1	1
Special Operations	1	1	1	1	1	1	1	1	1	1
Ambulance Stations	8	10	10	11	12	12	12	12	12	12
Number of Ambulance Units	17	20	20	22	24	24	25	25	25	25
Sanitation/Landfill										
Number of Trucks	12	13	14	16	16	16	16	17	17	19
Health Department Facilities	2	2	2	2	2	2	2	2	2	2
Facilities and Services Not Included in the Primary Government										
Education:										
Form of Administration										
Number of Employees	2,969	3,145	3,264	3,487	3,988	4,129	4,332	4,555	4,609	4,681
Elementary Schools	21	21	21	22	23	23	24	24	24	24
Middle Schools	6	7	7	8	8	9	9	10	10	10
High Schools	7	7	7	7	7	7	7	7	7	7
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

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

SINGLE AUDIT SECTION



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

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

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, 2013, and the related notes to the financial statements, which collectively comprise Rutherford County's basic financial statements, and have issued our report thereon dated November 25, 2013. 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 discretely presented Emergency Communications District, as described in our report on Rutherford County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rutherford County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rutherford County's internal control. Accordingly, we do not express an opinion on the effectiveness of Rutherford County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2013-001, 2013-002, 2013-003, and 2013-004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rutherford County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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: 2013-005.

Rutherford County's Response to Findings

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

Purpose of this Report

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

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 25, 2013

JPW/yu



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

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 OMB Circular A-133

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 Circular A-133 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, 2013. Rutherford County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Rutherford County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and*

Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Rutherford County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion 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, 2013.

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Rutherford County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *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

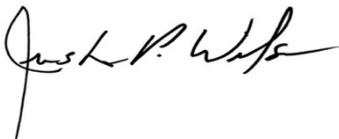
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2013, and the related notes to the financial statements, which collectively comprise Rutherford County's basic financial statements. We issued our report thereon dated November 25, 2013, 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 OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 25, 2013

JPW/yu

Rutherford County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2013

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Soil and Water Conservation	10.902	N/A	\$ 8,471
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	2,095,207
National School Lunch Program	10.555	N/A	7,042,621 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	38,300
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	497,501 (3)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-11-33797-00	103,797
Passed-through State Department of Human Services:			
Nutrition Cluster:			
Summer Food Service Program for Children	10.559		136,487
Total U.S. Department of Agriculture			<u>\$ 9,922,384</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnership Program	14.239	HM10-40	\$ 181,748
Total U.S. Department of Housing and Urban Development			<u>\$ 181,748</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 40,022
Total U.S. Department of the Interior			<u>\$ 40,022</u>
U.S. Department of Justice:			
Direct Program:			
Federal Asset Forfeiture Program	16.XXX	N/A	\$ 50,288
Passed-through State Department of Finance and Administration:			
Violence Against Women Formula Grants	16.588	4157; 9928	90,926
Passed-through City of Murfreesboro:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	31,313
Total U.S. Department of Justice			<u>\$ 172,527</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	Z-12-GHS248-00	\$ 28,283
Alcohol Open Container Requirements	20.607	Z-12-GHS249-00	83,171
Total U.S. Department of Transportation			<u>\$ 111,454</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	Z-10-218544-00	\$ 221,699
Passed-through Tennessee Alliance for Children and Families:			
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	(2)	100,226
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	4,447,590

(Continued)

Rutherford County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Passed-through State Department of Education (Cont.):			
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	\$ 7,986,872
Special Education - Preschool Grants	84.173	N/A	52,634
Career and Technical Education - Basic Grants to States	84.048	(2)	549,173
Education for Homeless Children and Youth	84.196	(2)	90,000
English Language Acquisition Grants	84.365	(2)	274,944
Improving Teacher Quality State Grants	84.367	N/A	911,443
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	880,907
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	(2)	2,500
Education Jobs Fund	84.410	(2)	112,803
Total U.S. Department of Education			<u>\$ 15,630,791</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
Child Support Enforcement	93.563	GG-09-25247-00	\$ 26,414
Total U.S. Department of Health and Human Services			<u>\$ 26,414</u>
U.S. Department of Homeland Security:			
Direct Programs:			
Hazard Mitigation Grant	97.039	N/A	\$ 349,082
Assistance to Firefighters Grant	97.044	N/A	247,638
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	17,921
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	2868	64,350
Homeland Security Grant Program	97.067	6263; 2545	584,903
Total U.S. Department of Homeland Security			<u>\$ 1,263,894</u>
Total Expenditures of Federal Awards			<u>\$ 27,349,234</u>
		<u>Contract Number</u>	
<u>State Grants</u>			
Soil and Water Conservation - State Department of Agriculture	N/A	(2)	\$ 8,471
Juvenile Court Prevention - State Department of Children Services	N/A	(2)	417,696
Tennessee Arts Commission Grant - State Department of Finance and Administratio	N/A	(2)	13,398
Community Early Intervention Services - State Department of Children Services	N/A	(2)	46,448
Juvenile Justice - State Commission on Children and Youth	N/A	(2)	9,000
Early Childhood Education - State Department of Education	N/A	(2)	995,177
ACT-EXP - Internet Connectivity - State Department of Education	N/A	(2)	53,202
Statewide Student Management System - State Department of Education	N/A	(2)	100,193
Safe Schools - State Department of Education	N/A	(2)	176,300
Coordinated School Health - State Department of Education	N/A	(2)	180,000
Waste Tire Program - State Department of Environment and Conservation	N/A	(2)	215,814
Recycling Program - State Department of Environment and Conservation	N/A	(2)	9,248
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	73,900
Rural Local Health Services - State Department of Health	N/A	(2)	1,587,980
Low Cost Sterilization of Dogs and Cats Grant - State Department of Health	N/A	(2)	3,975
Litter Program - State Department of Transportation	N/A	(2)	110,500
Law Enforcement Training - State Department of Public Safety	N/A	(2)	119,400

(Continued)

Rutherford County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants (Cont.)</u>			
Direct Appropriations Grant - Department of Finance and Administration	N/A	(2)	\$ 37,500
Drug Court Discretionary Grant Program - State Department of Finance and Administration	N/A	(2)	<u>50,000</u>
Total State Grants			<u>\$ 4,208,202</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Information not available.

(3) Total for CFDA No. 10.555 is \$7,540,122.

Rutherford County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2013

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Comprehensive Annual Financial Report for Rutherford County, Tennessee, for the year ended June 30, 2012, which have not been corrected.

OFFICE OF SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.05	288	The office had deficiencies in computer system backup procedures

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.06	288	The office had cash drawer and accounting software deficiencies
12.07	289	Duties were not segregated adequately

RUTHERFORD COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

PART I, SUMMARY OF AUDITOR'S RESULTS

1. An unmodified opinion was issued on the financial statements of Rutherford County.
2. The audit of the financial statements disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Rutherford County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Improving Teacher Quality State Grants (CFDA No. 84.367), and State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$820,477 threshold was used to distinguish between Type A and Type B federal programs.
9. Rutherford County did qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written response of the sheriff is paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF FINANCE DIRECTOR

FINDING 2013-001 **THE RECEIPTING SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Users had the ability to alter and delete receipts before batches were posted to the general ledger, which would leave no audit trail of the original transaction. Sound business practices dictate that proper application controls be implemented. Because the permissions in the software were not properly set, inappropriate system activity could occur. When this weakness was brought to management's attention in March 2013, a procedure external to the software was implemented to compensate for this deficiency.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 2013-002 **THE OFFICE HAD ACCOUNTING SOFTWARE DEFICIENCIES**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination noted the following accounting software deficiencies:

- A. Although each employee had been assigned a unique username and password for accessing the office's accounting software, the software did not record the user who processed each transaction. Since the vendor did not design the system with these controls, the employee responsible for this activity would not be easily identified if inappropriate activity were to occur. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency is also a result of management's failure to correct the finding noted in the prior-year audit report.
- B. Users could receipt collections to a previous date. These collections would not appear on the current-day's collection report but would instead create a skip in the receipt number sequence listed on the report. Because users could reset the receipt numbers, a skip in sequence would not be an effective means to account for backdated receipts. Since the vendor did not design the system with adequate controls, inappropriate system activity could occur. Sound business practices dictate that proper application controls be implemented.

RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the software that would identify the user who performed each transaction. Also, management should request controls be implemented to properly account for back-dated receipts.

FINDING 2013-003

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

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

RECOMMENDATION

The clerk should segregate duties to the extent possible using available resources.

FINDING 2013-004

MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER

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

Multiple employees operated from the same cash drawer in each of the three courts. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to these control regimens greatly increases the risk that a cash shortage could occur and not be detected in a timely manner. Furthermore, in the event of a cash shortage, the clerk would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency is the result of management's decisions and could result in a loss of control over assets. This deficiency is also a result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The clerk should assign each employee their own cash drawer.

OFFICE OF SHERIFF

FINDING 2013-005

THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES

(Noncompliance Under *Government Auditing Standards*)

System backups were not stored off-site. Section 10-7-121, *Tennessee Code Annotated*, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system be copied to storage media daily, and media more than one week old be stored at an off-site location. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process. This deficiency is also a result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – SHERIFF

The Sheriff's Office Information Services Division is currently performing a daily backup of incremental data onto a small storage array, which is connected by high-bandwidth fiber to an off-site facility. An on-site backup of this same data is also created locally for expeditious recovery in the case of any partial data base corruption.

There is now a weekly backup of incremental data created on a physical drive that is removed from the secured server room and transported each Friday to an off-site facility, where it is isolated and secured in a locked fire-safe container by the facility director or assistant director. It is exchanged each Friday with the drive from the previous week.

BEST PRACTICE

RUTHERFORD COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF PURCHASING

Rutherford County does not have a central system of purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the purchasing process. The absence of a central system of purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Rutherford

County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of purchasing covering all county departments.

**PART III, FINDINGS AND QUESTIONED
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal awards.

**RUTHERFORD COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2013**

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