

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

**FOR THE YEAR ENDED JUNE 30, 2015**



**DIVISION OF LOCAL GOVERNMENT AUDIT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**RUTHERFORD COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2015**

***COMPTROLLER OF THE TREASURY***  
***JUSTIN P. WILSON***

***DIVISION OF LOCAL GOVERNMENT AUDIT***  
***JAMES R. ARNETTE***  
***Director***

***JEFF BAILEY, CPA, CGFM, CFE***  
***Audit Manager***

***KENT WHITE, CPA, CGFM, CFE***  
***Auditor 4***

***TERYN McNEAL, CPA***  
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***State Auditors***

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

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)

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# ***Summary of Audit Findings***

Comprehensive Annual Financial Report  
Rutherford County, Tennessee  
For the Year Ended June 30, 2015

## ***Scope***

We have audited the basic financial statements of Rutherford County as of and for the year ended June 30, 2015.

## ***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 responses are included in the Single Audit section of this report.

## ***Findings***

The following are summaries of the audit findings:

### **OFFICE OF COUNTY MAYOR**

- ◆ Multiple employees of the Building and Codes Department operated from the same cash drawer.
- ◆ Some Building and Codes Department funds were not deposited within three days of collection.

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### **OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK**

- ◆ Deficiencies were noted in the maintenance of accounting records.
- ◆ The office had accounting software deficiencies.

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### **OFFICE OF SHERIFF**

- ◆ Discrepancies in operations of the Rutherford County Sheriff's Department are currently being investigated.

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# INTRODUCTORY SECTION

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

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## LETTER OF TRANSMITTAL

November 4, 2015

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, 2015, 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, 2015, 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, 2015, that are fairly presented in accordance with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Rutherford County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in a separate section of this comprehensive annual financial report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Rutherford County's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

Located in the "Heart of Tennessee" with 615 square miles of land area, Rutherford County is the geographic center of the state and is the fifth largest county in the state. Rutherford County was incorporated in 1834 and is governed by an elected county mayor and a 21-member County Commission. Virtually all of the County Commission's business is conducted through the committee system before moving to the full County Commission for a final vote. The county provides a full range of services, including elementary and secondary education, law enforcement and corrections, judicial, solid waste collection, public health and welfare, and the construction and maintenance of highways and related infrastructure.

Rutherford County operates under Chapter 49, Private Acts of 1979, as amended. This legislation is specific only to Rutherford County and governs the authorities, responsibilities, and day-to-day operations of the Finance Department. The finance director reports directly to the County Commission and is responsible for establishing and maintaining an accounting system for all funds of the county in accordance with generally accepted accounting principles. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., sheriff). A formal budget is adopted annually by the County Commission and is reviewed daily by the Finance Department for compliance. No appropriation made by the County Commission may be legally exceeded, except by resolution of the full commission. The County Commission's budgetary control is at the major category level as defined by the County Uniform Chart of Accounts, prescribed by the Tennessee State Comptroller's Office. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on Exhibit C-5. For governmental funds with appropriated annual budgets, other than the General Fund, the information is presented on Exhibits G-3 through H.

The financial statements include separate reporting for three legally separate entities: (1) Rutherford County Board of Education, which operates the public school system in the

county; (2) Community Care of Rutherford County, Inc., which provides nursing home care to the citizens of Rutherford County; and (3) Rutherford County Emergency Communications District, which provides a simplified means of securing emergency services through a uniform emergency number for the residents of Rutherford County. Rutherford County is financially accountable only for the Rutherford County Board of Education.

## **ECONOMIC CONDITION**

### **Local Economy**

The strength of the Rutherford County economy can be attributed to our diversity. The county's strong economy in turn attracts a growing population. Rutherford County continues to be recognized as one of the fastest growing counties in America. The citizenry has grown to 288,906 per the 2014 Census estimate which is 10.0% above the 2010 Census and 58.7% above the 2000 Census.

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

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

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

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 2015, Rutherford County had a labor force of 155,350 with 147,270 employed resulting in a 5.2 percent unemployment rate. Based on the unemployment data reported by the U.S. Department of Labor for June 2015, Rutherford County's unemployment rate was below both the state's average of 5.5 percent and the national average of 6.3 percent. These rates are lower than the June 2014 rates, which were reported as 6.0 percent for the county, 6.6 percent for the state, and 6.1 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 2015 when this revenue component increased 8.7 percent over the prior year to a new high of \$49.98 million. Rutherford County Board of Education

depends on the education component of the local option sales tax to provide 16.8 percent of its income for the fiscal year.

### **Major Initiatives**

Major financial pressures continue as a result of the very high population growth rate being experienced by Rutherford County. The most significant impact of this growth is the demand for additional capital investment. Tennessee statutes mandate to counties the primary responsibility for elementary and secondary education. Education is the largest single major expenditure function of the county. During the fiscal year, the Board of Education requested funding to renovate and expand two schools: Roy Waldron Elementary and John Coleman Elementary, both are located in the Smyrna area. These expansions will help to eliminate reliance on portable classroom buildings at these schools. Even with these two projects, the Board of Education determined it will need additional schools and significant additions to existing schools within the next five years if growth continues. Within that time frame, the Board of Education has expressed their possible need of another elementary, middle and high school.

Rutherford County Government continues to move forward with a planned major project to construct a new judicial building. The need for a new facility was determined over twelve years ago. Because of the pressing need for additional schools for a fast growing population, the judicial building project has continuously been delayed. During the 2014-2015 fiscal year, a working committee was formed to assist the architect and the members of the Industrial Development Board in designing the new facility. In an effort to provide adequate parking to support the judicial building, additional land was secured near the judicial building site with the expectation of building a parking garage. It is estimated that both projects will cost over \$70 million. During the 2015-2016 fiscal year, it is expected that the commissioners will secure funding to build both the parking garage and judicial center. Over the next couple of years, the county will develop a plan to best utilize the space left in the existing judicial building for county services.

### **Long-term Financial Planning and Relevant Financial Policies**

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

As of June 30, 2015 unassigned fund balance in the General Fund totaled \$20 million and assigned fund balance totaled \$6.35 million. When combined, these fund balances represent 31.72 percent of the 2014-2015 expenditures. The assigned fund balance will be used to fund the General Fund operations for the 2015-2016 fiscal year. The unassigned fund balance represents 22.2 percent of the 2015-2016 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, 2014. 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 20 consecutive fiscal years. We believe that our current CAFR continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department during the past fiscal year. They are Mark Tucker, Teresa Jolly, Linda Godsey, Chrissi Caruthers, Robert Brown, Reba Carleton, Sue Hollandsworth, Sharon Richards, Sheryl Sandefur, Susan Thompson, 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**

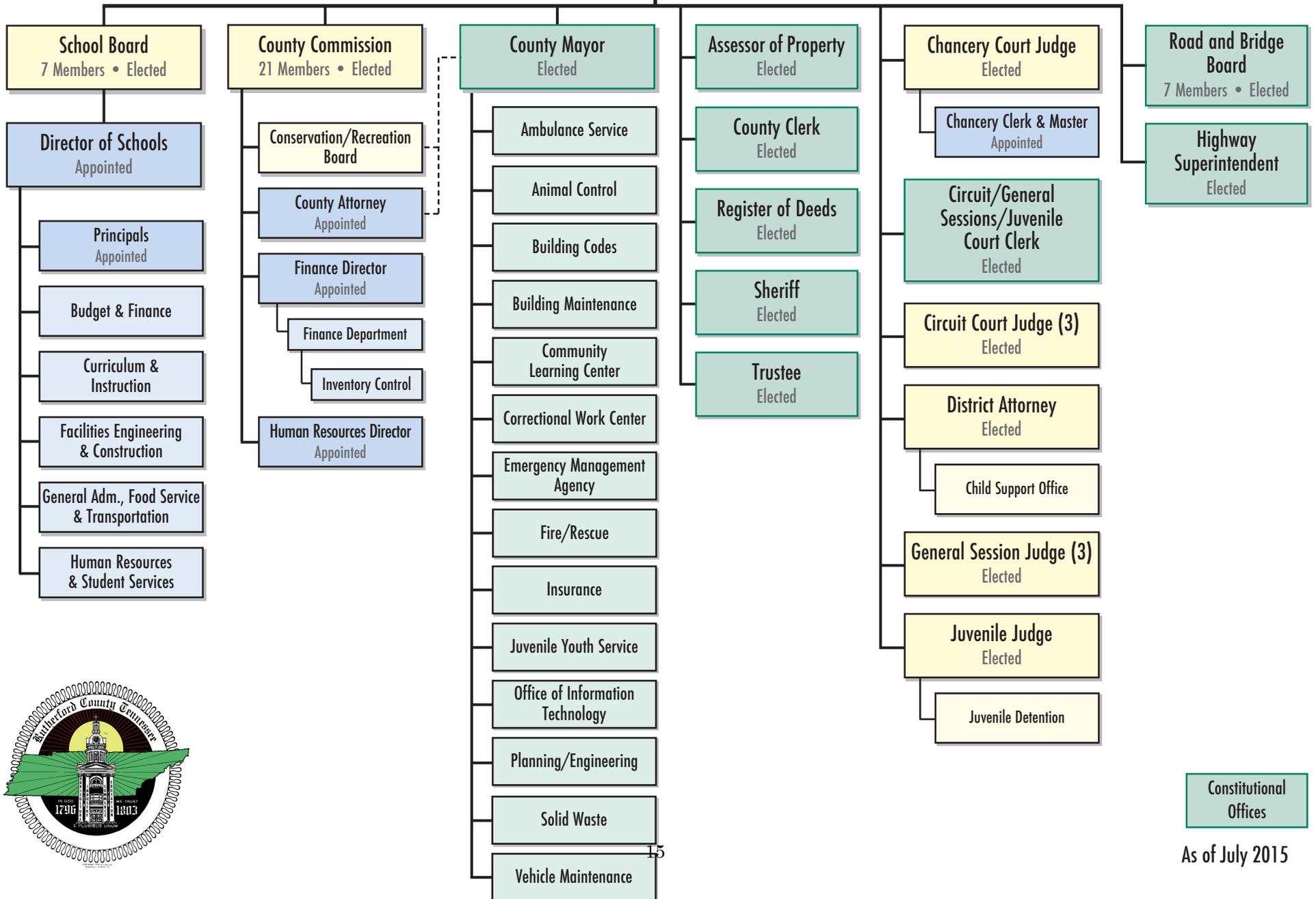
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

# RUTHERFORD COUNTY GOVERNMENT ORGANIZATIONAL CHART

## ELECTORATE



Constitutional Offices

As of July 2015

# Rutherford County Officials

## June 30, 2015

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### **Officials**

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

### **Board of County Commissioners**

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

### **Highway Commissioners**

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

(Continued)

## Rutherford County Officials (Cont.)

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### **Board of Education**

Wayne Blair, Chairman  
Jim Estes  
Terry Hodge  
Aaron Holladay

Jeff Jordan  
Lisa Moore  
Coy Young

### **Audit Committee**

Charlie Baum, Chairman  
Keith Bratcher  
Robert Coggin  
Mark Crocker

Will Jordan  
Steve Schroeder  
Coy Young

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## **FINANCIAL SECTION**

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rutherford County, Tennessee, as of and for the year ended June 30, 2015, 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 .9 percent, .8 percent, and 2.6 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 Communication District, which represent 1.0 percent, 1.3 percent, and .4 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for

Community Care of Rutherford County, Inc., and the Emergency Communications District is based solely on the 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in Note V.B., Rutherford County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to these matters.

### ***Emphasis of Matter***

We draw attention to Note I.D.10. to the financial statements, which describes a restatement increasing the beginning Governmental Activities net position by \$1,070,946 and decreasing Rutherford County School Department's (a discretely presented component

unit) net position by \$46,327,235 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23 – 37 and the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress – other postemployment benefits plan on pages 144 – 150 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

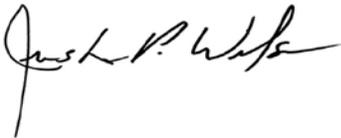
in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds 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 4, 2015, 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 4, 2015

JPW/yu

**Rutherford County, Tennessee  
Management's Discussion and Analysis  
For the Year Ended June 30, 2015**

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, 2015. 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 \$8,088 (net position). Of this amount, \$311,166 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 \$766.
- With the implementation of GASB Statement No. 68, the county is now required to recognize a net pension liability in their Statement of Net Position. Net position was increased by \$1,071 because of a restatement of beginning net position due to implementing this change.
- As of the close of the current fiscal year, the governmental funds of Rutherford County, Tennessee, reported combined ending fund balances of \$96,423, an increase of \$5,120 in comparison with the prior year. Most of this total amount, \$78,004, 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 \$6,351 in the General Fund. This amount will be used to fund operations in the 2015-2016 fiscal year. Unassigned fund balance for the General Fund was \$20,017 or 24.08 percent of total General Fund expenditures.
- The total debt of Rutherford County, Tennessee, increased by \$4,965 (1.39 percent) during the current fiscal year. The county entered into a capital lease for data processing equipment totaling \$341 in September 2014. In May 2015 the county issued \$64,390 of general obligation debt in order to provide additional funds for capital projects and to advance refund \$25,730 of existing general obligation debt. During the fiscal year, bonded debt of \$33,310 was retired and principal payments paid for notes and capital leases totaled \$726 during the fiscal year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Rutherford County, Tennessee. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements,

and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the finances of Rutherford County, Tennessee, in a manner similar to a private-sector business. The government-wide financial statements consist of two statements: the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all of the assets, deferred outflows, liabilities, and deferred inflows for Rutherford County, Tennessee, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Rutherford County, Tennessee, is improving or deteriorating.

The Statement of Activities presents information showing how Rutherford County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Rutherford County, Tennessee, that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Rutherford County, Tennessee, include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; and highways/public works. The Rutherford County Government has no business-type activities to report.

The government-wide financial statements include not only Rutherford County Government itself (known as the primary government), but also a legally separate school system for which the Rutherford County Government is financially accountable. These statements also include a legally separate E-911 district and a legally separate nursing home facility. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on Exhibits A and B of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Rutherford County, Tennessee, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Rutherford County, Tennessee, can be divided into three categories: governmental, proprietary, and fiduciary.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is short-term in comparison to the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Rutherford County, Tennessee, maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, General Debt Service Fund, and the Education Capital Project Fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Rutherford County's own programs. The accounting used for fiduciary funds is much like

that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibit E-1 through E-2 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the Basic Financial Statements; see the table of contents for location.

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

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the required supplementary information. Combining and individual fund statements and schedules can be found on Exhibits G-1 through J-2 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Rutherford County, Tennessee, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$8,088 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, 2015, Rutherford County had outstanding debt totaling \$311,166 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	
	2014	2015
Assets:		
Current and other assets	\$ 225,340	\$ 238,451
Capital assets	260,432	261,638
<b>Total assets</b>	<b>\$ 485,772</b>	<b>\$ 500,089</b>
Deferred outflows of resources:		
Deferred charge on refunding	\$ 11,468	\$ 11,149
Pension related	0	5,593
<b>Total deferred outflows of resources</b>	<b>\$ 11,468</b>	<b>\$ 16,742</b>
Liabilities:		
Long-term liabilities outstanding	\$ 381,263	\$ 392,517
Other liabilities	45,477	46,150
<b>Total liabilities</b>	<b>\$ 426,740</b>	<b>\$ 438,667</b>
Deferred inflows of resources:		
Deferred current property taxes	\$ 78,893	\$ 80,608
Pension related	0	5,644
<b>Total deferred inflows of resources</b>	<b>\$ 78,893</b>	<b>\$ 86,252</b>
Net position:		
Net investment in capital assets	\$ 212,340	\$ 215,139
Restricted	8,021	12,200
Unrestricted	(228,754)	(235,427)
<b>Total net position</b>	<b>\$ (8,393)</b>	<b>\$ (8,088)</b>

By far the largest portion of Rutherford County's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) of \$215,139; less any related debt used to acquire those assets that is still outstanding. Rutherford County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Rutherford County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position of Rutherford County, Tennessee, of \$12,149 represents resources that are subject to external restrictions on how they may be used. Any balance remaining may be used to meet the government's ongoing obligations to citizens and creditors.

### Rutherford County's Changes in Net Position

**Governmental activities.** Governmental activities decreased Rutherford County Government's net position by \$766. Key elements of this increase are displayed on the Changes in Net Position Table. The following table also presents 2015 revenues and expenditures as a percentage of total revenues and expenditures.

## CHANGES IN NET POSITION

	Governmental Activities		
	2014	2015	
Revenues:			
Program revenues:			
Charges for services	\$ 83,780	\$ 85,934	40%
Operating grants and contributions	7,628	9,705	5%
Capital grants and contributions	4,274	3,053	1%
General revenues:			
Property taxes	81,869	83,669	39%
Payment in-lieu-of taxes	8,356	7,778	4%
Local option sales taxes	2,454	3,463	2%
Hotel/Motel tax	1,551	1,708	1%
Wheel tax	6,180	6,449	3%
Business tax	2,155	2,454	1%
Mixed drink tax	0	17	0%
Litigation tax	2,424	2,080	1%
Development tax	3,719	3,353	2%
Mineral severance tax	327	346	0%
Bank excise tax	136	152	0%
Wholesale beer tax	883	969	0%
Interstate telecommunications tax	8	8	0%
Grants and contributions not restricted to specific programs	1,903	820	0%
Unrestricted investment income	197	319	0%
Other	190	96	0%
<b>Total revenues</b>	<b>\$ 208,034</b>	<b>\$ 212,373</b>	<b>100%</b>
Expenses:			
General government	\$ 18,668	\$ 17,083	8%
Finance	8,960	8,314	4%
Administration of justice	7,571	7,491	4%
Public safety	46,244	45,705	21%
Public health and welfare	20,089	19,704	9%
Social, cultural, and recreation services	2,267	2,307	1%
Agriculture and natural resources	1,167	1,388	1%
Highways	12,246	12,038	6%
Education	67,262	84,906	40%
Interest on long-term debt	13,998	14,203	7%
<b>Total expenses</b>	<b>\$ 198,472</b>	<b>\$ 213,139</b>	<b>100%</b>
Increase (Decrease) in net position	\$ 9,562	\$ (766)	
Net position, July 1	(15,637)	(8,393)	
Restatement (change in capitalization threshold)	(2,318)	0	
Restatement (see note I.D.10.)	0	1,071	
<b>Net position, June 30</b>	<b>\$ (8,393)</b>	<b>\$ (8,088)</b>	

As required by GASB Statement No. 68, the county now recognizes a net pension liability in the Statement of Net Position. Net position was increased by \$1,071 because of a restatement of the beginning net position due to implementing this standard. (See note I.D.10.)

### Governmental Program Expenses

The cost of all governmental activities was \$213,139. However, as shown on the previous page, 46.3 percent of these costs (\$98,692) was either paid by those who directly benefited from the programs (\$85,934), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$9,705) and capital grants and contributions (\$3,053). The county paid for the remaining “public benefit” portion of governmental activities with taxes, general grants and contributions, and other miscellaneous revenue. Each program’s net cost to taxpayers is presented below.

Education expenses of \$84,906, Public Safety expenses of \$45,705, and Public Health and Welfare expenses of \$19,704 comprise the largest categories of expenses of Rutherford County, which when combined (\$150,315) comprise 70.5 percent of total expenses. Of the \$150,315, \$67,254 was recovered by charges for services, \$3,883 from operating grants/contributions, and \$650 from capital grants/contributions. Rutherford County’s Board of Education is a component unit of the primary government and does not have the authority to issue debt. Rutherford County issues debt on the Board of Education’s behalf; then contributes the proceeds to the Board so they can purchase, build, or renovate schools. The increase in Education expenses during FY 2015, compared to the prior year, was the result of such a borrowing in the current fiscal year. In May 2015, the county issued debt of \$38,047 on behalf of the county schools.

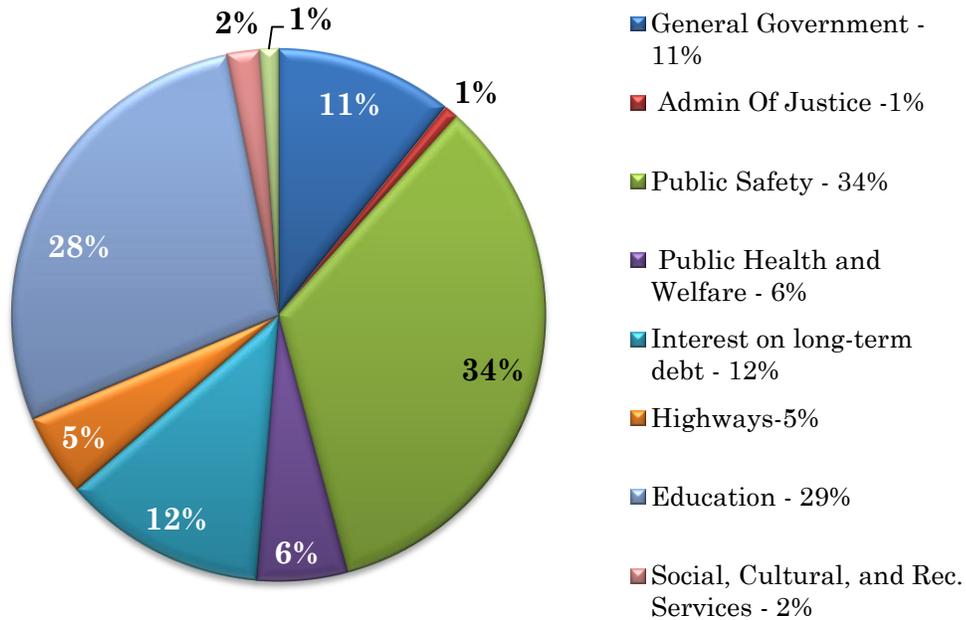
**Expenses by Governmental Activities.** The following table shows the “net (expenses) revenue” as a percentage of the total expense. Net expense is all program expenses less all program revenue. Citizens must then pay for these governmental activities through taxes, unrestricted grants, contributions,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

	Program Revenue	Expense	Net (Expense) Revenue	Net Expense as % to Total Expense
General Government	\$4,705	\$17,083	(\$12,378)	5.8%
Finance	9,380	8,314	1,066	-0.5%
Administration of Justice	6,460	7,491	(1,031)	0.5%
Public Safety	6,182	45,705	(39,523)	18.5%
Public Health & Welfare	13,330	19,704	(6,374)	3.0%
Social, Cultural, & Rec. Services	-	2,307	(2,307)	1.1%
Agriculture & Natural Resources	110	1,388	(1,278)	0.6%
Highway	6,249	12,038	(5,789)	2.7%
Education	52,276	84,906	(32,630)	15.3%
Interest on long-term debt	-	14,203	(14,203)	6.7%
Total governmental activities	\$98,692	\$213,139	(\$114,447)	53.7%

Unlike the preceding table, the next illustration does not merely show the percentage of total costs, it shows the impact of the program on the local citizens’ tax base, as a

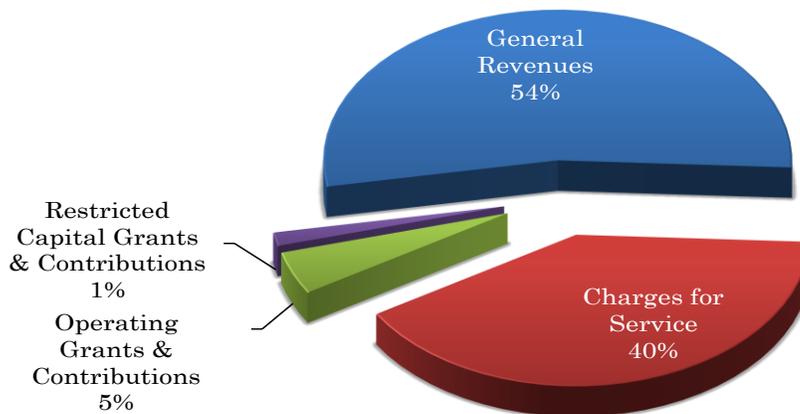
percentage. For example, during the 2014-2015 fiscal year, 34 percent of the local citizen tax base was spent for Public Safety.

### Allocation of the Citizen Tax Base to Governmental Activities



### Revenues

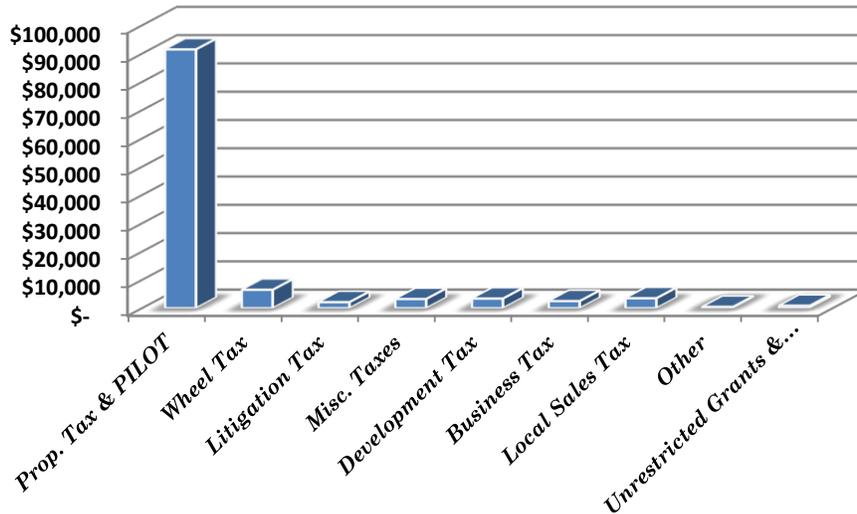
Revenues on the government-wide statement of activities are broken into two major categories: program and general revenues. Of the total revenues, 46 percent is received from program revenues and 54 percent from general revenues.



**Program revenues** are of three types: charges for services/exchange type transactions (arise from charges to customers), operating grants and contributions that are restricted for

a specific purpose, and capital grants and contributions that are restricted for a specific purpose. As depicted on the chart on the previous page, 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, \$41 – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance, \$13,509 – 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, \$4,869 – 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, \$57,987 – includes amounts that are constrained by the county’s intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has authorized the Budget/Finance Committee by resolution to make assignments.
- Unassigned Fund Balance, \$20,017 – 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 \$96,423, which was an increase of \$5,120 in comparison with the prior year. Most of the increase is found in the assigned fund balances, which increased from 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 \$20,017 while total fund balance was \$31,091. Assigned fund balance was \$6,351, 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 24.08 percent of total General Fund expenditures, while total fund balance represents 37.41 percent of that same amount. It should be noted that with the adoption of the 2015-2016 original budget, the unassigned fund balance was estimated at \$20,017 at June 30, 2016. The General Fund’s fund balance actually increased by \$5,242 during the current fiscal year, which was primarily due to actual revenues from local taxes (current levy, development tax and payment in-lieu-of tax) performing much better than anticipated and by departments not spending all their appropriations.

The Debt Service Fund is the fund Rutherford County sets aside resources to meet current and future debt service requirements on general long-term debt. At the end of the current fiscal year, assigned fund balance in this fund was \$33,646 while total fund balance was \$35,467. Committed fund balance totaled \$1,821. The committed fund balance offsets the Note Receivable due from the City of Murfreesboro Water and Sewer. The funding from the city will come from monies collected from sewer taps sold in the Rockvale area. The county and city both contributed to the cost of a sewer line constructed to service the Rockvale Middle School.

As a measure of the debt service liquidity, it will be most useful to compare assigned fund balance to the total of debt service expenditures. The assigned fund balance represents 65.4 percent of total expenditures for debt service. In May 2015, the county issued \$64,390 of general obligation debt to provide additional funds for capital projects and to refund \$31,860 of existing general obligation debt. As a result of the current and advance refunding, total debt service payments over the next 13 years will be reduced by \$1,663.

## 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

	2014	2015
General Government	\$ 1,145	\$ 83
Finance	50	166
Administration of Justice	26	66
Public Safety	1,353	1,507
Public Health and Welfare	292	238
Social, Cultural, and Recreational Services	28	53
Agriculture and Natural Resources	100	3
Other Operations	1,570	44
Principal on Debt	0	227
<b>Total Increase in Appropriations</b>	<b>\$ 4,564</b>	<b>\$ 2,387</b>

There were several areas with significant increases to their original budget: in General Government, the increase in the County Mayor's budget (\$25) was for the payment of delinquent taxes to Chancery Court for properties the county acquired in a tax sale. The Election Commission had a slight increase to its budget (\$24) to pay for additional public legal notices. Risk Management also had a small increase to its budget (\$20) to pay for liability insurance for police and fire volunteers and the department received a donation for their wellness program.

The increase in Finance was primarily due to a need for a data storage device in our Office of Information Technology. The Reappraisal Program received an additional appropriation of \$52 for a grant to purchase two electric cars. There was a 50% local match requirement to obtain the funds.

Nearly every department within Administration of Justice needed additional funding during the 2014-2015 fiscal year, though the additional funding needed for seven of the departments was less than \$8 for each. Circuit Court needed an additional \$17 for data processing services. Victim Assistance Programs added additional services to its clients with changing a part time employee to full time. This required \$16 more in appropriations.

The Sheriff's Department received additional appropriations for grants received from the governor highway safety grants of \$263. The Jail received a grant from the Tennessee Clean Energy Grant for a replacement of the roofing system and to retrofit the lighting at the jail, which required a 40% match. This added \$326 to the jail budget. Because of an increase in jail population, additional funds of \$350 were needed to cover food. Other departments within Public Safety were also awarded grants, which required additional appropriations for their departments: Workhouse received a justice and mental health

collaboration grant of \$118. Juvenile Detention received Title I funding of \$55. Rural Fire had carry-over grant funds of \$32 from homeland security that were not included in the original budget. Disaster Relief also was the recipient of homeland security funds totaling \$68. In addition to the grants, the sergeant classification was reevaluated and salary adjustments were needed, which required an increase in appropriations of \$95 for public safety.

The increase in Public Health and Welfare was due to recognizing carry over and additional funding of \$147 from the State for a health services contract and a grant to develop a smoking cessation program. In addition, funding of \$46 for autopsies performed was once again more than anticipated. The county’s animal shelter also received \$20 of donated funds for use in their many programs.

The increase in Social, Cultural, and Recreational Services was caused by an increase in the county’s hotel motel tax, which created a need to provide additional funding of \$35 to the City of Murfreesboro to help maintain the greenway. Also, the county’s contribution to the local domestic violence shelter was increased \$19 during the fiscal year.

The increase in Agriculture and Natural Resources was to fund a roofing project for Lane Agri-Park.

For Other Operations, a portion (30%) of the hotel motel tax collected is allocated to tourism. Because of the increase noted above in the hotel motel tax, an additional appropriation of \$95 for the Convention Visitor’s Bureau was given.

The county entered into a capital lease in September 2014. An increase to appropriations of \$277 was needed for the payments made on this lease during the fiscal year as the lease payments were made directly from the General Fund.

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

	2014	2015
General Government	\$ 1,244	\$ 450
Finance	729	904
Administration of Justice	390	258
Public Safety	1,557	1,456
Public Health and Welfare	590	697
Social, Cultural, and Recreational Services	5	42
Agriculture and Natural Resources	152	94
Other Operations	185	393
Total Results	<u>\$ 4,852</u>	<u>\$ 4,294</u>

On a budgetary basis, at the close of the fiscal year, actual expenditures were \$4,294 less than budgetary estimates. Most of the unspent appropriations were in the personnel and benefit line items, totaling \$2,180. The county typically budgets all positions as being filled for the entire year. Because of turnover, there are normally appropriations left unspent in

those cost categories. Unspent appropriations for services and supplies totaled approximately \$1,675.

### Capital Assets and Debt Administration

**Capital Assets.** Rutherford County Government's investment in capital assets for its governmental funds as of June 30, 2015, totaled \$261,638 (net of accumulated depreciation). The investment in capital assets includes land, intangibles – right of ways, buildings and improvements, other capital assets (includes equipment), other intangibles, and infrastructure (roads, highways, and bridges). The increase in Rutherford County Government's investment in capital assets for the current fiscal year totaled \$1,206, which represented a .05 percent increase over the prior year.

	Governmental Activities	
	2014	2015
Land	\$ 35,879	\$ 35,820
Intangibles (Right of Way)	46,076	45,797
Buildings and improvements	72,690	70,743
Infrastructure	95,903	95,595
Intangibles (other)	649	880
Other capital assets	7,263	8,660
Construction in progress	1,972	4,143
Total	<u>\$ 260,432</u>	<u>\$ 261,638</u>

Additional information on Rutherford County's capital assets can be found in Note IV.C. of the notes to the financial statements.

**Long-term debt.** At the end of the current fiscal year, Rutherford County Government had total bonded debt, capital leases and notes outstanding of \$361,267. 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	
	2014	2015	2014	2015	2014	2015
Notes	\$ 700	\$ 399	\$ -	\$ -	\$ 700	\$ 399
Cap. Lease	1,182	-	-	1,098	1,182	1,098
Bonds	302,666	310,767	51,754	49,003	354,420	359,770
Total	<u>\$ 304,548</u>	<u>\$ 311,166</u>	<u>\$ 51,754</u>	<u>\$ 50,101</u>	<u>\$ 356,302</u>	<u>\$ 361,267</u>

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

Rutherford County increased its long-term debt by \$4,965 (1.39 percent) during the 2014-2015 fiscal year primarily by issuing \$64,390 of bonded debt, retiring \$33,310 of bonded debt, and advance refunding \$25,730 of bonded debt. In addition, the county entered into a new capital lease for \$341 while retiring principal balances of \$726 for notes/capital leases. Rutherford County Government obtained a rating of “Aa1” from Moody’s and a rating of ”AA+” from Standard and Poor’s for the general obligation bonds. Currently, state statutes do not limit the amount of general obligation debt a government entity may issue. Additional information on the Rutherford County Government’s long-term debt can be found in Exhibits L-1, L-2, and Notes IV.F. and IV.G. of this report.

### **Economic Factors and Next Year’s Budget and Rates**

Rutherford County adopted a budget for the fiscal year ending June 30, 2016, on June 26, 2015. As in prior years, many factors were considered when adopting this budget. Rutherford County continues to be one of the fastest growing areas in the state of Tennessee. Based on continued increases in the local sales tax and revenues related to residential construction, it appears that the county’s economy continues to rebound. However, estimates for revenues from property tax, sales tax, development tax, and building related revenues were conservatively developed for the next fiscal year. Rutherford County’s Board of Commissioners has strived to limit the tax burden on property owners but has always been cognizant of the financial policies they have set in place.

The County Commission adopted a property tax rate of \$2.68 for the 2015 tax year. The 19.33 cents increase in the rate was fully for the purpose of Education and Education Capital Projects. To help with funding ambulance services, one cent was reallocated from the General Fund to the Ambulance Fund.

### **Distribution of the County Property Tax Rate**

Fund	2014 Certified		Change	2015 Adopted	
	Rate	Ratio		Rate	Ratio
County General	\$0.6495	26.12%	<i>\$(0.0100)</i>	\$0.6395	23.86%
Solid Waste	-	0.00%	-	-	0.00%
Ambulance	0.0561	2.26%	<i>0.0100</i>	0.0661	2.47%
Road & Bridges	0.0126	0.51%	-	0.0126	0.46%
Education	1.1565	46.51%	<i>0.1870</i>	1.3435	50.13%
Ed. Capital Projects	0.0437	1.76%	<i>0.0063</i>	0.0500	1.87%
General Debt Service	0.5683	22.85%	-	0.5683	21.21%
All Funds	\$2.4867	100%	<i>\$ 0.1933</i>	\$2.6800	100%

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 \$6,351 for spending in the 2015-2016 fiscal year. This is reflected in the assigned fund balance of the General Fund.

Unassigned fund balance in the General Fund is projected at \$20,017 as of June 30, 2016, which is 22.2 percent of the original 2015-2016 General Fund appropriations.

Assigned fund balance in the General Debt Service Fund decreased by \$332 to close with \$33,647 at fiscal year-end. It is anticipated that \$2,821 will be used to fund next year's appropriations. Projected assigned fund balance in the General Debt Service Fund as of June 30, 2016, is expected to be \$30,826, or 71.42 percent of budgeted debt service expenditures. There was not a firm plan to borrow funds in the next fiscal year; therefore, the budget for the Debt Service Fund only includes debt service for the county's existing debt.

### **Request for Information**

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

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Rutherford County, Tennessee  
Statement of Net Position  
June 30, 2015

	Primary Government Governmental Activities	Component Units		
		Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
<u>ASSETS</u>				
Cash	\$ 2,113,198	\$ 1,301,730	\$ 2,981,535	\$ 4,798,226
Equity in Pooled Cash and Investments	129,912,904	88,231,085	0	0
Inventories	0	193,490	22,581	0
Accounts Receivable	17,180,761	202,257	1,146,959	0
Allowance for Uncollectibles	(6,483,497)	0	(262,670)	0
Property Taxes Receivable	86,230,209	79,714,110	0	0
Allowance for Uncollectible Property Taxes	(4,545,086)	(4,117,994)	0	0
Accrued Interest Receivable	0	0	0	928
Due from Other Governments	2,578,999	10,734,192	0	0
Due from Component Units	1,488,352	0	0	0
Prepaid Items	40,850	5,439	16,661	58,247
Notes Receivable - Long-term	4,695,829	0	0	0
Net Pension Asset	5,238,749	7,101,943	629,687	0
Capital Assets:				
Assets Not Depreciated:				
Land	35,819,854	13,925,151	0	17,500
Intangible Assets (Right-of-Ways)	45,797,088	0	0	0
Construction in Progress	4,143,089	6,486,576	79,340	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	70,742,738	402,669,956	698,411	800,461
Infrastructure	95,594,825	0	0	0
Intangible Assets	880,368	57,746	0	0
Other Capital Assets	8,660,489	7,487,387	263,706	630,714
Total Assets	<u>\$ 500,089,719</u>	<u>\$ 613,993,068</u>	<u>\$ 5,576,210</u>	<u>\$ 6,306,076</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Amount on Refunding	\$ 11,149,154	\$ 0	\$ 0	\$ 0
Pension Changes in Experience	1,782	1,516,091	214	17,053
Pension Other Deferrals	0	1,820,913	0	29,136
Pension Contribution after Measurement Date	5,591,490	17,395,137	476,985	0
Total Deferred Outflows of Resources	<u>\$ 16,742,426</u>	<u>\$ 20,732,141</u>	<u>\$ 477,199</u>	<u>\$ 46,189</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 2,076,488	\$ 3,982,185	\$ 63,235	\$ 0
Accrued Payroll	1,528,088	22,467,558	118,731	0
Accrued Interest Payable	3,114,725	0	0	0
Payroll Deductions Payable	2,242	4,277	46,146	0
Due to Primary Government	0	1,383,685	106,175	0
Other Current Liabilities	0	0	396,066	0
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	262,557	0	0	0
Noncurrent Liabilities:				
Due Within One Year	39,166,206	40,246	228,026	34,695
Due in More Than One Year (net of unamortized premium on debt)	392,517,143	70,053,537	1,232,911	118,790
Total Liabilities	<u>\$ 438,667,449</u>	<u>\$ 97,931,488</u>	<u>\$ 2,191,290</u>	<u>\$ 153,485</u>

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Units		
		Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Current Property Taxes	\$ 80,608,280	\$ 74,736,134	\$ 0	\$ 0
Deferred Grants Received in Advance	0	0	0	832,083
Pension Changes in Investment Earnings	5,644,025	58,358,200	678,400	36,006
Total Deferred Inflows of Resources	<u>\$ 86,252,305</u>	<u>\$ 133,094,334</u>	<u>\$ 678,400</u>	<u>\$ 868,089</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 215,139,455	\$ 430,626,816	\$ 1,041,457	\$ 1,448,675
Restricted for:				
General Government	426,040	0	0	0
Finance	71,456	0	0	0
Administrative of Justice	1,034,355	0	0	0
Public Safety	1,229,758	0	0	0
Public Health and Welfare	240,632	0	0	0
Capital Projects	1,063,473	34,696,837	0	0
Debt Service	2,895,488	0	0	0
School Federal Projects	0	0	0	0
Central Cafeteria	0	4,270,895	0	0
Education	0	7,453,842	0	0
Other Purposes	5,238,749	0	0	0
Unrestricted	<u>(235,427,015)</u>	<u>(73,349,003)</u>	<u>2,142,262</u>	<u>3,882,016</u>
Total Net Position	<u>\$ (8,087,609)</u>	<u>\$ 403,699,387</u>	<u>\$ 3,183,719</u>	<u>\$ 5,330,691</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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units		
					Governmental Total Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
Primary Government:								
General Government	\$ 17,082,463	\$ 4,215,080	\$ 489,615	\$ 0	\$ (12,377,768)	\$ 0	\$ 0	\$ 0
Finance	8,314,344	8,505,478	852,902	21,804	1,065,840	0	0	0
Administration of Justice	7,490,548	5,860,710	599,817	0	(1,030,021)	0	0	0
Public Safety	45,704,766	4,489,391	1,280,097	412,605	(39,522,673)	0	0	0
Public Health and Welfare	19,704,209	10,489,310	2,603,339	237,230	(6,374,330)	0	0	0
Social, Cultural, and Recreational Services	2,307,413	0	0	0	(2,307,413)	0	0	0
Agriculture and Natural Resources	1,387,562	98,511	11,786	0	(1,277,265)	0	0	0
Highways/Public Works	12,037,825	0	3,867,481	2,381,199	(5,789,145)	0	0	0
Education	84,906,070	52,275,637	0	0	(32,630,433)	0	0	0
Interest on Long-term Debt	14,203,357	0	0	0	(14,203,357)	0	0	0
<b>Total Primary Government</b>	<b>\$ 213,138,557</b>	<b>\$ 85,934,117</b>	<b>\$ 9,705,037</b>	<b>\$ 3,052,838</b>	<b>\$ (114,446,565)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
Component Units:								
Rutherford County School Department	\$ 336,529,111	\$ 6,513,773	\$ 22,834,317	\$ 97,048	\$ 0	\$ (307,083,973)	\$ 0	\$ 0
Community Care of Rutherford County, Inc.	9,695,402	9,605,250	278,185	0	0	0	188,033	0
Emergency Communications District	1,758,866	1,438,568	0	0	0	0	0	(320,298)
<b>Total Component Units</b>	<b>\$ 347,983,379</b>	<b>\$ 17,557,591</b>	<b>\$ 23,112,502</b>	<b>\$ 97,048</b>	<b>\$ 0</b>	<b>\$ (307,083,973)</b>	<b>\$ 188,033</b>	<b>\$ (320,298)</b>

(Continued)

Exhibit B

Rutherford County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units		
					Governmental Total Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 46,711,383	\$ 66,829,951	\$ 0	\$ 0
Property Taxes Levied for Debt Service					36,958,330	0	0	0
Payments in-Lieu-of Tax					7,777,502	940,626	0	0
Local Option Sales Tax					3,463,206	50,347,621	0	0
Hotel/Motel Tax					1,708,516	0	0	0
Wheel Tax					6,448,620	3,654,147	0	0
Business Tax					2,454,489	1,960,020	0	0
Mixed Drink Tax					16,726	491,521	0	0
Litigation Tax					2,079,998	0	0	0
Adequate Facilities/Development Tax					3,352,650	0	0	0
Mineral Severance Tax					345,797	0	0	0
Bank Excise Tax					151,916	0	0	0
Wholesale Beer Tax					968,983	0	0	0
Interstate Telecommunications Tax					7,970	22,125	0	0
Grants and Contributions Not Restricted to Specific Programs					819,873	212,588,422	0	131,806
Unrestricted Investment Income					319,386	72,902	2,833	31,229
Miscellaneous					96,101	29,955	0	0
Gain on the Sale of Capital Assets					0	0	0	15,136
Pension Income					0	231,310	0	0
<b>Total General Revenues</b>					<b>\$ 113,681,446</b>	<b>\$ 337,168,600</b>	<b>\$ 2,833</b>	<b>\$ 178,171</b>
Change in Net Position								
Net Position, July 1, 2014					\$ (765,119)	\$ 30,084,627	\$ 190,866	\$ (142,127)
Restatement - See Note I.D.10.					(8,393,436)	419,941,995	2,864,127	5,535,175
					1,070,946	(46,327,235)	128,726	(62,357)
<b>Net Position, June 30, 2015</b>					<b>\$ (8,087,609)</b>	<b>\$ 403,699,387</b>	<b>\$ 3,183,719</b>	<b>\$ 5,330,691</b>

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, 2015

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 2,370	\$ 0	\$ 342,265	\$ 344,635
Equity in Pooled Cash and Investments	30,442,171	33,511,544	26,112,570	90,066,285
Accounts Receivable	8,190,178	11,740	8,865,768	17,067,686
Allowance for Uncollectibles	0	0	(6,483,497)	(6,483,497)
Due from Other Governments	1,486,749	38,691	1,141,874	2,667,314
Due from Other Funds	943,645	0	0	943,645
Due from Component Units	2,992	0	0	2,992
Property Taxes Receivable	42,877,928	38,091,432	5,260,849	86,230,209
Allowance for Uncollectible Property Taxes	(2,265,100)	(2,007,751)	(272,235)	(4,545,086)
Prepaid Items	40,850	0	0	40,850
Notes Receivable - Long-term	0	1,820,785	2,875,044	4,695,829
Total Assets	\$ 81,721,783	\$ 71,466,441	\$ 37,842,638	\$ 191,030,862
<u>LIABILITIES</u>				
Accounts Payable	\$ 841,800	\$ 0	\$ 461,888	\$ 1,303,688
Accrued Payroll	1,033,304	0	494,784	1,528,088
Payroll Deductions Payable	2,242	0	0	2,242
Due to Other Funds	0	0	387,651	387,651
Current Liabilities Payable From Restricted Assets	262,557	0	0	262,557
Total Liabilities	\$ 2,139,903	\$ 0	\$ 1,344,323	\$ 3,484,226
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 40,069,176	\$ 35,607,995	\$ 4,931,109	\$ 80,608,280

(Continued)

Exhibit C-1

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	General	Other	
		Debt Service	Govern- mental Funds	
Deferred Delinquent Property Taxes	\$ 447,330	\$ 391,406	\$ 47,316	\$ 886,052
Other Deferred/Unavailable Revenue	7,974,679	0	1,654,464	9,629,143
<b>Total Deferred Inflows of Resources</b>	<b>\$ 48,491,185</b>	<b>\$ 35,999,401</b>	<b>\$ 6,632,889</b>	<b>\$ 91,123,475</b>

DEFERRED INFLOWS OF RESOURCES (Cont.)

FUND BALANCES

Nonspendable:				
Prepaid Items	\$ 40,850	\$ 0	\$ 0	\$ 40,850
Restricted:				
Restricted for General Government	426,040	0	0	426,040
Restricted for Finance	71,456	0	0	71,456
Restricted for Administration of Justice	1,034,355	0	0	1,034,355
Restricted for Public Safety	246,093	0	983,665	1,229,758
Restricted for Public Health and Welfare	211,558	0	29,074	240,632
Restricted for Debt Service	0	0	2,895,488	2,895,488
Restricted for Capital Projects	1,635,770	0	5,975,169	7,610,939
Committed:				
Committed for General Government	104,773	0	0	104,773
Committed for Finance	233,056	0	0	233,056
Committed for Administration of Justice	5,028	0	0	5,028
Committed for Public Safety	380,640	0	0	380,640
Committed for Public Health and Welfare	102,350	0	0	102,350
Committed for Agriculture and Natural Resources	230,433	0	0	230,433
Committed for Other Operations	376	0	0	376
Committed for Highways/Public Works	0	0	1,992,155	1,992,155
Committed for Debt Service	0	1,820,785	0	1,820,785

(Continued)

Exhibit C-1

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	General	Other	
		Debt Service	Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>				
Assigned:				
Assigned for Finance	\$ 0	\$ 0	\$ 125,000	\$ 125,000
Assigned for Administration of Justice	0	0	80,485	80,485
Assigned for Public Health and Welfare	0	0	9,067,595	9,067,595
Assigned for Other Operations	0	0	275,364	275,364
Assigned for Highways/Public Works	0	0	8,441,431	8,441,431
Assigned for Debt Service	0	33,646,255	0	33,646,255
Assigned for Other Purposes	6,350,583	0	0	6,350,583
Unassigned	20,017,334	0	0	20,017,334
Total Fund Balances	<u>\$ 31,090,695</u>	<u>\$ 35,467,040</u>	<u>\$ 29,865,426</u>	<u>\$ 96,423,161</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 81,721,783</u>	<u>\$ 71,466,441</u>	<u>\$ 37,842,638</u>	<u>\$ 191,030,862</u>

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

Rutherford County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Position  
June 30, 2015

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)		\$	96,423,161
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	35,819,854	
Add: intangible assets – right-of-ways		45,797,088	
Add: construction in progress		4,143,089	
Add: buildings and improvements net of accumulated depreciation		70,742,738	
Add: infrastructure net of accumulated depreciation		95,594,825	
Add: intangible assets net of accumulated depreciation		880,368	
Add: other capital assets net of accumulated depreciation		8,660,489	261,638,451
(2) Internal service funds are used by management to charge the cost of liability insurance, workers' compensation insurance, and employee health benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.			27,947,975
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. Less:			
notes payable	\$	(398,974)	
Less: bonds payable		(359,770,000)	
Less: capital leases payable		(1,098,369)	
Add: deferred amount on refunding		11,149,154	
Add: debt to be contributed by the School Department		1,383,685	
Less: unamortized premium on debt		(34,246,427)	
Less: other postemployment benefits liability		(14,727,782)	
Less: landfill closure/postclosure care costs		(4,002,040)	
Less: compensated absences payable		(4,974,909)	
Less: accrued interest on bonds, notes and capital leases		(3,114,725)	(409,800,387)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years. Add:			
deferred outflows of resources related to pensions	\$	5,593,272	
Less: deferred inflows of resources related to pensions		(5,644,025)	(50,753)
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			5,238,749
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			10,515,195
Net position of governmental activities (Exhibit A)		\$	<u>(8,087,609)</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, 2015

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 60,790,849	\$ 41,004,988	\$ 0	\$ 10,864,565	\$ 112,660,402
Licenses and Permits	1,923,354	0	0	0	1,923,354
Fines, Forfeitures, and Penalties	2,182,304	0	0	508,384	2,690,688
Charges for Current Services	1,408,075	0	0	11,444,155	12,852,230
Other Local Revenues	1,245,643	201,338	0	626,098	2,073,079
Fees Received From County Officials	10,603,268	0	0	0	10,603,268
State of Tennessee	6,519,789	0	0	5,046,334	11,566,123
Federal Government	1,679,044	0	0	144,162	1,823,206
Other Governments and Citizens Groups	1,488,041	550,157	0	132,428	2,170,626
Total Revenues	<u>\$ 87,840,367</u>	<u>\$ 41,756,483</u>	<u>\$ 0</u>	<u>\$ 28,766,126</u>	<u>\$ 158,362,976</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 8,485,782	\$ 784,106	\$ 0	\$ 0	\$ 9,269,888
Finance	8,785,968	0	0	549,063	9,335,031
Administration of Justice	5,236,577	0	0	2,571,535	7,808,112
Public Safety	47,435,088	0	0	519,433	47,954,521
Public Health and Welfare	4,315,274	0	0	14,612,903	18,928,177
Social, Cultural, and Recreational Services	2,307,413	0	0	0	2,307,413
Agriculture and Natural Resources	1,030,471	0	0	0	1,030,471
Other Operations	5,292,233	0	0	328,490	5,620,723
Highways	0	0	0	8,622,421	8,622,421
Debt Service:					
Principal on Debt	227,315	27,678,574	0	0	27,905,889
Interest on Debt	0	13,692,541	0	0	13,692,541
Other Debt Service	0	9,281,657	0	0	9,281,657

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor	Total
	General	General Debt Service	Education Capital Projects	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 35,625,016	\$ 4,014,942	\$ 39,639,958
Total Expenditures	\$ 83,116,121	\$ 51,436,878	\$ 35,625,016	\$ 31,218,787	\$ 201,396,802
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,724,246	\$ (9,680,395)	\$ (35,625,016)	\$ (2,452,661)	\$ (43,033,826)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 31,562,765	\$ 2,301,060	\$ 33,863,825
Capital Leases Issued	340,973	0	0	0	340,973
Refunding Debt Issued	0	30,526,175	0	0	30,526,175
Premiums on Debt Sold	0	4,486,704	4,062,251	0	8,548,955
Insurance Recovery	24,362	0	0	23,627	47,989
Transfers In	615,994	65,194	0	622,415	1,303,603
Transfers Out	(463,915)	0	0	(283,694)	(747,609)
Payments to Refunded Debt Escrow Agent	0	(25,730,000)	0	0	(25,730,000)
Total Other Financing Sources (Uses)	\$ 517,414	\$ 9,348,073	\$ 35,625,016	\$ 2,663,408	\$ 48,153,911
Net Change in Fund Balances	\$ 5,241,660	\$ (332,322)	\$ 0	\$ 210,747	\$ 5,120,085
Fund Balance, July 1, 2014	25,849,035	35,799,362	0	29,654,679	91,303,076
Fund Balance, June 30, 2015	\$ 31,090,695	\$ 35,467,040	\$ 0	\$ 29,865,426	\$ 96,423,161

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

Rutherford County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2015

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)		\$ 5,120,085
(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	\$ 6,268,045	
Less: current-year depreciation expense	<u>(5,958,098)</u>	309,947
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 1,548,400	
Less: book value of capital assets disposed	<u>(652,225)</u>	896,175
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$ 10,515,195	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(10,846,590)</u>	(331,395)
(4) The issuance of long-term debt (e.g. notes, bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on refunding	\$ 6,130,000	
Add: principal payments on notes	300,948	
Add: principal payments on bonds	27,180,000	
Add: principal payments on capital leases	424,941	
Add: payment to refunding agent	25,730,000	
Less: bond proceeds	(33,863,825)	
Less: refunding bond proceeds	(30,526,175)	
Less: capital lease proceeds	(340,973)	
Less: change in premium on debt issuances	(5,888,473)	
Less: contributions from the School Department for notes and capital lease	(498,574)	
Less: change in deferred amount on refunding debt	<u>(318,388)</u>	(11,670,519)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds		
Change in accrued interest payable	\$ (24,638)	
Change in landfill closure/postclosure care costs	184,969	
Change in other postemployment benefits liability	(1,768,618)	
Change in compensated absences payable	(209,519)	
Change in net pension obligation	4,167,803	
Change in deferred outflows of resources related to pensions	5,593,272	
Change in deferred inflows of resources related to pensions	<u>(5,644,025)</u>	2,299,244
(6) Internal service funds are used by management to charge the cost of liability insurance, workers' compensation insurance, and employee health benefits to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities in the statement of activities.		<u>2,611,344</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (765,119)</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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 60,790,849	\$ 0	\$ 0	\$ 60,790,849	\$ 58,655,175	\$ 60,102,796	\$ 688,053
Licenses and Permits	1,923,354	0	0	1,923,354	1,480,200	1,822,950	100,404
Fines, Forfeitures, and Penalties	2,182,304	0	0	2,182,304	1,998,950	1,968,670	213,634
Charges for Current Services	1,408,075	0	0	1,408,075	1,194,400	1,262,000	146,075
Other Local Revenues	1,245,643	0	0	1,245,643	643,600	1,136,633	109,010
Fees Received From County Officials	10,603,268	0	0	10,603,268	10,076,500	10,143,500	459,768
State of Tennessee	6,519,789	0	0	6,519,789	5,860,944	6,896,487	(376,698)
Federal Government	1,679,044	0	0	1,679,044	1,221,830	1,861,101	(182,057)
Other Governments and Citizens Groups	1,488,041	0	0	1,488,041	1,229,700	1,485,077	2,964
Total Revenues	\$ 87,840,367	\$ 0	\$ 0	\$ 87,840,367	\$ 82,361,299	\$ 86,679,214	\$ 1,161,153
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 211,944	\$ 0	\$ 0	\$ 211,944	\$ 247,070	\$ 247,070	\$ 35,126
Board of Equalization	4,153	0	0	4,153	20,930	20,930	16,777
County Mayor/Executive	536,085	0	0	536,085	540,334	565,334	29,249
Personnel Office	261,956	0	121	262,077	268,099	271,099	9,022
County Attorney	262,662	0	0	262,662	262,976	262,976	314
Election Commission	830,360	(5,151)	6,849	832,058	863,048	887,198	55,140
Register of Deeds	1,067,980	0	69	1,068,049	1,080,012	1,087,212	19,163
Planning	661,721	(3,429)	1,745	660,037	704,440	707,635	47,598
Codes Compliance	370	0	0	370	600	600	230
Geographical Information Systems	1,205,494	(129,196)	69,434	1,145,732	1,226,229	1,226,229	80,497
County Buildings	1,957,140	(42,277)	25,006	1,939,869	2,048,884	2,049,174	109,305
Other General Administration	250,045	(2,890)	0	247,155	250,940	250,940	3,785
Preservation of Records	111,657	0	0	111,657	120,534	120,534	8,877
Risk Management	1,124,215	(195)	1,548	1,125,568	1,139,920	1,159,920	34,352
<u>Finance</u>							
Accounting and Budgeting	1,086,648	(12,592)	0	1,074,056	1,128,283	1,128,283	54,227
Property Assessor's Office	1,088,179	0	0	1,088,179	1,421,219	1,421,219	333,040

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Reappraisal Program	\$ 928,173	\$ (1,148)	\$ 21,249	\$ 948,274	\$ 1,136,854	\$ 1,188,854	\$ 240,580
County Trustee's Office	607,854	(173)	0	607,681	631,650	631,650	23,969
County Clerk's Office	2,267,352	(5,601)	405	2,262,156	2,344,383	2,344,383	82,227
Data Processing	2,807,762	(235,554)	211,403	2,783,611	2,840,021	2,953,679	170,068
<u>Administration of Justice</u>							
Circuit Court	458,513	0	0	458,513	463,900	481,375	22,862
Circuit Court Judge	264,084	0	0	264,084	275,049	276,434	12,350
General Sessions Court	1,403,800	(596)	0	1,403,204	1,464,841	1,471,941	68,737
Drug Court	448,551	(239)	987	449,299	488,237	495,387	46,088
Chancery Court	933,426	(2,170)	4,041	935,297	974,621	975,951	40,654
Juvenile Court	488,635	0	0	488,635	512,591	520,111	31,476
District Attorney General	85,687	0	0	85,687	86,598	91,648	5,961
Office of Public Defender	62,243	0	0	62,243	68,130	68,130	5,887
Probation Services	915,601	(200)	0	915,401	923,219	926,119	10,718
Victim Assistance Programs	176,037	0	0	176,037	173,106	189,426	13,389
<u>Public Safety</u>							
Sheriff's Department	22,280,976	(209,919)	218,874	22,289,931	22,578,003	22,880,487	590,556
Special Patrols	40,400	0	0	40,400	47,850	47,850	7,450
Traffic Control	12,275	0	0	12,275	20,000	20,000	7,725
Administration of the Sexual Offender Registry	67,598	(894)	0	66,704	75,123	75,123	8,419
Jail	15,434,100	(118,878)	356,011	15,671,233	15,132,335	16,021,338	350,105
Workhouse	3,752,548	(1,068)	208	3,751,688	3,869,703	4,001,221	249,533
Juvenile Services	1,996,004	(4,575)	1,273	1,992,702	2,000,713	2,069,187	76,485
Rural Fire Protection	2,495,727	(5,156)	35,942	2,526,513	2,549,886	2,594,760	68,247
Disaster Relief	532,163	(67,570)	3,105	467,698	470,101	538,269	70,571
Inspection and Regulation	823,297	(750)	4,172	826,719	851,571	853,921	27,202
<u>Public Health and Welfare</u>							
Local Health Center	633,034	(398)	570	633,206	706,056	706,856	73,650
Rabies and Animal Control	1,447,974	(164)	4,179	1,451,989	1,575,373	1,618,569	166,580

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Dental Health Program	\$ 10,222	\$ 0	\$ 659	\$ 10,881	\$ 11,812	\$ 11,812	\$ 931
Alcohol and Drug Programs	32,742	0	0	32,742	0	103,668	70,926
Other Local Health Services	1,818,568	0	0	1,818,568	2,141,371	2,184,700	366,132
General Welfare Assistance	53,550	0	0	53,550	53,550	53,550	0
Sanitation Management	34,384	0	0	34,384	33,100	34,400	16
Other Public Health and Welfare	284,800	0	0	284,800	257,600	303,600	18,800
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	33,600	0	0	33,600	33,600	33,600	0
Senior Citizens Assistance	1,575	0	0	1,575	1,575	1,575	0
Libraries	1,298,175	0	0	1,298,175	1,298,175	1,298,175	0
Parks and Fair Boards	480,737	0	0	480,737	487,465	522,465	41,728
Other Social, Cultural, and Recreational	493,326	0	0	493,326	474,726	493,326	0
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	773,943	0	1,316	775,259	803,153	803,153	27,894
Soil Conservation	83,646	0	0	83,646	108,391	108,391	24,745
Storm Water Management	172,882	(5,719)	1,000	168,163	206,795	209,585	41,422
<u>Other Operations</u>							
Tourism	559,805	0	0	559,805	527,250	622,250	62,445
Other Economic and Community Development	0	0	0	0	120,000	120,000	120,000
Other Charges	225,783	(429)	377	225,731	242,205	242,205	16,474
Employee Benefits	591,363	0	0	591,363	798,300	760,960	169,597
Payments to Cities	2,015,189	0	0	2,015,189	1,975,000	2,015,220	31
Miscellaneous	1,900,093	0	0	1,900,093	1,978,400	1,924,350	24,257
<u>Principal on Debt</u>							
General Government	227,315	0	0	227,315	0	227,315	0
Total Expenditures	\$ 83,116,121	\$ (856,931)	\$ 970,543	\$ 83,229,733	\$ 85,135,900	\$ 87,523,322	\$ 4,293,589
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,724,246	\$ 856,931	\$ (970,543)	\$ 4,610,634	\$ (2,774,601)	\$ (844,108)	\$ 5,454,742

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 340,973	\$ 0	\$ 0	\$ 340,973	\$ 0	\$ 340,973	\$ 0
Insurance Recovery	24,362	0	0	24,362	0	21,012	3,350
Transfers In	615,994	0	0	615,994	653,920	653,920	(37,926)
Transfers Out	(463,915)	0	0	(463,915)	0	(463,915)	0
Total Other Financing Sources	\$ 517,414	\$ 0	\$ 0	\$ 517,414	\$ 653,920	\$ 551,990	\$ (34,576)
Net Change in Fund Balance	\$ 5,241,660	\$ 856,931	\$ (970,543)	\$ 5,128,048	\$ (2,120,681)	\$ (292,118)	\$ 5,420,166
Fund Balance, July 1, 2014	25,849,035	(856,931)	0	24,992,104	19,424,080	19,424,080	5,568,024
Fund Balance, June 30, 2015	\$ 31,090,695	\$ 0	\$ (970,543)	\$ 30,120,152	\$ 17,303,399	\$ 19,131,962	\$ 10,988,190

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, 2015

	<u>Governmental Activities - Internal Service Funds</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 1,768,563
Equity in Pooled Cash and Investments	39,846,619
Accounts Receivable	13,147
Due from Other Governments	11,613
Due from Component Units	101,675
Total Assets	<u>\$ 41,741,617</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 772,800
Due to Other Funds	555,994
Claims and Judgments Payable	9,755,298
Long-term Liabilities:	
Claims and Judgments Payable	2,709,550
Total Liabilities	<u>\$ 13,793,642</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 27,947,975</u>
Total Net Position	<u>\$ 27,947,975</u>

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

Rutherford County, Tennessee  
Statement of Revenues, Expenses, and Changes  
in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2015

	Governmental Activities - Internal Service Funds
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 59,666,678
Other Employee Benefits Charges/Contributions	1,508,335
Service Charges	4,200
Other Local Revenues:	
Retirees' Insurance Payments	4,421,973
Cobra Insurance Payments	111,751
State of Tennessee:	
On-Behalf Contributions for OPEB	138,262
Total Operating Revenues	<u>\$ 65,851,199</u>
<u>Operating Expenses</u>	
Employee Benefits:	
Handling Charges and Administrative Costs	\$ 2,690,806
Disability Insurance	426,567
Bank Charges	1,200
Consultants	66,493
Contracts with Private Agencies	2,477,586
Other Contracted Services	5,500
Medical Claims	54,945,026
Premiums on Corporate Surety Bonds	7,500
Liability Claims	1,228,235
Fines, Assessments, and Penalties	541,020
Other Self-Insured Claims	352,461
Other Charges	40,720
Total Operating Expenses	<u>\$ 62,783,114</u>
Operating Income (Loss)	<u>\$ 3,068,085</u>
<u>Nonoperating Revenues (Expenses)</u>	
Insurance Recovery	\$ 99,253
Total Nonoperating Revenues (Expenses)	<u>\$ 99,253</u>
Income (Loss) Before Transfers	\$ 3,167,338
Transfers Out	<u>(555,994)</u>
Change in Net Position	\$ 2,611,344
Net Position, July 1, 2014	<u>25,336,631</u>
Net Position, June 30, 2015	<u>\$ 27,947,975</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, 2015

	<u>Governmental Activities - Internal Service Funds</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 65,887,394
Payments to Suppliers	(5,484,323)
Claims Paid	(56,343,580)
Insurance Recovery	99,253
Payments of Taxes, Duties, Fines, Fees, and Penalties	(541,020)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 3,617,724</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	\$ (555,994)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (555,994)</u>
Net Increase (Decrease) in Cash	\$ 3,061,730
Cash, July 1, 2014	<u>38,553,452</u>
Cash, June 30, 2015	<u><u>\$ 41,615,182</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 3,068,085
Insurance Recovery	99,253
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	138,583
(Increase) Decrease in Due from Other Governments	(713)
(Increase) Decrease in Due from Component Units	(101,675)
Increase (Decrease) in Accounts Payable	(45,948)
Increase (Decrease) in Due to Other Funds	555,994
Increase (Decrease) in Claims and Judgments Payable	<u>(95,855)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 3,617,724</u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash Per Net Position	\$ 1,768,563
Equity in Pooled Cash and Investments Per Net Position	<u>39,846,619</u>
Cash, June 30, 2015	<u><u>\$ 41,615,182</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, 2015

	Other Employee Benefit Trust Fund	
	<u>Flexible Benefits Fund</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Cash	\$ 16,412	\$ 9,005,425
Equity in Pooled Cash and Investments	44,987	401,320
Investments	0	7,299
Accounts Receivable	0	37,665
Due from Other Governments	0	10,951,355
Due from Component Units	1,508	0
Taxes Receivable	0	13,413,981
Allowance for Uncollectible Taxes	0	<u>(692,904)</u>
Total Assets	<u>\$ 62,907</u>	<u>\$ 33,124,141</u>
<u>LIABILITIES</u>		
Due to Other Taxing Units	\$ 0	\$ 23,671,272
Due to Joint Ventures	0	11,828
Due to Litigants, Heirs, and Others	<u>0</u>	<u>9,441,041</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 33,124,141</u>
<u>NET POSITION</u>		
Held in Trust for Other Employee Benefits	<u>\$ 62,907</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, 2015

	Other Employee Benefit Trust Fund
	<hr/>
	Flexible Benefits Fund
	<hr/>
<u>ADDITIONS</u>	
Charges for Services:	
Other Employee Benefit Charges/Contributions	\$ 1,059,534
Total Additions	<u>\$ 1,059,534</u>
<u>DEDUCTIONS</u>	
Employee Benefits:	
Other Fringe Benefits	\$ 1,068,048
Total Deductions	<u>\$ 1,068,048</u>
Change in Net Position	\$ (8,514)
Net Position, July 1, 2014	<u>71,421</u>
Net Position, June 30, 2015	<u><u>\$ 62,907</u></u>

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

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**RUTHERFORD COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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**RUTHERFORD COUNTY, TENNESSEE**  
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**RUTHERFORD COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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

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

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

Rutherford County issues all debt for the discretely presented Rutherford County School Department. Net debt issues totaling \$35,625,016 were contributed by the county to the School Department during the year ended June 30, 2015.

Separate financial statements are provided for governmental funds, proprietary funds (internal service), and fiduciary funds. The internal service funds are reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Fund financial statements of Rutherford County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Rutherford County reports three proprietary funds (internal service funds). It has no enterprise funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Rutherford County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Rutherford County reports the following major governmental funds:

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

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

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

Additionally, Rutherford County reports the following fund types:

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

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

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

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

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

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

**Other Capital Projects Fund** – This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Additionally, 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.

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

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

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

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

**1. Deposits and Investments**

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

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Rutherford County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General, General Debt Service, and General Purpose School funds. In addition, an investment is held separately by the Constitutional Officers - Agency Fund. Rutherford

County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at 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 \$7,720,000 of payments in-lieu-of property taxes for certain local businesses. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable is reported as a deferred inflow of resources as of June 30.

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to one 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 \$71,421, deposits in-lieu-of bonds for developments \$175,274, agricultural facilities rentals \$15,239, and animal adoption fees \$623.

**3. Inventories and Prepaid Items**

Inventories of the discretely presented Rutherford County School Department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

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

**4. Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), and intangibles (e.g., easements, computer software, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 (infrastructure \$50,000 and intangible \$25,000) or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

**5. Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred

inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue, etc.) 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 items are from the following sources: current and delinquent property taxes, changes in investment earnings, and various receivables for revenues, which do not meet the availability criteria for 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 \$12,199,951 of restricted net position for the primary government, of which \$1,635,770 is restricted by enabling legislation and \$5,238,749 is restricted for Other Purposes for the primary government, which consists of net pension obligations.

As of June 30, 2015, Rutherford County had \$311,165,969 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. The most significant restriction reported at June 30, 2015, is for capital projects. \$7,610,939 has been restricted for projects for general government purposes, including the design of a planned judicial building and parking garage.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority, and shall remain binding unless removed in the same manner. At June 30, 2015, the most significant commitments of fund balance are \$1,992,155 that has been committed for storm water improvements to county owned easements, and \$1,820,785 which is committed when received from the City of Murfreesboro to pay debt service related to the Rockvale sewer expansion.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has by resolution authorized the county's Budget/Finance Committee to make assignments for the general government. The Board of Education makes assignments by resolution for the School Department. The most significant assignments at

June 30, 2015, are \$5,778,591 for solid waste and sanitation, and \$3,289,004 for the Ambulance Service, both of which are reported as Assigned for Public Health; and \$6,350,583 Assigned for Other Purposes, which has been set aside to fund operations in the 2015-2016 General Fund budget.

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 government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position. Therefore, a restatement increasing Rutherford County's and decreasing the Rutherford County School Department's beginning net position has been recognized on the Statement of Activities totaling \$1,070,946 and (\$46,327,235), respectively.

**E. Pension Plans**

**Primary Government**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Rutherford County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Rutherford County's fiduciary net position have been determined on the same

basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

**Discretely Presented Rutherford County School Department**

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

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position**

**Primary Government**

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

**Discretely Presented Rutherford County School Department**

Exhibit K-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

**B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities**

**Primary Government**

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

## **Discretely Presented Rutherford County School Department**

Exhibit K-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

### **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers – Fees Fund (special revenue fund), which is not budgeted, and the primary government's capital projects funds 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, 2015, Rutherford County reported a significant encumbrance in the General Fund of \$228,662 for the replacement of the roof on the jail.

#### **B. Cash Shortage – Prior Year**

On September 11, 2014, the Comptroller's Division of Investigations, Special Investigations Unit issued a special investigative report on the Rutherford County School Department for the period July 1, 2010, through June 30, 2012. This report disclosed a number of deficiencies in accounting for night school tuition collections, including a cash shortage of at least \$15,875. The former bookkeeper responsible for this theft was indicted by

the Rutherford County Grand Jury on September 2, 2014, on charges of theft over \$10,000 and official misconduct. On May 29, 2015, both parties agreed to an order of retirement, which reduced the charge by \$13,475. The bookkeeper was ordered to pay restitution totaling \$2,400 to the Rutherford County School Department. On June 5, 2015, the restitution was fully liquidated.

**C. Pending Investigation**

An investigation is ongoing in the Rutherford County Sheriff's Office. Findings, if any, resulting from the investigation will be included in a subsequent report.

**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, 2015, 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.

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

<u>Investment</u>	<u>Weighted Average Maturity (days)</u>	<u>Maturities</u>	<u>Fair Value</u>
Pooled:			
State Treasurer's Investment Pool	3-139	N/A	<u>\$ 77,761,980</u>
Nonpooled:			
Constitutional Officers - Agency Fund:			
Clerk and Master:			
State Treasurer's Investment Pool	3-139	N/A	<u>\$ 7,299</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, 2015, Rutherford County's investment in the State Treasurer's Investment Pool was unrated.

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

**B. Notes Receivable**

The Industrial/Economic Development Fund had two long-term notes receivable of \$305,044 and \$2,570,000 on June 30, 2015, 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, 2015, from financing projects for the City of Murfreesboro's Rockvale Utility District.

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2015, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 35,879,504	\$ 0	\$ (59,650)	\$ 35,819,854
Intangible Assets (Right-of-Ways)	46,075,616	0	(278,528)	45,797,088
Construction in Progress	1,971,660	2,171,429	0	4,143,089
Total Capital Assets Not Depreciated	<u>\$ 83,926,780</u>	<u>\$ 2,171,429</u>	<u>\$ (338,178)</u>	<u>\$ 85,760,031</u>

**Governmental Activities (Cont.):**

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets				
Depreciated:				
Buildings and				
Improvements	\$ 105,381,721	\$ 413,201	\$ (451,766)	\$ 105,343,156
Infrastructure	136,420,293	1,548,400	0	137,968,693
Intangible Assets	2,821,998	400,989	0	3,222,987
Other Capital Assets	31,226,523	3,282,426	(779,325)	33,729,624
Total Capital Assets				
Depreciated	<u>\$ 275,850,535</u>	<u>\$ 5,645,016</u>	<u>\$ (1,231,091)</u>	<u>\$ 280,264,460</u>
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 32,691,601	\$ 2,150,592	\$ (241,775)	\$ 34,600,418
Infrastructure	40,517,063	1,856,805	0	42,373,868
Intangible Assets	2,172,580	170,039	0	2,342,619
Other Capital Assets	23,963,742	1,780,662	(675,269)	25,069,135
Total Accumulated				
Depreciation	<u>\$ 99,344,986</u>	<u>\$ 5,958,098</u>	<u>\$ (917,044)</u>	<u>\$ 104,386,040</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 176,505,549</u>	<u>\$ (313,082)</u>	<u>\$ (314,047)</u>	<u>\$ 175,878,420</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 260,432,329</u>	<u>\$ 1,858,347</u>	<u>\$ (652,225)</u>	<u>\$ 261,638,451</u>

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

**Governmental Activities:**

General Government	\$ 541,837
Finance	282,856
Administration of Justice	16,372
Public Safety	1,724,206
Public Health and Welfare	1,070,678
Agriculture and Natural Resources	185,566
Highways	<u>2,136,583</u>
Total Depreciation Expense -	
Governmental Activities	<u>\$ 5,958,098</u>

**Discretely Presented Rutherford County School Department**

**Governmental Activities:**

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 11,701,005	\$ 2,224,146	\$ 0	\$ 13,925,151
Construction in Progress	8,011,560	6,247,541	(7,772,525)	6,486,576
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 19,712,565</b>	<b>\$ 8,471,687</b>	<b>\$ (7,772,525)</b>	<b>\$ 20,411,727</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 535,306,141	\$ 10,359,280	\$ 0	\$ 545,665,421
Intangible Assets	435,278	0	(60,100)	375,178
Other Capital Assets	18,670,920	769,911	(182,791)	19,258,040
<b>Total Capital Assets Depreciated</b>	<b>\$ 554,412,339</b>	<b>\$ 11,129,191</b>	<b>\$ (242,891)</b>	<b>\$ 565,298,639</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 130,949,370	\$ 12,046,095	\$ 0	\$ 142,995,465
Intangible Assets	329,888	39,345	(51,801)	317,432
Other Capital Assets	10,803,230	1,146,069	(178,646)	11,770,653
<b>Total Accumulated Depreciation</b>	<b>\$ 142,082,488</b>	<b>\$ 13,231,509</b>	<b>\$ (230,447)</b>	<b>\$ 155,083,550</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 412,329,851</b>	<b>\$ (2,102,318)</b>	<b>\$ (12,444)</b>	<b>\$ 410,215,089</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 432,042,416</b>	<b>\$ 6,369,369</b>	<b>\$ (7,784,969)</b>	<b>\$ 430,626,816</b>

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

**Governmental Activities:**

Instruction	\$ 39,345
Support Services	12,787,077
Operation of Non-instructional Services	405,087
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 13,231,509</b>

**D. Construction Commitments**

At June 30, 2015, the primary government had uncompleted construction contracts of approximately \$2,982,250 in the General Capital Projects Fund for the construction of the criminal justice center and parking garage. Funding has been received for these future expenditures.

At June 30, 2015, the discretely presented Rutherford County School Department had uncompleted construction contracts of approximately \$1,762,473 in the Other Capital Projects Fund for the school building program. Funding has been received for these future expenditures.

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2015, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 387,651
"	Internal service	555,994

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.

**Due to/from Primary Government and Component Units:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:	Component Unit:	
General	Community Care of Rutherford Co., Inc.	\$ 2,992
Other Trust Fund	"	1,508
Internal Service Fund	"	101,675
Primary Government	Rutherford County School Department for Contributions for Debt Service	1,383,685

The \$1,383,685 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, 2015, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In		
	General Fund	Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 0	463,915
Nonmajor governmental funds	60,000	65,194	158,500
Internal service funds	555,994	0	0
<b>Total</b>	<b>\$ 615,994</b>	<b>\$ 65,194</b>	<b>\$ 622,415</b>

**Discretely Presented Rutherford County School Department**

Transfers Out	Transfers In
	General Purpose School Fund
Nonmajor governmental funds	\$ 223,140

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

**F. Capital Leases**

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

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

The asset acquired through a capital lease is as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Data Processing Equipment	\$ 340,973
Less: Accumulated Depreciation	<u>(778)</u>
Total Book Value	<u>\$ 340,195</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2016	\$ 353,218
2017	239,560
2018	239,561
2019	239,561
2020	<u>119,782</u>
Total Minimum Lease Payments	\$ 1,191,682
Less: Amount Representing Interest	<u>(93,313)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,098,369</u>

**G. Long-term Obligations**

**Primary Government**

**General Obligation Bonds and Notes**

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes were issued for original terms of up to 20 years for bonds and up to eight years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes

included in long-term debt as of June 30, 2015, will be retired from the General Debt Service Fund.

General obligation bonds, notes, and capital leases outstanding as of June 30, 2015, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
Capital Outlay Notes	0 to 3	% 4-1-18	\$ 1,609,188	\$ 398,974
General Obligation Bonds	2.8 to 5	4-1-35	253,958,825	138,308,825
General Obligation Bonds - Refunding	1.6 to 2.8	4-1-35	257,901,175	221,461,175
Capital Leases	0 to 3.7	7-15-19	1,801,986	1,098,369

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2015, including interest payments, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 267,998	\$ 2,715	\$ 270,713
2017	71,424	0	71,424
2018	59,552	0	59,552
<b>Total</b>	<b>\$ 398,974</b>	<b>\$ 2,715</b>	<b>\$ 401,689</b>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 28,430,000	\$ 13,701,998	\$ 42,131,998
2017	28,180,000	12,869,418	41,049,418
2018	29,235,000	11,882,684	41,117,684
2019	27,365,000	10,818,843	38,183,843
2020	26,560,000	9,702,539	36,262,539
2021-2025	111,670,000	32,903,460	144,573,460
2026-2030	78,895,000	12,816,634	91,711,634
2031-2035	29,435,000	2,404,399	31,839,399
<b>Total</b>	<b>\$ 359,770,000</b>	<b>\$ 107,099,975</b>	<b>\$ 466,869,975</b>

There is \$35,467,040 available in the General Debt Service Fund to service long-term debt. Debt per capita, including notes, bonds, and capital leases, totaled \$1,376, based on the 2010 federal census.

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

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-15</u>
<u>Contributions from the General Purpose School Fund</u>	
<u>Notes Payable</u>	
Energy Efficient Note	\$ 196,574
Energy Efficient Note	202,400
<u>Capital Lease Payable</u>	
Energy Efficient Water Upgrade	<u>984,711</u>
Total	<u>\$ 1,383,685</u>

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2014	\$ 354,420,000	\$ 699,922
Additions	64,390,000	0
Reductions	<u>(59,040,000)</u>	<u>(300,948)</u>
Balance, June 30, 2015	<u>\$ 359,770,000</u>	<u>\$ 398,974</u>
Balance Due Within One Year	<u>\$ 28,430,000</u>	<u>\$ 267,998</u>

Governmental Activities (Cont.):

	<u>Capital Leases</u>			
Balance, July 1, 2014	\$	1,182,337		
Additions		340,973		
Reductions		<u>(424,941)</u>		
Balance, June 30, 2015	\$	<u>1,098,369</u>		
Balance Due Within One Year	\$	<u>318,663</u>		
			<u>Landfill Closure/ Postclosure Care Costs</u>	
		<u>Compensated Absences</u>		
Balance, July 1, 2014	\$	4,765,390	\$	4,187,009
Additions		4,785,753		63,024
Reductions		<u>(4,576,234)</u>		<u>(247,993)</u>
Balance, June 30, 2015	\$	<u>4,974,909</u>	\$	<u>4,002,040</u>
Balance Due Within One Year	\$	<u>149,247</u>	\$	<u>245,000</u>
			<u>Other Postemployment Benefits</u>	
		<u>Claims and Judgments</u>		
Balance, July 1, 2014	\$	12,560,703	\$	12,959,164
Additions		56,525,722		2,237,217
Reductions		<u>(56,621,577)</u>		<u>(468,599)</u>
Balance, June 30, 2015	\$	<u>12,464,848</u>	\$	<u>14,727,782</u>
Balance Due Within One Year	\$	<u>9,755,298</u>	\$	<u>0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 397,436,922
Less: Due Within One Year	(39,166,206)
Add: Unamortized Premium on Debt	<u>34,246,427</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 392,517,143</u></u>

The internal service funds primarily serve the governmental funds. Accordingly, long-term obligations for the internal service funds are included as part of the above totals for governmental activities. At year end, \$12,464,848 of claims and judgments is included in the above amounts. Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General, Solid Waste/Sanitation, and Highway/Public Works funds. Landfill closure/postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Current and Advance Refundings

On May 14, 2015, Rutherford County currently refunded two and partially advance refunded one general obligation bond issues with two separate general obligation bond issues. The county issued \$30,526,175 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 13 years will be reduced by \$1,662,828, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$1,450,978 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, 2015, the following outstanding bonds are considered defeased:

	<u>Amount</u>
2006 School Facilities and Public Improvements	\$ 24,445,000
2006 School Facilities and Public Improvements	15,810,000
2007 School Facilities and Public Improvements	25,730,000

**Discretely Presented Rutherford County School Department**

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Rutherford County School Department for the year ended June 30, 2015, was as follows:

	<u>Compensated Absences</u>	<u>Postemployment Benefits</u>
Balance, July 1, 2014	\$ 1,309,638	\$ 60,424,831
Additions	1,163,723	10,433,595
Reductions	<u>(1,131,830)</u>	<u>(2,106,174)</u>
Balance, June 30, 2015	<u>\$ 1,341,531</u>	<u>\$ 68,752,252</u>
Balance Due Within One Year	<u>\$ 40,246</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 70,093,783
Less: Due Within One Year	<u>(40,246)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 70,053,537</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

**H. Short-term Debt**

Rutherford County issued interfund capital outlay notes in advance of receiving debt proceeds and deposited the proceeds in the Other Capital Projects Fund. These notes were issued because funds were needed for construction projects. Short-term debt activity for the year ended June 30, 2015, was as follows:

	Balance			Balance
	7-1-14	Issued	Paid	6-30-15
Interfund Capital Outlay Notes	\$ 0	\$ 5,000,000	\$ (5,000,000)	\$ 0

**I. Donor Restricted Endowments**

The discretely presented Rutherford County School Department accounts for an endowment in a private-purpose trust fund, the Endowment Fund. The principal amount must remain intact, while interest earned on the principal will fund a scholarship for the valedictorian of the senior class at Eagleville High School. During the year ended June 30, 2015, interest earned and expended totaled \$72 with no resulting effect on net position.

**V. OTHER INFORMATION**

**A. Risk Management**

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

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

Rutherford County and the discretely presented School Department have chosen to establish the Workers' Compensation Fund for risks associated with workers' compensation claims. The Workers' Compensation Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county carries no reinsurance coverage.

Rutherford County and the discretely presented School Department have chosen to establish an on-the-job injury program for risks associated with workplace injury. The on-the-job injury program is accounted for in the Workers' Compensation Fund (internal service fund) where assets are set

aside for claims settlements. Qualified individuals shall receive two-thirds of their salary averaged over the past 52 weeks provided there is medical documentation from a county-designated physician stating that it is medically necessary for the qualified individual to remain off work, or to undergo therapy in relation to an on-the-job injury. Benefits (not including long-term disability benefits) shall not extend beyond one calendar year from the date of injury or illness.

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

Self-Insurance Fund

		Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2013-14	\$	1,411,334	\$ 1,618,663	\$ (1,145,509)	\$ 1,884,488
2014-15		1,884,488	1,228,235	(1,495,295)	1,617,428

Employee Insurance - Health Fund

		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2013-14	\$	8,835,848	\$	52,314,365	\$	(51,771,298)	\$	9,378,915
2014-15		9,378,915		54,945,026		(54,468,621)		9,855,320

Workers' Compensation Fund

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

2013-14	\$	549,000	\$	1,586,470	\$	(994,470)	\$	1,141,000
2014-15		1,141,000		175,667		(486,667)		830,000

On-the-Job Injury Program

2013-14	\$	264,600	\$	459,268	\$	(567,568)	\$	156,300
2014-15		156,300		176,794		(170,994)		162,100

**B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to amounts of contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**C. Contingent Liabilities**

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

**D. Landfill Closure/Postclosure Care Costs**

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Rutherford County closed its sanitary landfill in 2000. The \$4,002,040 reported as postclosure care liability at June 30, 2015, represents amounts based on what it would cost to perform all postclosure care in 2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**E. 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 \$1,298,175 to the operations of the libraries during the year ended June 30, 2015.

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 \$462,215 to the operations of the board during the year ended June 30, 2015.

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  
278 Doug Warpoole Road  
Smyrna, TN 37167

**F. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Rutherford County, non-certified employees of the discretely presented Rutherford County School Department, and employees of the discretely presented Community Care of Rutherford County, Inc., are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 42.43 percent, the non-certified employees of the discretely present School Department comprise 52.47 percent, and Community Care of Rutherford County, Inc., comprise 5.1 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early

retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	698
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,804
Active Employees	2,432
Total	4,934

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. Rutherford County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Rutherford County were \$9,881,623 based on a rate of 11.97 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Rutherford County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

## Net Pension Liability (Asset)

Rutherford County's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

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

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

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

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

### Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 188,439,595	\$ 180,661,693	\$ 7,777,902
Changes for the year:			
Service Cost	\$ 6,056,791	\$ 0	\$ 6,056,791
Interest	14,404,209	0	14,404,209
Differences Between Expected and Actual Experience	4,900	0	4,900
Contributions-Employer	0	10,301,932	(10,301,932)
Contributions-Employees	0	8,810	(8,810)
Net Investment Income	0	30,377,074	(30,377,074)
Benefit Payments, Including Refunds of Employee Contributions	(4,880,526)	(4,880,526)	0
Administrative Expense	0	(97,209)	97,209
Other Changes	0	0	0
Net Changes	<u>\$ 15,585,374</u>	<u>\$ 35,710,081</u>	<u>\$ (20,124,707)</u>
Balance, June 30, 2014	<u>\$ 204,024,969</u>	<u>\$ 216,371,774</u>	<u>\$ (12,346,805)</u>

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	42.43%	\$ 86,567,794	\$ 91,806,544	\$ (5,238,749)
Community Care	5.10%	10,405,273	11,034,960	(629,687)
School Department	52.47%	107,051,901	113,530,270	(6,478,369)
Total		<u>\$ 204,024,969</u>	<u>\$ 216,371,774</u>	<u>\$ (12,346,805)</u>

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

	1% Decrease	Current Discount Rate	1% Increase
<u>Rutherford County</u>	6.5%	7.5%	8.5%

Net Pension Liability    \$ 18,942,257    \$ (12,346,805)    \$ (38,058,477)

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

*Pension Expense.* For the year ended June 30, 2015, Rutherford County recognized pension expense of \$3,474,992.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, Rutherford County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 4,200	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	13,301,967
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>9,881,623</u>	<u>N/A</u>
Total	<u>\$ 9,885,823</u>	<u>\$ 13,301,967</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 5,593,272	\$ 5,644,025
Community Care	477,199	678,400
School Department	3,811,152	6,979,542
Total	<u>\$ 9,881,623</u>	<u>\$ 13,301,967</u>

Amounts reported as deferred outflows of resources, excluding contributions subsequent to the measurement date of June 30, 2014, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>June 30</u>	<u>Amount</u>
2016	\$ (3,324,792)
2017	(3,324,792)
2018	(3,324,792)
2019	(3,324,792)
2020	700
Thereafter	700

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

**Discretely Presented Rutherford County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Rutherford County, non-certified employees of the discretely presented Rutherford County School Department, and employees of the discretely presented Community Care of Rutherford County, Inc., are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 42.43 percent, the non-certified employees of the discretely present School Department comprise 52.47 percent, and

employees of Community Care of Rutherford County, Inc. comprise 5.1 percent of the plan based on census data.

### **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

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

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

employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEA) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015, to the Teacher Retirement Plan were \$321,115, which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities.* Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2015.

*Pension Expense.* Since the measurement date is June 30, 2014, the Rutherford County School Department did not recognize any pension expense at June 30, 2015.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, the Rutherford County School Department reported deferred outflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	Deferred Inflows of Resources
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LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 321,115	N/A
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The Rutherford County School Department’s employer contributions of \$321,115 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ended June 30, 2016.

**Teacher Legacy Pension Plan**

**General Information About the Pension Plan**

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

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

benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustments (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEA) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Rutherford County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$13,265,074, which is 9.04 percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Assets.* At June 30, 2015, the Rutherford County School Department reported an asset of \$623,576 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Rutherford County School Department's proportion of the net pension asset was based on the Rutherford County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEA for the year ended June 30, 2014. At the June 30, 2014, measurement date, the Rutherford County School Department's proportion was 3.837498 percent. The proportion measured as of June 30, 2013, was 3.708405 percent.

*Pension Income.* For the year ended June 30, 2015, the Rutherford County School Department recognized a pension income of \$231,310.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, the Rutherford County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,513,887	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	51,378,658
Changes in Proportion of Net Pension Liability (Asset)	1,820,913	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2014	<u>13,265,074</u>	N/A
Total	<u>\$ 16,599,874</u>	<u>\$ 51,378,658</u>

The Rutherford County School Department's employer contributions of \$13,265,074 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (12,288,865)
2017	(12,288,865)
2018	(12,288,865)
2019	(12,288,865)
2020	555,800
Thereafter	555,800

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

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

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

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

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability    \$ 105,173,065    \$ (623,576)    \$ (88,211,725)

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

**2. Deferred Compensation**

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

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

Plan Description

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

Funding Policy

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

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

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

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

An employee who becomes disabled becomes eligible for retiree health coverage if they are under age 65 and have completed at least ten years of service prior to total disability termination plus the employee must have had active coverage for a continuous five-year period and have filed and qualified for Medicare disability coverage. If the retiree is eligible for health insurance coverage, the coverage is also provided for the retiree's spouse and/or dependent children. The State of Tennessee contributed \$138,262, to Rutherford County's Medicare Plan.

Annual OPEB Cost and Net OPEB Obligation

	<u>Primary Government</u>	<u>School Department</u>
ARC	\$ 2,456,634	\$ 11,444,475
Interest on the NOPEBO	524,959	2,418,550
Adjustment to the ARC	(744,376)	(3,429,430)
Annual OPEB cost	<u>\$ 2,237,217</u>	<u>\$ 10,433,595</u>
Amount of contribution	(468,599)	(2,106,174)
Increase/decrease in NOPEBO	\$ 1,768,618	\$ 8,327,421
Net OPEB obligation, 7-1-14	<u>12,959,164</u>	<u>60,424,831</u>
Net OPEB obligation, 6-30-15	<u><u>\$ 14,727,782</u></u>	<u><u>\$ 68,752,252</u></u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Primary Government	\$ 2,360,126	20.02 %	\$ 11,088,219
6-30-14	"	2,328,546	19.65	12,959,164
6-30-15	"	2,237,217	20.95	14,727,782
6-30-13	School Department	11,336,549	21.95	51,463,346
6-30-14	"	11,187,092	19.89	60,424,831
6-30-15	"	10,433,595	20.19	68,752,252

### Funded Status and Funding Progress

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

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

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

### Actuarial Methods and Assumptions

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

In the January 1, 2014, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a four percent investment rate of return (net of administrative expenses), an annual pre-Medicare cost trend rate of eight percent for 2014, grading down to five percent for 2023 and beyond, and an annual post-Medicare cost trend rate of 6.75 percent for 2014, grading down to five percent for 2023 and beyond. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with June 30, 2009.

## **H. Office of Central Accounting and Budgeting**

### Office of Director of Finance

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

## **I. Purchasing Laws**

### Office of County Mayor

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

### Office of Highway Superintendent

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

### Office of Director of Schools

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

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

A. **Summary of Significant Accounting Policies**

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

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

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

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

The GASB specifies that component units must be legally separate organizations, which have financial accountability to a primary government. Financial accountability exists prima facie if a special-purpose government is not fiscally independent. GASB states that to be fiscally independent, the government has to have the authority to do all of three activities. One of these activities is to issue bonded debt without approval by another government. The nursing home may not issue debt without Rutherford County's approval, as the county remains contingently liable for all debt obligations. Because the nursing home is both a legal entity and financially accountable to the primary government of Rutherford County as the County Commission appoints all members of the governing board and by the nature of its fiscal dependence on Rutherford County as described above, it is a component unit of Rutherford County, Tennessee.

Basis of Presentation – The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, which recognizes revenues when earned and expenses when the liability is incurred.

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

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

Cash, 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, 2015, 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

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The nursing home has items that qualify for reporting in this category. Accordingly, the items are reported in the Statement of Net Position. These expenses are primarily from contributions to the pension plan subsequent to the measurement date of June 30, 2014, which do not meet the liability incurred criteria of enterprise funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the Statement of Net Position. These revenues are from earnings on pension plan investments, which do not meet the availability criteria of enterprise funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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. Operating revenues are reported net of contractual discounts and bad debt expense, which for the fiscal year ended June 30, 2015, amounted to \$1,828,656 and \$254,973, respectively.

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, 2015, the carrying amount of cash was \$2,981,134, and the bank balance was \$3,191,355. At June 30, 2015, 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.

**C. Accounts Receivable**

Receivables totaling \$884,289 as of June 30, 2015, were comprised of:

Resident service fees	\$ 1,146,959
Less: discounts	(137,670)
Less: allowance for uncollectibles	<u>(125,000)</u>
Net resident service fees	<u><u>\$ 884,289</u></u>

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. Resident service revenue is reported at the estimated net realizable amounts from residents, third-party payers, and others for services rendered. 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, 2015, was as follows:

Description	Balance 7-1-14	Additions	Retirements	Balance 6-30-15
Capital assets not depreciated:				
Construction in progress	\$ 1,200	\$ 79,340	\$ (1,200)	\$ 79,340
Capital assets being depreciated:				
Land improvements	\$ 126,130	\$ 0	\$ 0	\$ 126,130
Buildings and improvements	754,955	31,781	0	786,736
Transportation equipment	87,095	0	0	87,095
Furniture, fixtures, and equipment	722,368	73,431	(22,183)	773,616
Total	\$ 1,690,548	\$ 105,212	\$ (22,183)	\$ 1,773,577
Accumulated depreciation:				
Land improvements	\$ 4,445	\$ 1,459	\$ 0	\$ 5,904
Buildings and improvements	168,465	40,086	0	208,551
Transportation equipment	71,196	8,877	0	80,073
Furniture, fixtures, and equipment	480,897	55,388	(19,353)	516,932
Total	\$ 725,003	\$ 105,810	\$ (19,353)	\$ 811,460
Net capital assets	\$ 966,745	\$ 78,742	\$ (4,030)	\$ 1,041,457

Depreciation expense for the fiscal year ended June 30, 2015, totaled \$105,810.

**E. Resident Funds Held in Trust**

At June 30, 2015, the nursing home had a fiduciary responsibility for funds totaling \$32,716 on behalf of residents. Of this amount, \$30,792 was held in a separate interest-bearing cash account, \$100 was held as cash on hand as resident trust petty cash, and \$1,824 was due from the facility's operating cash account as of June 30, 2015.

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 use of the building it occupies. The nursing home, under terms of the lease, will incur no lease expense as long as the nursing home meets its responsibility to pay timely its cost of group health and life insurance premiums incurred. The lease term is five years, from July 1, 2011, through June 30, 2016, and may be terminated by either party upon a 30-day written notice. During the fiscal year ended

June 30, 2015, the nursing home incurred and paid group health and life insurance premiums totaling \$1,130,703.

**G. 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	43.96 %
Medicare	30.70
Private	11.60
Insurance	13.74

Approximately 83.17 percent of net resident revenue is derived from third-party payers.

**H. 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.

**I. Pension Plan**

*Plan Description.* Employees of Rutherford County, non-certified employees of the discretely presented Rutherford County School Department, and employees of the discretely presented Community Care of Rutherford County, Inc., are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 42.43 percent, the non-certified employees of the discretely presented School Department comprise 52.47 percent, and Community Care of Rutherford County, Inc. comprise 5.1 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

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

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

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2014, the following employees of Rutherford County, the primary government, were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	698
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,804
Active Employees	2,432
Total	4,934

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. Community Care of Rutherford County, Inc., makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Community Care of Rutherford County, Inc., were \$476,985 based on a rate of 12.69 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept state shared taxes of Rutherford County, the primary government, if required employer contributions are not remitted. The

employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

### **Net Pension Liability (Asset)**

Community Care of Rutherford County, Inc.'s net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

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

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

June 30, 2012, actuarial study, adjusted for some of the expected future improvement in life expectancy. The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

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

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

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

Net Pension Liability    \$    966,055    \$    (629,687)    \$    (1,940,982)

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

*Pension Expense.* For the year ended June 30, 2015, Community Care of Rutherford County, Inc., recognized pension expense of \$177,225.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, Community Care of Rutherford County, Inc., reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$        214	\$        0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	678,400
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>476,985</u>	<u>N/A</u>
Total	<u>\$    477,199</u>	<u>\$    678,400</u>

The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ending June 30	Amount
2016	\$ (90,067)
2017	(90,067)
2018	(90,067)
2019	(90,066)
2020	79,533
Thereafter	79,533

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

**J. 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. An employee who becomes disabled becomes eligible for retiree health coverage if they are under age 65 and have completed at least ten years of service prior to total disability termination plus the employees must have had active coverage for a continuous five-year

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

Eligible retirees and dependents are required to share in the cost of health insurance coverage. Effective May 1, 2009, current retirees and actives age 65 and over as of December 31, 2009, and actives that have completed 30 years of service as of December 31, 2009, will be required to contribute 25 percent of the adequate premiums for themselves and 50 percent of the adequate premiums for their spouses. Effective January 1, 2010, all retirees that are retirement eligible as of December 31, 2010, or have at least 20 years of service as of December 31, 2010, upon attaining age 65, will be required to contribute 50 percent of the adequate premium for themselves and their spouses. This structure will be phased in over four years (2010-13) such that contributions will be approximately 32 percent in 2010, 38 percent in 2011, 44 percent in 2012, and 50 percent in 2013 and thereafter.

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

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

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

ARC	\$ 165,191
Interest on the NPO	44,525
Adjustment to the ARC	<u>(63,135)</u>
Annual OPEB cost	\$ 146,581
Amount of contribution	<u>(27,046)</u>
Increase/decrease in NPO	\$ 119,535
Net OPEB obligation, 7-1-13	<u>1,113,126</u>
 Net OPEB obligation, 6-30-14	 <u><u>\$ 1,232,661</u></u>

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

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

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

The Schedule of Funding Progress, presented as required supplementary information, presents multi-year information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits. A schedule of required contributions was not available to include in required supplemental information. Additional years' information will be presented when available.

Actuarial methods and assumptions – The discount rate as of January 1, 2014, is four percent. The discount rate is determined by the plan sponsor based on the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Rutherford County does not pre-fund the ARC, and therefore the discount rate is based on the expected return on Rutherford County's general assets. The trend rate for pre-Medicare health claims is eight percent for 2014 grading down to five percent for 2023 and beyond. The trend rate for post-Medicare health claims is 6.75 percent for 2014 grading down to five percent for 2023 and beyond. The trend rate is determined by the plan sponsor based on historical data and anticipated experience under the plan.

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

**K. Health Care Regulations**

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

**L. Potential Civil Money Penalty**

Recent facility survey resulted in federal imposition of penalties. In the discretionary (possibly implemented) remedy section is a civil money penalty (CMP). If this CMP is imposed, the gross fine through the date Directed Plan of Correction (September 18, 2015) was initially submitted would be \$548,800. The federal government offers a 35% reduction of CMPs if the facility waives a hearing of CMP 60 days from date notified. There were two discretionary remedies stated in imposition letter. The second one was not implemented as of its effective date of September 4, 2015. If waiver were timely executed by facility, the net CMP would be \$356,720.

**M. Subsequent Events**

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

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

**A. Summary of Significant Accounting Policies**

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

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

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

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

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, 2015, there were no related receivables or payables between Rutherford County and the district. The district did not engage in any activities that were subject to the approval of Rutherford County.

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

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

The accounting and financial reporting treatment applied to the district is determined by its measurement focus. The transactions of the district are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statements of Net Position. Net position (i.e., total assets plus net deferred outflows net of total liabilities and net deferred inflows) are segregated into investment in capital assets and unrestricted components.

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

Cash Flow - Cash and Cash Equivalents – The district presents its cash flow statement using the direct method. For purposes of cash flow presentation, the district considers cash in operating bank accounts, cash on hand, and certificates of deposit that have original maturities of three months or less as cash and cash equivalents. At June 30, 2015, there were no certificates of deposit that qualified as cash equivalents.

Budgetary Law and Practice – The director of the district files an annual budget with the mayor of Rutherford County in accordance with *Tennessee Code Annotated*, Title 7, Chapter 86, Part 1. In April of each year, the director presents a preliminary budget to the board of directors, which is then discussed and amended as necessary for approval by the board.

The budget for operations is prepared on the cash receipts and disbursements basis by line-item accounts. Revenues are budgeted in the year receipt is expected, and disbursements are budgeted in the year that the disbursement is expected to occur. The board has determined to maintain an investment approximating 12 months of the operating budget or \$600,000 in cash and certificates of deposit as a resource for future expenses.

Prepaid Expenses – The costs of prepaid insurance and any other applicable prepaid costs are charged to operations over the period of coverage. For the year ended June 30, 2015, prepaid insurance and service contract costs were \$58,247.

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, 2015, and is \$34,695.

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

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

Unearned Revenue – The unearned revenue balance at June 30, 2015, represents grant funds received from the Tennessee Emergency Communications Board during the prior period, which were not earned prior to the end of the fiscal year.

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The district has items that qualify for reporting in this category. These items are from the following sources: the actuarial gains related to the differences between expected and actual experience for the pension plan's adopted economic and demographic assumptions, and grant funds received from the Tennessee Emergency Communications Board during the prior period, which were not earned prior to the end of the fiscal year. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**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, 2015, the Board of Directors chose to limit the investment of funds to demand deposits and certificates of deposits at banking institutions.

At June 30, 2015, the carrying amount of cash deposits was \$1,798,216, and the bank balance was \$1,833,410, as listed below. All bank accounts earn a variable rate of interest. At June 30, 2015, the entire bank balance was covered by federal depository insurance or by collateral held in the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool (the pool) is a multiple financial institution collateral pool to which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to the members of the pool if the value of collateral is inadequate to cover a loss.

Cash Accounts	Interest Rate	Carrying Amount	Bank Balance
SunTrust Bank checking	0.04%	\$ 1,234,121	\$ 1,269,315
SunTrust Bank cash investment	0.04	564,095	564,095
Total		\$ 1,798,216	\$ 1,833,410

Certificates of Deposit – At June 30, 2015, the district held the following certificates of deposit:

Bank	Maturity	Interest	Amount
CB & S Bank	12-19-16	0.60 %	\$ 250,000
First Bank	10-6-18	0.65	250,000
Pinnacle National Bank	1-13-17	1.30	250,000
SunTrust Bank	12-16-16	1.29	250,000
First Nat'l Bank of McMinnville	12-12-16	2.25	250,000
U.S. Bank	6-20-16	0.75	250,000
F&M Bank	10-24-17	1.00	250,010
Bank of America	8-22-16	0.10	250,000
First Nat'l Bank of Manchester	4-18-18	0.75	250,000
Regions Bank	12-21-16	1.09	250,000
Wilson Bank & Trust	10-19-16	0.95	250,000
Southern Community Bank	7-20-15	0.85	250,000
Total			\$ 3,000,010

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

### C. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-14	Additions	Reductions	Balance 6-30-15
<u>Depreciable Assets</u>				
Buildings and Improvements	\$ 1,200,456	\$ 0	\$ 0	\$ 1,200,456
Furniture and Fixtures	45,757	0	0	45,757
Office Equipment	30,077	0	0	30,077
Communications Equipment	1,196,768	0	(62,669)	1,134,099
Vehicle	63,112	19,473	(33,810)	48,775
Other Capital Assets	416,947	77,158	0	494,105
Total	\$ 2,953,117	\$ 96,631	\$ (96,479)	\$ 2,953,269

	Balance 7-1-14	Additions	Reductions	Balance 6-30-15
<u>Less: Accumulated Depreciation</u>				
Buildings and Improvements	\$ (369,984)	\$ (30,011)	\$ 0	\$ (399,995)
Furniture and Fixtures	(45,624)	(133)	0	(45,757)
Office Equipment	(29,107)	(970)	0	(30,077)
Communications Equipment	(710,431)	(75,041)	62,669	(722,803)
Vehicle	(62,761)	(883)	33,810	(29,834)
Other Capital Assets	(237,841)	(55,787)	0	(293,628)
Total	<u>\$ (1,455,748)</u>	<u>\$ (162,825)</u>	<u>\$ 96,479</u>	<u>\$ (1,522,094)</u>
<u>Non-depreciable Assets</u>				
Land	\$ 17,500	\$ 0	\$ 0	\$ 17,500
Construction in Progress	0	0	0	0
Total	<u>\$ 17,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,500</u>
Total Capital Assets	<u>\$ 1,514,869</u>	<u>\$ (66,194)</u>	<u>\$ 0</u>	<u>\$ 1,448,675</u>

#### **D. Long-term Liabilities**

Long-term liability activity for the year ended June 30, 2015, was as follows:

	Balance 7-1-14	Additions	Reductions	Balance 6-30-15
Postemployment Benefits Obligation	\$ 54,210	\$ 10,108	\$ 0	\$ 64,318
Net Pension Liability	62,357	0	(7,885)	54,472
Total Long-term Liabilities	<u>\$ 116,567</u>	<u>\$ 10,108</u>	<u>\$ (7,885)</u>	<u>\$ 118,790</u>

#### **E. Retirement Plan**

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

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

Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projects service credits. A variety of death benefits is available under various eligibility criteria.

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

Employees Covered by Benefit Terms – At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

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

Contributions – Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Rutherford County Emergency Communications District has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. Rutherford County Emergency Communications District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Rutherford County Emergency Communications District were \$29,136 based on a rate of 10.24 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Rutherford County Emergency Communications District's state shared taxes if required employer contributions are not remitted. The employer's

actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Rutherford County Emergency Communications District's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

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

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

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

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 575,386	\$ 489,292	\$ 86,094
Changes for the year:			
Service Cost	\$ 10,684	\$ 0	\$ 10,684
Interest	43,559	0	43,559
Differences Between Expected and Actual Experience	19,895	0	19,895
Contributions-Employer	0	23,737	(23,737)
Contributions-Employees	0	0	0
Net Investment Income	0	82,192	(82,192)
Benefit Payments, Including Refunds of Employee Contributions	(10,569)	(10,569)	0
Administrative Expense	0	(169)	169
Net Changes	\$ 63,569	\$ 95,191	\$ (31,622)
Balance, June 30, 2014	\$ 638,955	\$ 584,483	\$ 54,472

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

	1% Decrease	Current Discount Rate	1% Increase
Rutherford County	6.5%	7.5%	8.5%
Net Pension Liability (Asset)	\$ 159,995	\$ 54,472	\$ (31,795)

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

Pension expense – For the year ended June 30, 2015, Rutherford County Emergency Communications District recognized pension expense of \$11,068.

Deferred outflows of resources and deferred inflows of resources – For the year ended June 30, 2015, Rutherford County Emergency Communications District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 17,053	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	36,006
Contributions Subsequent to the Measurement Date of June 30, 2014	29,136	0
Total	<u>\$ 46,189</u>	<u>\$ 36,006</u>

*The amount shown above for “Contributions subsequent to the measurement date of June 30, 2014,” will be recognized as a reduction (increase) to the net pension liability (asset) in the following measurement period.*

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

Year Ending June 30:	
2016	\$ (6,160)
2017	(6,160)
2018	(6,160)
2019	(6,160)
2020	2,842
Thereafter	2,842

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

Payable to the Pension Plan – Rutherford County Emergency Communication District had no payables from required contributions to the pension plan as of June 30, 2015.

**F. Risk Management**

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

**G. Postemployment Benefits**

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

Plan Description – In addition to pension benefits described in Note VII.E., the district is included under Rutherford County's postretirement health insurance plan. Rutherford County's plan is a single employer plan that provides the same health insurance that is available to active employees for participants under age 65. Once a participant turns age 65, medical benefits provided by Rutherford County will be secondary to benefits provided under Medicare. Outpatient prescription drug benefits are offered through an Employer Group Waiver Plan (EGWP) plus wrap. Benefits are established and amended by an insurance committee established by the Rutherford County Commission.

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

An employee who is retirement eligible based on the following criteria as of December 31, 2010, or has at least 20 years of service as of December 31, 2010, and retires from Rutherford County becomes eligible for retiree health coverage upon the earlier of attaining: (1) age 55 with 15 years of service and active coverage for five continuous years, (2) age 62 with ten years of service and active coverage for five continuous years, or (3) any age with 30 years of service and active coverage for five continuous years. All other employees who retire from Rutherford County become eligible for retiree health coverage upon the earlier of attaining: (1) age 60 with 20 years of service and active coverage for 10 continuous years (15 continuous years of active coverage if employee has less than 10 years of service as of December 31, 2010), or (2) any age with 30 years of service and active coverage for 10 continuous years (15 continuous years of active coverage if employee has less than 10 years of service as of December 31, 2010).

An employee who becomes disabled becomes eligible for retiree health coverage if they are under age 65 and have completed at least ten years of

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

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

Eligible retirees and dependents are required to share in the cost of health insurance coverage. Effective May 1, 2009, current retirees and actives age 65 and over as of December 31, 2009, and actives that have completed 30 years of service as of December 31, 2009, will be required to contribute (1) pre-65: 50 percent of the adequate premium for themselves and their spouses, (2) post-65: 25 percent of the adequate premium for themselves and 50% of the adequate premium for their spouses. Effective January 1, 2010, all retirees that are retirement eligible as of December 31, 2010, or have at least 20 years of service as of December 31, 2010, will be required to contribute 50 percent of the adequate premium for themselves and their spouses.

For all other retirees cost sharing and benefits are as follows: (1) employees with at least ten years of service but less than 20 years of service as of December 31, 2010, no prescription drug coverage will be provided after age 65, and contributions will be 50 percent of the adequate premium rate for themselves and their spouses; (2) employees with at least seven years of service but less than ten years of service as of December 31, 2010, no prescription drug coverage will be provided after age 65, and contributions will be 50 percent of the adequate premium rate for themselves and 75 percent of the adequate premium rate for their spouses; (3) employees with at least 6 months of service but less than seven years of service as of December 31, 2010, no prescription drug coverage will be provided after age 65, and the county's contribution will be limited to the lesser of \$500 or the adequate rate, and (4) employees with less than 6 months of service as of December 31, 2010, the county contribution will be limited to the lesser of \$300 per month or the adequate rate, and no benefits will be provided past age 65.

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

ARC	\$ 11,015
Interest on the NPO	2,168
Adjustment to the ARC	<u>(3,075)</u>
Annual OPEB cost	\$ 10,108
Amount of contribution	<u>0</u>
Increase/decrease in NPO	\$ 10,108
Net OPEB obligation, 7-1-14	<u>54,210</u>
 Net OPEB obligation, 6-30-15	 <u><u>\$ 64,318</u></u>

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

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

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

Actuarial Methods and Assumptions – The discount rate as of January 1, 2014, is four percent. The discount rate is determined by the plan sponsor based on the estimated long-term investment yield on the investments that is expected to be used to finance the payment of benefits. Rutherford County does not pre-fund the actuarial required contribution and therefore, the discount rate is based on the expected return on the county’s general assets.

The trend rate for pre-Medicare health claims is eight percent for 2014 grading down to five percent for 2023 and beyond. The trend rate for post-Medicare health claims is 6.75 percent for 2014 grading down to five percent for 2023 and beyond. The trend rate is determined by the plan sponsor based on historical data and anticipated experience under the plan.

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

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

**H. Transactions with Primary Government**

Amounts paid to Rutherford County included amounts paid for mapping services and maintenance agreements of \$50,000 and \$20,460, respectively. Rutherford County also administers the payroll reporting for the district. The district reimbursed Rutherford County \$370,411 for salaries and benefits paid on the district's behalf.

**I. Restatement**

Due to the implementation of GASB No. 68, a restatement was made in the amount of \$62,357 that decreased beginning net position and increased net position liability. GASB 68 relates to the accounting and financial reporting for pensions.

**J. Commitments**

During the year ended June 30, 2015, the district entered into a contract with the State of Tennessee to remit \$1,063 monthly for five years, (a total of \$63,780) for disaster recovery services. The future payments for the years ending June 30, 2016, 2017, 2018, 2019, and 2020 are \$12,756, \$12,756, \$12,756, \$12,756, and \$4,252, respectively.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F-1

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

	<u>2014</u>
<b>Total Pension Liability (Asset)</b>	
Service Cost	\$ 6,056,791
Interest	14,404,209
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	4,900
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	<u>(4,880,526)</u>
Net Change in Total Pension Liability (Asset)	\$ 15,585,374
Total Pension Liability (Asset), Beginning	<u>188,439,595</u>
 Total Pension Liability (Asset), Ending (a)	 <u>\$ 204,024,969</u>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 10,301,932
Contributions - Employee	8,810
Net Investment Income	30,377,074
Benefit Payments, Including Refunds of Employee Contributions	(4,880,526)
Administrative Expense	<u>(97,209)</u>
Net Change in Plan Fiduciary Net Position	\$ 35,710,081
Plan Fiduciary Net Position, Beginning	<u>180,661,693</u>
 Plan Fiduciary Net Position, Ending (b)	 <u>\$ 216,371,774</u>
 Net Pension Liability (Asset), Ending (a - b)	 <u>\$ (12,346,805)</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 106.05%
Covered Employee Payroll	\$ 81,181,596
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	15.21%

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

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

Exhibit F-2

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 10,301,932	\$ 9,913,674
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(10,301,932)</u>	<u>(9,913,674)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 81,181,596	\$ 79,010,311
Contributions as a Percentage of Covered Employee Payroll	12.69%	12.55%

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

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

Exhibit F-3

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 200,697
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(321,115)</u>
Contribution Deficiency (Excess)	<u><u>\$ (120,418)</u></u>
Covered Employee Payroll	\$ 7,938,083
Contributions as a Percentage of Covered Employee Payroll	4.0%

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

Exhibit F-4

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 13,375,185	\$ 13,265,074
Less Contributions in Relation to the Actuarially Determined Contribution	(13,375,185)	(13,265,074)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 150,621,413	\$ 146,752,977
Contributions as a Percentage of Covered Employee Payroll	8.88%	9.04%

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

Exhibit F-5

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

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	3.837498%
School Department's Proportionate Share of the Net Pension Asset	\$ 623,576
Covered Employee Payroll	\$ 150,621,413
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

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

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

Exhibit F-6

Rutherford County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Rutherford County School Department.  
June 30, 2015

(Dollar amounts in thousands)

Plans	Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Primary Government	6-30-13	1-1-12	\$ 0	\$ 25,719	\$ 25,719	0 %	\$ 42,860	60 %
"	6-30-14	1-1-12	0	25,719	25,719	0	44,853	57
"	6-30-15	1-1-14	0	25,484	25,484	0	46,700	55
Rutherford County School Department	6-30-13	1-1-12	0	124,060	124,060	0	170,055	73
"	6-30-14	1-1-12	0	124,060	124,060	0	177,795	70
"	6-30-15	1-1-14	0	123,284	123,284	0	184,436	67

**RUTHERFORD COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2015**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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

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

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

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

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

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

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

# Capital Projects Fund

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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.

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

Exhibit G-1

Rutherford County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2015

	Special Revenue Funds					Constitu - tional Officers - Fees
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	
<u>ASSETS</u>						
Cash	\$ 400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 341,865
Equity in Pooled Cash and Investments	5,521,848	3,183,569	295,808	68,411	891,746	0
Accounts Receivable	113,281	8,362,604	0	0	23,430	247,668
Allowance for Uncollectibles	0	(6,483,497)	0	0	0	0
Due from Other Governments	456,179	104,130	0	9	69	0
Property Taxes Receivable	0	4,416,309	0	0	0	0
Allowance for Uncollectible Property Taxes	0	(227,719)	0	0	0	0
Notes Receivable - Long-term	0	0	2,875,044	0	0	0
Total Assets	\$ 6,091,708	\$ 9,355,396	\$ 3,170,852	\$ 68,420	\$ 915,245	\$ 589,533
<u>LIABILITIES</u>						
Accounts Payable	\$ 7,964	\$ 93,339	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Payroll	48,401	426,715	0	0	0	0
Due to Other Funds	141	3,211	0	0	0	384,048
Total Liabilities	\$ 56,506	\$ 523,265	\$ 0	\$ 0	\$ 0	\$ 384,048
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 4,141,631	\$ 0	\$ 0	\$ 0	\$ 0
Deferred Delinquent Property Taxes	0	38,638	0	0	0	0
Other Deferred/Unavailable Revenue	256,611	1,333,784	0	0	0	0
Total Deferred Inflows of Resources	\$ 256,611	\$ 5,514,053	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit G-1

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	
<b>FUND BALANCES</b>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 68,420	\$ 915,245	\$ 0
Restricted for Public Health and Welfare	0	29,074	0	0	0	0
Restricted for Debt Service	0	0	2,895,488	0	0	0
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for Highways/Public Works	0	0	0	0	0	0
Assigned:						
Assigned for Finance	0	0	0	0	0	125,000
Assigned for Administration of Justice	0	0	0	0	0	80,485
Assigned for Public Health and Welfare	5,778,591	3,289,004	0	0	0	0
Assigned for Other Operations	0	0	275,364	0	0	0
Assigned for Highways/Public Works	0	0	0	0	0	0
Total Fund Balances	\$ 5,778,591	\$ 3,318,078	\$ 3,170,852	\$ 68,420	\$ 915,245	\$ 205,485
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,091,708	\$ 9,355,396	\$ 3,170,852	\$ 68,420	\$ 915,245	\$ 589,533

(Continued)

Exhibit G-1

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital</u> <u>Projects Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>Highway /</u> <u>Public</u> <u>Works</u>	<u>Total</u>	<u>General</u> <u>Capital</u> <u>Projects</u>	
<u>ASSETS</u>				
Cash	\$ 0	\$ 342,265	\$ 0	\$ 342,265
Equity in Pooled Cash and Investments	9,965,079	19,926,461	6,186,109	26,112,570
Accounts Receivable	6,284	8,753,267	112,501	8,865,768
Allowance for Uncollectibles	0	(6,483,497)	0	(6,483,497)
Due from Other Governments	581,487	1,141,874	0	1,141,874
Property Taxes Receivable	844,540	5,260,849	0	5,260,849
Allowance for Uncollectible Property Taxes	(44,516)	(272,235)	0	(272,235)
Notes Receivable - Long-term	0	2,875,044	0	2,875,044
Total Assets	<u>\$ 11,352,874</u>	<u>\$ 31,544,028</u>	<u>\$ 6,298,610</u>	<u>\$ 37,842,638</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 37,144	\$ 138,447	\$ 323,441	\$ 461,888
Accrued Payroll	19,668	494,784	0	494,784
Due to Other Funds	251	387,651	0	387,651
Total Liabilities	<u>\$ 57,063</u>	<u>\$ 1,020,882</u>	<u>\$ 323,441</u>	<u>\$ 1,344,323</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 789,478	\$ 4,931,109	\$ 0	\$ 4,931,109
Deferred Delinquent Property Taxes	8,678	47,316	0	47,316
Other Deferred/Unavailable Revenue	64,069	1,654,464	0	1,654,464
Total Deferred Inflows of Resources	<u>\$ 862,225</u>	<u>\$ 6,632,889</u>	<u>\$ 0</u>	<u>\$ 6,632,889</u>

(Continued)

Exhibit G-1

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital</u> <u>Projects Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>Highway /</u> <u>Public</u> <u>Works</u>	<u>Total</u>	<u>General</u> <u>Capital</u> <u>Projects</u>	
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 0	\$ 983,665	\$ 0	\$ 983,665
Restricted for Public Health and Welfare	0	29,074	0	29,074
Restricted for Debt Service	0	2,895,488	0	2,895,488
Restricted for Capital Projects	0	0	5,975,169	5,975,169
Committed:				
Committed for Highways/Public Works	1,992,155	1,992,155	0	1,992,155
Assigned:				
Assigned for Finance	0	125,000	0	125,000
Assigned for Administration of Justice	0	80,485	0	80,485
Assigned for Public Health and Welfare	0	9,067,595	0	9,067,595
Assigned for Other Operations	0	275,364	0	275,364
Assigned for Highways/Public Works	8,441,431	8,441,431	0	8,441,431
Total Fund Balances	<u>\$ 10,433,586</u>	<u>\$ 23,890,257</u>	<u>\$ 5,975,169</u>	<u>\$ 29,865,426</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,352,874</u>	<u>\$ 31,544,028</u>	<u>\$ 6,298,610</u>	<u>\$ 37,842,638</u>

Exhibit G-2

Rutherford County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2015

	Special Revenue Funds					
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	Constitu - tional Officers - Fees
<u>Revenues</u>						
Local Taxes	\$ 2,022,578	\$ 3,764,773	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	508,384	0
Charges for Current Services	1,416,008	7,039,652	0	0	2,100	2,986,395
Other Local Revenues	414,141	16,430	92,105	66	69,267	0
State of Tennessee	346,054	0	0	0	0	0
Federal Government	0	0	0	104,751	0	0
Other Governments and Citizens Groups	500	131,928	0	0	0	0
<b>Total Revenues</b>	<b>\$ 4,199,281</b>	<b>\$ 10,952,783</b>	<b>\$ 92,105</b>	<b>\$ 104,817</b>	<b>\$ 579,751</b>	<b>\$ 2,986,395</b>
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 549,063
Administration of Justice	0	0	0	0	0	2,571,535
Public Safety	0	0	0	89,033	430,400	0
Public Health and Welfare	3,253,281	11,359,622	0	0	0	0
Other Operations	84,039	0	244,451	0	0	0
Highways	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 3,337,320</b>	<b>\$ 11,359,622</b>	<b>\$ 244,451</b>	<b>\$ 89,033</b>	<b>\$ 430,400</b>	<b>\$ 3,120,598</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 861,961	\$ (406,839)	\$ (152,346)	\$ 15,784	\$ 149,351	\$ (134,203)

(Continued)

Exhibit G-2

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Insurance Recovery	0	0	0	0	0	0
Transfers In	0	0	0	0	0	0
Transfers Out	0	(158,500)	(65,194)	0	(60,000)	0
Total Other Financing Sources (Uses)	\$ 0	\$ (158,500)	\$ (65,194)	\$ 0	\$ (60,000)	0
Net Change in Fund Balances	\$ 861,961	\$ (565,339)	\$ (217,540)	\$ 15,784	\$ 89,351	\$ (134,203)
Fund Balance, July 1, 2014	4,916,630	3,883,417	3,388,392	52,636	825,894	339,688
Fund Balance, June 30, 2015	\$ 5,778,591	\$ 3,318,078	\$ 3,170,852	\$ 68,420	\$ 915,245	\$ 205,485

(Continued)

Exhibit G-2

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital</u>	<u>Total</u>
	<u>Highway /</u>		<u>Projects Fund</u>	<u>Nonmajor</u>
	<u>Public</u>	<u>Total</u>	<u>Capital</u>	<u>Governmental</u>
	<u>Works</u>		<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 5,077,214	\$ 10,864,565	\$ 0	\$ 10,864,565
Fines, Forfeitures, and Penalties	0	508,384	0	508,384
Charges for Current Services	0	11,444,155	0	11,444,155
Other Local Revenues	34,077	626,086	12	626,098
State of Tennessee	4,700,280	5,046,334	0	5,046,334
Federal Government	0	104,751	39,411	144,162
Other Governments and Citizens Groups	0	132,428	0	132,428
Total Revenues	\$ 9,811,571	\$ 28,726,703	\$ 39,423	\$ 28,766,126
<u>Expenditures</u>				
Current:				
Finance	\$ 0	\$ 549,063	\$ 0	\$ 549,063
Administration of Justice	0	2,571,535	0	2,571,535
Public Safety	0	519,433	0	519,433
Public Health and Welfare	0	14,612,903	0	14,612,903
Other Operations	0	328,490	0	328,490
Highways	8,622,421	8,622,421	0	8,622,421
Capital Projects	0	0	4,014,942	4,014,942
Total Expenditures	\$ 8,622,421	\$ 27,203,845	\$ 4,014,942	\$ 31,218,787
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 1,189,150	\$ 1,522,858	\$ (3,975,519)	\$ (2,452,661)

(Continued)

Exhibit G-2

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital</u>	<u>Total</u>
	<u>Highway /</u>		<u>Projects Fund</u>	<u>Nonmajor</u>
	<u>Public</u>	<u>Total</u>	<u>Capital</u>	<u>Governmental</u>
	<u>Works</u>		<u>Projects</u>	<u>Funds</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 0	\$ 0	\$ 2,301,060	\$ 2,301,060
Insurance Recovery	21,987	21,987	1,640	23,627
Transfers In	0	0	622,415	622,415
Transfers Out	0	(283,694)	0	(283,694)
Total Other Financing Sources (Uses)	\$ 21,987	\$ (261,707)	\$ 2,925,115	\$ 2,663,408
Net Change in Fund Balances	\$ 1,211,137	\$ 1,261,151	\$ (1,050,404)	\$ 210,747
Fund Balance, July 1, 2014	9,222,449	22,629,106	7,025,573	29,654,679
Fund Balance, June 30, 2015	\$ 10,433,586	\$ 23,890,257	\$ 5,975,169	\$ 29,865,426

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,022,578	\$ 0	\$ 0	\$ 2,022,578	\$ 1,440,000	\$ 1,900,000	\$ 122,578
Charges for Current Services	1,416,008	0	0	1,416,008	1,300,000	1,360,000	56,008
Other Local Revenues	414,141	0	0	414,141	325,000	282,300	131,841
State of Tennessee	346,054	0	0	346,054	339,100	400,288	(54,234)
Other Governments and Citizens Groups	500	0	0	500	0	0	500
<b>Total Revenues</b>	<b>\$ 4,199,281</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,199,281</b>	<b>\$ 3,404,100</b>	<b>\$ 3,942,588</b>	<b>\$ 256,693</b>
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 135,409	\$ 0	\$ 472	\$ 135,881	\$ 151,345	\$ 153,225	\$ 17,344
Convenience Centers	2,069,461	(5,479)	2,975	2,066,957	2,739,037	2,739,037	672,080
Other Waste Collection	186,196	(768)	196	185,624	284,612	284,612	98,988
Landfill Operation and Maintenance	614,222	(1,503)	1,458	614,177	956,609	956,729	342,552
Postclosure Care Costs	247,993	0	0	247,993	310,000	310,000	62,007
<u>Other Operations</u>							
Employee Benefits	25,000	0	0	25,000	30,025	28,025	3,025
Miscellaneous	59,039	0	0	59,039	55,580	60,880	1,841
<b>Total Expenditures</b>	<b>\$ 3,337,320</b>	<b>\$ (7,750)</b>	<b>\$ 5,101</b>	<b>\$ 3,334,671</b>	<b>\$ 4,527,208</b>	<b>\$ 4,532,508</b>	<b>\$ 1,197,837</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 861,961	\$ 7,750	\$ (5,101)	\$ 864,610	\$ (1,123,108)	\$ (589,920)	\$ 1,454,530
Net Change in Fund Balance	\$ 861,961	\$ 7,750	\$ (5,101)	\$ 864,610	\$ (1,123,108)	\$ (589,920)	\$ 1,454,530
Fund Balance, July 1, 2014	4,916,630	(7,750)	0	4,908,880	4,908,881	4,908,881	(1)
<b>Fund Balance, June 30, 2015</b>	<b>\$ 5,778,591</b>	<b>\$ 0</b>	<b>\$ (5,101)</b>	<b>\$ 5,773,490</b>	<b>\$ 3,785,773</b>	<b>\$ 4,318,961</b>	<b>\$ 1,454,529</b>

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,764,773	\$ 0	\$ 0	\$ 3,764,773	\$ 3,681,679	\$ 3,749,479	\$ 15,294
Charges for Current Services	7,039,652	0	0	7,039,652	6,245,412	6,648,412	391,240
Other Local Revenues	16,430	0	0	16,430	1,500	13,500	2,930
Other Governments and Citizens Groups	131,928	0	0	131,928	0	135,000	(3,072)
<b>Total Revenues</b>	<b>\$ 10,952,783</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 10,952,783</b>	<b>\$ 9,928,591</b>	<b>\$ 10,546,391</b>	<b>\$ 406,392</b>
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	\$ 11,359,622	\$ (83,284)	\$ 109,894	\$ 11,386,232	\$ 11,869,875	\$ 11,965,550	\$ 579,318
<b>Total Expenditures</b>	<b>\$ 11,359,622</b>	<b>\$ (83,284)</b>	<b>\$ 109,894</b>	<b>\$ 11,386,232</b>	<b>\$ 11,869,875</b>	<b>\$ 11,965,550</b>	<b>\$ 579,318</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (406,839)	\$ 83,284	\$ (109,894)	\$ (433,449)	\$ (1,941,284)	\$ (1,419,159)	\$ 985,710
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (158,500)	\$ 0	\$ 0	\$ (158,500)	\$ 0	\$ (158,500)	\$ 0
<b>Total Other Financing Sources</b>	<b>\$ (158,500)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (158,500)</b>	<b>\$ 0</b>	<b>\$ (158,500)</b>	<b>\$ 0</b>
Net Change in Fund Balance	\$ (565,339)	\$ 83,284	\$ (109,894)	\$ (591,949)	\$ (1,941,284)	\$ (1,577,659)	\$ 985,710
Fund Balance, July 1, 2014	3,883,417	(83,284)	0	3,800,133	3,783,896	3,783,896	16,237
<b>Fund Balance, June 30, 2015</b>	<b>\$ 3,318,078</b>	<b>\$ 0</b>	<b>\$ (109,894)</b>	<b>\$ 3,208,184</b>	<b>\$ 1,842,612</b>	<b>\$ 2,206,237</b>	<b>\$ 1,001,947</b>

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 92,105	\$ 72,114	\$ 72,114	\$ 19,991
Total Revenues	\$ 92,105	\$ 72,114	\$ 72,114	\$ 19,991
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 227,421	\$ 292,877	\$ 227,683	\$ 262
Payments to Cities	17,030	17,030	17,030	0
Total Expenditures	\$ 244,451	\$ 309,907	\$ 244,713	\$ 262
Excess (Deficiency) of Revenues Over Expenditures	\$ (152,346)	\$ (237,793)	\$ (172,599)	\$ 20,253
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (65,194)	\$ 0	\$ (65,194)	\$ 0
Total Other Financing Sources	\$ (65,194)	\$ 0	\$ (65,194)	\$ 0
Net Change in Fund Balance	\$ (217,540)	\$ (237,793)	\$ (237,793)	\$ 20,253
Fund Balance, July 1, 2014	3,388,392	479,615	479,615	2,908,777
Fund Balance, June 30, 2015	\$ 3,170,852	\$ 241,822	\$ 241,822	\$ 2,929,030

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 66	\$ 0	\$ 0	\$ 66	\$ 0	\$ 0	\$ 66
Federal Government	104,751	0	0	104,751	0	104,750	1
Total Revenues	\$ 104,817	\$ 0	\$ 0	\$ 104,817	\$ 0	\$ 104,750	\$ 67
<u>Expenditures</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 89,033	\$ (747)	\$ 1,797	\$ 90,083	\$ 5,000	\$ 156,639	\$ 66,556
Total Expenditures	\$ 89,033	\$ (747)	\$ 1,797	\$ 90,083	\$ 5,000	\$ 156,639	\$ 66,556
Excess (Deficiency) of Revenues Over Expenditures	\$ 15,784	\$ 747	\$ (1,797)	\$ 14,734	\$ (5,000)	\$ (51,889)	\$ 66,623
Net Change in Fund Balance	\$ 15,784	\$ 747	\$ (1,797)	\$ 14,734	\$ (5,000)	\$ (51,889)	\$ 66,623
Fund Balance, July 1, 2014	52,636	(747)	0	51,889	51,889	51,889	0
Fund Balance, June 30, 2015	\$ 68,420	\$ 0	\$ (1,797)	\$ 66,623	\$ 46,889	\$ 0	\$ 66,623

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 508,384	\$ 0	\$ 0	\$ 508,384	\$ 465,000	\$ 441,000	\$ 67,384
Charges for Current Services	2,100	0	0	2,100	0	0	2,100
Other Local Revenues	69,267	0	0	69,267	600	25,800	43,467
Total Revenues	<u>\$ 579,751</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 579,751</u>	<u>\$ 465,600</u>	<u>\$ 466,800</u>	<u>\$ 112,951</u>
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 430,400	\$ (3,330)	\$ 977	\$ 428,047	\$ 288,160	\$ 528,210	\$ 100,163
Total Expenditures	<u>\$ 430,400</u>	<u>\$ (3,330)</u>	<u>\$ 977</u>	<u>\$ 428,047</u>	<u>\$ 288,160</u>	<u>\$ 528,210</u>	<u>\$ 100,163</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 149,351</u>	<u>\$ 3,330</u>	<u>\$ (977)</u>	<u>\$ 151,704</u>	<u>\$ 177,440</u>	<u>\$ (61,410)</u>	<u>\$ 213,114</u>
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (60,000)	\$ 0	\$ 0	\$ (60,000)	\$ (60,000)	\$ (60,000)	\$ 0
Total Other Financing Sources	<u>\$ (60,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (60,000)</u>	<u>\$ (60,000)</u>	<u>\$ (60,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 89,351	\$ 3,330	\$ (977)	\$ 91,704	\$ 117,440	\$ (121,410)	\$ 213,114
Fund Balance, July 1, 2014	<u>825,894</u>	<u>(3,330)</u>	<u>0</u>	<u>822,564</u>	<u>822,564</u>	<u>822,564</u>	<u>0</u>
Fund Balance, June 30, 2015	<u>\$ 915,245</u>	<u>\$ 0</u>	<u>\$ (977)</u>	<u>\$ 914,268</u>	<u>\$ 940,004</u>	<u>\$ 701,154</u>	<u>\$ 213,114</u>

## Exhibit G-8

Rutherford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,077,214	\$ 4,552,347	\$ 4,978,342	\$ 98,872
Other Local Revenues	34,077	45,000	68,000	(33,923)
State of Tennessee	4,700,280	4,032,000	4,567,513	132,767
<b>Total Revenues</b>	<b>\$ 9,811,571</b>	<b>\$ 8,629,347</b>	<b>\$ 9,613,855</b>	<b>\$ 197,716</b>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 704,510	\$ 711,019	\$ 745,519	\$ 41,009
Highway and Bridge Maintenance	5,088,744	5,853,100	5,598,100	509,356
Operation and Maintenance of Equipment	884,696	1,176,510	1,176,510	291,814
Other Charges	410,287	571,065	571,065	160,778
Employee Benefits	180,437	212,510	212,510	32,073
Capital Outlay	1,353,747	724,860	1,531,160	177,413
<b>Total Expenditures</b>	<b>\$ 8,622,421</b>	<b>\$ 9,249,064</b>	<b>\$ 9,834,864</b>	<b>\$ 1,212,443</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,189,150	\$ (619,717)	\$ (221,009)	\$ 1,410,159
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 21,987	\$ 0	\$ 17,413	\$ 4,574
<b>Total Other Financing Sources</b>	<b>\$ 21,987</b>	<b>\$ 0</b>	<b>\$ 17,413</b>	<b>\$ 4,574</b>
Net Change in Fund Balance	\$ 1,211,137	\$ (619,717)	\$ (203,596)	\$ 1,414,733
Fund Balance, July 1, 2014	9,222,449	7,391,072	7,391,072	1,831,377
<b>Fund Balance, June 30, 2015</b>	<b>\$ 10,433,586</b>	<b>\$ 6,771,355</b>	<b>\$ 7,187,476</b>	<b>\$ 3,246,110</b>

# **Major Governmental Fund**

## **General Debt Service Fund**

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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.

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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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 41,004,988	\$ 39,753,645	\$ 40,683,945	\$ 321,043
Other Local Revenues	201,338	190,200	193,200	8,138
Other Governments and Citizens Groups	550,157	0	550,157	0
<b>Total Revenues</b>	<b>\$ 41,756,483</b>	<b>\$ 39,943,845</b>	<b>\$ 41,427,302</b>	<b>\$ 329,181</b>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 784,106	\$ 1,021,510	\$ 1,031,510	\$ 247,404
<u>Principal on Debt</u>				
General Government	4,529,815	4,538,065	4,529,815	0
Education	23,148,759	22,641,935	23,148,759	0
<u>Interest on Debt</u>				
General Government	2,063,398	2,074,031	2,064,609	1,211
Education	11,629,143	11,566,927	11,629,145	2
<u>Other Debt Service</u>				
General Government	816,588	0	816,593	5
Education	8,465,069	0	8,465,070	1
<b>Total Expenditures</b>	<b>\$ 51,436,878</b>	<b>\$ 41,842,468</b>	<b>\$ 51,685,501</b>	<b>\$ 248,623</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (9,680,395)</b>	<b>\$ (1,898,623)</b>	<b>\$ (10,258,199)</b>	<b>\$ 577,804</b>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 30,526,175	\$ 0	\$ 30,526,175	\$ 0
Premiums on Debt Sold	4,486,704	0	4,486,704	0
Transfers In	65,194	65,647	65,647	(453)
Payments to Refunded Debt Escrow Agent	(25,730,000)	0	(25,730,003)	3
<b>Total Other Financing Sources</b>	<b>\$ 9,348,073</b>	<b>\$ 65,647</b>	<b>\$ 9,348,523</b>	<b>\$ (450)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (332,322)</b>	<b>\$ (1,832,976)</b>	<b>\$ (909,676)</b>	<b>\$ 577,354</b>
<b>Fund Balance, July 1, 2014</b>	<b>35,799,362</b>	<b>33,978,577</b>	<b>33,978,577</b>	<b>1,820,785</b>
<b>Fund Balance, June 30, 2015</b>	<b>\$ 35,467,040</b>	<b>\$ 32,145,601</b>	<b>\$ 33,068,901</b>	<b>\$ 2,398,139</b>

# Proprietary Funds

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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.

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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, 2015

	<u>Internal Service Funds</u>			<u>Total</u>
	<u>Self-</u>	<u>Employee</u>	<u>Workers'</u>	<u>Proprietary</u>
	<u>Insurance</u>	<u>Insurance -</u>	<u>Compensation</u>	<u>Funds</u>
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 160,498	\$ 1,446,000	\$ 162,065	\$ 1,768,563
Equity in Pooled Cash and Investments	1,981,345	35,974,686	1,890,588	39,846,619
Accounts Receivable	3,104	10,043	0	13,147
Due from Other Governments	0	11,613	0	11,613
Due from Component Units	0	101,675	0	101,675
Total Assets	<u>\$ 2,144,947</u>	<u>\$ 37,544,017</u>	<u>\$ 2,052,653</u>	<u>\$ 41,741,617</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 0	\$ 772,800	\$ 0	\$ 772,800
Claims and Judgments Payable	1,617,428	9,855,320	992,100	12,464,848
Due to Other Funds	0	277,997	277,997	555,994
Total Liabilities	<u>\$ 1,617,428</u>	<u>\$ 10,906,117</u>	<u>\$ 1,270,097</u>	<u>\$ 13,793,642</u>
<u>NET POSITION</u>				
Unrestricted	<u>\$ 527,519</u>	<u>\$ 26,637,900</u>	<u>\$ 782,556</u>	<u>\$ 27,947,975</u>
Total Net Position	<u>\$ 527,519</u>	<u>\$ 26,637,900</u>	<u>\$ 782,556</u>	<u>\$ 27,947,975</u>

Exhibit I-2

Rutherford County, Tennessee  
Combining Statement of Revenues, Expenses, and  
Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2015

	Internal Service Funds			Total
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	
<u>Operating Revenues</u>				
Charges for Current Services:				
Self-Insurance Premiums/Contributions	\$ 1,334,790	\$ 57,258,168	\$ 1,073,720	\$ 59,666,678
Other Employee Benefit Charges/Contributions	0	1,508,335	0	1,508,335
Service Charges	0	4,200	0	4,200
Other Local Revenues:				
Retirees' Insurance Payments	0	4,421,973	0	4,421,973
Cobra Insurance Payments	0	111,751	0	111,751
State of Tennessee:				
On-Behalf Contributions for OPEB	0	138,262	0	138,262
Total Operating Revenues	\$ 1,334,790	\$ 63,442,689	\$ 1,073,720	\$ 65,851,199
<u>Operating Expenses</u>				
Employee Benefits:				
Handling Charges and Administrative Costs	\$ 46,860	\$ 2,607,111	\$ 36,835	\$ 2,690,806
Disability Insurance	0	0	426,567	426,567
Bank Charges	0	1,200	0	1,200
Consultants	0	66,493	0	66,493
Contracts with Private Agencies	0	2,477,586	0	2,477,586
Other Contracted Services	0	0	5,500	5,500
Medical Claims	0	54,945,026	0	54,945,026
Premiums on Corporate Surety Bonds	0	0	7,500	7,500
Liability Claims	1,228,235	0	0	1,228,235
Fines, Assessments, and Penalties	0	541,020	0	541,020
Other Self-Insured Claims	0	0	352,461	352,461
Other Charges	0	40,720	0	40,720
Total Operating Expenses	\$ 1,275,095	\$ 60,679,156	\$ 828,863	\$ 62,783,114
Operating Income (Loss)	\$ 59,695	\$ 2,763,533	\$ 244,857	\$ 3,068,085
<u>Nonoperating Revenues (Expenses)</u>				
Insurance Recovery	\$ 90,344	\$ 1,235	\$ 7,674	\$ 99,253
Total Nonoperating Revenues (Expenses)	\$ 90,344	\$ 1,235	\$ 7,674	\$ 99,253
Income (Loss) Before Transfers	\$ 150,039	\$ 2,764,768	\$ 252,531	\$ 3,167,338
Transfers Out	0	(277,997)	(277,997)	(555,994)
Change in Net Position	\$ 150,039	\$ 2,486,771	\$ (25,466)	\$ 2,611,344
Net Position, July 1, 2014	377,480	24,151,129	808,022	25,336,631
Net Position, June 30, 2015	\$ 527,519	\$ 26,637,900	\$ 782,556	\$ 27,947,975

## Exhibit I-3

Rutherford County, Tennessee  
Combining Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2015

	Internal Service Funds			Total
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	
<u>Cash Flows from Operating Activities</u>				
Receipts for Self-Insurance Premiums	\$ 1,331,686	\$ 63,481,988	\$ 1,073,720	\$ 65,887,394
Payments to Suppliers	(46,860)	(4,961,061)	(476,402)	(5,484,323)
Claims Paid	(1,495,295)	(54,468,621)	(379,664)	(56,343,580)
Insurance Recovery	90,344	1,235	7,674	99,253
Payments of Taxes, Duties, Fines, Fees, and Penalties	0	(541,020)	0	(541,020)
Net Cash Provided By (Used In) Operating Activities	\$ (120,125)	\$ 3,512,521	\$ 225,328	\$ 3,617,724
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers to Other Funds	\$ 0	\$ (277,997)	\$ (277,997)	\$ (555,994)
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 0	\$ (277,997)	\$ (277,997)	\$ (555,994)
Net Increase (Decrease) in Cash	\$ (120,125)	\$ 3,234,524	\$ (52,669)	\$ 3,061,730
Cash, July 1, 2014	2,261,968	34,186,162	2,105,322	38,553,452
Cash, June 30, 2015	\$ 2,141,843	\$ 37,420,686	\$ 2,052,653	\$ 41,615,182
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>				
Operating Income (Loss)	\$ 59,695	\$ 2,763,533	\$ 244,857	\$ 3,068,085
Insurance Recovery	90,344	1,235	7,674	99,253
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	(3,104)	141,687	0	138,583
(Increase) Decrease in Due from Other Governments	0	(713)	0	(713)
(Increase) Decrease in Due from Component Units	0	(101,675)	0	(101,675)
Increase (Decrease) in Accounts Payable	0	(45,948)	0	(45,948)
Increase (Decrease) in Due to Other Funds	0	277,997	277,997	555,994
Increase (Decrease) in Claims and Judgments Payable	(267,060)	476,405	(305,200)	(95,855)
Net Cash Provided By (Used In) Operating Activities	\$ (120,125)	\$ 3,512,521	\$ 225,328	\$ 3,617,724
<u>Reconciliation of Cash With Statement of Net Position</u>				
Cash Per Net Position	\$ 160,498	\$ 1,446,000	\$ 162,065	\$ 1,768,563
Equity in Pooled Cash and Investments Per Net Position	1,981,345	35,974,686	1,890,588	39,846,619
Cash, June 30, 2015	\$ 2,141,843	\$ 37,420,686	\$ 2,052,653	\$ 41,615,182

# Fiduciary Funds

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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.

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Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

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

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

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

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

Exhibit J-1

Rutherford County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2015

	Agency Funds					Total
	Cities - Sales Tax	City School ADA - Murfreesboro	Joint Venture	Constitu- tional Officers - Agency	District Attorney General	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 9,005,425	\$ 0	\$ 9,005,425
Equity in Pooled Cash and Investments	0	0	11,828	0	389,492	401,320
Investments	0	0	0	7,299	0	7,299
Accounts Receivable	0	0	0	37,665	0	37,665
Due from Other Governments	9,360,784	1,589,411	0	0	1,160	10,951,355
Taxes Receivable	0	13,413,981	0	0	0	13,413,981
Allowance for Uncollectible Taxes	0	(692,904)	0	0	0	(692,904)
Total Assets	<u>\$ 9,360,784</u>	<u>\$ 14,310,488</u>	<u>\$ 11,828</u>	<u>\$ 9,050,389</u>	<u>\$ 390,652</u>	<u>\$ 33,124,141</u>
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 9,360,784	\$ 14,310,488	\$ 0	\$ 0	\$ 0	\$ 23,671,272
Due to Joint Ventures	0	0	11,828	0	0	11,828
Due to Litigants, Heirs, and Others	0	0	0	9,050,389	390,652	9,441,041
Total Liabilities	<u>\$ 9,360,784</u>	<u>\$ 14,310,488</u>	<u>\$ 11,828</u>	<u>\$ 9,050,389</u>	<u>\$ 390,652</u>	<u>\$ 33,124,141</u>

## Exhibit J-2

Rutherford County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 55,019,588	\$ 55,019,588	\$ 0
Due from Other Governments	8,612,628	9,360,784	8,612,628	9,360,784
Total Assets	\$ 8,612,628	\$ 64,380,372	\$ 63,632,216	\$ 9,360,784
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 8,612,628	\$ 64,380,372	\$ 63,632,216	\$ 9,360,784
Total Liabilities	\$ 8,612,628	\$ 64,380,372	\$ 63,632,216	\$ 9,360,784
<u>City School ADA - Murfreesboro Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 160,329	\$ 21,051,570	\$ 21,211,899	\$ 0
Due from Other Governments	1,396,450	1,589,411	1,396,450	1,589,411
Due from Component Units	7,446	0	7,446	0
Taxes Receivable	11,210,743	13,413,981	11,210,743	13,413,981
Allowance for Uncollectible Taxes	(609,808)	(692,904)	(609,808)	(692,904)
Total Assets	\$ 12,165,160	\$ 35,362,058	\$ 33,216,730	\$ 14,310,488
<u>Liabilities</u>				
Due to Component Units	\$ 42,809	\$ 0	\$ 42,809	\$ 0
Due to Other Taxing Units	12,122,351	35,362,058	33,173,921	14,310,488
Total Liabilities	\$ 12,165,160	\$ 35,362,058	\$ 33,216,730	\$ 14,310,488
<u>Joint Venture</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 12,313	\$ 0	\$ 485	\$ 11,828
Total Assets	\$ 12,313	\$ 0	\$ 485	\$ 11,828
<u>Liabilities</u>				
Due to Joint Ventures	\$ 12,313	\$ 0	\$ 485	\$ 11,828
Total Liabilities	\$ 12,313	\$ 0	\$ 485	\$ 11,828
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 10,519,597	\$ 63,822,232	\$ 65,336,404	\$ 9,005,425
Investments	7,293	7,299	7,293	7,299
Accounts Receivable	6,268	37,665	6,268	37,665
Total Assets	\$ 10,533,158	\$ 63,867,196	\$ 65,349,965	\$ 9,050,389
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 10,533,158	\$ 63,867,196	\$ 65,349,965	\$ 9,050,389
Total Liabilities	\$ 10,533,158	\$ 63,867,196	\$ 65,349,965	\$ 9,050,389

(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
<b><u>District Attorney General Fund</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash and Investments	\$ 361,173	\$ 70,702	\$ 42,383	\$ 389,492
Due from Other Governments	1,313	1,160	1,313	1,160
<b>Total Assets</b>	<b>\$ 362,486</b>	<b>\$ 71,862</b>	<b>\$ 43,696</b>	<b>\$ 390,652</b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 2,183	\$ 0	\$ 2,183	\$ 0
Accrued Payroll	1,205	0	1,205	0
Due to Litigants, Heirs, and Others	359,098	71,862	40,308	390,652
<b>Total Liabilities</b>	<b>\$ 362,486</b>	<b>\$ 71,862</b>	<b>\$ 43,696</b>	<b>\$ 390,652</b>
<b><u>Totals - All Agency Funds</u></b>				
<b><u>Assets</u></b>				
Cash	\$ 10,519,597	\$ 63,822,232	\$ 65,336,404	\$ 9,005,425
Equity in Pooled Cash and Investments	533,815	76,141,860	76,274,355	401,320
Investments	7,293	7,299	7,293	7,299
Accounts Receivable	6,268	37,665	6,268	37,665
Due from Other Governments	10,010,391	10,951,355	10,010,391	10,951,355
Due from Component Units	7,446	0	7,446	0
Taxes Receivable	11,210,743	13,413,981	11,210,743	13,413,981
Allowance for Uncollectible Taxes	(609,808)	(692,904)	(609,808)	(692,904)
<b>Total Assets</b>	<b>\$ 31,685,745</b>	<b>\$ 163,681,488</b>	<b>\$ 162,243,092</b>	<b>\$ 33,124,141</b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 2,183	\$ 0	\$ 2,183	\$ 0
Accrued Payroll	1,205	0	1,205	0
Due to Component Units	42,809	0	42,809	0
Due to Other Taxing Units	20,734,979	99,742,430	96,806,137	23,671,272
Due to Joint Ventures	12,313	0	485	11,828
Due to Litigants, Heirs, and Others	10,892,256	63,939,058	65,390,273	9,441,041
<b>Total Liabilities</b>	<b>\$ 31,685,745</b>	<b>\$ 163,681,488</b>	<b>\$ 162,243,092</b>	<b>\$ 33,124,141</b>

# Rutherford County School Department

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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.

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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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 203,108,926	\$ 173,940	\$ 11,432,383	\$ 0	\$ (191,502,603)
Support Services	115,089,762	47,155	1,333,249	97,048	(113,612,310)
Operation of Non-instructional Services	18,330,423	6,292,678	10,068,685	0	(1,969,060)
<b>Total Governmental Activities</b>	<b>\$ 336,529,111</b>	<b>\$ 6,513,773</b>	<b>\$ 22,834,317</b>	<b>\$ 97,048</b>	<b>\$ (307,083,973)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 66,829,951
Payments in-Lieu-of Tax					940,626
Local option sales tax					50,347,621
Wheel Tax					3,654,147
Business Tax					1,960,020
Mixed Drink Tax					491,521
Interstate Telecommunications Tax					22,125
Grants and Contributions Not Restricted for Specific Programs					212,588,422
Unrestricted Investment Income					72,902
Miscellaneous					29,955
Pension Income					231,310
<b>Total General Revenues</b>					<b>\$ 337,168,600</b>
Change in Net Position					\$ 30,084,627
Net Position, July 1, 2014					419,941,995
Restatement - See Note I.D.10.					(46,327,235)
<b>Net Position, June 30, 2015</b>					<b>\$ 403,699,387</b>

Exhibit K-2

Rutherford County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Rutherford County School Department  
June 30, 2015

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Other</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Governmental</u>	<u>Funds</u>
			<u>Funds</u>	
<u>ASSETS</u>				
Cash	\$ 300	\$ 0	\$ 1,301,430	\$ 1,301,730
Equity in Pooled Cash and Investments	49,959,856	32,479,138	5,792,091	88,231,085
Inventories	0	0	193,490	193,490
Accounts Receivable	195,800	0	6,457	202,257
Due from Other Governments	9,530,251	0	1,203,941	10,734,192
Property Taxes Receivable	76,371,692	0	3,342,418	79,714,110
Allowance for Uncollectible Property Taxes	(3,945,005)	0	(172,989)	(4,117,994)
Prepaid Items	5,439	0	0	5,439
Total Assets	<u>\$ 132,118,333</u>	<u>\$ 32,479,138</u>	<u>\$ 11,666,838</u>	<u>\$ 176,264,309</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 3,864,574	\$ 0	\$ 117,611	\$ 3,982,185
Accrued Payroll	21,763,364	0	704,194	22,467,558
Payroll Deductions Payable	4,277	0	0	4,277
Total Liabilities	<u>\$ 25,632,215</u>	<u>\$ 0</u>	<u>\$ 821,805</u>	<u>\$ 26,454,020</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 71,603,283	\$ 0	\$ 3,132,851	\$ 74,736,134
Deferred Delinquent Property Taxes	677,518	0	30,098	707,616
Other Deferred/Unavailable Revenue	4,334,798	0	0	4,334,798
Total Deferred Inflows of Resources	<u>\$ 76,615,599</u>	<u>\$ 0</u>	<u>\$ 3,162,949</u>	<u>\$ 79,778,548</u>

(Continued)

Exhibit K-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Other</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Governmental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 0	\$ 193,490	\$ 193,490
Prepaid Items	5,439	0	0	5,439
Restricted:				
Restricted for Education	351,899	0	4,270,895	4,622,794
Restricted for Capital Projects	0	32,479,138	2,217,699	34,696,837
Committed:				
Committed for Education	0	0	1,000,000	1,000,000
Assigned:				
Assigned for Education	12,183,317	0	0	12,183,317
Unassigned	17,329,864	0	0	17,329,864
Total Fund Balances	<u>\$ 29,870,519</u>	<u>\$ 32,479,138</u>	<u>\$ 7,682,084</u>	<u>\$ 70,031,741</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 132,118,333</u>	<u>\$ 32,479,138</u>	<u>\$ 11,666,838</u>	<u>\$ 176,264,309</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, 2015

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)		\$	70,031,741
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	13,925,151	
Add: construction in progress		6,486,576	
Add: buildings and improvements net of accumulated depreciation		402,669,956	
Add: intangible assets net of accumulated depreciation		57,746	
Add: other capital assets net of accumulated depreciation		<u>7,487,387</u>	430,626,816
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: contributions due on primary government debt for notes	\$	(398,974)	
Less: contributions due on primary government debt for capital lease		(984,711)	
Less: other postemployment benefits liability		(68,752,252)	
Less: compensated absences payable		<u>(1,341,531)</u>	(71,477,468)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions		20,732,141	
Less: deferred inflows of resources related to pensions		<u>(58,358,200)</u>	(37,626,059)
(4) Net pension assets of the agent and cost-sharing plans are not current financial resources and therefore are not reported in the governmental funds.			7,101,943
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>5,042,414</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>403,699,387</u></u>

Exhibit K-4

Rutherford County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Rutherford County School Department  
For the Year Ended June 30, 2015

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Other</u>	<u>Funds</u>	
			<u>Other</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>Funds</u>
			<u>Funds</u>	
<u>Revenues</u>				
Local Taxes	\$ 120,982,399	\$ 0	\$ 2,933,116	\$ 123,915,515
Licenses and Permits	12,681	0	0	12,681
Charges for Current Services	175,205	0	6,291,037	6,466,242
Other Local Revenues	321,549	0	4,225	325,774
State of Tennessee	175,165,232	0	184,752	175,349,984
Federal Government	1,275,640	0	22,989,569	24,265,209
Other Governments and Citizens Groups	0	35,625,016	0	35,625,016
<b>Total Revenues</b>	<b>\$ 297,932,706</b>	<b>\$ 35,625,016</b>	<b>\$ 32,402,699</b>	<b>\$ 365,960,421</b>
<u>Expenditures</u>				
Current:				
Instruction	\$ 197,562,428	\$ 0	\$ 8,508,857	\$ 206,071,285
Support Services	95,528,896	0	4,599,016	100,127,912
Operation of Non-Instructional Services	2,311,176	0	16,106,407	18,417,583
Capital Outlay	40,872	0	0	40,872
Debt Service:				
Other Debt Service	550,157	0	0	550,157
Capital Projects	0	15,134,595	2,396,922	17,531,517
<b>Total Expenditures</b>	<b>\$ 295,993,529</b>	<b>\$ 15,134,595</b>	<b>\$ 31,611,202</b>	<b>\$ 342,739,326</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,939,177	\$ 20,490,421	\$ 791,497	\$ 23,221,095
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 223,140	\$ 0	\$ 0	\$ 223,140
Transfers Out	0	0	(223,140)	(223,140)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 223,140</b>	<b>\$ 0</b>	<b>\$ (223,140)</b>	<b>\$ 0</b>
Net Change in Fund Balances	\$ 2,162,317	\$ 20,490,421	\$ 568,357	\$ 23,221,095
Fund Balance, July 1, 2014	27,708,202	11,988,717	7,113,727	46,810,646
<b>Fund Balance, June 30, 2015</b>	<b>\$ 29,870,519</b>	<b>\$ 32,479,138</b>	<b>\$ 7,682,084</b>	<b>\$ 70,031,741</b>

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, 2015

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)		\$ 23,221,095
(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	\$ 11,743,099	
Less: current-year depreciation expense	<u>(13,231,509)</u>	(1,488,410)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 85,254	
Less: book value of capital assets disposed	<u>(12,444)</u>	72,810
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$ 5,042,414	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(4,705,661)</u>	336,753
(4) The contributions of long-term debt (e.g., notes and lease) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on notes to primary government	\$ 300,948	
Add: principal contributions on lease to primary government	<u>197,626</u>	498,574
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability	\$ (8,327,421)	
Change in compensated absences payable	(31,893)	
Change in net pension obligation	53,429,178	
Change in deferred outflows of resources related to pensions	20,732,141	
Change in deferred inflows of resources related to pensions	<u>(58,358,200)</u>	7,443,805
Change in net position of governmental activities (Exhibit B)		<u>\$ 30,084,627</u>

Exhibit K-6

Rutherford County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Rutherford County School Department  
June 30, 2015

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>ASSETS</u>					
Cash	\$ 0	\$ 1,301,430	\$ 1,301,430	\$ 0	\$ 1,301,430
Equity in Pooled Cash and Investments	731,479	2,851,641	3,583,120	2,208,971	5,792,091
Inventories	0	193,490	193,490	0	193,490
Accounts Receivable	3,744	2,713	6,457	0	6,457
Due from Other Governments	1,086,461	115,232	1,201,693	2,248	1,203,941
Property Taxes Receivable	0	0	0	3,342,418	3,342,418
Allowance for Uncollectible Property Taxes	0	0	0	(172,989)	(172,989)
Total Assets	\$ 1,821,684	\$ 4,464,506	\$ 6,286,190	\$ 5,380,648	\$ 11,666,838
<u>LIABILITIES</u>					
Accounts Payable	\$ 117,490	\$ 121	\$ 117,611	\$ 0	\$ 117,611
Accrued Payroll	704,194	0	704,194	0	704,194
Total Liabilities	\$ 821,684	\$ 121	\$ 821,805	\$ 0	\$ 821,805
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 3,132,851	\$ 3,132,851
Deferred Delinquent Property Taxes	0	0	0	30,098	30,098
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 3,162,949	\$ 3,162,949

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 193,490	\$ 193,490	\$ 0	\$ 193,490
Restricted:					
Restricted for Education	0	4,270,895	4,270,895	0	4,270,895
Restricted for Capital Projects	0	0	0	2,217,699	2,217,699
Committed:					
Committed for Education	1,000,000	0	1,000,000	0	1,000,000
Total Fund Balances	<u>\$ 1,000,000</u>	<u>\$ 4,464,385</u>	<u>\$ 5,464,385</u>	<u>\$ 2,217,699</u>	<u>\$ 7,682,084</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,821,684</u>	<u>\$ 4,464,506</u>	<u>\$ 6,286,190</u>	<u>\$ 5,380,648</u>	<u>\$ 11,666,838</u>

Exhibit K-7

Rutherford County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Rutherford County School Department  
For the Year Ended June 30, 2015

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 2,933,116	\$ 2,933,116
Charges for Current Services	0	6,291,037	6,291,037	0	6,291,037
Other Local Revenues	0	4,225	4,225	0	4,225
State of Tennessee	0	184,752	184,752	0	184,752
Federal Government	13,198,643	9,790,926	22,989,569	0	22,989,569
Total Revenues	\$ 13,198,643	\$ 16,270,940	\$ 29,469,583	\$ 2,933,116	\$ 32,402,699
<u>Expenditures</u>					
Current:					
Instruction	\$ 8,508,857	\$ 0	\$ 8,508,857	\$ 0	\$ 8,508,857
Support Services	4,510,795	38,879	4,549,674	49,342	4,599,016
Operation of Non-Instructional Services	0	16,106,407	16,106,407	0	16,106,407
Capital Projects	0	0	0	2,396,922	2,396,922
Total Expenditures	\$ 13,019,652	\$ 16,145,286	\$ 29,164,938	\$ 2,446,264	\$ 31,611,202
Excess (Deficiency) of Revenues Over Expenditures	\$ 178,991	\$ 125,654	\$ 304,645	\$ 486,852	\$ 791,497
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (180,703)	\$ (42,437)	\$ (223,140)	\$ 0	\$ (223,140)
Total Other Financing Sources (Uses)	\$ (180,703)	\$ (42,437)	\$ (223,140)	\$ 0	\$ (223,140)
Net Change in Fund Balances	\$ (1,712)	\$ 83,217	\$ 81,505	\$ 486,852	\$ 568,357
Fund Balance, July 1, 2014	1,001,712	4,381,168	5,382,880	1,730,847	7,113,727
Fund Balance, June 30, 2015	\$ 1,000,000	\$ 4,464,385	\$ 5,464,385	\$ 2,217,699	\$ 7,682,084

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 120,982,399	\$ 0	\$ 0	\$ 120,982,399	\$ 116,565,995	\$ 119,676,975	\$ 1,305,424
Licenses and Permits	12,681	0	0	12,681	11,500	12,200	481
Charges for Current Services	175,205	0	0	175,205	156,987	156,987	18,218
Other Local Revenues	321,549	0	0	321,549	149,559	271,185	50,364
State of Tennessee	175,165,232	0	0	175,165,232	176,462,399	175,376,781	(211,549)
Federal Government	1,275,640	0	0	1,275,640	1,435,401	1,310,007	(34,367)
Total Revenues	\$ 297,932,706	\$ 0	\$ 0	\$ 297,932,706	\$ 294,781,841	\$ 296,804,135	\$ 1,128,571
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 159,657,646	\$ (261,598)	\$ 50,653	\$ 159,446,701	\$ 166,612,078	\$ 167,282,379	\$ 7,835,678
Alternative Instruction Program	1,741,754	(445)	0	1,741,309	1,740,969	1,788,137	46,828
Special Education Program	24,376,181	(702)	0	24,375,479	24,994,648	25,023,933	648,454
Vocational Education Program	11,322,422	(13,713)	20,060	11,328,769	12,000,586	11,909,036	580,267
Adult Education Program	464,425	0	0	464,425	524,005	591,775	127,350
<u>Support Services</u>							
Attendance	716,441	0	3,449	719,890	731,438	743,146	23,256
Health Services	3,990,414	(371)	0	3,990,043	3,946,651	4,080,306	90,263
Other Student Support	8,121,717	(8,582)	1,541	8,114,676	8,144,790	8,159,220	44,544
Regular Instruction Program	9,635,717	(14,100)	19,628	9,641,245	9,854,917	9,811,312	170,067
Alternative Instruction Program	767,991	0	153	768,144	773,430	787,934	19,790
Special Education Program	1,210,509	(148)	260	1,210,621	1,250,149	1,281,540	70,919
Vocational Education Program	220,878	(3,194)	445	218,129	215,688	247,106	28,977
Adult Programs	101,779	0	0	101,779	117,223	113,303	11,524
Board of Education	5,472,957	0	0	5,472,957	6,440,293	6,409,165	936,208
Director of Schools	693,892	(24,942)	24,341	693,291	734,844	735,284	41,993
Office of the Principal	16,719,620	(4,780)	8,476	16,723,316	17,021,201	17,033,058	309,742
Fiscal Services	886,047	0	0	886,047	892,662	905,303	19,256
Human Services/Personnel	537,583	0	2,988	540,571	571,064	553,155	12,584

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 22,366,702	\$ (28,153)	\$ 23,030	\$ 22,361,579	\$ 22,396,549	\$ 23,070,350	\$ 708,771
Maintenance of Plant	6,522,360	(210,683)	157,848	6,469,525	6,578,307	6,603,857	134,332
Transportation	15,271,134	0	3,150	15,274,284	15,961,186	15,451,296	177,012
Central and Other	2,293,155	(21,973)	39,457	2,310,639	2,155,505	2,346,257	35,618
<u>Operation of Non-Instructional Services</u>							
Community Services	37,743	0	0	37,743	35,000	43,726	5,983
Early Childhood Education	2,273,433	0	0	2,273,433	2,395,130	2,375,083	101,650
<u>Capital Outlay</u>							
Regular Capital Outlay	40,872	0	2,000	42,872	50,000	50,000	7,128
<u>Principal on Debt</u>							
Education	0	0	0	0	505,954	0	0
<u>Interest on Debt</u>							
Education	0	0	0	0	44,204	0	0
<u>Other Debt Service</u>							
Education	550,157	0	0	550,157	250	550,408	251
Total Expenditures	\$ 295,993,529	\$ (593,384)	\$ 357,479	\$ 295,757,624	\$ 306,688,721	\$ 307,946,069	\$ 12,188,445
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,939,177	\$ 593,384	\$ (357,479)	\$ 2,175,082	\$ (11,906,880)	\$ (11,141,934)	\$ 13,317,016
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 223,140	\$ 0	\$ 0	\$ 223,140	\$ 225,000	\$ 225,000	\$ (1,860)
Total Other Financing Sources	\$ 223,140	\$ 0	\$ 0	\$ 223,140	\$ 225,000	\$ 225,000	\$ (1,860)
Net Change in Fund Balance	\$ 2,162,317	\$ 593,384	\$ (357,479)	\$ 2,398,222	\$ (11,681,880)	\$ (10,916,934)	\$ 13,315,156
Fund Balance, July 1, 2014	27,708,202	(593,384)	0	27,114,818	26,871,794	26,871,794	243,024
Fund Balance, June 30, 2015	\$ 29,870,519	\$ 0	\$ (357,479)	\$ 29,513,040	\$ 15,189,914	\$ 15,954,860	\$ 13,558,180

Exhibit K-9

Rutherford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Rutherford County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 13,198,643	\$ 13,363,512	\$ 15,241,142	\$ (2,042,499)
Total Revenues	\$ 13,198,643	\$ 13,363,512	\$ 15,241,142	\$ (2,042,499)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 4,044,610	\$ 3,734,347	\$ 4,338,040	\$ 293,430
Special Education Program	3,986,316	3,999,861	4,564,805	578,489
Vocational Education Program	477,931	442,283	477,931	0
<u>Support Services</u>				
Health Services	253,176	261,692	261,691	8,515
Other Student Support	1,049,016	1,003,745	1,458,926	409,910
Regular Instruction Program	1,141,536	1,808,421	1,589,854	448,318
Special Education Program	1,719,687	1,540,358	1,917,139	197,452
Vocational Education Program	2,941	700	2,941	0
Transportation	344,439	388,448	416,653	72,214
Total Expenditures	\$ 13,019,652	\$ 13,179,855	\$ 15,027,980	\$ 2,008,328
Excess (Deficiency) of Revenues Over Expenditures	\$ 178,991	\$ 183,657	\$ 213,162	\$ (34,171)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (180,703)	\$ (183,657)	\$ (213,161)	\$ 32,458
Total Other Financing Sources	\$ (180,703)	\$ (183,657)	\$ (213,161)	\$ 32,458
Net Change in Fund Balance	\$ (1,712)	\$ 0	\$ 1	\$ (1,713)
Fund Balance, July 1, 2014	1,001,712	787,710	787,710	214,002
Fund Balance, June 30, 2015	\$ 1,000,000	\$ 787,710	\$ 787,711	\$ 212,289

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, 2015

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 6,291,037	\$ 0	\$ 6,291,037	\$ 6,800,000	\$ 6,800,000	\$ (508,963)
Other Local Revenues	4,225	0	4,225	5,000	5,000	(775)
State of Tennessee	184,752	0	184,752	175,000	175,000	9,752
Federal Government	9,790,926	0	9,790,926	10,650,000	10,650,000	(859,074)
<b>Total Revenues</b>	<b>\$ 16,270,940</b>	<b>\$ 0</b>	<b>\$ 16,270,940</b>	<b>\$ 17,630,000</b>	<b>\$ 17,630,000</b>	<b>\$ (1,359,060)</b>
<u>Expenditures</u>						
<u>Support Services</u>						
Board of Education	\$ 38,879	\$ 0	\$ 38,879	\$ 66,300	\$ 66,300	\$ 27,421
<u>Operation of Non-Instructional Services</u>						
Food Service	16,106,407	9,737	16,116,144	18,210,992	18,210,992	2,094,848
<b>Total Expenditures</b>	<b>\$ 16,145,286</b>	<b>\$ 9,737</b>	<b>\$ 16,155,023</b>	<b>\$ 18,277,292</b>	<b>\$ 18,277,292</b>	<b>\$ 2,122,269</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 125,654	\$ (9,737)	\$ 115,917	\$ (647,292)	\$ (647,292)	\$ 763,209
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (42,437)	\$ 0	\$ (42,437)	\$ (56,000)	\$ (56,000)	\$ 13,563
<b>Total Other Financing Sources</b>	<b>\$ (42,437)</b>	<b>\$ 0</b>	<b>\$ (42,437)</b>	<b>\$ (56,000)</b>	<b>\$ (56,000)</b>	<b>\$ 13,563</b>
Net Change in Fund Balance	\$ 83,217	\$ (9,737)	\$ 73,480	\$ (703,292)	\$ (703,292)	\$ 776,772
Fund Balance, July 1, 2014	4,381,168	0	4,381,168	4,381,168	4,381,168	0
<b>Fund Balance, June 30, 2015</b>	<b>\$ 4,464,385</b>	<b>\$ (9,737)</b>	<b>\$ 4,454,648</b>	<b>\$ 3,677,876</b>	<b>\$ 3,677,876</b>	<b>\$ 776,772</b>

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,933,116	\$ 0	\$ 0	\$ 2,933,116	\$ 2,457,665	\$ 2,480,290	\$ 452,826
Total Revenues	<u>\$ 2,933,116</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,933,116</u>	<u>\$ 2,457,665</u>	<u>\$ 2,480,290</u>	<u>\$ 452,826</u>
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 49,342	\$ 0	\$ 0	\$ 49,342	\$ 50,425	\$ 51,425	\$ 2,083
<u>Capital Projects</u>							
Education Capital Projects	2,396,922	(265,769)	184,534	2,315,687	2,350,000	2,864,570	548,883
Total Expenditures	<u>\$ 2,446,264</u>	<u>\$ (265,769)</u>	<u>\$ 184,534</u>	<u>\$ 2,365,029</u>	<u>\$ 2,400,425</u>	<u>\$ 2,915,995</u>	<u>\$ 550,966</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 486,852</u>	<u>\$ 265,769</u>	<u>\$ (184,534)</u>	<u>\$ 568,087</u>	<u>\$ 57,240</u>	<u>\$ (435,705)</u>	<u>\$ 1,003,792</u>
Net Change in Fund Balance	\$ 486,852	\$ 265,769	\$ (184,534)	\$ 568,087	\$ 57,240	\$ (435,705)	\$ 1,003,792
Fund Balance, July 1, 2014	<u>1,730,847</u>	<u>(265,769)</u>	<u>0</u>	<u>1,465,078</u>	<u>1,788,087</u>	<u>1,788,087</u>	<u>(323,009)</u>
Fund Balance, June 30, 2015	<u>\$ 2,217,699</u>	<u>\$ 0</u>	<u>\$ (184,534)</u>	<u>\$ 2,033,165</u>	<u>\$ 1,845,327</u>	<u>\$ 1,352,382</u>	<u>\$ 680,783</u>

Exhibit K-12

Rutherford County, Tennessee  
Statement of Fiduciary Net Position  
Discretely Presented Rutherford County School Department  
Fiduciary Fund  
June 30, 2015

	<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, 2015

	Private- Purpose Trust Fund
	<u>Endowment Fund</u>
<u>ADDITIONS</u>	
Investment Income:	
Interest	\$ 72
Total Additions	<u>\$ 72</u>
<u>DEDUCTIONS</u>	
Education:	
Scholarship	\$ 72
Total Deductions	<u>\$ 72</u>
Change in Net Position	\$ 0
Net Position, July 1, 2014	<u>28,783</u>
Net Position, June 30, 2015	<u><u>\$ 28,783</u></u>

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## MISCELLANEOUS SCHEDULES

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Exhibit L-1

Rutherford County, Tennessee  
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds  
For the Year Ended June 30, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-15
<b>NOTES PAYABLE</b>									
<u>Payable by School Department Contributions from the General Purpose School Fund to the General Debt Service Fund</u>									
Energy Efficient Note	\$ 1,109,188	3 %	7-22-10	4-1-16	\$ 426,098	\$ 0	\$ 229,524	\$ 0	\$ 196,574
Energy Efficient Note	500,000	0	7-22-10	4-1-18	273,824	0	71,424	0	202,400
Total Notes Payable					<u>\$ 699,922</u>	<u>\$ 0</u>	<u>\$ 300,948</u>	<u>\$ 0</u>	<u>\$ 398,974</u>
<b>CAPITAL LEASES PAYABLE</b>									
<u>Payable through General Fund</u>									
Data Processing Equipment	340,973	0	9-10-14	6-15-16	\$ 0	\$ 340,973	\$ 227,315	\$ 0	\$ 113,658
<u>Payable by School Department Contributions from the General Purpose School Fund to the General Debt Service Fund</u>									
Energy Efficient Water Upgrade	1,461,013	3.7	6-15-12	7-15-19	1,182,337	0	197,626	0	984,711
Total Capital Lease Payable					<u>\$ 1,182,337</u>	<u>\$ 340,973</u>	<u>\$ 424,941</u>	<u>\$ 0</u>	<u>\$ 1,098,369</u>
<b>BONDS PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
Refunding Bonds	42,400,000	3 to 5	11-1-04	5-14-15	\$ 8,465,000	\$ 0	\$ 4,045,000	\$ 4,420,000	\$ 0
School Facilities and Public Improvement	53,500,000	2.5 to 5	12-1-04	4-1-15	1,800,000	0	1,800,000	0	0
Refunding Bonds - School	17,765,000	3.5 to 5	2-1-05	5-14-15	3,335,000	0	1,625,000	1,710,000	0
General Obligation Bonds	64,220,000	4.375 to 5	6-1-06	6-1-16	4,575,000	0	2,230,000	0	2,345,000
School Facilities and Public Improvement	42,700,000	4.17	10-24-07	4-1-18	33,150,000	0	1,800,000	25,730,000	5,620,000
School Facilities and Public Improvement	41,325,000	3.67	5-28-09	6-30-29	33,810,000	0	1,710,000	0	32,100,000
Refunding Bonds	88,800,000	2.48	9-28-10	4-1-26	87,585,000	0	3,635,000	0	83,950,000
Refunding Bonds	41,875,000	2.037	1-7-11	4-1-20	18,270,000	0	6,800,000	0	11,470,000
School Facilities, Public Improvement and Refunding	69,280,000	2.4245	2-15-12	4-1-32	64,360,000	0	2,550,000	0	61,810,000

(Continued)

Exhibit L-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-15
<b><u>BONDS PAYABLE (CONT.)</u></b>									
Refunding Bonds	\$ 38,410,000	2.4214	%	2-27-13	4-1-30	\$ 38,410,000	\$ 0	\$ 0	\$ 38,410,000
Refunding Bonds	27,290,000	1.5833		2-27-13	4-1-21	27,090,000	0	235,000	26,855,000
School Facilities, Public Improvement and Refunding	31,000,000	2.8396		6-12-14	4-1-34	31,000,000	0	750,000	30,250,000
Public Improvements	2,570,000	3.6776		6-12-14	4-1-34	2,570,000	0	0	2,570,000
Refunding Bonds	6,596,175	2.8757		5-14-15	4-1-35	0	6,596,175	0	6,596,175
School Facilities, Public Improvement	33,863,825	2.8757		5-14-15	4-1-35	0	33,863,825	0	33,863,825
Refunding Bonds	23,930,000	2.2522		5-14-15	4-1-28	0	23,930,000	0	23,930,000
Total Bonds Payable						\$ 354,420,000	\$ 64,390,000	\$ 27,180,000	\$ 31,860,000
						\$ 359,770,000			\$ 359,770,000

Exhibit L-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 267,998	\$ 2,715	\$ 270,713
2017	71,424	0	71,424
2018	59,552	0	59,552
Total	\$ 398,974	\$ 2,715	\$ 401,689

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2016	\$ 318,663	\$ 34,555	\$ 353,218
2017	212,660	26,900	239,560
2018	220,602	18,959	239,561
2019	228,840	10,721	239,561
2020	117,604	2,178	119,782
Total	\$ 1,098,369	\$ 93,313	\$ 1,191,682

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 28,430,000	\$ 13,701,998	\$ 42,131,998
2017	28,180,000	12,869,418	41,049,418
2018	29,235,000	11,882,684	41,117,684
2019	27,365,000	10,818,843	38,183,843
2020	26,560,000	9,702,539	36,262,539
2021	26,425,000	8,714,790	35,139,790
2022	23,635,000	7,627,426	31,262,426
2023	22,960,000	6,483,853	29,443,853
2024	18,995,000	5,447,076	24,442,076
2025	19,655,000	4,630,315	24,285,315
2026	20,290,000	3,922,352	24,212,352
2027	15,975,000	3,099,225	19,074,225

(Continued)

Exhibit L-2

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

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2028	\$ 16,445,000	\$ 2,500,181	\$ 18,945,181
2029	14,345,000	1,897,419	16,242,419
2030	11,840,000	1,397,457	13,237,457
2031	8,655,000	993,383	9,648,383
2032	8,970,000	700,981	9,670,981
2033	4,600,000	391,933	4,991,933
2034	4,760,000	238,477	4,998,477
2035	2,450,000	79,625	2,529,625
Total	<u>\$ 359,770,000</u>	<u>\$ 107,099,975</u>	<u>\$ 466,869,975</u>

Exhibit L-3

Rutherford County, Tennessee  
Schedule of Investments  
June 30, 2015

<u>Fund and Type</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Clerk and Master</u>				
State Treasurer's Investment Pool	various	none	varies	\$ <u>7,299</u>
Total Investments				\$ <u><u>7,299</u></u>

Exhibit L-4

Rutherford County, Tennessee  
Schedule of Notes Receivable  
June 30, 2015

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rates	Balance 6-30-15
Industrial/Economic Development Fund:						
Construction/Renovations	Smyrna/Rutherford County Airport	\$ 639,724	8-17-06	5-10-19	2 %	\$ 305,044
Construction/Renovations	Smyrna/Rutherford County Airport	2,570,000	4-17-14	4-1-34	3.6	2,570,000
General Debt Service Fund:						
Rockvale Utility District Waterlines	City of Murfreesboro, Tennessee	1,820,785	Various	Various	0	<u>1,820,785</u>
Total						<u><u>\$ 4,695,829</u></u>

Exhibit L-5

Rutherford County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Rutherford County School Department  
For the Year Ended June 30, 2015

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Computer hardware	\$ 112,500
"	"	Capital projects	351,415
Ambulance Service	"	"	158,500
Industrial/Economic Development	General Debt Service	Debt contributions	65,194
Drug Control	General	Operations	60,000
Employee Insurance - Health	"	"	277,997
Workers' Compensation	"	"	<u>277,997</u>
Total Transfers Primary Government			<u>\$ 1,303,603</u>
<u>DISCRETELY PRESENTED RUTHERFORD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect cost	\$ 180,703
Central Cafeteria	"	Salaries and maintenance	<u>42,437</u>
Total Transfers Discretely Presented Rutherford County School Department			<u>\$ 223,140</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, 2015

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 130,776	\$ 100,000	Hartford Fire Insurance Company
Highway Superintendent	Section 8-24-102, <i>TCA</i>	124,549	100,000	"
Director of Schools	State Board of Education and Local Board of Education	143,220 (1)	(6)	
Trustee	Section 8-24-102, <i>TCA</i>	102,933	11,761,641	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	102,933	60,000	"
Director of Finance	County Commission	112,752 (2)	100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	102,933	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i> and County Commission	113,226 (3)	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , Chancery Court Judge and County Commission	102,933 (4)	100,000	Ohio Farmers Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	102,933	100,000	Hartford Fire Insurance Company
Sheriff	Section 8-24-102, <i>TCA</i>	124,549 (5)	100,000	"
<u>Other Bonds</u>				
Employee Blanket Bond			475,000	Brit Global Specialty

- (1) Includes a \$1,000 career ladder payment.
- (2) Does not include longevity pay of \$425 and a salary supplement of \$1,800.
- (3) Includes \$10,293 for serving more than one court.
- (4) Does not include longevity pay of \$525 and special commissioner fees of \$47.
- (5) Does not include a law enforcement training supplement of \$600.
- (6) The director of schools is covered under the blanket bond.

Exhibit L-7

Rutherford County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2015

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 41,050,693	\$ 0	\$ 3,551,856	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	573,808	0	49,648	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	468,838	0	40,566	0	0	0
Interest and Penalty	128,778	0	11,142	0	0	0
Pickup Taxes	46,137	0	3,992	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	3,955	0	342	0	0	0
Payments in-Lieu-of Taxes - Other	8,034,731	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	674,193	2,022,578	0	0	0	0
Hotel/Motel Tax	1,708,516	0	0	0	0	0
Wheel Tax	3,224,310	0	0	0	0	0
Litigation Tax - General	230,271	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Courthouse Security	585,293	0	0	0	0	0
Business Tax	1,239,406	0	107,227	0	0	0
Mixed Drink Tax	16,726	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Adequate Facilities/Development Tax	1,676,325	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	151,916	0	0	0	0	0
Wholesale Beer Tax	968,983	0	0	0	0	0
Interstate Telecommunications Tax	7,970	0	0	0	0	0
Total Local Taxes	\$ 60,790,849	\$ 2,022,578	\$ 3,764,773	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 173,233	\$ 0	\$ 0	\$ 0	\$ 0	0
Animal Vaccination	29,503	0	0	0	0	0
Cable TV Franchise	885,384	0	0	0	0	0
<u>Permits</u>						
Building Permits	689,091	0	0	0	0	0
Plumbing Permits	95,618	0	0	0	0	0
Food Handling Permits	450	0	0	0	0	0
Other Permits	50,075	0	0	0	0	0
Total Licenses and Permits	\$ 1,923,354	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 48,146	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	473,648	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	68,867
Drug Court Fees	21,535	0	0	0	0	0
Jail Fees	199,034	0	0	0	0	0
Data Entry Fee - Circuit Court	2,508	0	0	0	0	0
Courtroom Security Fee	213	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	4,604	0	0	0	0	0
Data Entry Fee - Criminal Court	4,697	0	0	0	0	0
Courtroom Security Fee	4,258	0	0	0	0	0
Victims Assistance Assessments	19,353	0	0	0	0	0

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court</u>						
Fines	\$ 436,814	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Game and Fish Fines	1,197	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	75,851
Drug Court Fees	62,044	0	0	0	0	0
DUI Treatment Fines	52,658	0	0	0	0	0
Data Entry Fee - General Sessions Court	79,711	0	0	0	0	0
Courtroom Security Fee	15,520	0	0	0	0	0
Victims Assistance Assessments	134,655	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	5,059	0	0	0	0	0
Drug Control Fines	285	0	0	0	0	0
Drug Court Fees	10,451	0	0	0	0	0
Jail Fees	480,535	0	0	0	0	0
Data Entry Fee - Juvenile Court	5,999	0	0	0	0	0
Courtroom Security Fee	2,147	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	18,779	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	70,103	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Victims Assistance Assessments	28,351	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	363,666
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 2,182,304</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 508,384</b>

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 494,530	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - Host Agency	0	921,478	0	0	0	0
Patient Charges	0	0	6,903,834	0	0	0
Past Due Collections - Ambulance	0	0	55,390	0	0	0
Zoning Studies	61,000	0	0	0	0	0
Work Release Charges for Board	120,601	0	0	0	0	0
Other General Service Charges	0	0	0	0	0	2,100
<u>Fees</u>						
Subdivision Lot Fees	159,750	0	0	0	0	0
Archives and Records Management Fee	131,820	0	0	0	0	0
Telephone Commissions	377,547	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	104,444	0	0	0	0	0
Probation Fees	21,695	0	0	0	0	0
Data Processing Fee - Sheriff	18,746	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	8,400	0	0	0	0	0
Data Processing Fee - County Clerk	25,551	0	0	0	0	0
<u>Education Charges</u>						
Contract for Administrative Services with Other LEA's	370,335	0	0	0	0	0
TBI Criminal Background Fee	5,880	0	0	0	0	0
Other Charges for Services	2,306	0	80,428	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 1,408,075</b>	<b>\$ 1,416,008</b>	<b>\$ 7,039,652</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,100</b>

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 154,200	\$ 0	\$ 0	\$ 92,105	\$ 66	\$ 802
Lease/Rentals	233,237	0	0	0	0	0
Sale of Materials and Supplies	8,892	0	1,930	0	0	0
Commissary Sales	228,980	0	0	0	0	0
Sale of Maps	7,320	0	0	0	0	0
Sale of Recycled Materials	10,395	315,366	0	0	0	0
Sale of Animals/Livestock	137,679	0	0	0	0	0
Miscellaneous Refunds	54,203	775	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	13,950	98,000	0	0	0	68,465
Sale of Property	48,823	0	0	0	0	0
Damages Recovered from Individuals	99	0	0	0	0	0
Contributions and Gifts	84,891	0	14,500	0	0	0
Performance Bond Forfeitures	45,152	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	217,822	0	0	0	0	0
Total Other Local Revenues	\$ 1,245,643	\$ 414,141	\$ 16,430	\$ 92,105	\$ 66	\$ 69,267
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
Circuit Court Clerk	\$ 494,486	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	4,561,844	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
County Clerk	3,310,445	0	0	0	0	0
Clerk and Master	577,942	0	0	0	0	0

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary (Cont.)</u>						
Register	\$ 1,580,039	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sheriff	78,512	0	0	0	0	0
Total Fees Received From County Officials	\$ 10,603,268	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	23,188	0	0	0	0
Other General Government Grants	68,469	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	135,600	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	1,776,049	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	0	95,100	0	0	0	0
<u>Other State Revenues</u>						
Flood Control	0	0	0	0	0	0
Income Tax	233,060	0	0	0	0	0
Beer Tax	18,055	0	0	0	0	0
Vehicle Certificate of Title Fees	30,126	0	0	0	0	0
Alcoholic Beverage Tax	332,719	0	0	0	0	0
Contracted Prisoner Boarding	3,128,906	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Registrar's Salary Supplement	\$ 15,164	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other State Grants	567,578	0	0	0	0	0
Other State Revenues	205,063	227,766	0	0	0	0
Total State of Tennessee	\$ 6,519,789	\$ 346,054	\$ 0	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Title I Grants to Local Education Agencies	\$ 68,594	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	69,350	0	0	0	0	0
Homeland Security Grants	128,469	0	0	0	0	0
Law Enforcement Grants	33,545	0	0	0	0	0
Other Federal through State	377,909	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	40,030	0	0	0	0	0
Asset Forfeiture Funds	69,482	0	0	0	104,751	0
Other Direct Federal Revenue	891,665	0	0	0	0	0
Total Federal Government	\$ 1,679,044	\$ 0	\$ 0	\$ 0	\$ 104,751	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 18,227	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	68,795	500	131,928	0	0	0
Contracted Services	1,370,694	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	30,000	0	0	0	0	0

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Other Governments and Citizens Groups (Cont.)</u>						
<u>Other</u>	\$ 325	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 1,488,041	\$ 500	\$ 131,928	\$ 0	\$ 0	\$ 0
Total	\$ 87,840,367	\$ 4,199,281	\$ 10,952,783	\$ 92,105	\$ 104,817	\$ 579,751

(Continued)

Exhibit L-7

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 785,808	\$ 35,911,504	\$ 0	\$ 81,299,861
Trustee's Collections - Prior Year	0	10,984	501,972	0	1,136,412
Circuit Clerk/Clerk and Master Collections - Prior Years	0	8,975	410,143	0	928,522
Interest and Penalty	0	2,465	112,656	0	255,041
Pickup Taxes	0	883	40,361	0	91,373
Payments in-Lieu-of Taxes - T.V.A.	0	76	3,460	0	7,833
Payments in-Lieu-of Taxes - Other	0	0	0	0	8,034,731
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	674,193	0	0	3,370,964
Hotel/Motel Tax	0	0	0	0	1,708,516
Wheel Tax	0	3,224,310	0	0	6,448,620
Litigation Tax - General	0	0	620,698	0	850,969
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	643,736	0	643,736
Litigation Tax - Courthouse Security	0	0	0	0	585,293
Business Tax	0	23,723	1,084,133	0	2,454,489
Mixed Drink Tax	0	0	0	0	16,726
Mineral Severance Tax	0	345,797	0	0	345,797
Adequate Facilities/Development Tax	0	0	1,676,325	0	3,352,650
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	151,916
Wholesale Beer Tax	0	0	0	0	968,983
Interstate Telecommunications Tax	0	0	0	0	7,970
Total Local Taxes	\$ 0	\$ 5,077,214	\$ 41,004,988	\$ 0	\$ 112,660,402

(Continued)

Exhibit L-7

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	173,233
Animal Vaccination	0	0	0	0	29,503
Cable TV Franchise	0	0	0	0	885,384
<u>Permits</u>					
Building Permits	0	0	0	0	689,091
Plumbing Permits	0	0	0	0	95,618
Food Handling Permits	0	0	0	0	450
Other Permits	0	0	0	0	50,075
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	1,923,354
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	48,146
Officers Costs	0	0	0	0	473,648
Drug Control Fines	0	0	0	0	68,867
Drug Court Fees	0	0	0	0	21,535
Jail Fees	0	0	0	0	199,034
Data Entry Fee - Circuit Court	0	0	0	0	2,508
Courtroom Security Fee	0	0	0	0	213
<u>Criminal Court</u>					
DUI Treatment Fines	0	0	0	0	4,604
Data Entry Fee - Criminal Court	0	0	0	0	4,697
Courtroom Security Fee	0	0	0	0	4,258
Victims Assistance Assessments	0	0	0	0	19,353

(Continued)

Exhibit L-7

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	436,814
Game and Fish Fines	0	0	0	0	1,197
Drug Control Fines	0	0	0	0	75,851
Drug Court Fees	0	0	0	0	62,044
DUI Treatment Fines	0	0	0	0	52,658
Data Entry Fee - General Sessions Court	0	0	0	0	79,711
Courtroom Security Fee	0	0	0	0	15,520
Victims Assistance Assessments	0	0	0	0	134,655
<u>Juvenile Court</u>					
Fines	0	0	0	0	5,059
Drug Control Fines	0	0	0	0	285
Drug Court Fees	0	0	0	0	10,451
Jail Fees	0	0	0	0	480,535
Data Entry Fee - Juvenile Court	0	0	0	0	5,999
Courtroom Security Fee	0	0	0	0	2,147
<u>Chancery Court</u>					
Data Entry Fee - Chancery Court	0	0	0	0	18,779
<u>Other Courts - In-county</u>					
Fines	0	0	0	0	70,103
<u>Judicial District Drug Program</u>					
Victims Assistance Assessments	0	0	0	0	28,351
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	363,666
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	2,690,688

(Continued)

Exhibit L-7

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	494,530
Surcharge - Host Agency	0	0	0	0	921,478
Patient Charges	0	0	0	0	6,903,834
Past Due Collections - Ambulance	0	0	0	0	55,390
Zoning Studies	0	0	0	0	61,000
Work Release Charges for Board	0	0	0	0	120,601
Other General Service Charges	0	0	0	0	2,100
<u>Fees</u>					
Subdivision Lot Fees	0	0	0	0	159,750
Archives and Records Management Fee	0	0	0	0	131,820
Telephone Commissions	0	0	0	0	377,547
Constitutional Officers' Fees and Commissions	2,986,347	0	0	0	2,986,347
Special Commissioner Fees/Special Master Fees	48	0	0	0	48
Data Processing Fee - Register	0	0	0	0	104,444
Probation Fees	0	0	0	0	21,695
Data Processing Fee - Sheriff	0	0	0	0	18,746
Sexual Offender Registration Fee - Sheriff	0	0	0	0	8,400
Data Processing Fee - County Clerk	0	0	0	0	25,551
<u>Education Charges</u>					
Contract for Administrative Services with Other LEA's	0	0	0	0	370,335
TBI Criminal Background Fee	0	0	0	0	5,880
Other Charges for Services	0	0	0	0	82,734
<b>Total Charges for Current Services</b>	<b>\$ 2,986,395</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>12,852,230</b>

(Continued)

Exhibit L-7

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 13,850	\$ 58,351	\$ 12	\$ 319,386
Lease/Rentals	0	0	142,987	0	376,224
Sale of Materials and Supplies	0	20,227	0	0	31,049
Commissary Sales	0	0	0	0	228,980
Sale of Maps	0	0	0	0	7,320
Sale of Recycled Materials	0	0	0	0	325,761
Sale of Animals/Livestock	0	0	0	0	137,679
Miscellaneous Refunds	0	0	0	0	54,978
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	180,415
Sale of Property	0	0	0	0	48,823
Damages Recovered from Individuals	0	0	0	0	99
Contributions and Gifts	0	0	0	0	99,391
Performance Bond Forfeitures	0	0	0	0	45,152
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	217,822
Total Other Local Revenues	\$ 0	\$ 34,077	\$ 201,338	\$ 12	\$ 2,073,079
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
Circuit Court Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 494,486
Trustee	0	0	0	0	4,561,844
<u>Fees In-Lieu-of Salary</u>					
County Clerk	0	0	0	0	3,310,445
Clerk and Master	0	0	0	0	577,942

(Continued)

Exhibit L-7

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fees Received From County Officials (Cont.)</u>					
<u>Fees In-Lieu-of Salary (Cont.)</u>					
Register	\$ 0	\$ 0	\$ 0	\$ 0	1,580,039
Sheriff	0	0	0	0	78,512
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	10,603,268
<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	23,188
Other General Government Grants	0	0	0	0	68,469
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	135,600
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	1,776,049
<u>Public Works Grants</u>					
State Aid Program	0	832,799	0	0	832,799
Litter Program	0	0	0	0	95,100
<u>Other State Revenues</u>					
Flood Control	0	34,413	0	0	34,413
Income Tax	0	0	0	0	233,060
Beer Tax	0	0	0	0	18,055
Vehicle Certificate of Title Fees	0	0	0	0	30,126
Alcoholic Beverage Tax	0	0	0	0	332,719
Contracted Prisoner Boarding	0	0	0	0	3,128,906
Gasoline and Motor Fuel Tax	0	3,643,587	0	0	3,643,587
Petroleum Special Tax	0	189,481	0	0	189,481

(Continued)

Exhibit L-7

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Registrar's Salary Supplement	\$ 0	\$ 0	\$ 0	\$ 0	15,164
Other State Grants	0	0	0	0	567,578
Other State Revenues	0	0	0	0	432,829
Total State of Tennessee	\$ 0	\$ 4,700,280	\$ 0	\$ 0	11,566,123
<u>Federal Government</u>					
<u>Federal Through State</u>					
Title I Grants to Local Education Agencies	\$ 0	\$ 0	\$ 0	\$ 0	68,594
Civil Defense Reimbursement	0	0	0	0	69,350
Homeland Security Grants	0	0	0	0	128,469
Law Enforcement Grants	0	0	0	0	33,545
Other Federal through State	0	0	0	39,411	417,320
<u>Direct Federal Revenue</u>					
Police Service (Lake Area)	0	0	0	0	40,030
Asset Forfeiture Funds	0	0	0	0	174,233
Other Direct Federal Revenue	0	0	0	0	891,665
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 39,411	\$ 1,823,206
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	18,227
Contributions	0	0	550,157	0	751,380
Contracted Services	0	0	0	0	1,370,694
<u>Citizens Groups</u>					
Donations	0	0	0	0	30,000

(Continued)

Exhibit L-7

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Other Governments and Citizens Groups (Cont.)</u>					
<u>Other</u>					
Other	\$ 0	\$ 0	\$ 0	\$ 0	325
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 550,157	\$ 0	2,170,626
 Total	 \$ 2,986,395	 \$ 9,811,571	 \$ 41,756,483	 \$ 39,423	 \$ 158,362,976

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, 2015

	General Purpose School	Special Revenue Funds		Capital Projects Funds		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 62,173,116	\$ 0	\$ 0	\$ 2,766,160	\$ 0	\$ 64,939,276
Trustee's Collections - Prior Year	867,856	0	0	39,524	0	907,380
Circuit Clerk/Clerk and Master Collections - Prior Years	709,283	0	0	32,159	0	741,442
Interest and Penalty	195,041	0	0	8,677	0	203,718
Pickup Taxes	69,876	0	0	3,109	0	72,985
Payments in-Lieu-of Taxes - T.V.A.	5,994	0	0	263	0	6,257
Payments in-Lieu-of Taxes - Local Utilities	940,626	0	0	0	0	940,626
<u>County Local Option Taxes</u>						
Local Option Sales Tax	49,976,018	0	0	0	0	49,976,018
Wheel Tax	3,654,147	0	0	0	0	3,654,147
Business Tax	1,876,796	0	0	83,224	0	1,960,020
Mixed Drink Tax	491,521	0	0	0	0	491,521
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	22,125	0	0	0	0	22,125
Total Local Taxes	\$ 120,982,399	\$ 0	\$ 0	\$ 2,933,116	\$ 0	\$ 123,915,515
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 12,681	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,681
Total Licenses and Permits	\$ 12,681	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,681
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Summer School	\$ 83,700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 83,700

(Continued)

Exhibit L-8

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

	General Purpose School	Special Revenue Funds		Capital Projects Funds		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Tuition - Other	\$ 60,270	\$ 0	\$ 0	\$ 0	\$ 0	60,270
Lunch Payments - Children	0	0	4,703,830	0	0	4,703,830
Lunch Payments - Adults	0	0	201,101	0	0	201,101
Income from Breakfast	0	0	595,615	0	0	595,615
A la Carte Sales	0	0	787,732	0	0	787,732
Contract for Administrative Services with Other LEA's	10,890	0	0	0	0	10,890
Other Charges for Services	20,345	0	2,759	0	0	23,104
Total Charges for Current Services	<u>\$ 175,205</u>	<u>\$ 0</u>	<u>\$ 6,291,037</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>6,466,242</u>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 69,249	\$ 0	\$ 3,653	\$ 0	\$ 0	72,902
Lease/Rentals	4,400	0	0	0	0	4,400
Sale of Materials and Supplies	19,080	0	0	0	0	19,080
Miscellaneous Refunds	29,530	0	425	0	0	29,955
<u>Nonrecurring Items</u>						
Sale of Equipment	1,664	0	147	0	0	1,811
Contributions and Gifts	175,386	0	0	0	0	175,386
<u>Other Local Revenues</u>						
Other Local Revenues	22,240	0	0	0	0	22,240
Total Other Local Revenues	<u>\$ 321,549</u>	<u>\$ 0</u>	<u>\$ 4,225</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>325,774</u>

(Continued)

Exhibit L-8

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

	General Purpose School	Special Revenue Funds		Capital Projects Funds		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	
<u>State of Tennessee</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 170,096,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 170,096,000
Early Childhood Education	995,177	0	0	0	0	995,177
School Food Service	0	0	184,752	0	0	184,752
Energy Efficient School Initiative	11,794	0	0	0	0	11,794
Driver Education	291,494	0	0	0	0	291,494
Other State Education Funds	46,351	0	0	0	0	46,351
Career Ladder Program	729,119	0	0	0	0	729,119
Career Ladder - Extended Contract	112,495	0	0	0	0	112,495
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	2,359,854	0	0	0	0	2,359,854
Other State Grants	522,948	0	0	0	0	522,948
Total State of Tennessee	\$ 175,165,232	\$ 0	\$ 184,752	\$ 0	\$ 0	\$ 175,349,984
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 7,362,461	\$ 0	\$ 0	\$ 7,362,461
USDA - Commodities	0	0	340,423	0	0	340,423
Breakfast	0	0	2,088,042	0	0	2,088,042
Vocational Education - Basic Grants to States	0	555,696	0	0	0	555,696
Title I Grants to Local Education Agencies	0	4,399,235	0	0	0	4,399,235
Special Education - Grants to States	422,443	6,928,113	0	0	0	7,350,556
Special Education Preschool Grants	0	104,812	0	0	0	104,812
English Language Acquisition Grants	0	247,621	0	0	0	247,621
Education for Homeless Children and Youth	0	179,904	0	0	0	179,904

(Continued)

Exhibit L-8

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

	General Purpose School	Special Revenue Funds		Capital Projects Funds		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Eisenhower Professional Development State Grants	\$ 0	\$ 518,232	\$ 0	\$ 0	\$ 0	518,232
Race to the Top - ARRA	0	265,030	0	0	0	265,030
Other Federal through State	320,636	0	0	0	0	320,636
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	532,561	0	0	0	0	532,561
Total Federal Government	\$ 1,275,640	\$ 13,198,643	\$ 9,790,926	\$ 0	\$ 0	24,265,209
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,625,016	\$ 35,625,016
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,625,016	\$ 35,625,016
Total	\$ 297,932,706	\$ 13,198,643	\$ 16,270,940	\$ 2,933,116	\$ 35,625,016	\$ 365,960,421

Exhibit L-9

Rutherford County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2015

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	78,225	
Other Per Diem and Fees		80,400	
Social Security		8,886	
Employer Medicare		2,301	
Dues and Memberships		34,932	
Other Contracted Services		7,200	
Total County Commission			\$ 211,944

Board of Equalization

Board and Committee Members Fees	\$	2,900	
Social Security		180	
Employer Medicare		42	
Legal Notices, Recording, and Court Costs		1,031	
Total Board of Equalization			4,153

County Mayor/Executive

County Official/Administrative Officer	\$	130,776	
Assistant(s)		86,644	
Secretary(ies)		103,938	
Longevity Pay		1,525	
Social Security		18,754	
State Retirement		38,649	
Employee and Dependent Insurance		26,074	
Disability Insurance		551	
Employer Medicare		4,555	
Communication		173	
Dues and Memberships		2,600	
Engineering Services		1,877	
Operating Lease Payments		7,560	
Legal Services		30,449	
Legal Notices, Recording, and Court Costs		6,937	
Maintenance Agreements		1,403	
Postal Charges		1,227	
Office Supplies		1,422	
Other Charges		70,971	
Total County Mayor/Executive			536,085

Personnel Office

County Official/Administrative Officer	\$	91,080
Assistant(s)		72,438
Part-time Personnel		14,560
Longevity Pay		150
Social Security		10,907
State Retirement		19,467
Employee and Dependent Insurance		15,912
Disability Insurance		302
Employer Medicare		2,551

(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.)

Communication	\$	297	
Dues and Memberships		453	
Evaluation and Testing		26,137	
Maintenance Agreements		668	
Postal Charges		410	
Travel		390	
Other Contracted Services		300	
Gasoline		71	
Office Supplies		1,654	
Other Charges		3,128	
Data Processing Equipment		1,081	
Total Personnel Office			\$ 261,956

County Attorney

County Official/Administrative Officer	\$	72,000	
Secretary(ies)		37,914	
Longevity Pay		850	
Social Security		6,598	
State Retirement		13,258	
Employee and Dependent Insurance		25,242	
Disability Insurance		203	
Employer Medicare		1,543	
Communication		43	
Legal Services		105,011	
Total County Attorney			262,662

Election Commission

County Official/Administrative Officer	\$	91,455	
Part-time Personnel		44,117	
Longevity Pay		1,850	
Overtime Pay		4,464	
Other Salaries and Wages		215,793	
Election Commission		10,800	
Election Workers		185,754	
In-service Training		4,769	
Social Security		27,862	
State Retirement		37,244	
Employee and Dependent Insurance		58,864	
Disability Insurance		554	
Unemployment Compensation		7,150	
Employer Medicare		6,962	
Communication		5,796	
Data Processing Services		317	
Dues and Memberships		1,550	
Legal Notices, Recording, and Court Costs		20,012	
Maintenance Agreements		24,445	
Postal Charges		18,603	

(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.)

Printing, Stationery, and Forms	\$	12,208	
Rentals		1,100	
Travel		5,664	
Data Processing Supplies		3,438	
Office Supplies		15,387	
Data Processing Equipment		19,252	
Furniture and Fixtures		4,950	
Total Election Commission			\$ 830,360

Register of Deeds

County Official/Administrative Officer	\$	102,933	
Deputy(ies)		585,513	
Part-time Personnel		8,297	
Longevity Pay		6,300	
In-service Training		650	
Social Security		41,227	
State Retirement		83,161	
Employee and Dependent Insurance		163,732	
Disability Insurance		1,270	
Employer Medicare		9,711	
Communication		1,160	
Data Processing Services		37,800	
Maintenance Agreements		5,855	
Postal Charges		3,326	
Travel		300	
Data Processing Supplies		7,884	
Office Supplies		3,263	
Data Processing Equipment		5,598	
Total Register of Deeds			1,067,980

Planning

County Official/Administrative Officer	\$	76,092	
Assistant(s)		161,359	
Supervisor/Director		82,195	
Secretary(ies)		99,950	
Part-time Personnel		1,958	
Longevity Pay		1,875	
Board and Committee Members Fees		25,200	
In-service Training		4,644	
Social Security		26,838	
State Retirement		50,450	
Employee and Dependent Insurance		80,009	
Disability Insurance		791	
Unemployment Compensation		2,322	
Employer Medicare		6,276	
Communication		1,654	
Dues and Memberships		11,430	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Legal Notices, Recording, and Court Costs	\$	3,260	
Maintenance Agreements		10,702	
Postal Charges		1,149	
Printing, Stationery, and Forms		204	
Data Processing Supplies		2,740	
Gasoline		3,166	
Office Supplies		6,072	
Periodicals		1,295	
Other Supplies and Materials		90	
Total Planning			\$ 661,721

Codes Compliance

Communication	\$	370	
Total Codes Compliance			370

Geographical Information Systems

Data Processing Personnel	\$	221,746	
Part-time Personnel		30,179	
Longevity Pay		1,500	
Overtime Pay		3,112	
Social Security		15,192	
State Retirement		27,095	
Employee and Dependent Insurance		44,995	
Disability Insurance		417	
Employer Medicare		3,553	
Data Processing Services		46,415	
Maintenance Agreements		330,000	
Postal Charges		52	
Travel		6,400	
Data Processing Supplies		22,240	
Data Processing Equipment		78,751	
Other Capital Outlay		373,847	
Total Geographical Information Systems			1,205,494

County Buildings

Assistant(s)	\$	48,014	
Supervisor/Director		69,235	
Clerical Personnel		32,183	
Custodial Personnel		94,984	
Maintenance Personnel		147,838	
Part-time Personnel		214,789	
Longevity Pay		3,150	
Overtime Pay		5,245	
Social Security		37,182	
State Retirement		47,983	
Employee and Dependent Insurance		125,627	
Disability Insurance		939	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Unemployment Compensation	\$	287	
Employer Medicare		8,696	
Communication		48,588	
Contracts with Government Agencies		68,887	
Maintenance and Repair Services - Buildings		45,515	
Travel		9,657	
Other Contracted Services		88,236	
Custodial Supplies		42,812	
Gasoline		13,928	
Utilities		552,113	
Other Supplies and Materials		92,087	
Building Improvements		121,270	
Maintenance Equipment		9,450	
Motor Vehicles		28,445	
Total County Buildings			\$ 1,957,140

Other General Administration

Supervisor/Director	\$	73,947	
Teachers		108,542	
Salary Supplements		4,500	
Longevity Pay		1,600	
Social Security		11,406	
State Retirement		22,574	
Employee and Dependent Insurance		19,080	
Disability Insurance		336	
Employer Medicare		2,667	
Communication		2	
Maintenance Agreements		772	
Travel		80	
Riprap		2,920	
Other Supplies and Materials		1,619	
Total Other General Administration			250,045

Preservation of Records

County Official/Administrative Officer	\$	47,138	
Part-time Personnel		8,902	
Longevity Pay		175	
Social Security		3,303	
State Retirement		5,663	
Employee and Dependent Insurance		15,381	
Disability Insurance		87	
Employer Medicare		773	
Communication		692	
Dues and Memberships		550	
Maintenance Agreements		320	
Postal Charges		293	
Travel		125	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Office Supplies	\$	1,456	
Other Supplies and Materials		4,680	
Other Charges		22,119	
Total Preservation of Records			\$ 111,657

Risk Management

Supervisor/Director	\$	84,170	
Clerical Personnel		181,218	
Longevity Pay		1,650	
Other Salaries and Wages		109,200	
Board and Committee Members Fees		3,900	
Social Security		22,423	
State Retirement		45,036	
Employee and Dependent Insurance		72,388	
Disability Insurance		692	
Employer Medicare		5,257	
Communication		1,150	
Maintenance Agreements		1,139	
Postal Charges		2,277	
Travel		2,333	
Other Contracted Services		14,620	
Gasoline		317	
Office Supplies		7,057	
Building and Contents Insurance		115,706	
Liability Insurance		397,943	
Premiums on Corporate Surety Bonds		39,331	
Other Charges		15,240	
Data Processing Equipment		1,168	
Total Risk Management			1,124,215

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	112,752	
Accountants/Bookkeepers		519,185	
Salary Supplements		3,600	
Clerical Personnel		27,349	
Part-time Personnel		35,463	
Longevity Pay		4,325	
Overtime Pay		2,271	
Board and Committee Members Fees		1,200	
Social Security		42,265	
State Retirement		79,542	
Employee and Dependent Insurance		121,601	
Disability Insurance		1,186	
Employer Medicare		9,890	
Audit Services		78,781	
Communication		198	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Dues and Memberships	\$	1,999	
Maintenance Agreements		1,634	
Maintenance and Repair Services - Equipment		296	
Postal Charges		11,167	
Travel		4,557	
Other Contracted Services		910	
Gasoline		233	
Office Supplies		13,516	
Data Processing Equipment		9,523	
Office Equipment		3,205	
Total Accounting and Budgeting			\$ 1,086,648

Property Assessor's Office

County Official/Administrative Officer	\$	102,933	
Deputy(ies)		566,528	
Salary Supplements		4,930	
Part-time Personnel		3,114	
Longevity Pay		4,250	
In-service Training		3,564	
Social Security		40,290	
State Retirement		81,234	
Employee and Dependent Insurance		148,361	
Disability Insurance		1,238	
Employer Medicare		9,468	
Communication		970	
Consultants		5,000	
Dues and Memberships		2,600	
Maintenance Agreements		30,760	
Postal Charges		9,200	
Travel		776	
Other Contracted Services		57,075	
Data Processing Supplies		2,750	
Office Supplies		11,034	
Other Supplies and Materials		2,104	
Total Property Assessor's Office			1,088,179

Reappraisal Program

Deputy(ies)	\$	511,620	
Longevity Pay		2,575	
Social Security		30,434	
State Retirement		61,549	
Employee and Dependent Insurance		139,208	
Disability Insurance		942	
Employer Medicare		7,117	
Communication		9,367	
Data Processing Services		74,250	
Maintenance and Repair Services - Equipment		1,114	

(Continued)

## Exhibit L-9

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

General Fund (Cont.)Finance (Cont.)Reappraisal Program (Cont.)

Postal Charges	\$	7,934	
Data Processing Supplies		3,948	
Gasoline		8,667	
Other Supplies and Materials		5,568	
Data Processing Equipment		15,428	
Motor Vehicles		48,452	
Total Reappraisal Program			\$ 928,173

County Trustee's Office

Communication	\$	425	
Data Processing Services		7,000	
Legal Notices, Recording, and Court Costs		200	
Maintenance Agreements		792	
Postal Charges		37,196	
Office Supplies		11,818	
Tax Relief Program		550,349	
Data Processing Equipment		74	
Total County Trustee's Office			607,854

County Clerk's Office

County Official/Administrative Officer	\$	102,933	
Deputy(ies)		1,383,844	
Part-time Personnel		13,112	
Longevity Pay		12,625	
Social Security		90,445	
State Retirement		179,479	
Employee and Dependent Insurance		301,609	
Disability Insurance		2,750	
Employer Medicare		21,153	
Communication		12,442	
Data Processing Services		16,970	
Maintenance Agreements		3,962	
Maintenance and Repair Services - Equipment		2,053	
Maintenance and Repair Services - Vehicles		779	
Postal Charges		56,813	
Travel		619	
Data Processing Supplies		14,376	
Gasoline		1,178	
Office Supplies		33,442	
Other Supplies and Materials		1,429	
Data Processing Equipment		13,839	
Office Equipment		1,500	
Total County Clerk's Office			2,267,352

Data Processing

County Official/Administrative Officer	\$	107,851	
Data Processing Personnel		731,413	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

Part-time Personnel	\$	38,254	
Longevity Pay		2,675	
Overtime Pay		12,487	
Social Security		53,825	
State Retirement		102,272	
Employee and Dependent Insurance		133,926	
Disability Insurance		1,512	
Employer Medicare		12,588	
Communication		193,802	
Data Processing Services		222,387	
Dues and Memberships		2,012	
Maintenance Agreements		194,570	
Postal Charges		78	
Travel		10,850	
Data Processing Supplies		55,997	
Gasoline		1,124	
Data Processing Equipment		891,448	
Other Equipment		38,691	
Total Data Processing			\$ 2,807,762

Administration of Justice

Circuit Court

Jury and Witness Expense	\$	59,619	
Unemployment Compensation		2,789	
Communication		4,392	
Data Processing Services		96,143	
Legal Services		23,326	
Maintenance Agreements		10,570	
Postal Charges		26,232	
Office Supplies		43,781	
Other Charges		124,954	
Data Processing Equipment		66,527	
Furniture and Fixtures		180	
Total Circuit Court			458,513

Circuit Court Judge

Assistant(s)	\$	51,378	
Deputy(ies)		136,298	
Longevity Pay		300	
Social Security		11,368	
State Retirement		22,501	
Employee and Dependent Insurance		37,876	
Disability Insurance		343	
Unemployment Compensation		1,132	
Employer Medicare		2,659	
Postal Charges		165	
Other Supplies and Materials		64	
Total Circuit Court Judge			264,084

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Judge(s)	\$	475,908	
Assistant(s)		51,879	
Deputy(ies)		113,273	
Part-time Personnel		33,653	
Longevity Pay		2,775	
Overtime Pay		1,999	
Other Salaries and Wages		351,753	
Social Security		60,339	
State Retirement		119,654	
Employee and Dependent Insurance		130,648	
Disability Insurance		1,599	
Employer Medicare		14,671	
Communication		2,686	
Data Processing Services		12,600	
Dues and Memberships		4,170	
Evaluation and Testing		8,400	
Maintenance Agreements		2,180	
Maintenance and Repair Services - Office Equipment		1,121	
Postal Charges		2	
Travel		4,591	
Library Books/Media		474	
Office Supplies		8,750	
Uniforms		675	
Total General Sessions Court			\$ 1,403,800

Drug Court

Assistant(s)	\$	37,135	
Supervisor/Director		50,431	
Secretary(ies)		25,047	
Part-time Personnel		24,265	
Longevity Pay		1,000	
Other Salaries and Wages		152,544	
Social Security		17,356	
State Retirement		31,365	
Employee and Dependent Insurance		66,679	
Disability Insurance		478	
Unemployment Compensation		7,150	
Employer Medicare		4,059	
Communication		3,101	
Dues and Memberships		200	
Licenses		1,010	
Maintenance Agreements		808	
Postal Charges		256	
Travel		1,658	
Office Supplies		3,296	
Other Supplies and Materials		19,017	
In Service/Staff Development		1,696	
Total Drug Court			448,551

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	102,933	
Deputy(ies)		441,313	
Attendants		33,926	
Part-time Personnel		45,877	
Longevity Pay		4,200	
Overtime Pay		3,685	
Jury and Witness Expense		1,975	
Social Security		38,279	
State Retirement		70,170	
Employee and Dependent Insurance		96,739	
Disability Insurance		1,065	
Employer Medicare		8,952	
Communication		2,759	
Data Processing Services		19,137	
Dues and Memberships		934	
Maintenance Agreements		6,012	
Maintenance and Repair Services - Equipment		100	
Postal Charges		17,318	
Travel		330	
Other Contracted Services		237	
Office Supplies		25,510	
Other Supplies and Materials		3,557	
Data Processing Equipment		8,418	
Total Chancery Court			\$ 933,426

Juvenile Court

Judge(s)	\$	158,636
Deputy(ies)		26,405
Secretary(ies)		37,303
Part-time Personnel		28,352
Longevity Pay		125
Other Salaries and Wages		83,418
Social Security		17,955
State Retirement		35,729
Employee and Dependent Insurance		21,443
Disability Insurance		423
Employer Medicare		4,739
Communication		772
Data Processing Services		2,517
Dues and Memberships		2,248
Maintenance Agreements		779
Postal Charges		61
Travel		1,061
Other Contracted Services		52,215
Library Books/Media		3,289
Office Supplies		3,396
Uniforms		612

(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.)

Other Supplies and Materials	\$	2,922	
Data Processing Equipment		1,235	
Office Equipment		3,000	
Total Juvenile Court			\$ 488,635

District Attorney General

Assistant(s)	\$	58,837	
Longevity Pay		250	
Social Security		3,492	
State Retirement		7,073	
Employee and Dependent Insurance		13,919	
Disability Insurance		108	
Employer Medicare		817	
Data Processing Services		791	
Dues and Memberships		400	
Total District Attorney General			85,687

Office of Public Defender

Assistant(s)	\$	46,870	
Social Security		2,864	
State Retirement		5,610	
Employee and Dependent Insurance		5,316	
Disability Insurance		83	
Employer Medicare		670	
Dues and Memberships		400	
Postal Charges		430	
Total Office of Public Defender			62,243

Probation Services

County Official/Administrative Officer	\$	65,742	
Assistant(s)		49,279	
Youth Service Officer(s)		164,425	
Secretary(ies)		30,466	
Longevity Pay		1,775	
In-service Training		950	
Social Security		18,536	
State Retirement		37,309	
Employee and Dependent Insurance		66,820	
Disability Insurance		572	
Employer Medicare		4,335	
Communication		1,217	
Contracts with Private Agencies		460,077	
Data Processing Services		6,448	
Maintenance Agreements		709	
Postal Charges		30	
Travel		3,826	
Office Supplies		2,051	
Other Supplies and Materials		1,034	
Total Probation Services			915,601

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Victim Assistance Programs

Assistant(s)	\$	45,936	
Part-time Personnel		23,901	
Other Salaries and Wages		64,689	
In-service Training		3,256	
Social Security		8,295	
State Retirement		13,284	
Employee and Dependent Insurance		7,479	
Disability Insurance		197	
Employer Medicare		1,940	
Communication		639	
Dues and Memberships		410	
Maintenance Agreements		1,195	
Postal Charges		9	
Other Contracted Services		2,877	
Office Supplies		1,930	
Total Victim Assistance Programs			\$ 176,037

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	124,549	
Assistant(s)		512,116	
Deputy(ies)		38,040	
Detective(s)		1,093,118	
Captain(s)		258,480	
Lieutenant(s)		899,394	
Youth Service Officer(s)		1,975,871	
Sergeant(s)		1,810,708	
Accountants/Bookkeepers		256,575	
Data Processing Personnel		243,016	
Salary Supplements		127,800	
Dispatchers/Radio Operators		697,557	
Clerical Personnel		515,443	
Part-time Personnel		448,090	
Longevity Pay		66,225	
Overtime Pay		1,122,407	
Other Salaries and Wages		3,214,893	
Jury and Witness Expense		9,269	
In-service Training		187,532	
Social Security		797,524	
State Retirement		1,543,855	
Employee and Dependent Insurance		2,736,831	
Disability Insurance		21,214	
Unemployment Compensation		633	
Employer Medicare		186,812	
Communication		280,622	
Contracts with Private Agencies		33,710	
Data Processing Services		175,977	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Dues and Memberships	\$	10,332	
Maintenance Agreements		42,442	
Maintenance and Repair Services - Equipment		31,791	
Maintenance and Repair Services - Vehicles		103,498	
Postal Charges		13,607	
Printing, Stationery, and Forms		6,368	
Rentals		2,400	
Veterinary Services		3,510	
Other Contracted Services		12,729	
Animal Food and Supplies		8,469	
Data Processing Supplies		12,221	
Gasoline		571,518	
Instructional Supplies and Materials		12,329	
Law Enforcement Supplies		75,603	
Office Supplies		44,692	
Periodicals		5,770	
Uniforms		152,842	
Vehicle Parts		155,059	
Other Supplies and Materials		41,991	
Judgments		19,052	
Other Charges		10,365	
Communication Equipment		57,703	
Data Processing Equipment		191,197	
Law Enforcement Equipment		359,135	
Motor Vehicles		948,737	
Office Equipment		8,785	
Other Equipment		570	
Total Sheriff's Department			\$ 22,280,976

Special Patrols

Nightwatchmen	\$	33,824	
Social Security		2,048	
State Retirement		4,049	
Employer Medicare		479	
Total Special Patrols			40,400

Traffic Control

Maintenance and Repair Services - Equipment	\$	641	
Utilities		11,634	
Total Traffic Control			12,275

Administration of the Sexual Offender Registry

Longevity Pay	\$	375	
Overtime Pay		3,641	
Other Salaries and Wages		41,358	
In-service Training		2,915	
Social Security		2,699	

(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	\$	5,368	
Employee and Dependent Insurance		7,799	
Disability Insurance		73	
Employer Medicare		631	
Office Supplies		889	
Other Charges		1,850	
Total Administration of the Sexual Offender Registry			\$ 67,598

Jail

Assistant(s)	\$	63,134
Captain(s)		102,486
Lieutenant(s)		274,946
Sergeant(s)		440,675
Guards		3,700,212
Clerical Personnel		42,081
Maintenance Personnel		135,323
Part-time Personnel		24,511
Longevity Pay		24,450
Overtime Pay		249,921
Other Salaries and Wages		505,689
In-service Training		19,281
Social Security		328,591
State Retirement		662,962
Employee and Dependent Insurance		1,423,208
Disability Insurance		9,662
Unemployment Compensation		28,514
Employer Medicare		76,969
Dues and Memberships		344
Maintenance Agreements		48,229
Maintenance and Repair Services - Buildings		186,784
Maintenance and Repair Services - Equipment		38,127
Printing, Stationery, and Forms		11,201
Transportation - Other than Students		27,919
Other Contracted Services		4,039,858
Custodial Supplies		105,314
Data Processing Supplies		21,926
Food Preparation Supplies		132,748
Food Supplies		1,278,708
Law Enforcement Supplies		11,337
Office Supplies		13,117
Prisoners Clothing		101,947
Uniforms		76,925
Utilities		773,569
Other Supplies and Materials		6,832
Building Improvements		324,252
Communication Equipment		8,899
Data Processing Equipment		84,443

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Food Service Equipment	\$	1,087	
Maintenance Equipment		18,175	
Office Equipment		4,923	
Other Equipment		4,821	
Total Jail			\$ 15,434,100

Workhouse

County Official/Administrative Officer	\$	70,082	
Captain(s)		64,398	
Lieutenant(s)		47,161	
Sergeant(s)		286,686	
Guards		1,036,013	
Secretary(ies)		31,049	
Clerical Personnel		181,322	
Part-time Personnel		10,933	
Longevity Pay		5,950	
Overtime Pay		40,997	
Board and Committee Members Fees		4,700	
In-service Training		19,446	
Social Security		106,117	
State Retirement		209,682	
Employee and Dependent Insurance		427,280	
Disability Insurance		3,042	
Unemployment Compensation		3,771	
Employer Medicare		24,835	
Communication		5,676	
Contracts with Private Agencies		57,425	
Dues and Memberships		15,710	
Evaluation and Testing		2,087	
Operating Lease Payments		780	
Maintenance Agreements		22,689	
Maintenance and Repair Services - Buildings		43,964	
Maintenance and Repair Services - Equipment		15,235	
Maintenance and Repair Services - Vehicles		3,824	
Medical and Dental Services		244	
Postal Charges		863	
Other Contracted Services		667,863	
Custodial Supplies		25,151	
Data Processing Supplies		4,393	
Equipment and Machinery Parts		2,873	
Gasoline		9,912	
Law Enforcement Supplies		3,166	
Office Supplies		10,583	
Prisoners Clothing		17,870	
Uniforms		8,906	
Utilities		245,336	
Other Supplies and Materials		14,534	
Total Workhouse			3,752,548

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services

County Official/Administrative Officer	\$	72,543	
Captain(s)		59,067	
Lieutenant(s)		46,332	
Sergeant(s)		228,837	
Guards		224,796	
Secretary(ies)		69,797	
Attendants		470,526	
Part-time Personnel		37,754	
Longevity Pay		4,050	
Overtime Pay		38,963	
Other Salaries and Wages		39,744	
In-service Training		2,722	
Social Security		78,228	
State Retirement		149,694	
Employee and Dependent Insurance		230,725	
Disability Insurance		2,111	
Unemployment Compensation		4,129	
Employer Medicare		18,295	
Communication		2,198	
Data Processing Services		8,434	
Dues and Memberships		335	
Maintenance Agreements		7,241	
Maintenance and Repair Services - Equipment		1,000	
Maintenance and Repair Services - Vehicles		235	
Medical and Dental Services		75,000	
Postal Charges		455	
Printing, Stationery, and Forms		913	
Travel		791	
Other Contracted Services		77,962	
Gasoline		355	
Instructional Supplies and Materials		4,936	
Office Supplies		782	
Uniforms		2,906	
Other Supplies and Materials		28,561	
Other Charges		1,626	
Office Equipment		3,961	
Total Juvenile Services			\$ 1,996,004

Rural Fire Protection

County Official/Administrative Officer	\$	68,041
Salary Supplements		7,800
Educational Assistants		35,138
Longevity Pay		150
Other Salaries and Wages		455,975
Social Security		33,988
State Retirement		67,883
Employee and Dependent Insurance		118,869

(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.)

Disability Insurance	\$	1,029	
Employer Medicare		7,949	
Communication		28,651	
Contributions		2,000	
Dues and Memberships		1,163	
Evaluation and Testing		20,402	
Maintenance Agreements		17,584	
Maintenance and Repair Services - Buildings		10,998	
Maintenance and Repair Services - Equipment		2,833	
Maintenance and Repair Services - Vehicles		82,681	
Pest Control		396	
Postal Charges		99	
Travel		2,695	
Other Contracted Services		330,000	
Custodial Supplies		1,835	
Diesel Fuel		39,732	
Drugs and Medical Supplies		2,686	
Gasoline		8,040	
Instructional Supplies and Materials		1,511	
Office Supplies		3,998	
Uniforms		23,487	
Utilities		39,727	
Other Supplies and Materials		31,709	
Other Charges		5,020	
Administration Equipment		35,072	
Communication Equipment		3,121	
Data Processing Equipment		24,053	
Furniture and Fixtures		3,584	
Motor Vehicles		934,789	
Other Equipment		41,039	
Total Rural Fire Protection			\$ 2,495,727

Disaster Relief

County Official/Administrative Officer	\$	75,852
Assistant(s)		58,695
Supervisor/Director		48,867
Secretary(ies)		37,396
Longevity Pay		675
Social Security		13,176
State Retirement		26,512
Employee and Dependent Insurance		42,820
Disability Insurance		413
Employer Medicare		3,082
Communication		20,059
Dues and Memberships		582
Maintenance Agreements		2,509
Maintenance and Repair Services - Equipment		659

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Disaster Relief (Cont.)

Maintenance and Repair Services - Vehicles	\$	5,050	
Postal Charges		6	
Rentals		3,788	
Travel		660	
Other Contracted Services		420	
Data Processing Supplies		107	
Diesel Fuel		1,044	
Electricity		12,818	
Gasoline		5,139	
Instructional Supplies and Materials		469	
Office Supplies		1,876	
Uniforms		177	
Other Supplies and Materials		3,523	
Communication Equipment		8,946	
Data Processing Equipment		7,733	
Furniture and Fixtures		8,147	
Other Equipment		140,963	
Total Disaster Relief			\$ 532,163

Inspection and Regulation

County Official/Administrative Officer	\$	77,142	
Deputy(ies)		379,130	
Salary Supplements		4,500	
Clerical Personnel		104,732	
Longevity Pay		4,725	
Social Security		34,256	
State Retirement		68,256	
Employee and Dependent Insurance		107,342	
Disability Insurance		1,049	
Employer Medicare		8,012	
Communication		5,921	
Dues and Memberships		1,698	
Maintenance Agreements		851	
Postal Charges		496	
Printing, Stationery, and Forms		1,415	
Travel		2,636	
Other Contracted Services		1,224	
Gasoline		10,885	
Office Supplies		4,452	
Uniforms		456	
Other Supplies and Materials		1,247	
In Service/Staff Development		2,872	
Total Inspection and Regulation			823,297

Public Health and Welfare

Local Health Center

Longevity Pay	\$	1,700	
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(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Other Salaries and Wages	\$	221,207	
Social Security		13,109	
State Retirement		26,235	
Employee and Dependent Insurance		71,499	
Disability Insurance		408	
Employer Medicare		3,066	
Communication		16,306	
Contracts with Government Agencies		128,375	
Maintenance and Repair Services - Buildings		6,544	
Maintenance and Repair Services - Equipment		3,684	
Travel		1,589	
Other Contracted Services		51,456	
Drugs and Medical Supplies		4,446	
Utilities		70,463	
Other Supplies and Materials		12,947	
Total Local Health Center			\$ 633,034

Rabies and Animal Control

County Official/Administrative Officer	\$	65,429
Supervisor/Director		72,538
Attendants		421,445
Part-time Personnel		73,174
Longevity Pay		1,025
Overtime Pay		26,761
Other Salaries and Wages		66,891
Social Security		43,897
State Retirement		78,295
Employee and Dependent Insurance		148,747
Disability Insurance		1,152
Employer Medicare		10,266
Communication		15,902
Dues and Memberships		1,300
Maintenance Agreements		15,114
Maintenance and Repair Services - Buildings		18,403
Maintenance and Repair Services - Vehicles		8,528
Postal Charges		127
Travel		4,191
Veterinary Services		1,335
Other Contracted Services		75,000
Animal Food and Supplies		8,989
Custodial Supplies		12,731
Drugs and Medical Supplies		89,061
Gasoline		33,558
Office Supplies		6,338
Uniforms		3,980
Utilities		54,245
Other Supplies and Materials		13,420

(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.)

Refunds	\$	180	
Data Processing Equipment		20,771	
Motor Vehicles		20,462	
Other Equipment		34,719	
Total Rabies and Animal Control			\$ 1,447,974

Dental Health Program

Dues and Memberships	\$	400	
Medical and Dental Services		9,822	
Total Dental Health Program			10,222

Alcohol and Drug Programs

Contracts with Other Public Agencies	\$	10,229	
Travel		268	
Other Supplies and Materials		13,642	
Other Charges		8,603	
Total Alcohol and Drug Programs			32,742

Other Local Health Services

Medical Personnel	\$	1,245,087	
Longevity Pay		6,350	
Social Security		74,481	
State Retirement		141,355	
Employee and Dependent Insurance		315,413	
Disability Insurance		2,180	
Employer Medicare		17,419	
Travel		16,283	
Total Other Local Health Services			1,818,568

General Welfare Assistance

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

Sanitation Management

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

Other Public Health and Welfare

Medical and Dental Services	\$	15,600	
Other Contracted Services		269,200	
Total Other Public Health and Welfare			284,800

Social, Cultural, and Recreational Services

Adult Activities

Contributions	\$	33,600	
Total Adult Activities			33,600

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance

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

Libraries

Contributions	\$ 1,298,175	
Total Libraries		1,298,175

Parks and Fair Boards

Supervisor/Director	\$ 32,000	
Other Salaries and Wages	176,974	
Board and Committee Members Fees	2,500	
Social Security	11,127	
Employer Medicare	3,067	
Contributions	170,852	
Matching Share	15,001	
Postal Charges	93	
Travel	2,162	
Other Contracted Services	49,259	
Equipment and Machinery Parts	15,951	
Office Supplies	266	
Other Supplies and Materials	1,485	
Total Parks and Fair Boards		480,737

Other Social, Cultural, and Recreational

Contributions	\$ 493,326	
Total Other Social, Cultural, and Recreational		493,326

Agriculture and Natural Resources

Agricultural Extension Service

Teachers	\$ 46,644	
Secretary(ies)	25,502	
Part-time Personnel	16,211	
Longevity Pay	950	
Other Salaries and Wages	64,066	
Board and Committee Members Fees	1,250	
Social Security	9,082	
State Retirement	15,300	
Employee and Dependent Insurance	28,319	
Disability Insurance	226	
Employer Medicare	2,128	
Advertising	2,194	
Communication	2,649	
Contracts with Government Agencies	348,472	
Data Processing Services	264	
Maintenance and Repair Services - Buildings	84,352	
Postal Charges	2,940	
Other Contracted Services	1,117	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Gasoline	\$	2,978	
Office Supplies		4,890	
Utilities		106,548	
Other Supplies and Materials		7,861	
Total Agricultural Extension Service			\$ 773,943

Soil Conservation

Assistant(s)	\$	26,543	
Part-time Personnel		26,120	
Longevity Pay		400	
Social Security		3,206	
State Retirement		3,190	
Employee and Dependent Insurance		8,390	
Disability Insurance		47	
Employer Medicare		750	
Contributions		15,000	
Total Soil Conservation			83,646

Storm Water Management

Assistant(s)	\$	50,077	
Part-time Personnel		15,748	
Other Salaries and Wages		37,914	
In-service Training		365	
Social Security		6,230	
State Retirement		10,532	
Employee and Dependent Insurance		19,711	
Disability Insurance		162	
Employer Medicare		1,457	
Communication		1,932	
Contracts with Private Agencies		14,172	
Postal Charges		270	
Printing, Stationery, and Forms		45	
Other Contracted Services		5,145	
Data Processing Supplies		862	
Gasoline		4,298	
Office Supplies		1,032	
Uniforms		297	
Other Supplies and Materials		1,936	
Data Processing Equipment		697	
Total Storm Water Management			172,882

Other Operations

Tourism

Contributions	\$	559,805	
Total Tourism			559,805

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Mechanic(s)	\$	47,944	
Laborers		71,095	
Longevity Pay		825	
Overtime Pay		207	
Social Security		7,409	
State Retirement		14,373	
Employee and Dependent Insurance		18,071	
Disability Insurance		219	
Employer Medicare		1,733	
Communication		1,066	
Evaluation and Testing		1,222	
Equipment and Machinery Parts		2,169	
Gasoline		4,043	
Utilities		20,516	
Vehicle Parts		21,560	
Other Supplies and Materials		9,022	
Other Equipment		4,309	
Total Other Charges			\$ 225,783

Employee Benefits

Other Fringe Benefits	\$	314,863	
Workers' Compensation Insurance		276,500	
Total Employee Benefits			591,363

Payments to Cities

Contracts with Government Agencies	\$	2,015,189	
Total Payments to Cities			2,015,189

Miscellaneous

Judgments	\$	800,000	
Trustee's Commission		1,100,093	
Total Miscellaneous			1,900,093

Principal on Debt

General Government

Principal on Capital Leases	\$	227,315	
Total General Government			227,315

Total General Fund \$ 83,116,121

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Laborers	\$	27,407	
Part-time Personnel		11,222	
Longevity Pay		275	
Overtime Pay		293	

(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.)

Sanitation Education/Information (Cont.)

Other Salaries and Wages	\$	42,787	
Social Security		4,758	
State Retirement		8,300	
Employee and Dependent Insurance		17,372	
Disability Insurance		128	
Unemployment Compensation		3,358	
Employer Medicare		1,113	
Travel		150	
Gasoline		8,620	
Instructional Supplies and Materials		1,625	
Other Supplies and Materials		8,001	
Total Sanitation Education/Information			\$ 135,409

Convenience Centers

Supervisor/Director	\$	71,665
Foremen		43,034
Truck Drivers		379,389
Laborers		392,327
Clerical Personnel		36,932
Maintenance Personnel		37,377
Longevity Pay		2,625
Overtime Pay		31,087
Social Security		59,702
State Retirement		71,504
Employee and Dependent Insurance		171,251
Disability Insurance		1,040
Employer Medicare		13,963
Advertising		3,256
Communication		19,122
Contracts with Private Agencies		12,764
Evaluation and Testing		1,652
Maintenance and Repair Services - Buildings		5,437
Maintenance and Repair Services - Equipment		33,226
Maintenance and Repair Services - Vehicles		56,023
Postal Charges		28
Rentals		9,000
Towing Services		460
Travel		1,873
Crushed Stone		721
Diesel Fuel		172,372
Equipment and Machinery Parts		39,649
Gasoline		3,610
Lubricants		5,312
Office Supplies		269
Tires and Tubes		59,430
Uniforms		6,565
Utilities		19,092

(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.)

Fencing	\$	80	
Other Supplies and Materials		10,708	
Communication Equipment		985	
Data Processing Equipment		2,560	
Motor Vehicles		273,591	
Site Development		19,780	
Total Convenience Centers			\$ 2,069,461

Other Waste Collection

Laborers	\$	26,552	
Part-time Personnel		41,532	
Overtime Pay		316	
Social Security		4,199	
State Retirement		3,215	
Employee and Dependent Insurance		6,360	
Disability Insurance		49	
Employer Medicare		982	
Communication		362	
Contracts with Private Agencies		95,631	
Other Contracted Services		4,549	
Other Supplies and Materials		2,199	
Site Development		250	
Total Other Waste Collection			186,196

Landfill Operation and Maintenance

Mechanic(s)	\$	39,776	
Clerical Personnel		26,985	
Longevity Pay		400	
Overtime Pay		2,088	
Social Security		4,012	
State Retirement		8,289	
Employee and Dependent Insurance		28,254	
Disability Insurance		130	
Unemployment Compensation		119	
Employer Medicare		939	
Advertising		190	
Communication		3,184	
Contracts with Private Agencies		212,648	
Engineering Services		14,952	
Maintenance and Repair Services - Equipment		6,351	
Maintenance and Repair Services - Vehicles		153	
Postal Charges		9	
Rentals		1,239	
Travel		645	
Disposal Fees		210,638	
Crushed Stone		10,909	
Data Processing Supplies		1,797	

(Continued)

Exhibit L-9

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Landfill Operation and Maintenance (Cont.)

Diesel Fuel	\$	4,230	
Equipment Parts - Light		38	
Equipment and Machinery Parts		20,718	
Fertilizer, Lime, and Seed		180	
Gasoline		620	
Lubricants		1,604	
Small Tools		999	
Uniforms		2,500	
Utilities		7,351	
Other Supplies and Materials		2,275	
Total Landfill Operation and Maintenance			\$ 614,222

Postclosure Care Costs

Contracts with Private Agencies	\$	196,594	
Engineering Services		28,501	
Contracts for Postclosure Care Costs		10,440	
Fertilizer, Lime, and Seed		2,025	
Testing		10,433	
Total Postclosure Care Costs			247,993

Other Operations

Employee Benefits

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

Miscellaneous

Building and Contents Insurance	\$	3,230	
Judgments		11,000	
Liability Insurance		8,043	
Trustee's Commission		36,766	
Total Miscellaneous			59,039

Total Solid Waste/Sanitation Fund \$ 3,337,320

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	91,236	
Supervisor/Director		1,277,089	
Accountants/Bookkeepers		201,293	
Paraprofessionals		3,938,176	
Dispatchers/Radio Operators		400,274	
Maintenance Personnel		31,049	
Part-time Personnel		349,883	
Longevity Pay		32,200	
Overtime Pay		272,042	
In-service Training		38,994	

(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.)

Social Security	\$	395,020	
State Retirement		746,554	
Employee and Dependent Insurance		1,281,185	
Disability Insurance		8,137	
Unemployment Compensation		6,050	
Employer Medicare		92,383	
Communication		111,415	
Contracts with Private Agencies		44,784	
Evaluation and Testing		7,338	
Maintenance and Repair Services - Buildings		39,557	
Maintenance and Repair Services - Vehicles		146,765	
Medical and Dental Services		13,100	
Pest Control		5,866	
Postal Charges		760	
Printing, Stationery, and Forms		200	
Travel		4,943	
Other Contracted Services		334,410	
Custodial Supplies		12,716	
Data Processing Supplies		5,710	
Drugs and Medical Supplies		288,667	
Gasoline		182,238	
Instructional Supplies and Materials		5,242	
Office Supplies		11,637	
Uniforms		49,321	
Utilities		104,548	
Other Supplies and Materials		41,088	
Judgments		63,000	
Refunds		46,445	
Trustee's Commission		144,479	
In Service/Staff Development		13,445	
Other Charges		51,909	
Data Processing Equipment		59,657	
Motor Vehicles		320,937	
Health Equipment		87,880	
Total Ambulance/Emergency Medical Services			\$ 11,359,622

Total Ambulance Service Fund \$ 11,359,622

Industrial/Economic Development Fund

Other Operations

Industrial Development

Contracts with Other Public Agencies	\$	130,000	
Contributions		96,500	
Trustee's Commission		921	
Total Industrial Development			\$ 227,421

(Continued)

Exhibit L-9

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

Industrial/Economic Development Fund (Cont.)

Other Operations (Cont.)

Payments to Cities

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

Total Industrial/Economic Development Fund \$ 244,451

Special Purpose Fund

Public Safety

Sheriff's Department

Confidential Drug Enforcement Payments	\$ 43,000	
Maintenance and Repair Services - Buildings	2,400	
Instructional Supplies and Materials	1,090	
Other Supplies and Materials	1,403	
Data Processing Equipment	15,612	
Law Enforcement Equipment	7,160	
Other Equipment	18,368	
Total Sheriff's Department		\$ 89,033

Total Special Purpose Fund 89,033

Drug Control Fund

Public Safety

Drug Enforcement

In-service Training	\$ 32,353	
Confidential Drug Enforcement Payments	150,000	
Maintenance and Repair Services - Vehicles	13,512	
Law Enforcement Supplies	3,907	
Uniforms	68	
Other Supplies and Materials	15,334	
Trustee's Commission	5,052	
Other Charges	5,350	
Building Improvements	3,642	
Data Processing Equipment	17,819	
Law Enforcement Equipment	123,948	
Motor Vehicles	59,415	
Total Drug Enforcement		\$ 430,400

Total Drug Control Fund 430,400

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 538,063	
Total County Trustee's Office		\$ 538,063

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 11,000	
Total County Clerk's Office		11,000

(Continued)

Exhibit L-9

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$ 2,409,101	
Total Circuit Court		\$ 2,409,101

General Sessions Court

Constitutional Officers' Operating Expenses	\$ 160,830	
Total General Sessions Court		160,830

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 48	
Total Chancery Court		48

Juvenile Court

Constitutional Officers' Operating Expenses	\$ 1,556	
Total Juvenile Court		<u>1,556</u>

Total Constitutional Officers - Fees Fund		\$ 3,120,598
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 124,549	
Assistant(s)	60,699	
Secretary(ies)	92,317	
Longevity Pay	1,275	
Board and Committee Members Fees	25,200	
Social Security	17,820	
State Retirement	33,377	
Employee and Dependent Insurance	49,798	
Disability Insurance	482	
Employer Medicare	4,304	
Communication	6,187	
Dues and Memberships	8,229	
Janitorial Services	8,125	
Legal Notices, Recording, and Court Costs	1,480	
Postal Charges	768	
Printing, Stationery, and Forms	1,518	
Travel	153	
Drugs and Medical Supplies	58	
Electricity	22,406	
Natural Gas	7,990	
Office Supplies	1,586	
Water and Sewer	8,631	
Building and Contents Insurance	7,352	
Liability Insurance	110,000	
Trustee's Commission	97,034	
Other Charges	10,000	
Office Equipment	<u>3,172</u>	
Total Administration		\$ 704,510

(Continued)

Exhibit L-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Foremen	\$	263,188	
Equipment Operators		869,897	
Truck Drivers		194,837	
Longevity Pay		13,400	
Overtime Pay		15,109	
Social Security		79,377	
State Retirement		162,365	
Employee and Dependent Insurance		395,599	
Disability Insurance		2,454	
Employer Medicare		18,564	
Other Contracted Services		90,559	
Asphalt		2,866,019	
Crushed Stone		208	
General Construction Materials		1,994	
Pipe - Metal		23,756	
Road Signs		20,620	
Salt		55,401	
Uniforms		15,397	
Total Highway and Bridge Maintenance			\$ 5,088,744

Operation and Maintenance of Equipment

Foremen	\$	49,029	
Mechanic(s)		200,729	
Laborers		64,021	
Longevity Pay		2,625	
Overtime Pay		4,757	
Social Security		19,080	
State Retirement		38,443	
Employee and Dependent Insurance		81,605	
Disability Insurance		575	
Employer Medicare		4,462	
Maintenance and Repair Services - Equipment		52,161	
Other Contracted Services		24,448	
Diesel Fuel		146,084	
Equipment and Machinery Parts		86,695	
Garage Supplies		7,023	
Gasoline		44,245	
Lubricants		10,969	
Tires and Tubes		34,438	
Other Supplies and Materials		13,307	
Total Operation and Maintenance of Equipment			884,696

Other Charges

Assistant(s)	\$	51,629
Salary Supplements		10,000
Foremen		45,923
Equipment Operators		93,440

(Continued)

Exhibit L-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Secretary(ies)	\$	40,477	
Longevity Pay		1,325	
Overtime Pay		1,813	
In-service Training		2,490	
Social Security		13,932	
State Retirement		29,279	
Employee and Dependent Insurance		85,530	
Disability Insurance		432	
Employer Medicare		3,258	
Communication		1,489	
Legal Notices, Recording, and Court Costs		96	
Maintenance and Repair Services - Equipment		4,559	
Printing, Stationery, and Forms		24	
Travel		3,129	
Other Contracted Services		200	
Diesel Fuel		8,071	
Equipment and Machinery Parts		2,143	
Gasoline		6,903	
General Construction Materials		475	
Lubricants		84	
Office Supplies		46	
Tires and Tubes		462	
Other Supplies and Materials		223	
Other Equipment		2,855	
Total Other Charges			\$ 410,287

Employee Benefits

Other Fringe Benefits	\$	125,117	
Workers' Compensation Insurance		55,320	
Total Employee Benefits			180,437

Capital Outlay

Bridge Construction	\$	53,990	
Building Improvements		2,659	
Highway Equipment		232,519	
State Aid Projects		1,064,579	
Total Capital Outlay			1,353,747

Total Highway/Public Works Fund \$ 8,622,421

General Debt Service Fund

General Government

Other General Administration

Trustee's Commission	\$	777,987	
Other Debt Service		6,119	
Total Other General Administration			\$ 784,106

(Continued)

Exhibit L-9

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

General Debt Service Fund (Cont.)

Principal on Debt

General Government

Principal on Bonds	\$ 4,529,815	
Total General Government		\$ 4,529,815

Education

Principal on Bonds	\$ 22,650,185	
Principal on Notes	300,948	
Principal on Capital Leases	<u>197,626</u>	
Total Education		23,148,759

Interest on Debt

General Government

Interest on Bonds	\$ 2,063,398	
Total General Government		2,063,398

Education

Interest on Bonds	\$ 11,577,560	
Interest on Notes	9,648	
Interest on Capital Leases	<u>41,935</u>	
Total Education		11,629,143

Other Debt Service

General Government

Underwriter's Discount	\$ 24,696	
Other Debt Issuance Charges	29,144	
Other Debt Service	<u>762,748</u>	
Total General Government		816,588

Education

Underwriter's Discount	\$ 247,135	
Other Debt Issuance Charges	238,856	
Other Debt Service	<u>7,979,078</u>	
Total Education		<u>8,465,069</u>

Total General Debt Service Fund		\$ 51,436,878
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General Capital Projects Fund

Capital Projects

Administration of Justice Projects

Architects	\$ 792,750	
Consultants	259,620	
Engineering Services	4,000	
Legal Services	24,369	
Other Contracted Services	50,000	
Land	<u>582,153</u>	
Total Administration of Justice Projects		\$ 1,712,892

(Continued)

Exhibit L-9

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

<u>General Capital Projects Fund (Cont.)</u>			
<u>Capital Projects (Cont.)</u>			
<u>Public Safety Projects</u>			
Communication Equipment	\$	411,661	
Data Processing Equipment		13,013	
Site Development		<u>2,440</u>	
Total Public Safety Projects			\$ 427,114
 <u>Public Health and Welfare Projects</u>			
Architects	\$	31,916	
Building Improvements		381,285	
Furniture and Fixtures		<u>10,995</u>	
Total Public Health and Welfare Projects			424,196
 <u>Highway and Street Capital Projects</u>			
Contracts with Government Agencies	\$	1,221,667	
Highway Construction		<u>229,073</u>	
Total Highway and Street Capital Projects			<u>1,450,740</u>
Total General Capital Projects Fund			\$ 4,014,942
 <u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contributions	\$	<u>35,625,016</u>	
Total Education Capital Projects			<u>\$ 35,625,016</u>
Total Education Capital Projects Fund			<u>35,625,016</u>
Total Governmental Funds - Primary Government			<u>\$ 201,396,802</u>

Exhibit L-10

Rutherford County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Rutherford County School Department  
For the Year Ended June 30, 2015

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 106,051,032	
Career Ladder Program	379,180	
Career Ladder Extended Contracts	42,673	
Educational Assistants	3,795,244	
Other Salaries and Wages	1,126,249	
Social Security	6,662,678	
State Retirement	10,111,418	
Life Insurance	102,349	
Medical Insurance	22,422,077	
Unemployment Compensation	56,054	
Employer Medicare	1,559,876	
Other Fringe Benefits	204,511	
Maintenance and Repair Services - Equipment	441	
Contracts for Substitute Teachers - Certified	435,991	
Contracts for Substitute Teachers - Non-certified	1,178,298	
Other Contracted Services	68,527	
Instructional Supplies and Materials	2,375,650	
Textbooks	1,051,711	
Other Supplies and Materials	46,163	
Fee Waivers	63,861	
Other Charges	182,762	
Regular Instruction Equipment	1,740,901	
Total Regular Instruction Program		\$ 159,657,646

Alternative Instruction Program

Teachers	\$ 1,166,956	
Career Ladder Program	4,485	
Educational Assistants	96,285	
Social Security	73,619	
State Retirement	113,347	
Life Insurance	1,220	
Medical Insurance	225,914	
Employer Medicare	17,868	
Other Fringe Benefits	2,342	
Contracts for Substitute Teachers - Certified	1,894	
Contracts for Substitute Teachers - Non-certified	13,176	
Other Contracted Services	1,124	
Instructional Supplies and Materials	21,904	
Other Equipment	1,620	
Total Alternative Instruction Program		1,741,754

Special Education Program

Teachers	\$ 10,672,304	
Career Ladder Program	56,971	
Educational Assistants	3,691,284	
Speech Pathologist	1,387,143	

(Continued)

## Exhibit L-10

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

General Purpose School Fund (Cont.)Instruction (Cont.)Special Education Program (Cont.)

Other Salaries and Wages	\$	180,559	
Social Security		943,325	
State Retirement		1,548,097	
Life Insurance		19,652	
Medical Insurance		3,978,536	
Unemployment Compensation		14,753	
Employer Medicare		221,947	
Other Fringe Benefits		30,679	
Maintenance and Repair Services - Equipment		465	
Contracts for Substitute Teachers - Certified		25,069	
Contracts for Substitute Teachers - Non-certified		238,740	
Other Contracted Services		1,123,934	
Instructional Supplies and Materials		89,805	
Textbooks		59,955	
Other Supplies and Materials		52,061	
Other Charges		5,969	
Special Education Equipment		34,933	
Total Special Education Program			\$ 24,376,181

Vocational Education Program

Teachers	\$	7,550,689	
Career Ladder Program		16,494	
Clerical Personnel		181,686	
Social Security		462,520	
State Retirement		699,307	
Life Insurance		6,727	
Medical Insurance		1,520,481	
Unemployment Compensation		10,243	
Employer Medicare		108,483	
Other Fringe Benefits		14,228	
Maintenance and Repair Services - Equipment		47,867	
Contracts for Substitute Teachers - Certified		25,805	
Contracts for Substitute Teachers - Non-certified		129,559	
Other Contracted Services		64,600	
Instructional Supplies and Materials		267,870	
T&I Construction Materials		3,890	
Textbooks		46,817	
Other Supplies and Materials		72,225	
Vocational Instruction Equipment		92,931	
Total Vocational Education Program			11,322,422

Adult Education Program

Teachers	\$	343,436	
Other Salaries and Wages		23,019	
Social Security		17,582	
State Retirement		20,679	

(Continued)

## Exhibit L-10

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

General Purpose School Fund (Cont.)Instruction (Cont.)Adult Education Program (Cont.)

Life Insurance	\$	141	
Medical Insurance		26,836	
Employer Medicare		4,114	
Other Fringe Benefits		414	
Other Contracted Services		3,595	
Instructional Supplies and Materials		5,051	
Other Supplies and Materials		2,381	
Other Equipment		17,177	
Total Adult Education Program			\$ 464,425

Support ServicesAttendance

Supervisor/Director	\$	104,022	
Career Ladder Program		4,100	
Social Workers		244,850	
Clerical Personnel		79,940	
Other Salaries and Wages		57,027	
Social Security		26,670	
State Retirement		42,629	
Life Insurance		291	
Medical Insurance		47,473	
Employer Medicare		6,993	
Other Fringe Benefits		762	
Travel		3,468	
Other Contracted Services		83,047	
Other Supplies and Materials		5,075	
In Service/Staff Development		3,639	
Attendance Equipment		6,455	
Total Attendance			716,441

Health Services

Medical Personnel	\$	2,407,768	
Other Salaries and Wages		424,508	
Social Security		170,824	
State Retirement		315,133	
Life Insurance		2,316	
Medical Insurance		445,327	
Employer Medicare		39,952	
Other Fringe Benefits		4,873	
Travel		14,107	
Other Contracted Services		8,903	
Drugs and Medical Supplies		9,311	
Other Supplies and Materials		38,986	
In Service/Staff Development		3,252	
Health Equipment		105,154	
Total Health Services			3,990,414

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Career Ladder Program	\$	25,500	
Guidance Personnel		4,512,293	
Career Ladder Extended Contracts		2,000	
Clerical Personnel		228,869	
Other Salaries and Wages		550,702	
Social Security		315,053	
State Retirement		481,228	
Life Insurance		4,437	
Medical Insurance		944,510	
Employer Medicare		74,581	
Other Fringe Benefits		9,563	
Contracts with Government Agencies		290,885	
Evaluation and Testing		484,485	
Travel		13,436	
Contracts for Substitute Teachers - Certified		5,573	
Contracts for Substitute Teachers - Non-certified		15,940	
Other Contracted Services		138,908	
Other Supplies and Materials		8,018	
In Service/Staff Development		5,379	
Other Equipment		10,357	
Total Other Student Support			\$ 8,121,717

Regular Instruction Program

Supervisor/Director	\$	706,748	
Career Ladder Program		50,375	
Career Ladder Extended Contracts		2,000	
Librarians		2,780,161	
Materials Supervisor		42,792	
Instructional Computer Personnel		1,629,865	
Secretary(ies)		75,883	
Clerical Personnel		75,688	
Educational Assistants		578,787	
Other Salaries and Wages		827,166	
Social Security		403,361	
State Retirement		621,544	
Life Insurance		5,671	
Medical Insurance		1,238,340	
Employer Medicare		95,301	
Other Fringe Benefits		12,210	
Travel		50,029	
Contracts for Substitute Teachers - Certified		5,804	
Contracts for Substitute Teachers - Non-certified		23,541	
Other Contracted Services		108,299	
Library Books/Media		145,052	
Other Supplies and Materials		52,179	
In Service/Staff Development		76,243	
Other Equipment		28,678	
Total Regular Instruction Program			9,635,717

(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

Supervisor/Director	\$	167,859	
Career Ladder Program		6,500	
Guidance Personnel		112,634	
Librarians		53,391	
Clerical Personnel		52,750	
Other Salaries and Wages		159,555	
Social Security		32,862	
State Retirement		53,060	
Life Insurance		462	
Medical Insurance		104,824	
Employer Medicare		7,685	
Other Fringe Benefits		985	
Contracts for Substitute Teachers - Certified		3,069	
Contracts for Substitute Teachers - Non-certified		589	
Other Contracted Services		232	
Library Books/Media		3,499	
Other Supplies and Materials		6,155	
In Service/Staff Development		235	
Other Charges		250	
Other Equipment		1,395	
Total Alternative Instruction Program			\$ 767,991

Special Education Program

Supervisor/Director	\$	91,319	
Career Ladder Program		13,480	
Psychological Personnel		506,116	
Career Ladder Extended Contracts		2,000	
Clerical Personnel		68,900	
Other Salaries and Wages		96,280	
In-service Training		550	
Social Security		46,908	
State Retirement		72,393	
Life Insurance		545	
Medical Insurance		116,097	
Employer Medicare		10,970	
Other Fringe Benefits		1,417	
Travel		58,896	
Other Contracted Services		11,900	
Other Supplies and Materials		65,981	
In Service/Staff Development		20,883	
Other Charges		3,353	
Other Equipment		22,521	
Total Special Education Program			1,210,509

Vocational Education Program

Supervisor/Director	\$	88,681	
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(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.)

Vocational Education Program (Cont.)

Other Salaries and Wages	\$	58,799	
Social Security		8,580	
State Retirement		12,895	
Life Insurance		79	
Medical Insurance		21,708	
Employer Medicare		2,077	
Other Fringe Benefits		267	
Travel		6,474	
Other Contracted Services		10,000	
Other Supplies and Materials		2,754	
In Service/Staff Development		6,924	
Other Equipment		1,640	
Total Vocational Education Program			\$ 220,878

Adult Programs

Supervisor/Director	\$	9,132	
Clerical Personnel		62,190	
Social Security		3,398	
State Retirement		6,783	
Life Insurance		67	
Medical Insurance		9,750	
Employer Medicare		891	
Other Fringe Benefits		107	
Travel		414	
Other Contracted Services		30	
Other Supplies and Materials		1,129	
In Service/Staff Development		7,130	
Other Charges		758	
Total Adult Programs			101,779

Board of Education

Secretary to Board	\$	123,802	
Other Salaries and Wages		11,488	
Board and Committee Members Fees		61,460	
Social Security		11,973	
State Retirement		14,775	
Life Insurance		59	
Medical Insurance		2,051,956	
Unemployment Compensation		680	
Employer Medicare		2,800	
Other Fringe Benefits		226	
Audit Services		49,952	
Dues and Memberships		9,688	
Legal Services		340,124	
Other Contracted Services		4,037	
Liability Insurance		425,977	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Trustee's Commission	\$	2,036,067	
Workers' Compensation Insurance		263,190	
In Service/Staff Development		13,744	
Criminal Investigation of Applicants - TBI		33,291	
Administration Equipment		17,668	
Total Board of Education			\$ 5,472,957

Director of Schools

County Official/Administrative Officer	\$	143,220	
Other Salaries and Wages		191,699	
Social Security		18,723	
State Retirement		35,894	
Life Insurance		166	
Medical Insurance		45,539	
Employer Medicare		4,734	
Other Fringe Benefits		554	
Communication		126,541	
Dues and Memberships		8,361	
Postal Charges		23,618	
Travel		1,541	
Other Contracted Services		40,305	
In Service/Staff Development		4,457	
Other Charges		43,441	
Administration Equipment		5,099	
Total Director of Schools			693,892

Office of the Principal

Principals	\$	3,731,527	
Career Ladder Program		64,320	
Accountants/Bookkeepers		759,669	
Career Ladder Extended Contracts		30,000	
Assistant Principals		4,590,695	
Secretary(ies)		1,123,491	
Clerical Personnel		1,364,347	
Social Security		697,286	
State Retirement		1,130,900	
Life Insurance		9,925	
Medical Insurance		2,355,654	
Unemployment Compensation		476	
Employer Medicare		163,540	
Other Fringe Benefits		20,760	
Communication		317,602	
Dues and Memberships		46,070	
Contracts for Substitute Teachers - Certified		2,202	
Contracts for Substitute Teachers - Non-certified		11,615	
Other Contracted Services		109,655	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Office Supplies	\$	12,147	
Other Charges		151,255	
Administration Equipment		26,484	
Total Office of the Principal			\$ 16,719,620

Fiscal Services

Supervisor/Director	\$	222,387	
Accountants/Bookkeepers		292,146	
Purchasing Personnel		94,958	
Social Security		37,015	
State Retirement		72,956	
Life Insurance		541	
Medical Insurance		126,401	
Employer Medicare		8,657	
Other Fringe Benefits		1,129	
Travel		1,542	
Other Contracted Services		2,740	
Office Supplies		15,760	
Other Supplies and Materials		1,632	
In Service/Staff Development		5,671	
Administration Equipment		2,512	
Total Fiscal Services			886,047

Human Services/Personnel

Supervisor/Director	\$	101,642	
Clerical Personnel		116,284	
Other Salaries and Wages		106,031	
Social Security		19,248	
State Retirement		33,618	
Life Insurance		241	
Medical Insurance		65,572	
Employer Medicare		4,502	
Other Fringe Benefits		564	
Travel		965	
Other Contracted Services		66,141	
Other Supplies and Materials		7,097	
In Service/Staff Development		4,649	
Other Charges		45	
Administration Equipment		10,984	
Total Human Services/Personnel			537,583

Operation of Plant

Custodial Personnel	\$	6,108,515	
Other Salaries and Wages		41,519	
Social Security		363,972	
State Retirement		685,212	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Life Insurance	\$	9,229	
Medical Insurance		1,718,723	
Unemployment Compensation		17,035	
Employer Medicare		85,123	
Other Fringe Benefits		10,541	
Maintenance and Repair Services - Equipment		11,481	
Other Contracted Services		515,357	
Custodial Supplies		706,107	
Electricity		9,185,819	
Natural Gas		1,231,621	
Water and Sewer		1,188,075	
Other Supplies and Materials		16,019	
Building and Contents Insurance		343,500	
Other Charges		55,808	
Plant Operation Equipment		73,046	
Total Operation of Plant			\$ 22,366,702

Maintenance of Plant

Supervisor/Director	\$	422,267	
Secretary(ies)		121,980	
Maintenance Personnel		2,088,038	
Social Security		156,366	
State Retirement		314,192	
Life Insurance		2,504	
Medical Insurance		650,013	
Employer Medicare		36,570	
Other Fringe Benefits		4,806	
Laundry Service		21,393	
Maintenance and Repair Services - Buildings		709,189	
Maintenance and Repair Services - Equipment		527,018	
Travel		60	
Other Contracted Services		419,403	
Other Supplies and Materials		769,886	
Vehicle and Equipment Insurance		68,000	
In Service/Staff Development		13,359	
Other Charges		6,766	
Maintenance Equipment		190,550	
Total Maintenance of Plant			6,522,360

Transportation

Supervisor/Director	\$	72,551	
Clerical Personnel		134,757	
Attendants		338,030	
Other Salaries and Wages		40,496	
Social Security		33,645	
State Retirement		58,163	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Life Insurance	\$	824	
Medical Insurance		158,896	
Unemployment Compensation		477	
Employer Medicare		8,066	
Other Fringe Benefits		992	
Contracts with Private Agencies		408,720	
Contracts with Vehicle Owners		13,849,421	
Travel		31	
Other Contracted Services		13,036	
Other Supplies and Materials		15,068	
Vehicle and Equipment Insurance		76,849	
Other Charges		23,162	
Transportation Equipment		37,950	
Total Transportation			\$ 15,271,134

Central and Other

Supervisor/Director	\$	84,280	
Computer Programmer(s)		1,004,937	
Clerical Personnel		35,228	
Other Salaries and Wages		114,239	
Social Security		75,159	
State Retirement		148,271	
Life Insurance		957	
Medical Insurance		181,515	
Employer Medicare		17,578	
Other Fringe Benefits		2,307	
Data Processing Services		171,021	
Maintenance and Repair Services - Equipment		2,418	
Travel		8,356	
Other Contracted Services		23,973	
Data Processing Supplies		154,540	
Other Supplies and Materials		75,665	
Data Processing Equipment		58,907	
Other Equipment		133,804	
Total Central and Other			2,293,155

Operation of Non-Instructional Services

Community Services

Other Charges	\$	37,743	
Total Community Services			37,743

Early Childhood Education

Teachers	\$	1,100,475	
Career Ladder Program		7,000	
Educational Assistants		453,670	
Social Security		92,946	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

State Retirement	\$	154,419	
Life Insurance		2,038	
Medical Insurance		373,151	
Employer Medicare		21,738	
Other Fringe Benefits		3,048	
Travel		263	
Contracts for Substitute Teachers - Certified		5,619	
Contracts for Substitute Teachers - Non-certified		35,617	
Other Contracted Services		1,895	
Food Supplies		4,144	
Instructional Supplies and Materials		9,850	
Other Supplies and Materials		2,150	
In Service/Staff Development		5,410	
Total Early Childhood Education			\$ 2,273,433

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	40,872	
Total Regular Capital Outlay			40,872

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	550,157	
Total Education			550,157

Total General Purpose School Fund \$ 295,993,529

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,875,022	
Educational Assistants		482,898	
Other Salaries and Wages		4,650	
Social Security		141,123	
State Retirement		226,058	
Life Insurance		2,571	
Medical Insurance		578,356	
Unemployment Compensation		3,240	
Employer Medicare		33,123	
Other Fringe Benefits		4,475	
Contracts for Substitute Teachers - Certified		17,373	
Contracts for Substitute Teachers - Non-certified		62,218	
Other Contracted Services		79,350	
Instructional Supplies and Materials		261,173	
Other Supplies and Materials		151,868	
Regular Instruction Equipment		121,112	
Total Regular Instruction Program			\$ 4,044,610

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	998,622	
Educational Assistants		1,223,486	
Speech Pathologist		140,157	
Other Salaries and Wages		82,500	
Social Security		143,093	
State Retirement		257,837	
Life Insurance		4,078	
Medical Insurance		816,679	
Employer Medicare		33,426	
Other Fringe Benefits		5,032	
Contracts for Substitute Teachers - Certified		4,282	
Contracts for Substitute Teachers - Non-certified		29,430	
Other Contracted Services		229,337	
Instructional Supplies and Materials		7,526	
Other Supplies and Materials		5,828	
Special Education Equipment		5,003	
Total Special Education Program			\$ 3,986,316

Vocational Education Program

Instructional Supplies and Materials	\$	35,472	
Other Supplies and Materials		69,284	
Vocational Instruction Equipment		373,175	
Total Vocational Education Program			477,931

Support Services

Health Services

Other Salaries and Wages	\$	178,535	
Social Security		10,684	
State Retirement		21,362	
Life Insurance		125	
Medical Insurance		39,641	
Employer Medicare		2,499	
Other Fringe Benefits		330	
Total Health Services			253,176

Other Student Support

Social Workers	\$	453,949	
Other Salaries and Wages		102,652	
Social Security		33,404	
State Retirement		49,093	
Life Insurance		434	
Medical Insurance		109,885	
Employer Medicare		7,812	
Other Fringe Benefits		993	
Maintenance and Repair Services - Equipment		4,726	
Travel		30,814	

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Contracted Services	\$	10,950	
Other Supplies and Materials		92,725	
In Service/Staff Development		49,129	
Other Charges		54,218	
Other Equipment		48,232	
Total Other Student Support			\$ 1,049,016

Regular Instruction Program

Supervisor/Director	\$	89,144	
Secretary(ies)		36,942	
Other Salaries and Wages		243,449	
In-service Training		51,500	
Social Security		24,375	
State Retirement		37,886	
Life Insurance		249	
Medical Insurance		66,807	
Employer Medicare		5,889	
Other Fringe Benefits		657	
Travel		3,656	
Other Contracted Services		16,450	
Other Supplies and Materials		3,120	
In Service/Staff Development		558,403	
Other Equipment		3,009	
Total Regular Instruction Program			1,141,536

Special Education Program

Psychological Personnel	\$	626,782	
Other Salaries and Wages		612,205	
Social Security		72,878	
State Retirement		109,916	
Life Insurance		845	
Medical Insurance		178,746	
Employer Medicare		17,379	
Other Fringe Benefits		2,258	
Other Contracted Services		1,111	
Other Supplies and Materials		13,416	
In Service/Staff Development		84,151	
Total Special Education Program			1,719,687

Vocational Education Program

Travel	\$	430	
In Service/Staff Development		2,511	
Total Vocational Education Program			2,941

Transportation

Other Salaries and Wages	\$	194,283	
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(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Social Security	\$	11,306	
State Retirement		21,990	
Life Insurance		416	
Medical Insurance		76,148	
Employer Medicare		2,644	
Other Fringe Benefits		373	
Contracts with Parents		502	
Contracts with Vehicle Owners		7,788	
Maintenance and Repair Services - Vehicles		1,355	
Gasoline		3,966	
Transportation Equipment		23,668	
Total Transportation			\$ 344,439

Total School Federal Projects Fund \$ 13,019,652

Central Cafeteria Fund

Support Services

Board of Education

Audit Services	\$	11,729	
Workers' Compensation Insurance		27,150	
Total Board of Education			\$ 38,879

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	1,746,030	
Accountants/Bookkeepers		84,363	
Cafeteria Personnel		4,302,429	
Other Salaries and Wages		32,463	
Social Security		368,753	
State Retirement		353,834	
Life Insurance		6,102	
Medical Insurance		1,183,242	
Unemployment Compensation		136	
Employer Medicare		86,495	
Other Fringe Benefits		6,360	
Maintenance and Repair Services - Equipment		53,790	
Transportation - Other than Students		81,115	
Travel		11,158	
Other Contracted Services		321,165	
Food Preparation Supplies		575,286	
Food Supplies		6,154,442	
Office Supplies		23,709	
Uniforms		4,539	
USDA - Commodities		340,423	
Other Supplies and Materials		255,608	
In Service/Staff Development		35,092	
Food Service Equipment		79,873	
Total Food Service			16,106,407

Total Central Cafeteria Fund 16,145,286

(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	\$ 49,342	
Total Board of Education		\$ 49,342
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Engineering Services	\$ 2,600	
Maintenance and Repair Services - Buildings	2,275,778	
Maintenance and Repair Services - Equipment	25,500	
Land	23,044	
Site Development	70,000	
Total Education Capital Projects		<u>2,396,922</u>
Total Education Capital Projects Fund		\$ 2,446,264
<u>Other Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Architects	\$ 866,329	
Contributions	4,820,016	
Engineering Services	112,433	
Building Construction	6,515,144	
Furniture and Fixtures	242,253	
Land	415,659	
Regular Instruction Equipment	666,163	
Site Development	1,468,653	
Other Equipment	27,246	
Other Capital Outlay	699	
Total Education Capital Projects		<u>\$ 15,134,595</u>
Total Other Capital Projects Fund		<u>15,134,595</u>
Total Governmental Funds - Rutherford County School Department		<u>\$ 342,739,326</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, 2015

	Cities - Sales Tax Fund	City School ADA - Murfreesboro Fund	Total
<u>Cash Receipts</u>			
Current Property Tax	\$ 0	\$ 10,870,180	\$ 10,870,180
Trustee's Collections - Prior Years	0	175,567	175,567
Circuit/Clerk and Master Collections - Prior Years	0	124,970	124,970
Interest and Penalty	0	34,265	34,265
Pick-up Taxes	0	12,276	12,276
Payments in-Lieu-of Taxes - T.V.A.	0	1,078	1,078
Payments in-Lieu-of Taxes - Local Utilities	0	166,733	166,733
Local Option Sales Tax	55,019,588	8,698,105	63,717,693
Wheel Tax	0	632,158	632,158
Business Tax	0	330,246	330,246
Interstate Telecommunications Tax	0	3,750	3,750
Marriage Licenses	0	2,242	2,242
Total Cash Receipts	<u>\$ 55,019,588</u>	<u>\$ 21,051,570</u>	<u>\$ 76,071,158</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 54,469,392	\$ 20,897,101	\$ 75,366,493
Trustee's Commission	550,196	314,798	864,994
Total Cash Disbursements	<u>\$ 55,019,588</u>	<u>\$ 21,211,899</u>	<u>\$ 76,231,487</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ (160,329)	\$ (160,329)
Cash Balance, July 1, 2014	0	160,329	160,329
Cash Balance, June 30, 2015	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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## STATISTICAL SECTION

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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	275-286
Revenue Capacity:		
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	6-10	287-291
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	292-293
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	294-295
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	296-298

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

Table 1

Rutherford County, Tennessee  
Net Position by Component  
Primary Government and Discretely Presented Component Unit  
Last Ten Fiscal Years (in thousands) (Note 3)  
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>PRIMARY GOVERNMENT: (Note 1, 2)</b>										
Governmental activities										
Net investment in capital assets	\$ 146,463	\$ 165,997	\$ 183,690	\$ 195,662	\$ 201,462	\$ 201,854	\$ 207,456	\$ 210,959	\$ 212,340	\$ 215,139
Restricted for:										
Capital Projects	29,782	17,761	7,674	2,071	403	3,650	3,251	1,858	2,568	1,064
Debt Service	32,053	31,703	30,879	32,067	34,939	-	-	-	2,909	2,895
General	-	-	-	-	-	-	588	407	379	426
Finance	-	-	-	-	-	-	22	22	36	71
Admin. of Justice	-	-	-	-	-	-	951	860	1,052	1,034
Public Safety	-	-	-	-	-	1,576	1,092	1,013	951	1,230
Public Health & Welfare	-	-	-	-	-	-	99	54	126	241
Ambulance Service	-	-	-	-	5,216	-	-	-	-	-
Highways/Public Works	6,412	6,725	6,924	6,823	6,579	1,351	-	-	-	-
Solid Waste/Sanitation	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	5,873	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	6,468	475	1,187	46	112	61	-	-	-	5,239
Unrestricted (2)	(278,388)	(250,973)	(267,988)	(325,800)	(300,698)	(225,824)	(255,927)	(230,810)	(228,754)	(235,427)
Total Governmental Activities Net Position	\$ (46,253)	\$ (14,424)	\$ (26,313)	\$ (76,400)	\$ (42,805)	\$ (15,467)	\$ (42,468)	\$ (15,637)	\$ (8,393)	\$ (8,088)
<b>COMPONENT UNIT - Rutherford County Schools (Note 2)</b>										
Governmental activities										
Net investment in capital assets	\$ 301,332	\$ 331,320	\$ 361,986	\$ 383,159	\$ 409,435	\$ 405,517	\$ 414,558	\$ 430,779	\$ 432,042	\$ 430,627
Restricted for:										
Capital Projects	51,723	15,927	14,976	46,795	10,924	1,482	30,143	4,288	13,720	34,697
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	2	-
Central Cafeteria	-	-	3,160	4,198	4,902	5,151	5,059	4,851	4,087	4,271
Career Ladder	-	-	-	-	335	-	-	-	-	-
Driver Education	-	-	-	260	-	-	256	116	-	-
Other Purposes	3,098	268	244	25	-	-	10	117	240	7,453
Unrestricted	14,592	19,856	14,475	(226)	(2,383)	(8,963)	(13,787)	(22,095)	(30,149)	(73,349)
Total Governmental Activities Net Position	\$ 375,381	\$ 369,942	\$ 396,794	\$ 434,605	\$ 424,041	\$ 403,565	\$ 436,528	\$ 418,058	\$ 419,942	\$ 403,699

**Notes:**

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

Table 2

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>EXPENSES (Note 1)</b>										
Governmental activities:										
General Government	\$ 5,341	\$ 2,469	\$ 9,451	\$ 7,962	\$ 15,112	\$ 17,325	\$ 16,038	\$ 16,706	\$ 18,668	\$ 17,083
Finance	5,727	5,874	5,889	6,989	7,366	7,748	8,387	8,450	8,960	8,314
Administration of Justice	5,331	6,265	4,760	6,496	6,844	6,659	6,854	7,668	7,571	7,491
Public Safety	28,398	34,122	32,701	39,703	38,545	39,080	41,151	43,798	46,244	45,705
Public Health & Welfare	15,762	17,313	16,622	17,927	17,768	18,458	19,369	19,958	20,089	19,704
Social, Cultural & Rec. Services	1,352	1,350	1,380	2,458	2,786	1,838	2,112	2,264	2,267	2,307
Agriculture & Natural Resources	802	918	724	864	1,036	1,085	1,141	1,092	1,167	1,388
Other Operations (Note 2)	6,104	6,899	6,876	13,523	-	-	-	-	-	-
Highways/Public Works	9,750	11,855	14,437	14,529	16,925	9,264	11,206	10,474	12,246	12,038
Education (Pymts to Comp. Unit)	70,937	23,940	62,793	99,547	33,085	35,351	89,448	42,373	67,262	84,906
Interest on Long-Term Debt	14,510	16,617	16,447	16,221	17,064	13,850	15,177	14,840	13,998	14,203
Other Debt Service	-	-	154	-	-	-	-	323	-	-
Total Governmental activities expenses	\$ 164,014	\$ 127,622	\$ 172,234	\$ 226,219	\$ 156,531	\$ 150,658	\$ 210,883	\$ 167,946	\$ 198,472	\$ 213,139
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for Services:										
General Government	\$ 5,460	\$ 4,757	\$ 4,206	\$ 3,295	\$ 5,280	\$ 2,721	\$ 3,699	\$ 4,185	\$ 4,146	\$ 4,215
Finance	5,273	6,819	6,483	6,695	6,759	7,158	7,454	7,727	8,032	8,505
Administration of Justice	5,271	5,879	6,243	5,723	6,145	5,803	6,400	6,584	6,397	5,861
Public Safety	525	3,904	3,473	5,222	3,621	2,643	4,910	5,961	4,218	4,489
Public Health & Welfare	5,291	7,647	6,866	7,900	8,024	8,335	10,091	9,173	10,144	10,489
Social, Cultural & Rec. Services	5	1	1	58	-	1	1	1	-	-
Agriculture & Natural Resources	118	113	-	19	-	23	41	38	80	99
Other Operations	-	-	-	82	-	-	-	-	-	-
Highways/Public Works	-	-	128	104	76	-	69	47	45	-
Education	24,969	28,930	34,080	34,122	37,070	40,077	38,887	41,164	50,718	52,276
Operating Grants and Contributions	11,045	7,002	7,158	6,950	8,161	9,591	8,591	7,822	7,628	9,705
Capital grants and Contributions	4,873	5,041	5,050	13,745	14,707	1,936	1,770	2,732	4,274	3,053
Total Governmental activities program revenues	\$ 62,830	\$ 70,093	\$ 73,688	\$ 83,915	\$ 89,843	\$ 78,288	\$ 81,913	\$ 85,434	\$ 95,682	\$ 98,692

Table 2

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (expense)/Revenue Governmental Activities	\$ (101,184)	\$ (57,529)	\$ (98,546)	\$ (142,304)	\$ (66,688)	\$ (72,370)	\$ (128,970)	\$ (82,512)	\$ (102,790)	\$ (114,447)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes										
Property tax levied for general purposes	\$ 23,957	\$ 21,929	\$ 24,852	\$ 27,428	\$ 36,393	\$ 39,193	\$ 41,132	\$ 41,259	\$ 45,676	\$ 46,711
Property tax levied for debt services	27,009	30,523	33,151	38,072	39,729	37,780	36,077	36,121	36,193	36,958
Payments in Lieu of Taxes	-	-	6,188	6,526	5,535	7,084	6,751	14,346	8,356	7,778
Local Option Sales Tax	4,279	4,812	4,767	2,037	2,035	1,671	1,583	2,189	2,454	3,463
Hotel/Motel Tax	-	-	986	932	951	1,067	1,216	1,400	1,550	1,708
Wheel Tax	-	-	5,707	5,701	5,696	5,729	5,860	5,999	6,180	6,449
Business Tax	-	-	1,385	1,269	1,424	1,709	1,824	2,189	2,155	2,454
Mixed Drink Tax	-	-	-	-	-	-	-	-	-	17
Litigation Tax	-	-	1,062	1,863	2,242	2,232	2,423	2,449	2,424	2,080
Development Tax	-	-	3,960	2,579	1,395	865	2,051	3,210	3,719	3,353
Mineral Severance Tax	-	-	-	359	232	220	257	249	328	346
Bank Excise Tax	-	-	-	-	-	77	68	86	136	152
Wholesale Beer Tax	-	-	-	861	837	811	825	832	883	969
Interstate Telecommunications Tax	-	-	-	2	1	1	5	7	8	8
Other Local Taxes	15,953	22,115	1,492	-	-	-	-	-	-	-
Unrestricted grants and contributions	6,014	1,054	1,073	892	655	618	1,351	648	1,903	820
Investment earnings	5,114	8,500	5,671	2,603	1,218	654	407	311	197	319
Gain on disposal of capital assets	62	-	-	-	-	-	-	-	-	-
Miscellaneous	-	424	130	264	119	63	140	241	190	96
Total Governmental activities	\$ 82,388	\$ 89,357	\$ 90,424	\$ 91,388	\$ 98,462	\$ 99,774	\$ 101,970	\$ 111,536	\$ 112,352	\$ 113,681
<b>Change in Net Position</b>	<b>\$ (18,796)</b>	<b>\$ 31,828</b>	<b>\$ (8,122)</b>	<b>\$ (50,916)</b>	<b>\$ 31,774</b>	<b>\$ 27,404</b>	<b>\$ (27,000)</b>	<b>\$ 29,024</b>	<b>\$ 9,562</b>	<b>\$ (766)</b>

**Notes:**

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

Table 2a

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>EXPENSES (Note 1)</b>										
Governmental activities:										
Education	\$ 204,893	\$ 225,407	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction	-	-	155,377	177,210	177,407	195,749	192,333	201,313	215,249	203,109
Support Services	-	-	94,371	107,541	95,279	106,283	104,722	108,466	109,528	115,090
Operation of Non-instructional Services	-	-	14,510	13,763	15,857	17,093	19,011	18,593	19,573	18,330
Interest on Long-term Debt	-	-	120	100	79	65	68	62	-	-
Total Governmental activities expenses	\$ 204,893	\$ 225,407	\$ 264,378	\$ 298,614	\$ 288,622	\$ 319,190	\$ 316,134	\$ 328,434	\$ 344,350	\$ 336,529
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for Services - Education	\$ 218	\$ 215	\$ 6,489	\$ 7,353	\$ 6,693	\$ 6,641	\$ 6,760	\$ 6,684	\$ 6,967	\$ 6,514
Operating Grants and Contributions	17,002	18,018	21,131	20,249	29,948	31,830	28,696	24,158	26,724	22,834
Capital grants and Contributions	46,255	-	36,322	71,724	-	803	48,267	-	277	97
Total Governmental activities program revenues	\$ 63,475	\$ 18,233	\$ 63,942	\$ 99,326	\$ 36,641	\$ 39,274	\$ 83,723	\$ 30,842	\$ 33,968	\$ 29,445
Net (expense)/Revenue Governmental Activities	\$ (141,418)	\$ (207,174)	\$ (200,436)	\$ (199,288)	\$ (251,981)	\$ (279,916)	\$ (232,411)	\$ (297,592)	\$ (310,382)	\$ (307,084)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes										
Property tax levied for general purposes	\$ 45,473	\$ 49,366	\$ 50,464	\$ 55,512	\$ 59,597	\$ 61,012	\$ 61,080	\$ 61,721	\$ 65,551	\$ 66,830
Payments in-Lieu-of Taxes	-	-	650	734	828	841	871	890	-	941
Local Option Sales Tax	32,888	34,922	37,195	36,185	35,408	37,871	40,662	43,798	46,243	50,348
Wheel Tax	-	-	3,202	3,215	3,214	3,255	3,320	3,430	3,538	3,654
Business Tax	-	-	1,227	1,077	1,120	1,360	1,442	1,750	1,726	1,960
Mixed Drink Tax	-	-	-	-	-	-	-	-	1,048	492
Interstate Telecommunications Tax	-	-	20	19	13	10	14	19	23	22
Other local taxes	3,946	4,804	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	101,632	110,660	132,260	139,098	140,711	154,124	157,772	167,392	195,538	212,588
Investment earnings	1,171	1,624	1,396	731	327	185	108	89	63	73
Gain on disposal of capital assets	573	-	514	-	-	-	-	-	-	-
Pension Income	-	-	-	-	-	-	-	-	-	231
Miscellaneous	-	359	360	143	197	145	105	45	46	30
Total Governmental activities	\$ 185,683	\$ 201,735	\$ 227,288	\$ 236,714	\$ 241,415	\$ 258,803	\$ 265,374	\$ 279,134	\$ 313,776	\$ 337,169
<b>Change in Net Position</b>	\$ 44,265	\$ (5,439)	\$ 26,852	\$ 37,426	\$ (10,566)	\$ (21,113)	\$ 32,963	\$ (18,458)	\$ 3,394	\$ 30,085

**Notes:**

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

Table 3

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

Fiscal Year	Property Tax for General Purposes	Property Tax for Debt Service	Payment in Lieu of Taxes	Sales Tax - Primary Government	Hotel/ Motel Tax	Wheel Tax	Business Tax	Mixed Drink Tax	Litigation Tax	Develop. Tax	Mineral Severance Tax	Wholesale Beer Tax	Bank Excise Tax	Interstate Telecom. Tax	Other Local Tax - Primary Govt.	Total
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	1	-	98,439
2012	41,132	36,077	6,751	1,583	1,216	5,860	1,824	-	2,422	2,051	257	825	68	5	-	100,071
2013	41,259	36,121	14,346	2,189	1,400	5,999	2,189	-	2,449	3,210	249	832	86	7	-	110,336
2014	45,676	36,193	8,356	2,454	1,551	6,180	2,155	-	2,424	3,719	328	883	136	8	-	110,063
2015	46,711	36,958	7,778	3,463	1,708	6,449	2,454	17	2,080	3,353	346	969	152	8	-	112,446

Table 3a

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

Fiscal Year	Property Tax for Ruth. Co. Schools	Payment in Lieu of Taxes	Sales Tax - Ruth. Co. Schools	Wheel Tax	Business Tax	Mixed Drink Tax	Interstate Telecom. Tax	Other Local Tax - Ruth. Co. Schools	Total
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
2014	65,551	949	46,244	3,538	1,726	1,048	22	-	119,078
2015	66,830	941	50,348	3,654	1,960	492	22	-	124,247

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

Table 4

	2006	2007	2008	2009	2010	(Note 1) 2011	(Note 1) 2012	(Note 1) 2013	(Note 1) 2014	(Note 1) 2015
<b>PRIMARY GOVERNMENT</b>										
General Fund										
Nonspendable: Prepaid Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43	\$ 46	\$ 34	\$ 24	\$ 41
Reserved	3,387	3,794	2,700	2,983	4,013	-	-	-	-	-
Restricted										
General Government	-	-	-	-	-	589	588	407	379	426
Finance	-	-	-	-	-	11	22	21	36	71
Admin of Justice	-	-	-	-	-	419	636	861	1,052	1,034
Public Safety	-	-	-	-	-	1,629	428	116	72	246
Public Health & Welfare	-	-	-	-	-	-	99	46	126	212
Other Operations	-	-	-	-	-	32	-	-	-	-
Capital Projects	-	-	-	-	-	2,980	1,742	1,858	2,030	1,636
Committed										
General Government	-	-	-	-	-	155	471	132	183	105
Finance	-	-	-	-	-	51	129	102	255	233
Admin of Justice	-	-	-	-	-	5	-	1	3	5
Public Safety	-	-	-	-	-	524	315	401	341	381
Public Health & Welfare	-	-	-	-	-	291	94	81	96	102
Agriculture & Natural Resources	-	-	-	-	-	229	208	211	248	231
Other Operations	-	-	-	-	-	20	7	2	-	-
Assigned for Other Purposes	-	-	-	-	-	2,210	3,838	3,443	1,471	6,351
Unassigned	-	-	-	-	-	14,524	14,687	16,332	19,532	20,017
Unreserved	20,580	19,931	17,025	12,794	18,694	-	-	-	-	-
Total General Fund	<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>	<u>\$ 25,848</u>	<u>\$ 31,091</u>
All Other Governmental Funds										
Reserved	\$ 508	\$ 836	\$ 1,220	\$ 2,944	\$ 2,628	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Admin of Justice	-	-	-	-	-	286	314	-	-	-
Public Safety	-	-	-	-	-	709	664	897	878	984
Public Health & Welfare	-	-	-	-	-	669	-	8	-	29
Highways/Public Works	-	-	-	-	-	1,351	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	2,909	2,895
Capital Projects	-	-	-	-	-	-	5,750	3,149	7,026	5,975
Committed										
Public Health & Welfare	-	-	-	-	-	29	20	-	-	-
Highways/Public Works	-	-	-	-	-	-	1,780	1,640	1,831	1,992
Capital Projects	-	-	-	-	-	741	-	-	-	-
Debt Service	-	-	-	-	-	-	1,821	1,821	1,821	1,821
Assigned										
Finance	-	-	-	-	-	110	110	110	110	125
Admin of Justice	-	-	-	-	-	173	246	72	230	81
Public Health & Welfare	-	-	-	-	-	7,402	8,681	10,325	8,800	9,068
Other Operations	-	-	-	-	-	715	1,268	1,049	479	275
Highways/Public Works	-	-	-	-	-	5,507	5,532	6,680	7,391	8,441
Debt Service	-	-	-	-	-	35,734	33,994	33,329	33,979	33,646
Unreserved, reported in:										
Special revenue funds	19,805	19,540	17,753	17,581	14,376	-	-	-	-	-
Debt Service	31,183	30,928	30,705	32,182	33,214	-	-	-	-	-
Capital projects funds	29,708	17,719	9,084	1,020	196	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 81,204</u>	<u>\$ 69,023</u>	<u>\$ 58,762</u>	<u>\$ 53,727</u>	<u>\$ 50,414</u>	<u>\$ 53,426</u>	<u>\$ 60,180</u>	<u>\$ 59,080</u>	<u>\$ 65,454</u>	<u>\$ 65,332</u>

(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)

	2006	2007	2008	2009	2010	(Note 1) 2011	(Note 1) 2012	(Note 1) 2013	(Note 1) 2014	(Note 1) 2015
<b>COMPONENT UNIT - Rutherford County Board of Education</b>										
General Purpose School Fund										
Reserved	\$ 7,050	\$ 5,799	\$ 1,732	\$ 1,216	\$ 3,123	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable: Prepaid Items	-	-	-	-	-	-	-	16	4	5
Restricted	-	-	-	-	-	797	266	233	240	352
Committed	-	-	-	-	-	11	-	-	-	-
Assigned	-	-	-	-	-	6,873	9,253	11,996	12,275	12,183
Unassigned	-	-	-	-	-	12,641	14,890	15,266	15,189	17,330
Unreserved	11,283	12,832	11,396	10,948	16,318	-	-	-	-	-
Total General Purpose School Fund	<u>\$ 18,333</u>	<u>\$ 18,631</u>	<u>\$ 13,128</u>	<u>\$ 12,164</u>	<u>\$ 19,441</u>	<u>\$ 20,322</u>	<u>\$ 24,409</u>	<u>\$ 27,511</u>	<u>\$ 27,708</u>	<u>\$ 29,870</u>
All other School Funds										
Nonspendable: Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 249	\$ 200	\$ 233	\$ 294	\$ 193
Reserved	21,178	15,802	23,167	37,366	8,409	-	-	-	-	-
Restricted										
Education	-	-	-	-	-	4,989	5,348	4,853	4,089	4,271
Capital projects	-	-	-	-	-	1,482	30,144	4,287	13,719	34,697
Committed										
Education	-	-	-	-	-	1,000	1,000	1,000	1,000	1,000
Capital projects	-	-	-	-	-	571	-	-	-	-
Unreserved, reported in:										
Debt Service	68	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	3,141	3,972	4,695	-	-	-	-	-
Capital projects funds	31,229	1,127	(7,787)	10,049	3,549	-	-	-	-	-
Total all other School Funds	<u>\$ 52,475</u>	<u>\$ 16,929</u>	<u>\$ 18,521</u>	<u>\$ 51,387</u>	<u>\$ 16,653</u>	<u>\$ 8,291</u>	<u>\$ 36,692</u>	<u>\$ 10,373</u>	<u>\$ 19,102</u>	<u>\$ 40,161</u>

(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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes	\$ 76,601	\$ 79,885	\$ 83,659	\$ 88,088	\$ 98,054	\$ 98,854	\$ 100,192	\$ 102,654	\$ 110,352	\$ 112,660
Licenses & Permits	2,040	1,830	1,688	1,263	1,295	1,276	1,421	1,643	1,702	1,923
Fines & Forfeitures	2,979	2,479	2,875	2,724	2,490	2,479	2,531	3,051	2,723	2,691
Charges for Service	10,349	12,004	12,283	11,998	12,511	10,856	11,750	11,564	12,410	12,852
Other Local Revenue	6,423	9,566	7,069	3,588	2,667	1,880	3,215	1,680	1,842	2,073
Fees from Co. Officials	7,147	7,730	7,147	6,559	6,621	9,407 (1)	10,232 (1)	10,904 (1)	10,254 (1)	10,603 (1)
State Revenues	10,695	11,187	11,382	10,518	9,162	9,856	11,259	11,529	10,160	11,566
Federal Revenues	3,138	1,533	432	602	1,297	1,817	2,080	1,836	1,657	1,823
Other Govt/Citizens	1,004	804	508	3,559	2,299	1,045	887	2,157	2,669	2,171
Total revenues	<u>\$ 120,376</u>	<u>\$ 127,018</u>	<u>\$ 127,043</u>	<u>\$ 128,899</u>	<u>\$ 136,396</u>	<u>\$ 137,470</u>	<u>\$ 143,567</u>	<u>\$ 147,018</u>	<u>\$ 153,769</u>	<u>\$ 158,362</u>
<b>Expenditures</b>										
General Government	\$ 6,165	\$ 7,033	\$ 7,492	\$ 7,333	\$ 7,090	\$ 7,943 (1)	\$ 8,757 (1)	\$ 9,754 (1)	\$ 9,446 (1)	\$ 9,270 (1)
Finance	5,953	6,417	6,876	6,968	7,065	7,437 (1)	7,993 (1)	8,439 (1)	8,987 (1)	9,335 (1)
Admin. Of Justice	5,258	6,073	6,206	6,311	6,487	6,700	6,803	7,674	7,906	7,808
Public Safety	29,316	32,044	34,455	35,961	35,072	37,477	41,091	42,411	46,708	47,955
Public Health/Welfare	13,614	16,018	16,656	15,843	15,867	16,639	17,387	17,460	19,579	18,928
Social, Cultural/Rec.	1,252	1,350	1,381	1,418	1,422	1,476	2,112	2,264	2,267	2,307
Agriculture & Natural	690	735	772	755	780	874	964	908	980	1,030
Other Operations	9,271	6,878	6,913	7,088	8,535	7,540	5,288	5,439	7,071	5,621
Highway & Bridge	7,000	8,254	8,928	7,688	7,811	7,395	8,659	7,850	7,690	8,622
Debt Service:										
Principal	20,004	24,539	24,515	22,670	22,375	31,935	23,115	30,177	44,430	27,906
Interest	14,769	16,897	16,341	16,441	17,815	14,277	15,339	14,587	14,119	13,693
Other charges	237	-	349	432	-	858	504	7,662	317	9,282
Capital Projects	52,523	13,632	54,019	85,202	4,709	1,062	52,130	4,853	22,181	39,639
	<u>\$ 166,052</u>	<u>\$ 139,870</u>	<u>\$ 184,903</u>	<u>\$ 214,110</u>	<u>\$ 135,028</u>	<u>\$ 141,613</u>	<u>\$ 190,142</u>	<u>\$ 159,478</u>	<u>\$ 191,681</u>	<u>\$ 201,396</u>
Excess of revenues over (under) expenditures	<u>\$ (45,676)</u>	<u>\$ (12,852)</u>	<u>\$ (57,860)</u>	<u>\$ (85,211)</u>	<u>\$ 1,368</u>	<u>\$ (4,143)</u>	<u>\$ (46,575)</u>	<u>\$ (12,460)</u>	<u>\$ (37,912)</u>	<u>\$ (43,034)</u>

(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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Other financing sources (uses)</b>										
Transfers in	\$ 7,819	\$ 7,287	\$ 6,509	\$ 3,238	\$ 6,413	\$ 1,873	\$ 3,749	\$ 1,209	\$ 1,132	\$ 1,304
Transfers out	(7,580)	(6,971)	(6,130)	(2,843)	(5,997)	(1,389)	(3,254)	(678)	(566)	(748)
Insurance Recovery	-	113	-	100	12	49	14	253	43	48
Capital Lease Issued	-	-	-	-	-	-	-	947	-	341
Bond proceeds	64,220	-	42,700	41,325	-	-	49,259	-	24,270	33,864
Note proceeds	-	-	-	31,000	-	-	-	-	-	-
Refunding Debt Issued	-	-	-	-	-	-	20,021	65,700	18,600	30,526
Proceeds on refunded bonds	-	-	-	-	-	140,275	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	(153,003)	(21,420)	(60,420)	-	(25,730)
Premiums on Debt Issued	3,018	-	473	3,408	-	20,355	4,557	5,402	2,608	8,549
Sale of Capital Assets	-	-	47	-	-	-	-	-	-	-
<b>TOTAL OTHER SOURCES</b>	<b>\$ 67,477</b>	<b>\$ 429</b>	<b>\$ 43,599</b>	<b>\$ 76,228</b>	<b>\$ 428</b>	<b>\$ 8,160</b>	<b>\$ 52,926</b>	<b>\$ 12,413</b>	<b>\$ 46,087</b>	<b>\$ 48,154</b>
Net change in fund balances	\$ 21,801	\$ (12,423)	\$ (14,261)	\$ (8,983)	\$ 1,796	\$ 4,017	\$ 6,351	\$ (47)	\$ 8,175	\$ 5,120
Debt Service as a percentage of										
noncapital expenditures	22.2%	34.2%	25.1%	19.2%	30.9%	33.2%	21.1%	29.0%	31.6%	21.3%
Capital Expenditures	\$ 9,096	\$ 18,652	\$ 22,426	\$ 10,514	\$ 4,924	\$ 2,299	\$ 7,583	\$ 5,048	\$ 6,314	\$ 6,268

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Property Tax & PILOT	\$ 56,004	\$ 58,442	\$ 63,949	\$ 71,872	\$ 83,035	\$ 84,328	\$ 84,212	\$ 84,076	\$ 90,540	\$ 91,753
Sales Tax	4,246	4,770	4,762	2,296	2,016	1,814	1,452	2,157	2,428	3,370
Hotel/Motel Tax	748	843	986	932	951	1,067	1,216	1,400	1,551	1,709
Wheel Tax	5,167	5,370	5,707	5,701	5,695	5,729	5,860	5,999	6,180	6,449
Litigation Tax	965	975	1,062	1,863	2,242	2,231	2,422	2,449	2,424	2,080
Business Tax	1,147	1,236	1,385	1,269	1,424	1,709	1,824	2,189	2,155	2,454
Mixed Drink Tax	-	-	-	-	-	-	-	-	-	17
Mineral Severance	524	690	642	359	232	221	257	249	328	346
Development Tax	6,697	6,229	3,960	2,579	1,395	866	2,051	3,210	3,719	3,353
Bank Excise Tax	372	501	307	342	219	77	68	86	135	152
Wholesale Beer Tax	701	800	845	861	837	811	825	832	883	969
Other Statutory Tax	30	29	54	14	8	1	5	7	8	8
	<b>\$ 76,601</b>	<b>\$ 79,885</b>	<b>\$ 83,659</b>	<b>\$ 88,088</b>	<b>\$ 98,054</b>	<b>\$ 98,854</b>	<b>\$ 100,192</b>	<b>\$ 102,654</b>	<b>\$ 110,351</b>	<b>\$ 112,660</b>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes	\$ 82,346	\$ 89,099	\$ 92,476	\$ 96,644	\$ 99,907	\$ 104,406	\$ 107,183	\$ 111,728	\$ 118,961	\$ 123,915
Licenses & Permits	15	16	15	11	11	12	12	11	12	13
Charges for Service	186	186	6,428	7,111	6,594	6,591	6,702	6,595	6,844	6,466
Other Local Revenue	1,924	3,577	6,584	1,255	743	518	432	317	407	326
State Revenues	101,319	112,189	133,203	140,433	144,467	153,732	156,628	165,852	177,327	175,350
Federal Revenues	15,477	15,826	15,593	17,784	24,958	32,939	29,669	25,586	26,193	24,265
Other Govt/Citizens	46,255	-	35,322	71,724	-	-	48,257	947	17,755	35,625
Total revenues	<u>\$ 247,522</u>	<u>\$ 220,893</u>	<u>\$ 289,621</u>	<u>\$ 334,962</u>	<u>\$ 276,680</u>	<u>\$ 298,198</u>	<u>\$ 348,883</u>	<u>\$ 311,036</u>	<u>\$ 347,499</u>	<u>\$ 365,960</u>
<b>Expenditures</b>										
Education										
Instruction	\$ 125,759	\$ 140,849	\$ 155,364	\$ 161,908	\$ 167,761	\$ 186,041	\$ 183,565	\$ 192,389	\$ 206,228	\$ 206,071
Support Services	63,264	67,680	76,848	82,531	82,355	89,164	90,621	92,795	99,697	100,128
Operational Services	5,211	6,298	13,970	14,089	15,070	17,602	18,696	18,745	20,152	18,418
Capital Outlay	347	150	666	38	124	2	-	35	74	41
Debt Service										
Principal	300	541	561	581	601	673	933	-	-	-
Interest	27	148	129	109	89	73	75	-	-	-
Other Debt Service	-	-	-	-	-	13	-	1,124	550	550
Capital Projects	40,587	40,975	46,557	43,803	38,137	13,724	23,020	29,265	11,900	17,531
	<u>\$ 235,495</u>	<u>\$ 256,641</u>	<u>\$ 294,095</u>	<u>\$ 303,059</u>	<u>\$ 304,137</u>	<u>\$ 307,292</u>	<u>\$ 316,910</u>	<u>\$ 334,353</u>	<u>\$ 338,601</u>	<u>\$ 342,739</u>
Excess of revenues over (under) expenditures	<u>\$ 12,027</u>	<u>\$ (35,748)</u>	<u>\$ (4,474)</u>	<u>\$ 31,903</u>	<u>\$ (27,457)</u>	<u>\$ (9,094)</u>	<u>\$ 31,973</u>	<u>\$ (23,317)</u>	<u>\$ 8,898</u>	<u>\$ 23,221</u>
<b>Other financing sources (uses)</b>										
Transfers in	\$ 3,972	\$ 3,942	\$ 7,433	\$ 1,836	\$ 724	\$ 907	\$ 244	\$ 278	\$ 847	\$ 223
Transfers out	(3,972)	(3,942)	(7,433)	(1,836)	(724)	(907)	(244)	(278)	(847)	(223)
Insurance Recovery	-	-	1	-	-	4	-	100	29	-
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	<u>\$ 4,090</u>	<u>\$ 500</u>	<u>\$ 563</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,613</u>	<u>\$ 514</u>	<u>\$ 100</u>	<u>\$ 29</u>	<u>\$ -</u>
Net change in fund balances	<u>\$ 16,117</u>	<u>\$ (35,248)</u>	<u>\$ (3,911)</u>	<u>\$ 31,903</u>	<u>\$ (27,457)</u>	<u>\$ (7,481)</u>	<u>\$ 32,487</u>	<u>\$ (23,217)</u>	<u>\$ 8,927</u>	<u>\$ 23,221</u>
Debt Service as a percentage of noncapital expenditures	0.2%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%	0.2%	0.2%
Capital expenditures	\$ 79,765	\$ 68,239	\$ 38,735	\$ 30,257	\$ 30,607	\$ 8,243	\$ 21,028	\$ 26,066	\$ 14,800	\$ 14,800

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Property Tax & PILOT	\$ 45,946	\$ 49,903	\$ 50,971	\$ 55,952	\$ 60,201	\$ 62,104	\$ 62,093	\$ 62,966	\$ 66,656	\$ 67,812
Sales Tax	32,452	35,001	37,056	36,381	35,359	37,676	40,313	43,563	45,970	49,976
Wheel Tax	2,900	3,006	3,202	3,215	3,214	3,255	3,321	3,430	3,538	3,654
Business Tax	1,022	1,164	1,227	1,077	1,120	1,360	1,442	1,750	1,726	1,960
	-	-	-	-	-	-	-	-	1,048	492
Other Statutory Tax	26	25	20	19	13	11	14	19	23	22
	<u>\$ 82,346</u>	<u>\$ 89,099</u>	<u>\$ 92,476</u>	<u>\$ 96,644</u>	<u>\$ 99,907</u>	<u>\$ 104,406</u>	<u>\$ 107,183</u>	<u>\$ 111,728</u>	<u>\$ 118,961</u>	<u>\$ 123,916</u>

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	
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%
2014	2013	2.5652	21,149,775,795	5,556,719,200	1,380,529,310	414,179,684	317,885,769	174,885,573	100.00%	22,848,190,874	6,145,784,457	26.90%
2015	2014	2.4867	21,958,803,500	5,835,198,655	1,454,341,773	436,351,047	343,768,392	189,072,616	100.00%	23,756,913,665	6,460,622,318	27.19%

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

Table 7

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

Fiscal Year Ending June 30	Tax Year	Rutherford County			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					City of Murfreesboro	Town of Smyrna	City of LaVergne	City of Eagleville	
2006	2005	\$ 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	2006**	0.4800	1.2900	0.6700	2.4400	0.1603	2.23	8.61%	1.4070	0.6800	0.5000	0.8700	5.8970
2008	2007	0.5100	1.2400	0.6900	2.4400	0.1586	2.24	8.20%	1.4070	0.8600	0.5000	0.9200	6.1270
2009	2008	0.5400	1.2800	0.7400	2.5600	0.1545	2.36	7.73%	1.4070	0.8600	0.5000	0.9200	6.2470
2010	2009	0.6800	1.3150	0.7400	2.7350	0.1537	2.53	7.39%	1.4070	0.8600	0.5000	0.9200	6.4220
2011	2010**	0.6509	1.1881	0.6262	2.4652	0.1482	2.2891	7.14%	1.2703	0.7595	0.5000	0.7512	5.7462
2012	2011	0.6809	1.1881	0.5962	2.4652	0.1498	2.2872	7.22%	1.2703	0.7595	1.0000	0.7512	6.2462
2013	2012	0.6809	1.1881	0.5962	2.4652	0.1430	2.2953	6.89%	1.2703	0.7595	1.0000	0.7512	6.2462
2014	2013	0.7409	1.2381	0.5862	2.5652	0.1424	2.3889	6.87%	1.2703	0.9095	1.0000	0.7512	6.4962
2015	2014	0.7182	1.2002	0.5683	2.4867	0.1494	2.3139	6.95%	1.2066	0.8840	1.0000	0.7282	6.3055

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

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

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

(3) Overlapping rates are those of local governments that apply to property owners within Rutherford County. Not all overlapping rates apply to all Rutherford County property owners 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, 2015

Taxpayer	Type of Business	2014			Percentage of Total Taxes Levied (2)	2005			Percentage of Total Taxes Levied (2)
		Rank	Assessed Valuation	2014 Tax Liability		Rank	Assessed Valuation	2005 Tax Liability	
Nissan Motor Mfg. Co. Automobile Maker		1	\$ 634,666,061	\$ 5,430,831	3.38%	1	\$ 216,458,574	\$ 4,438,717 (1)	4.22%
Middle Tennessee Electric Public Utility-Electric Company		2	65,520,432	1,629,297	1.01%	3	38,218,586	1,070,120	1.02%
Pillsbury Co./General Mills Bakery Goods		3	66,996,517	1,457,911	0.91%	4	35,846,875	1,003,712	0.95%
Heins Global Reit Retail Mall (The Avenues)		4	55,735,704	1,385,979	0.86%				
Bridgestone Tire Maker		5	50,912,635	1,266,045	0.79%	2	39,228,826	1,098,407	1.04%
Prologis Real Estate Development		6	48,036,240	1,194,518	0.74%				
Swanson Development Commerical Properties		7	32,396,615	810,823	0.51%				
HCA Health Services Stone Crest Medical Center		8	26,534,730	663,353	0.41%	7	19,838,691	555,483	0.53%
Transwestern Stones River Shopping Mall (Stones River Mall)		9	24,370,120	606,012	0.38%	10	11,483,200	321,529	0.31%
Wal-Mart Retail		10	18,887,552	469,677	0.29%				
CH Realty (formerly Southpark, Nashville, LLC) Warehousing						6	21,634,840	605,775	0.58%
BellSouth Public Utility-Telephone Co.						5	23,198,742	649,546	0.62%
Rich-Healy Bakery Goods						9	13,885,008	388,781	0.37%
Ozburn Hessey Storage Co. Warehousing						8	17,043,640	477,222	0.45%
					<u>9.29%</u>				<u>10.09%</u>

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

- (1) The taxes represent \$1,263,299 (2005 tax year) and \$835,889 (2014 tax year) collected on real and personal property not covered by the PILOT agreement. The remaining amounts of \$3,175,417 (2005) and \$4,594,942 (2014) represent net tax payments collected through payment in-lieu of tax agreements.
- (2) This information is presented instead of the percent of assessed value, since Nissan's payment is principally based on a payment in-lieu-of tax agreement that is not assessment driven.

Table 9

Rutherford County, Tennessee  
Property Tax Levies and Collections-By Tax Year  
Last Ten Fiscal Years  
As of June 30, 2015

<b>Tax Year</b>	<b>Total Tax Levy</b>	<b>Fiscal Year Tax Collections</b>	<b>Percent of Fiscal Year Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Ratio of Total Tax Collections to Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Ratio of Delinquent Taxes to Total Tax Levy</b>
2005 (2)	\$ 105,297,727	\$ 101,990,111	96.86%	\$ 3,275,549	\$ 105,265,660	99.97%	\$ 32,067	0.03%
2006 (2)	111,419,529	108,059,865	96.98%	3,267,952	111,327,817	99.92%	91,712	0.08%
2007	119,023,978	113,890,715	95.69%	4,997,961	118,888,676	99.89%	135,302	0.11%
2008	131,273,518	125,819,556	95.85%	5,286,549	125,819,556	95.85%	167,413	0.13%
2009	147,086,182	140,414,404	95.46%	6,322,255	140,414,404	95.46%	349,523	0.24%
2010	149,180,338	142,559,175	95.56%	6,324,006	142,559,175	95.56%	297,157	0.20%
2011	149,526,088	143,397,179	95.90%	5,836,331	143,397,179	95.90%	292,578	0.20%
2012	149,938,381	145,139,838	96.80%	4,412,754	145,139,838	96.80%	385,789	0.26%
2013	157,643,335	153,702,248	97.50%	2,877,494	153,702,248	97.50%	1,063,593	0.67%
2014	160,554,547	157,029,432	97.80%	(1)	157,029,432	97.80%	3,524,929	2.20%

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

<b>Fiscal Year</b>					
<b>Ending</b>	Tax				Tax
<b>June 30</b>	Year	Estimated	Assessed		Payments
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
2014	2013	2,153,933,838	735,080,954		6,351,606
2015	2014	2,104,185,762	722,166,495		6,055,327

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 10 companies in 2014-2015 with Nissan representing approximately 75.88% 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 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	(3)	Net Bonded Debt (3)	Assessed Value	% of Net Bonded Debt to Assessed Value	(1) Population	Bonded Debt per Capita	% of Bonded Debt to Total Personal Income (2)	Net Bonded Debt per Capita	% of Net Bonded Debt to Total Personal Income (2)
		Less: Amounts Available in Debt Service Funds			Assessed			Income (2)		Income (2)
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%
2014	356,302,259	0	356,302,259	6,145,784,457	5.80%	281,029	1,268	3.99%	1,268	3.99%
2015	361,267,344	0	361,267,344	6,460,622,318	5.59%	288,906	1,250	4.05%	1,250	4.05%

Sources: Table 6, Tennessee Dept. of Economic & Community Development, Census Bureau

(1) Population figures are estimated for all years except the 2011 fiscal year.

(2) See Table 13 for personal income data

(3) For fiscal periods 2011 through 2015, 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, 2015

		% of Estimated Property Value (1)	% of Assessed Property Value (1)
<b><u>Direct Debt</u></b>			
General Bonded Debt	\$ 359,770,000		
Capital Lease	113,658		
County School District of Rutherford (Notes)	398,974		
County School District of Rutherford (Cap. Lease)	984,712		
Less: General Debt Service Funds (2)	<u>(33,646,255)</u>		
 Total Direct Debt	 \$ 327,621,089	 100.00%	 100.00%
<b><u>Overlapping Debt</u></b>			
City of Murfreesboro	\$ 204,836,560	44.98%	47.20%
Town of Smyrna	19,584,036	17.98%	16.47%
City of LaVergne	15,197,258	11.24%	12.42%
City of Eagleville	<u>315,312</u>	0.29%	0.25%
 Total Overlapping Debt	 <u>239,933,166</u>		
 <b>Total Direct and Overlapping Debt</b>	 <b><u>\$ 567,554,255</u></b>		

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
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	33,050	9,070,704,700	32.1	39,671	6.3%
2014	281,029	33,350	9,372,317,150	32.1	40,861	5.8%
2015	288,906	35,113	10,144,356,378	32.1	41,376	5.1%

Source: University of Tennessee, Center for Business & Economic Research,  
Tennessee Department of Education, Bureau of Economic Analysis &  
Business and Economic Research Center, TACIR

(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	2015			2006		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Nissan Motor Manufacturing Corp. USA	8,000	1	5.15%	8,100	1	7.00%
Rutherford County Government & Board of Education	6,073	2	3.91%	4,136	2	3.58%
Middle Tennessee State University	2,205	3	1.42%	1,936	3	1.67%
National Health Corp	2,071	4	1.33%			
Ingram Book Company	2,000	5	1.29%	1,913	4	1.65%
City of Murfreesboro & Board of Education	1,912	6	1.23%			
State Farm Insurance	1,650	7	1.06%	1,506	6	1.30%
Amazon	1,550	8	1.00%			
St. Thomas Rutherford	1,400	9	0.90%			
Alvin C. York Veterans Administration Medical Center	1,300	10	0.84%	1,411	7	1.22%
Bridgestone/Firestone, Inc.				1,873	5	1.62%
Middle Tennessee Medical Center				1,300	8	1.12%
Assurion				1,200	9	1.04%
Cinram				1,125	10	0.97%
Total			<u>18.13%</u>			<u>21.17%</u>

Source: Rutherford County Chamber of Commerce

Table 15

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

Employees as of June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Function:</b>										
General Government	67	74	79	81	79	80	79	82	81	82
Finance	85	86	89	88	90	90	91	90	91	91
Justice	81	85	85	89	89	88	90	92	94	94
Public Safety	439	469	478	504	501	504	505	504	518	528
Health & Welfare	205	212	218	217	217	216	216	214	215	218
Agriculture	7	8	8	8	8	7	8	8	7	7
Other	3	3	3	3	3	3	3	3	3	3
Road & Bridge	77	77	77	77	70	72	64	64	64	64
<b>Total</b>	<b>964</b>	<b>1014</b>	<b>1037</b>	<b>1067</b>	<b>1057</b>	<b>1060</b>	<b>1056</b>	<b>1057</b>	<b>1073</b>	<b>1087</b>
<b>COMPONENT UNIT:</b>										
Education	2,779	3,098	3,987	4,129	4,332	4,555	4,609	4,681	4,841	4,912

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

Table 16

Rutherford County, Tennessee  
Operating Indicators by Function

FUNCTION	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>General Government</u></b>										
Registered Voters	121,222	123,350	132,477	141,090	144,150	142,856	148,849	149,445	153,131	151,276
Building Permits Issued										
Single Family Homes	996	811	623	314	388	305	410	582	581	638
All other permits	2,488	2,471	2,235	1,646	1,549	1,445	1,620	1,837	1,868	2,016
<b><u>Public Safety</u></b>										
Number of warrants										
State - Issued	N/A	N/A	N/A	N/A	N/A	13,436	13,568	14,200	14,707	15,557
State - Served	10,799	11,177	12,140	12,215	12,012	12,722	12,484	12,755	13,469	13,626
Civil - Issued	N/A	N/A	N/A	N/A	N/A	19,394	19,902	19,576	19,750	19,804
Civil - Served	17,516	17,499	19,101	19,966	19,795	19,069	19,054	19,273	19,240	19,542
<b><u>Public Health</u></b>										
Ambulance- Call Volume	16,993	17,923	19,378	18,600	19,724	22,119	24,331	24,877	26,015	28,700
Response Time -avg. minutes	8.00	7.79	7.83	8.02	7.70	7.60	7.60	7.80	7.80	8.00
Animal Control										
Requests for service	13,953	14,332	16,415	16,824	16,539	14,328	15,920	16,430	18,628	18,707
Animals Impounded	8,511	8,615	9,193	9,220	8,616	8,208	8,403	7,982	7,740	6,876
Animals Adopted	2,104	2,359	2,457	2,009	2,010	1,658	1,471	1,701	1,754	1,939
<b><u>Road &amp; Bridge</u></b>										
Street Resurfaced (miles)	62.8	58.9	62.3	54.4	57.4	55.9	56.2	37.9	52.3	35.1
<b><u>Sanitation</u></b>										
(tons per day)										
Refuse Collected	110.9	103.9	110.9	105.7	106.3	103.8	104.1	100.3	123.0	113.1
Recyclables Collected	11.2	8.1	7.5	8.1	8.3	12.4	14.9	15.0	14.1	13.6
Tires Collected	N/A	8.8	13.7							

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

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

Table 17

Rutherford County, Tennessee  
Capital Assets by Function

FUNCTION	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Highways and Streets</b>										
Number of Streets in System	1,829	1,914	1,962	2,004	2,034	2,039	2,039	2,071	2,108	2,150
Number of Miles	942	951	956	959	964	965	963	967	976	971
Number of Bridges	157	163	163	163	164	165	165	166	166	166
<b>Public Safety</b>										
Number of Correctional Facilities	3	3	3	3	3	3	3	3	3	3
<b>Health and Welfare</b>										
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	10	11	12	12	12	12	12	12	12	12
Number of ambulance units	20	22	24	24	25	25	25	25	27	29
Sanitation/Landfill										
Number of trucks	14	16	16	16	16	17	17	19	19	17
Health Department Facilities	2	2	2	2	2	2	2	2	2	2
<b><u>Facilities and Services Not Included in the Primary Government</u></b>										
<b>Education:</b>										
Form of Administration										
Number of Employees	3,264	3,487	3,988	4,129	4,332	4,555	4,609	4,681	4,841	4,912
Elementary Schools	21	22	23	23	24	24	24	24	24	24
Middle Schools	7	8	8	9	9	10	10	10	10	10
High Schools	7	7	7	7	7	7	7	7	8	8
K-12 School	1	1	1	1	1	1	1	1	1	1
Alternative School	2	2	2	2	2	2	2	2	2	2
Magnet School	-	-	-	-	-	1	1	1	1	1

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

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## **SINGLE AUDIT SECTION**

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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, 2015, 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 4, 2015. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Community Care of Rutherford County, Inc., and the Emergency Communications District, as described in our report on Rutherford County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Rutherford County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rutherford County's internal control. Accordingly, we do not express an opinion on the effectiveness of Rutherford County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be

prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2015-001, 2014-003(A,B), and 2015-004.

### **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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-002, 2015-003(C), and 2015-005.

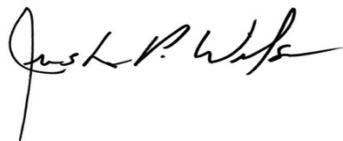
### **Rutherford County's Responses to Findings**

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

### **Purpose of this Report**

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

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

November 4, 2015

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 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, 2015. 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, 2015.

### **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.

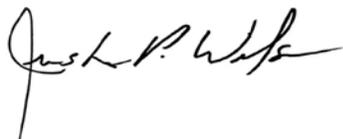
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2015, and the related notes to the financial statements, which collectively comprise Rutherford County's basic financial statements. We issued our report thereon dated November 4, 2015, 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

November 4, 2015

JPW/yu

Rutherford County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2015

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	\$ 2,088,042
National School Lunch Program	10.555	(2)	7,362,461 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	340,423 (3)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-11-33797-00	10,995
Total U.S. Department of Agriculture			<u>\$ 9,801,921</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 39,015
Total U.S. Department of the Interior			<u>\$ 39,015</u>
U.S. Department of Justice:			
Direct Program:			
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	N/A	\$ 60,571
Equitable Sharing Program	16.922	N/A	104,751
Passed-through State Department of Finance and Administration:			
Violence Against Women Formula Grants	16.588	19133; 22139	89,310
Passed-through City of Murfreesboro:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-H1674-TN-DJ	33,545
Total U.S. Department of Justice			<u>\$ 288,177</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	Z-15-GHS302-00	\$ 24,201
Alcohol Open Container Requirements	20.607	Z-14-GHS295-00	96,121 (4)
Alcohol Open Container Requirements	20.607	Z-15-GHS301-00	77,749 (4)
National Priority Safety Programs	20.616	Z-14-GHS294-00	65,504
Total U.S. Department of Transportation			<u>\$ 263,575</u>
National Endowment for the Arts:			
Passed-through Tennessee Arts Commission:			
Promotion of the Arts - Partnership Agreements	45.025	31625-24485	\$ 5,400
Total National Endowment for the Arts			<u>\$ 5,400</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(2)	\$ 320,636
Passed-through Tennessee Alliance for Children and Families:			
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	(2)	68,594
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	(2)	4,399,235
Special Education Cluster:			
Special Education - Grants to States	84.027	(2)	7,350,556
Special Education - Preschool Grants	84.173	(2)	104,812
Career and Technical Education - Basic Grants to States	84.048	(2)	555,696
Education for Homeless Children and Youth	84.196	(2)	179,904
English Language Acquisition Grants	84.365	(2)	247,621
Implementing Effective Mathematics	84.366	(2)	37,394
Improving Teacher Quality State Grants	84.367	(2)	480,838
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	266,742
Total U.S. Department of Education			<u>\$ 14,012,028</u>

(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. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	30510-00213-28	\$ 25,024
Total U.S. Election Assistance Commission			\$ 25,024
U.S. Department of Homeland Security:			
Direct Program:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	\$ 742,859
Passed-through Tennessee Emergency Management Agency:			
Hazard Mitigation Grant	97.039	34101-47012	39,411
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	34101-06814	69,350
Homeland Security Grant Program	97.067	13914	128,469
Total U.S. Department of Homeland Security			\$ 980,089
Total Expenditures of Federal Awards			\$ 25,415,229
		Contract Number	
<u>State Grants</u>			
Juvenile Court Prevention - State Department of Children Services	N/A	(2)	\$ 417,696
Community Early Intervention Services - State Department of Children Services	N/A	35910-20376	42,381
Juvenile Justice - State Commission on Children and Youth	N/A	(2)	9,000
Adult Education - State Department of Labor and Workforce	N/A	Z-10-218544-00	99,678
Tennessee Certified Recovery Court Program - State Department of Finance and Administration	N/A	(2)	107,500
Clean Tennessee Energy Grant Program - State Department of Environment and Conservation	N/A	32701-02031	21,803
Clean Tennessee Energy Grant Program - State Department of Environment and Conservation	N/A	32701-0000101838	46,665
Student Ticket Subsidy (STS) Grant - Tennessee Arts Commission	N/A	(2)	13,545
Early Childhood Education - State Department of Education	N/A	(2)	995,177
Coordinated School Health - State Department of Education	N/A	(2)	180,000
Safe Schools - State Department of Education	N/A	(2)	197,205
Energy Efficiency Schools Initiative Grant - State Department of Education	N/A	(2)	11,794
Rural Local Health Services - State Department of Health	N/A	(2)	1,776,049
Law Enforcement Training - State Department of Safety	N/A	(2)	135,600
Litter Program - State Department of Transportation	N/A	Z-15-LIT075	95,100
Recycling Program - State Department of Environment and Conservation	N/A	(2)	23,188
Waste Tire Program - State Department of Environment and Conservation	N/A	Z-08-212965-02	194,110
Total State Grants			\$ 4,366,491

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 \$7,702,884.  
(4) Total for CFDA No. 20.607 is \$173,870.

Rutherford County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2015

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. Presented below is a finding from the Comprehensive Annual Financial Report for Rutherford County, Tennessee, for the year ended June 30, 2014, which has not been corrected.

**OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-003	291	The office had accounting software deficiencies

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**RUTHERFORD COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2015**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. Our report on the financial statements of Rutherford County is unmodified.
2. The audit of the financial statements disclosed significant deficiencies in internal control. None of these deficiencies was considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Rutherford County.
4. The audit reported 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), Title I Grants to Local Educational Agencies (CFDA Nos. 84.010), and State Fiscal Stabilization Fund (SFSSF) - Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$762,457 threshold was used to distinguish between Type A and Type B federal programs.
9. Rutherford County qualified 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 responses of the county mayor, finance director, and the circuit, general sessions, and juvenile courts clerk are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

### OFFICE OF COUNTY MAYOR

#### FINDING 2015-001

#### **MULTIPLE EMPLOYEES OF THE BUILDING AND CODES DEPARTMENT OPERATED FROM THE SAME CASH DRAWER**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Multiple employees operated from the same cash drawer in the Building and Codes Department. 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, management would not be able to determine who was responsible for the shortage because multiple employees were working from the same cash drawer. This deficiency is the result of management's decisions and could result in a loss of control over assets.

#### RECOMMENDATION

Management should assign each employee their own cash drawer.

#### MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE

The Building Codes Department now has separate drawers for each person collecting receipts. They currently are sharing the \$50 petty cash for their change - \$25 for each drawer. We will be assessing if \$25 is an adequate amount of change. We intend to add a third drawer to assist with collections during the lunch period.

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#### FINDING 2015-002

#### **SOME BUILDING AND CODES DEPARTMENT FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION**

(Noncompliance Under *Government Auditing Standards*)

The Building and Codes Department did not deposit some funds within three days of collection. Section 5-8-207, *Tennessee Code Annotated*, requires county officials to deposit public funds with the county trustee within three days of collection. In several instances

during the period under examination, collections were held in the office up to six days before being deposited with the county trustee. This deficiency was the result of a lack of management oversight. The delay in depositing funds increases the risks of fraud and misappropriation.

#### RECOMMENDATION

Officials should ensure that all funds are deposited with the county trustee within three days of collection as required by state statute.

#### MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE

During testwork, the auditors informed the staff of the need to deposit within three days. Based on a review of deposits from this department, it appears that deposits are currently being made within three days.

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#### OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

##### FINDING 2015-003

##### **DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF ACCOUNTING RECORDS**

(A. and B. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; C. – Noncompliance Under *Government Auditing Standards*)

In September 2014, the clerk's office installed a new software application. It was subsequently determined that this new software application could not produce a general ledger module that properly accounted for all transactions. Additionally, the software application did not allow users to print checks. After unsuccessfully working to correct these problems, the office subsequently returned to its previous software vendor in November 2014. The following deficiencies were noted as a result of the aborted software changeover:

- A. The office receipted payments between September and November 2014 and properly deposited the funds into the official bank accounts; however, employees were unable to post the collections to the appropriate general ledger accounts due to the software's inadequacy. Sound accounting procedures dictate that accounting records should be maintained accurately to reflect the account balances. After returning to the previous software application, all previously receipted transactions were manually re-entered into the software application. This procedure was time-consuming, and an accurate general ledger was not available until March 2015.
- B. The office did not properly reconcile the general ledger with the bank accounts. Since the accounting system could not produce a general ledger, it was not possible to reconcile the monthly bank statements. The office resumed reconciling the bank statements with the general ledger after the software transition. Sound business practices dictate that bank statements

should be reconciled with the general ledger monthly to ensure errors are identified and corrected promptly. The failure to regularly reconcile the general ledger cash accounts increases the risk that errors may occur and not be detected.

- C. The office failed to file litigation fines and fees reports and litigation tax reports with the Tennessee Department of Revenue in a timely manner. These reports were consistently filed late during the period September 2014 to May 2015 for the Circuit, General Sessions, and Juvenile Courts. As a result of these late filings, the Circuit and General Sessions Courts were assessed penalties and interest of \$158,363 and \$16,772, respectively.

These deficiencies were in part attributable to the failure of management to ensure that the software vendor designed the system to accurately post and reconcile items with the general ledger application timely, and the failure to promptly correct any errors discovered. Inaccurate accounting records increase the risk of misappropriation of funds.

#### RECOMMENDATION

Management should have appropriate processes in place to ensure that the general ledgers are materially correct. The office should ensure that the official bank accounts are reconciled monthly with the general ledgers, and any errors that are detected should be corrected promptly. Litigation tax reports should be filed timely to avoid penalty and interest charges.

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

Prior to my election to the position of Circuit Court Clerk in August 2014, the previous court clerk had been working for close to two years to implement a new software system that, in the end, cost the taxpayers of Rutherford County close to \$1,000,000 in equipment, labor and overhead costs. Despite the previous court clerk's attempt to launch the software sooner, there were delays and a launch date and time for this new software was set for 8 a.m. on Tuesday, September 2, 2014. This launch date coincided with my first work day in public office and two days after the previous court clerk left office. After being elected and prior to my first day in office, I requested a delay in the implementation date to better assess the situation. My office was granted a one week delay in the software implementation date. During this week, I received assurances that any deficiencies in the software that had been identified to date were corrected and that time to implement the new software was of the essence. Based on these assurances that I was provided, the software conversion commenced.

To specifically address each point of this audit finding:

- A. I completely agree with the State Comptroller's finding that the software, that was selected and purchased *prior* to my election to this office, was inadequate and unable to receipt payments. When it became evident that the software was not performing correctly, I refused to authorize any additional

payments to the vendor until the issues were corrected, which time proved never to happen.

- B. I completely agree with the State Comptroller's finding that the software, that was selected and purchased *prior* to my election to this office, could not produce a general ledger, thereby making it impossible for the court clerk bookkeepers to reconcile bank accounts. Once the office returned to the previous software application, the general ledger was able to be balanced and all bank accounts reconciled for all months of the fiscal year.
- C. As soon as I ascertained that the new software was incapable of producing a general ledger and that the court clerk bookkeepers would not be able to close the books for the month of September 2014, and prior to the September monthly tax forms being delinquent, I made the county mayor aware of this issue. He contacted the State Commissioner of Revenue, who assured us that, since this issue was caused by software problems and by no means was intentional on the part of the county staff, that the State would waive these late penalties and interest payments once we were caught up with our payments,. All court offices are now current with all tax filings and we are working with the State Commissioner of Revenue to receive a full refund of these late penalties and interest payments. I thank and commend Ernest Burgess, the County Mayor, for his assistance with recuperating these funds.

I also agree with this audit finding that these deficiencies were in part attributable to the failure of management to ensure the software vendor *designed* the system to accurately post and reconcile items with the general ledger. This design failure took place *prior* to me assuming this office on September 1, 2014, as the final launch date for the software was September 2, 2014. While I allowed this software to operate for two months in my office, I did not see how I could not give this software a complete and full chance to work, in the face of the time and tax money that was invested into it *prior* to me assuming office. That said, when it became clearly evident, as noted and confirmed in these audit findings from the State Comptroller, that the software proved to be inadequate and unable to perform the needed accounting functions, I took immediate action to correct the situation.

In closing, I would like to thank the staff of my office for their hard work and perseverance during this ordeal. Any future changes/updates to software in the court clerk offices, as long as I am in this position, will be thoroughly vetted and reviewed by the county information technology staff and will not be a software solution that has not already been well proven in other Tennessee county court clerk offices. Additionally, the public has my complete assurance that the court clerk staff, the county judges, and the county information technology office's recommendations and advice will be *welcomed* by me and *listened to* intently. My goal is to have a cost-effective, efficient, and proven in Tennessee, solution for the software needs of the Rutherford County Court Clerk's Office.

FINDING 2015-004

**THE OFFICE HAD ACCOUNTING SOFTWARE DEFICIENCIES**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination noted the following deficiencies in the software system currently in use:

- 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 was to occur. Sound business practices dictate that each transaction be identified to the individual creating the transaction.
  
- B. Users could receipt collections to a prior date. These collections would not appear on the current day's collection report but would instead create a skip in the receipt number sequence listed on the report. Because users could reset the receipt numbers, a skip in sequence would not be an effective means to account for backdated receipts. Since the vendor did not design the system with adequate controls, inappropriate system activity could occur. Sound business practices dictate that proper application controls be implemented.

These deficiencies are a result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the application that would identify the user that performed each transaction and to properly account for any backdated receipts.

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

I agree with the audit finding and while the current system has these weaknesses, I am implementing procedures to address these system deficiencies and to enhance the internal controls over the court clerk operations while this office begins a review of a long-term solution of these issues. As noted previously, any future software upgrade will be thoroughly vetted out prior to implementation.

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**OFFICE OF SHERIFF**

**FINDING 2015-005**

**DISCREPANCIES IN OPERATIONS OF THE  
RUTHERFORD COUNTY SHERIFF'S DEPARTMENT  
ARE CURRENTLY BEING INVESTIGATED**

(Noncompliance Under *Government Auditing Standards*)

An investigation by a law enforcement agency is ongoing in the Rutherford County Sheriff's Office. Findings, if any, resulting from the investigation will be included in a subsequent report.

**PART III, FINDINGS AND QUESTIONED  
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal awards.

## **BEST PRACTICE**

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Rutherford County.

### **RUTHERFORD COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF PURCHASING**

Rutherford County does not have a central system of purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the purchasing process. The absence of a central system of purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Rutherford County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of purchasing covering all county departments.

**RUTHERFORD COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2015**

There were no audit findings relative to federal awards presented in the prior- or current-years' Schedules of Findings and Questioned Costs.