

SUPPLEMENT
dated January 3, 2025

to the

OFFICIAL STATEMENT
dated December 17, 2024

relating to

\$20,130,000
RUTHERFORD COUNTY, TENNESSEE
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2025A

This Supplement, dated January 3, 2025 (this “Supplement”), supplements the attached Official Statement, dated December 17, 2024 (the “Official Statement”), of Rutherford County, Tennessee (the “County”) relating to the above-captioned bonds (the “Bonds”). This Supplement revises certain information included in the Official Statement as described below. The Official Statement, as amended and supplemented by this Supplement, constitutes the entire Official Statement. The Official Statement is not amended or supplemented except as set forth herein. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Official Statement.

Inclusion of Fiscal Year 2024 Audited Annual Financial Report; No Material Changes from Fiscal Year 2024 Unaudited Amounts. On December 23, 2024, the County’s Annual Comprehensive Financial Report for the year ended June 30, 2024 (the “Fiscal Year 2024 Annual Financial Report”), was released by the Division of Local Government Audit of the Office of the Tennessee Comptroller of the Treasury. Included in this Supplement is an appendix with a link to the Fiscal Year 2024 Annual Financial Report, and such appendix shall be hereafter deemed Appendix D to the Official Statement. The Fiscal Year 2024 Annual Financial Report contains no material changes from the corresponding unaudited fiscal year 2024 amounts presented in the Official Statement.

The Table of Contents page of the Official Statement is hereby revised to list “Annual Comprehensive Financial Report of the County for the Fiscal Year Ended June 30, 2024” as “Appendix D.” All references in Appendix B of the Official Statement to the Annual Comprehensive Financial Report of the County for the year ended June 30, 2023, in Appendix C, shall now include references to the Fiscal Year 2024 Annual Financial Report in Appendix D.

With the inclusion of the Fiscal Year 2024 Annual Financial Report in the Official Statement, the reference to “June 30, 2024” in the first paragraph under the section heading “Continuing Disclosure – General” in the Official Statement is hereby revised to “June 30, 2025” to provide that the first fiscal year for which the County will covenant in the Disclosure Agreement to provide certain financial information and operating data relating to the County will now be the fiscal year ended June 30, 2025.

APPENDIX D

Annual Comprehensive Financial Report of Rutherford County, Tennessee for the Year Ended June 30, 2024

The Annual Comprehensive Financial Report of Rutherford County, Tennessee, for the year ended June 30, 2024, is available from the website of the Comptroller of the Treasury of the State of Tennessee at the below link and is hereby incorporated as Appendix D to the Official Statement. To the extent there are any differences between the electronically posted financial statements of the County and the printed financial statements of the County, the printed version shall control.

<https://comptroller.tn.gov/content/dam/cot/la/documents/county/2024/FY24RutherfordACFR.pdf>

OFFICIAL STATEMENT

New Issue
Book-Entry Only

Ratings: Moody's "Aaa"
S&P "AA+"

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Under existing law and subject to certain exceptions, the Bonds and the income therefrom will be exempt from state, county and municipal taxation in the State of Tennessee. (See "Tax Matters" herein).

\$20,130,000

RUTHERFORD COUNTY, TENNESSEE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2025A

Dated: Date of Issuance (January 8, 2025)

Due: April 1, as shown below

Rutherford County, Tennessee (the "County") will issue its \$20,130,000 General Obligation Refunding Bonds, Series 2025A (the "Bonds") in fully registered form, without coupons, and, when issued, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases of beneficial ownership interest in the Bonds will be made in book-entry form only, in denominations of \$5,000 or multiples thereof through DTC Participants. Interest on the Bonds will be payable semiannually on April 1 and October 1 of each year, commencing on April 1, 2025, calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payments of principal of and interest on the Bonds are to be made to purchasers by DTC through the Participants (as such term is herein defined). Purchasers will not receive physical delivery of Bonds purchased by them. See "The Bonds—Book-Entry-Only System." Principal of and interest on the Bonds are payable by the County to the designated trust office of U.S. Bank Trust Company, National Association, Nashville, Tennessee, as registration and paying agent (the "Registration Agent").

The Bonds are not subject to optional redemption (See "The Bonds – Redemption" herein). The Bonds are payable on April 1 of each year as follows:

Maturity (April 1)	Principal	Interest Rate	Yield	CUSIP Number*	Maturity (April 1)	Principal	Interest Rate	Yield	CUSIP Number*
2026	\$4,075,000	5.000%	2.770%	783244NN2	2030	\$1,855,000	5.000%	2.750%	783244NS1
2027	4,165,000	5.000	2.690	783244NP7	2031	1,955,000	5.000	2.780	783244NT9
2028	4,260,000	5.000	2.700	783244NQ5	2032	2,050,000	5.000	2.820	783244NU6
2029	1,770,000	5.000	2.720	783244NR3					

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged (See "The Bonds – Security and Sources of Payment" and "Levy of Tax" herein).

The Bonds are offered when, as and if issued, subject to the approval of the legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the County by Nicholas C. Christiansen, Esq., County Attorney. Stephens Inc. is serving as Municipal Advisor to the County. The Bonds, in book-entry form, are expected to be available for delivery through The Depository Trust Company in New York, New York, on or about January 8, 2025.

December 17, 2024

*Copyright, American Bankers Association (the "ABA"). CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds, and the County makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the “Official Statement”) by Rutherford County, Tennessee (the “County”), is an Official Statement with respect to the Bonds described herein that is deemed final by the County as of the date hereof (or of any such supplement or amendment).

No dealer, broker, salesman or other person has been authorized by the County or by Stephens Inc. (the “Municipal Advisor”) to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the County or the Bonds must not be relied upon as having been authorized by the County or the Municipal Advisor. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date as of which information is given in this Official Statement.

In making an investment decision investors must rely on their own examination of the County and the terms of the offering, including the merits and risks involved. No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

The material contained herein has been obtained from sources believed to be current and reliable, but the accuracy thereof is not guaranteed. The Official Statement contains statements which are based upon estimates, forecasts, and matters of opinion, whether or not expressly so described, and such statements are intended solely as such and not as representations of fact. All summaries of statutes, resolutions, and reports contained herein are made subject to all the provisions of said documents. The Official Statement is not to be construed as a contract with the purchasers of any of the Rutherford County, Tennessee General Obligation Refunding Bonds, Series 2025A.

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**RUTHERFORD COUNTY, TENNESSEE
Rutherford County Courthouse
Suite 101, Public Square
Murfreesboro, Tennessee 37130**

Officials

Joe Carr
County Mayor

Board of Commissioners

Jeff Phillips - Chairman

Hope Oliver
Steve Percy
Michael Wrather
Robert Peay, Jr.
Laura Davidson
Jonathan Beverly
Michael Kusch
Pettus Read
Joshua James
Phil Wilson

Anthony Johnson
Carl Boyd
Paul Johnson
Wayne Irvin
Craig Harris
Phil Dodd
Allen McAdoo
Romel McMurry
Trey Gooch
Chantho Sourinho

County Officials

Assessor of Property
County Clerk
Budget and Finance Director
Director of Schools
Register of Deeds
Sheriff
Superintendent of Highways
Trustee

Rob Mitchell
Lisa Duke Crowell
Michael Smith
James Sullivan
Heather Dawbarn
Mike Fitzhugh
Greg Brooks
Thomas E. Batey

County Attorney

Nicholas C. Christiansen
Murfreesboro, Tennessee

Bond Counsel

Bass, Berry & Sims PLC
Nashville, Tennessee

Registration and Paying Agent

U.S. Bank Trust Company, National Association
Nashville, Tennessee

Municipal Advisor

Stephens Inc.
Nashville, Tennessee

Underwriter

Piper Sandler & Co.
Minneapolis, Minnesota

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Summary Statement

This Summary is expressly qualified by the entire Official Statement, which should be viewed in its entirety by potential investors.

ISSUER	Rutherford County, Tennessee (the “County”).
ISSUE	\$20,130,000 General Obligation Refunding Bonds, Series 2025A (the “Bonds”).
PURPOSE	The Bonds are being issued to provide funds to (i) refund all of the County’s outstanding General Obligation Refunding and Improvement Bonds, Series 2015A, dated May 14, 2015, maturing April 1, 2026 through April 1, 2032, and General Obligation Refunding Bonds, Series 2015B, dated May 14, 2015, maturing April 1, 2026 through April 1, 2028; and (ii) pay costs incident to the issuance and sale of the Bonds. See “The Bonds – Description” herein.
DATED DATE	Date of Delivery of Bonds (January 8, 2025).
INTEREST DUE	Each April 1 and October 1, commencing April 1, 2025.
PRINCIPAL DUE	April 1, 2026, through April 1, 2032.
OPTIONAL REDEMPTION	The Bonds shall not be subject to redemption prior to maturity at the option of the County. See “The Bonds – Redemption” herein.
SECURITY	The Bonds shall be payable from unlimited <u>ad valorem</u> taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged. See “The Bonds – Security and Sources of Payment” herein.
RATINGS	“Aaa” by Moody’s Investors Service (“Moody’s”) and “AA+” by S&P Global Ratings, a Division of Standard & Poor’s Financial Services LLC (“S&P”) based on documents and other information provided by the County. The ratings reflect only the view of Moody’s and S&P and neither the County, the Municipal Advisor nor the Underwriter make any representations as to the appropriateness of such ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be lowered or withdrawn. Any such downward change in or withdrawal of the ratings may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the ratings may be obtained from Moody’s and S&P. See “Ratings” herein.
TAX MATTERS	In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue

Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).

REGISTRATION AND PAYING

AGENT U.S. Bank Trust Company, National Association, Nashville, Tennessee.

MUNICIPAL ADVISOR..... Stephens Inc., Nashville, Tennessee.

UNDERWRITER..... Piper Sandler & Co., Minneapolis, Minnesota.

Official Statement

\$20,130,000

Rutherford County, Tennessee

General Obligation Refunding Bonds, Series 2025A

Introduction

The Official Statement, including the cover page and appendices hereto, is furnished in connection with the issuance by Rutherford County, Tennessee (the “County”) of \$20,130,000 General Obligation Refunding Bonds, Series 2025A (the “Bonds”).

The Bonds are being issued under and in full compliance with the constitution and statutes of the State of Tennessee (the “State”), including Sections 9-21-101 *et seq.*, Tennessee Code Annotated and a bond resolution duly adopted by the Board of County Commissioners on November 14, 2024 (the “Resolution”).

This Official Statement includes descriptions of, among other matters, the Bonds, the Resolution, and the County. Such descriptions and information do not purport to be comprehensive or definitive. All references to the Resolution are qualified in their entirety by reference to the definitive document, including the form of the Bonds included in the Resolution. During the period of the offering of the Bonds, copies of the Resolution and any other documents described herein or in the Resolution may be obtained from the County. After delivery of the Bonds, copies of such documents will be available for inspection at the County Mayor's office. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Resolution.

The Bonds

Description

The Bonds are being issued to provide funds to (i) refund all of the County’s outstanding General Obligation Refunding and Improvement Bonds, Series 2015A, dated May 14, 2015, maturing April 1, 2026 through April 1, 2032, and General Obligation Refunding Bonds, Series 2015B, dated May 14, 2015, maturing April 1, 2026 through April 1, 2028 (collectively, the “Outstanding Bonds”); and (ii) pay costs incident to the issuance and sale of the Bonds.

The Bonds will be issued as fully registered book-entry Bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated their date of issuance. Interest on the Bonds, at the rates per annum set forth on the cover page and calculated on the basis of a 360-day year, consisting of twelve 30-day months, will be payable semiannually on April 1 and October 1 of each year (herein an “Interest Payment Date”), commencing April 1, 2025.

The Bonds will mature on the dates and in the amounts set forth on the cover page.

The Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds.

U.S. Bank Trust Company, National Association, Nashville, Tennessee (the “Registration Agent”) will make all interest payments with respect to the Bonds on each Interest Payment Date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of

the close of business on the fifteenth day of the month next preceding the Interest Payment Date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the County to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: The County shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the County shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall not be more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolution or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the County to punctually pay or duly provide for the payment of principal of and interest on the Bonds when due.

Redemption

The Bonds are not subject to redemption prior to maturity at the option of the County.

Security and Sources of Payment

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

Levy of Tax

Pursuant to the Resolution, the County has covenanted to annually levy and collect a tax upon all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay principal of and interest on the Bonds when due, and levy a direct annual tax in such amount as may be found necessary each year to pay principal and interest coming due on the Bonds in said year. Principal and interest falling due at any time when there are insufficient funds on hand from this tax levy will be paid

from the current funds of the County and reimbursement therefor will be made out of the taxes provided for under the Resolution to be levied when collected. Such tax may be reduced to the extent of any appropriations from other legally available funds, taxes and revenues of the County, to the payment of debt service on the Bonds.

Under Tennessee law, the County's legislative body is authorized to levy a tax on all taxable property within the County, or a portion thereof, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount. For a more complete statement of the general covenants and provisions pursuant to which the Bonds are issued, reference is made to the Resolution.

Discharge and Satisfaction of Bonds

The Bonds may be discharged and defeased in any one or more of the following ways:

(a) By depositing sufficient funds as and when required with the Registration Agent, to pay the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity date;

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the County shall also pay or cause to be paid all other sums payable under the Resolution, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied.

If the County pays and discharges the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners of such Bonds shall thereafter be entitled only to payment out of the money or Defeasance Obligations.

Defeasance Obligations are direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Remedies of Bondholders

Under Tennessee law, any Bondholder has the right, in addition to all other rights:

(1) By mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce its rights against the County, including, but not limited to, the right to require the County to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the County to carry out any other covenants and agreements, or

(2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such Bondholder.

Book-Entry-Only System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has S&P’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of County or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the County or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that County believes to be reliable, but County takes no responsibility for the accuracy thereof.

THE COUNTY AND THE REGISTRATION AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OR ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

Plan of Refunding

As provided herein, the proceeds of the Bonds (other than proceeds used to pay issuance costs) will be used to refund all of the Outstanding Bonds.

Proceeds of the Bonds not used to pay issuance costs will be used to refund all of the Outstanding Bonds. Pursuant to a Refunding Escrow Agreement (the "Escrow Agreement") between the County and U.S. Bank Trust Company, National Association, Nashville, Tennessee (the "Escrow Agent"), a portion of the proceeds of the Bonds will either be held in cash or used to purchase United States Treasury Obligations or such other obligations permitted under Tennessee law (the "Escrow Investments"). Said cash or Escrow Investments, as applicable, will be held in a separate fund established by the Escrow Agent with said cash or, if applicable, the principal amount of the Escrow Investments, being sufficient to pay principal of and interest on the Outstanding Bonds so refunded. None of any cash held in escrow pursuant to the Escrow Agreement or the principal of or the interest on the Escrow Investments will be available for payment of the Bonds. The County, or the Escrow Agent, as applicable, will give the paying agent for the Outstanding Bonds irrevocable directions to redeem the Outstanding Bonds so refunded within 90 days of the delivery date of the Bonds.

Pursuant to the Resolution, the County is authorized to use monies in its Debt Service Fund, in an amount not to exceed \$10 million, to redeem all or a portion of the County's outstanding General Obligation Refunding and Improvement Bonds, Series 2015A and General Obligation Refunding Bonds, Series 2015B that are not refunded with proceeds of the Bonds.

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Bonds.

Sources of Funds

Par Amount	\$20,130,000.00
Reoffering Premium	1,515,852.75
Issuer Contribution	<u>248,409.01</u>
Total Sources	<u>\$21,894,261.76</u>

Uses of Funds

Deposit to Refunding Escrow Fund	\$21,711,163.29
Costs of Issuance (includes Underwriter's Discount and Expenses)	<u>183,098.47</u>
Total Uses	<u>\$21,894,261.76</u>

Ratings

The Bonds have been assigned ratings of "Aaa" by Moody's Investors Service, Inc. ("Moody's") and "AA+" by S&P Global Ratings, a Division of Standard & Poor's Financial Services LLC ("S&P"), based on documents and other information provided by the County. The ratings reflect only the views of Moody's and S&P, and the County, the Municipal Advisor and the Underwriter make no representation as to the appropriateness of such ratings.

There is no assurance that such ratings will continue for any given period of time or that they will not be lowered or withdrawn entirely. Any such downward change in or withdrawal of the ratings may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the ratings may be obtained from Moody's and S&P.

Continuing Disclosure

General

The County will at the time the Bonds are delivered execute a Continuing Disclosure Agreement (“Disclosure Agreement”) under which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the County by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2024 (the “Annual Report”), and to provide notice of the occurrence of certain enumerated events and timely notice of failure to provide any required financial information of the County. The Annual Report (and audited financial statements, if filed separately) and notices described above will be filed by the County with the Municipal Securities Rulemaking Board (“MSRB”) at www.emma.msrb.org (“EMMA”) and with any State Information Depository which may be established in Tennessee (the “SID”). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriters in complying with SEC Rule 15c2-12(b), as it may be amended from time to time (the “Rule”). The County has not failed to comply in any material respect with previous continuing disclosure undertakings in the past five years.

Annual Report

The County’s Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the Issuer for the fiscal year, prepared in accordance with generally accepted accounting principles; provided, however, if the County’s audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available. The Annual Report shall also include the following information included in Appendix B to this Official Statement (which data may be presented in a format other than as set forth in the Official Statement) as follows.

1. "Summary of Outstanding Debt ";
2. "Debt Statement ";
3. "Per Capita Debt Ratios";
4. "Debt Ratios";
5. "Debt Trend";
6. "Debt Service Requirements";
7. "Property Valuation and Property Tax";
8. "Top Taxpayers";
9. "Fund Balances”;
10. "Local Sales Tax Collections"; and
11. "Wheel Tax.”

Any required disclosure may be incorporated by reference to other documents filed with the MSRB on EMMA or by such other method as may be subsequently determined by the MSRB. The County shall clearly identify each such other document so incorporated by reference. The County will provide, in a timely manner, notice of failure to provide the required annual financial information described above on or before the date specified above.

Reporting of Significant Events

The County will file notice of Listed Events (as defined in (3) below) with the MSRB and SID, if any, as follows:

1. Upon the occurrence of a Listed Event, the County shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such event, file a notice of such occurrence with the MSRB and SID, if any.
2. For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the County shall determine the materiality of such event as soon as possible after learning of its occurrence.
3. The following are the Listed Events:
 - a. Principal and interest payment delinquencies;
 - b. Non-payment related defaults, if material;
 - c. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - d. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - e. Substitution of credit or liquidity providers, or their failure to perform;
 - f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
 - g. Modifications to rights of Bondholders, if material;
 - h. Bond calls, if material, and tender offers;
 - i. Defeasances;
 - j. Release, substitution, or sale of property securing repayment of the securities, if material;
 - k. Rating changes;
 - l. Bankruptcy, insolvency, receivership or similar event of the obligated person;
 - m. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive

agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- o. Incurrence of a financial obligation (as defined by the Rule) of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material; and
- p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation (as defined by the Rule) of the County, any of which reflect financial difficulties.

Termination of Reporting Obligation

The County's obligations under the Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Amendment

Notwithstanding any other provision of the Disclosure Agreement, the County may amend the Disclosure Agreement, provided that the following conditions are satisfied:

- (a) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body;
- (b) the amendment is in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted;
- (c) the Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (d) the amendment does not materially impair the interests of beneficial owners or registered owners, as determined either by parties unaffiliated with the County (such as bond counsel), or by approving vote of the beneficial owners and registered owners pursuant to the terms of the Resolution at the time of the amendment.

In the event of any amendment to the Disclosure Agreement, the County shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Default

In the event of a failure of the County to comply with any provision of the Disclosure Agreement, any Bondholder or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under the Disclosure Agreement. A default under the Disclosure Agreement shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Disclosure Agreement in the event of any failure of the County to comply with the Disclosure Agreement shall be an action to compel performance.

Investment Considerations

General

The purchase of the Bonds is subject to a number of investment considerations. The following is a discussion of certain investment considerations, which, among others, could affect the ability of the County to pay the principal of and interest and premium, if any, on the Bonds and which could also affect the marketability of, or the market price for, the Bonds. Such discussion is not, and is not intended to be, a comprehensive compilation of all possible investment considerations nor a substitute for an independent evaluation of the information presented in this Official Statement, including the Appendices attached hereto. Each prospective purchaser of any Bond should read this Official Statement, including the Appendices attached hereto, in its entirety and consult such prospective purchaser's own investment or legal advisor for a more complete explanation of the matters that should be considered when purchasing an investment such as the Bonds.

Enforceability of Remedies

The remedies available to the holders or beneficial owners of the Bonds upon any event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay.

The enforceability of remedies or rights with respect to the Bonds may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

Under existing law, municipalities must obtain the consent of state governments in order to avail themselves of federal bankruptcy protection under Title 11 of the United States Code. There is currently no law in the State granting such consent. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency, moratorium, or other similar laws affecting the rights of creditors generally or as to the availability of any particular remedy.

Secondary Market Prices

No assurance can be given that a secondary market for any of the Bonds will be available and no assurance can be given that the initial offering prices for the Bonds will continue for any period of time.

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event a holder or beneficial owner thereof determines to solicit purchasers of the Bonds. Even if a liquid secondary market exists, there can be no assurance as to

the price for which the Bonds may be sold. Such price may be lower than that paid by the current holder or beneficial owner of the Bonds, depending on existing market conditions and other factors.

Adverse Weather Events

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The County's location in the southern United States near various waterways increases its vulnerability to flooding and extreme heat. In addition to flooding and extreme heat, the County faces other threats due to changing weather patterns, including possible drought conditions that could become more severe and frequent. The County cannot predict the timing, extent or severity of any adverse weather events and their impact on the County's operations and finances.

Cyber Security

The County utilizes various computer systems and network technology to perform many of its vital operations. Such operations often include the storage and transmission of sensitive information. As a result, the County may be the target of cyberattacks attempting to gain access to such information. In addition to intentional attacks, information breaches may occur due to unintentional employee error. A successful cyberattack or unintentional breach may require the expenditure of an unknown amount of money or time to resolve, substantially interrupt County services and operations and subject the County to legal action. Attempted cyber security attacks against organizations or entities similar to the County are increasingly common. In January 2024, the Federal Bureau of Investigation issued a specific warning that international hackers are working to attack governmental infrastructure in the United States. In November 2024, the County experienced a cyber security incident that affected County school servers and interrupted certain school services. Essential network services were restored within a week. Though the County is still reviewing the incident, there has not been any material impact and there is not expected to be any future material impact to the County's operations or finances as a result such incident. To mitigate against such risks, the County has continued to institute various policies and procedures to protect its network infrastructure, including a cyber-security training requirement for certain departments, as well as general cyber security training and awareness for all employees. The County also maintains insurance against cyber security incidents, though such insurance may not be sufficient to cover all losses incurred by the County as a result of any cyberattack. Despite the County's measures to safeguard its network infrastructure, there are no guarantees that such measures will be successful.

COVID-19 and Other Public Health Emergencies

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has affected and continues to affect the entire world, including the County. In March 2020, in response to the COVID-19 outbreak, the Governor of the State issued a state of emergency and the World Health Organization declared the COVID-19 outbreak to be a global health emergency. The spread of COVID-19 led, from time to time, to quarantine and other "social distancing" measures. These measures included: (i) the closure, from time to time, of nonessential businesses, (ii) recommendations and warnings to limit nonessential travel and promote telecommuting, (iii) the postponement or cancellation of or reduced capacity at large-scale gatherings such as conventions, concerts and sporting events, (iv) limits on operations and customer capacity at commercial and retail establishments and (v) the closure, from time to time, of school buildings and community centers. The Governor of the State lifted the state of emergency in April 2021. The World Health Organization declared an end to the global health emergency in May 2023. The County is unable to predict whether and to what extent any increases in COVID-19 cases or the emergence of any other epidemic or pandemic may disrupt the local or global economy, or whether any such disruption may adversely affect the operations or financial condition of the County.

Various types of information regarding employment, income trends, and business activity in the County are detailed in Appendix B, including historical data collected both before and during the COVID-19 pandemic. Certain data and other information collected prior to and during the COVID-19 outbreak may not reflect current conditions. For example, some of the largest employers and taxpayers in the County may have been forced to reduce their employment during the COVID-19 outbreak and may be similarly affected as a result of any future epidemic, pandemic or other public health emergency. For additional information, see Appendix B to the Official Statement.

Future Issues

The County continues to experience significant population growth. This growth has created, and will likely continue to create, a need for capital improvement financings. Most of the projected capital projects will be for new school facilities to accommodate the growing enrollment. Rutherford County Schools projects the need for approximately \$120 million for school projects in the 2024-2025 fiscal year. Additionally, Rutherford County Schools projects the need for approximately \$600 million over the next four years to build, renovate or expand elementary, middle and high school facilities. The funding for these new projects has not been approved by the County Commission, and the projects, amounts, and timing are all subject to change.

Litigation

The County, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. After reviewing the current status of all pending and threatened litigation with its counsel, the County believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the County or its officials in such capacity are adequately covered by insurance or by sovereign immunity and/or will not have a material adverse effect upon the County's financial condition.

As of the date of this Official Statement, the County has no knowledge or information concerning any pending or threatened litigation contesting the authority of the County to issue, sell or deliver the Bonds. The County has no knowledge or information of any actions pending or expected that would materially affect the County's ability to pay the debt service requirements of the Bonds.

Approval of Legal Proceedings

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Bass, Berry & Sims PLC, Bond Counsel. A copy of the opinion will be available upon delivery of the Bonds. (See Appendix A). Certain legal matters will be passed upon for the County by Nicholas C. Christiansen, Esq., County Attorney.

Tax Matters

Federal

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the County and assuming compliance by the County with certain covenants, is that interest on the Bonds:

- is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and
- is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

The Code imposes requirements on the Bonds that the County must continue to meet after the Bonds are issued. These requirements generally involve the way that the Bond proceeds must be invested and ultimately used. If the County does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The County has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds. See also "Changes in Federal and State Tax Law" below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized a bondholder's tax basis in that

Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with bond premium, even though the Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

State Taxes

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing, where applicable, the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Municipal Advisor

Stephens Inc. is serving as Municipal Advisor to the County in connection with the issuance of the Bonds. Stephens Inc., in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal or state income tax status of the Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. The information set forth herein has been obtained from the County and other sources believed to be reliable but has not been independently verified by the Municipal Advisor.

The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds.

The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the County and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

Underwriting

Piper Sandler & Co., Minneapolis, Minnesota, acting for and on behalf of itself and such other securities dealers as it may designate, will purchase the Bonds for an aggregate purchase price of \$21,600,004.28, which is par, plus original issue premium of \$1,515,852.75, less \$45,848.47 underwriter's discount.

The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

Forward-Looking Statements

The statements contained in this Official Statement, and in any other information provided that are not purely historic, are forward-looking statements, including statements regarding the expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof, and assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business and policy decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

Miscellaneous

Any statement made in this Official Statement involving matters of opinion and estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement was duly authorized by the County.

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Certificate of County Mayor

I, Joe Carr, do hereby certify that I am the duly qualified and acting County Mayor of Rutherford County, Tennessee, and as such official, I do hereby further certify with respect to the Official Statement dated December 17, 2024 issued in connection with the sale of the County’s \$20,130,000 General Obligation Refunding Bonds, Series 2025A and to the best of my knowledge, information, and belief (a) the descriptions and statements contained in said Official Statement were at the time of acceptance of the winning bids and are on the date hereof true and correct in all material respects; and (b) that said Official Statement did not at the time of the acceptance of the winning bids and does not on the date hereof contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements made, in light of the circumstances under which they are made, not misleading.

WITNESS my official signature this 17th day of December, 2024.

/s/ Joe Carr
County Mayor

I, Lisa Duke Crowell, do hereby certify that I am the duly qualified and acting County Clerk of Rutherford County, Tennessee, and as such official, I do hereby certify that Joe Carr is the duly qualified and acting County Mayor of said County and that the signature appended to the foregoing certificate is the true and genuine signature of such official.

WITNESS my official signature and the seal of said Rutherford County, Tennessee as of the date subscribed to the foregoing certificate.

/s/ Lisa Duke Crowell
County Clerk

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APPENDIX A

Form of Legal Opinion of Bass, Berry & Sims PLC, Attorneys,
Nashville, Tennessee relating to the Bonds.

(Form of Opinion of Bond Counsel)

Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, Tennessee 37201

January 8, 2025

We have acted as bond counsel to Rutherford County, Tennessee (the "Issuer") in connection with the issuance of \$20,130,000 General Obligation Refunding Bonds, Series 2025A, dated January 8, 2025 (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding general obligations of the Issuer.

2. The resolution of the Board of County Commissioners of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer.

3. The Bonds constitute general obligations of the Issuer for the payment of which the Issuer has validly and irrevocably pledged its full faith and credit. The principal of and interest on the Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. Failure to comply with certain of such requirements could cause interest on the Bonds to be so includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

The rights of the owners of the Bonds and the enforceability of the Bonds and the resolution authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equity principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds. Further, we express no opinion herein regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

Bass, Berry & Sims PLC

APPENDIX B

Demographic and General Financial Information
Related to the County

PROFILE OF THE GOVERNMENT

Located in the middle of Tennessee with 615 square miles of land area, Rutherford County is the approximate geographic center of the state and the 5th largest county in the state. The County is adjacent to the southern border of the Metropolitan Government of Nashville and Davidson County. Rutherford County was incorporated in 1834 and is governed by an elected County Mayor and a 21-member County Commission. Elections are held every four years. The most recent election was held in August 2022. The new officials took office in September 2022. 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 City of Murfreesboro is the County Seat of Rutherford County. Murfreesboro has an estimated population of 165,430. Murfreesboro is home to Middle Tennessee State University, the Saint Thomas Rutherford Hospital, and a large commercial and retail base. The Town of Smyrna is located in the northwestern part of the County. The Town of Smyrna is located near the Nashville – Davidson County border and has an estimated population of approximately 57,418. Smyrna is also notably the home to the TriStar Stonecrest Medical Center, a Motlow State Community College Campus and the large Nissan Assembly Plant. The City of La Vergne is adjacent to the Nashville-Davidson County border and has an estimated population of 39,597. La Vergne is known for its significant manufacturing, warehouse and distribution facilities. The County also includes the small City of Eagleville and numerous unincorporated areas.

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. Counties in Tennessee are political subdivisions of the State of Tennessee (the "State"). As a political subdivision of the State, a county only has authority delegated to it by the State. The State delegates authority and powers to counties through legislative action of the State's General Assembly, either through its Public or Private Acts. Public Acts apply to all counties in the State and are codified in the Tennessee Code Annotated which is revised and published on an annual basis and is widely available. Private Acts apply only to the counties named in the particular Private Act. Private Acts are available from the Secretary of State. Rutherford County operates under both Public and Private Acts. The majority of the Public Acts applicable to Rutherford County are found in Title 5 of the Tennessee Code Annotated, except to the extent such provisions have been modified by Private Acts specific to Rutherford County.

The Rutherford County Finance Department 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.

DEMOGRAPHIC DATA

Population

According to the 2023 U. S. Census estimate, the County is the fifth largest county in the state with a population of 367,101 reflecting a 37% increase since the 2010 census and a 7% increase since the 2020 Census.

	<u>County</u>	<u>Tennessee</u>
1980 U.S. Census	84,058	4,600,252
1990 U.S. Census	119,847	4,890,626
2000 U.S. Census	183,596	5,703,719
2010 U.S. Census	263,721	6,355,518
2020 U.S. Census	343,298	6,926,091
2021 U.S. Census Estimate	351,194	6,963,709
2022 U.S. Census Estimate	360,682	7,048,976
2023 U.S. Census Estimate	367,101	7,126,489

Source: U.S. Bureau of Census

Income and Housing

In 2023, the County had a per capita personal income of \$54,623, which was 87.8% percent of the State average of \$62,229.

	<u>County</u>	<u>Tennessee</u>	<u>% of State</u>
2014 Per Capita Personal Income	\$36,195	\$40,230	90.0%
2015 Per Capita Personal Income	\$37,689	\$41,942	89.9%
2016 Per Capita Personal Income	\$38,613	\$42,943	89.9%
2017 Per Capita Personal Income	\$39,368	\$44,411	88.6%
2018 Per Capita Personal Income	\$40,890	\$46,452	88.0%
2019 Per Capita Personal Income	\$43,029	\$48,905	88.0%
2020 Per Capita Personal Income	\$45,697	\$51,959	87.9%
2021 Per Capita Personal Income	\$50,100	\$57,508	87.1%
2022 Per Capita Personal Income	\$52,122	\$59,210	88.0%
2023 Per Capita Personal Income	\$54,623	\$62,229	87.8%

Source: Bureau of Economic Analysis

In 2023, the County’s median housing value of \$404,000 compared favorably to the State’s median of \$339,900.

	<u>County</u>	<u>Tennessee</u>	<u>% of State</u>
2014 Median Housing Value	163,000	166,000	98.2%
2015 Median Housing Value	182,250	175,000	104.1%
2016 Median Housing Value	199,000	185,000	107.6%
2017 Median Housing Value	230,000	196,800	116.9%
2018 Median Housing Value	247,000	210,000	117.6%
2019 Median Housing Value	264,990	226,000	117.3%
2020 Median Housing Value	279,900	244,900	114.3%
2021 Median Housing Value	335,720	283,410	118.5%
2022 Median Housing Value	405,000	325,000	124.6%
2023 Median Housing Value	404,000	339,900	118.9%

Source: Tennessee Housing Development Agency – This data reflects only the sales prices of new and existing homes that were sold in the respective years. This data may not be representative of the median value of all homes in the County or State.

LOCAL ECONOMY

The strength of Rutherford County's economy can be attributed to its diversity of manufacturing, retail establishments, warehouse facilities, higher education institutions, medical services and corporate call centers. The County's strong economy in turn attracts a growing population. Rutherford County has been recognized as one of the fastest growing counties in America. The citizenry has grown to 367,101 per the 2023 Census estimates, which is 7% above the 2020 Census and 39% above the 2010 Census.

The County’s largest manufacturing employers include Nissan USA, Ingram Content Group, Asurion, Bridgestone, Adient, Schneider Electric, and General Mills. While manufacturing is one of the County’s strongest economic segments, distribution, transportation, and other service related industries are also large contributors to the strength of the economy. Tennessee's second largest state university with an enrollment over 20,000, a regional veteran's facility with 347 hospital beds and 245 long-term care beds, a call center for the Veteran's Administration, and numerous other companies are all located in Rutherford County. The employees of the south-central regional office for State Farm Insurance continue to work remotely. The County also benefits from being within a day's drive of 75 percent of the nation's markets and only minutes from three major interstates.

Nissan, with approximately 8,500 employees from throughout the region, is a major employer in the County. The Nissan Vehicle Assembly Plant in Smyrna was opened in 1983. Nissan has reportedly invested over \$6.4 billion in manufacturing facilities. The Smyrna plant is located on over 884 acres and the facility covers over 5.9 million square feet. The plant capacity is over 500,000 vehicles per year. Currently, the Nissan plant produces the Murano, Pathfinder, Leaf, Infiniti QX60 and the Rogue. On November 7, 2024, Nissan announced plans to reduce global production capacity by 20% and the global workforce by 9,000. Nissan’s current global workforce is over 133,000 employees. Nissan did not disclose any specific plans or cuts, yet, related to the manufacturing facility in Smyrna, Tennessee.

The economic base in the County continues to grow. In August 2022, Minnesota-based McNeilus Truck and Manufacturing, Inc., an Oshkosh Corporation company, announced that they were investing more than \$50 million to expand its manufacturing presence in Murfreesboro. McNeilus expected to occupy a new

facility which will bring 230 new jobs to the area over the next five years. In July of 2023, McNeilus announced the investment of an additional \$25.2 million to expand its manufacturing presence. The new investment is expected to bring an additional 100 jobs for the fabrication and weldment of custom vehicle components.

MAJOR RUTHERFORD COUNTY EMPLOYERS

Employer	Employees	Product/Service
Nissan North America ⁽¹⁾	8,000	Automobile Manufacturing
Rutherford County Government and Board of Education	7,441	Government / Education
Amazon Fulfillment Center	2,700	Distribution Center
City of Murfreesboro (Includes Schools)	2,388	Government / Education
Middle Tennessee State University	2,205	Higher Education
Ascension St. Thomas Rutherford	1,741	Healthcare
Ingram Book Company	1,700	Media Publishing and Distribution
Taylor Farms	1,700	Food Manufacturing
Alvin C. York Veterans Administration Medical Center	1,300	Healthcare
Asurion	1,250	Wireless Devices - Refurbishing

Sources : Annual Financial Reports and Auditor's Report Prepared by State Comptroller of the Treasury for the fiscal year ending June 30, 2023.

(1) Nissan recently announced plans to cut 9,000 jobs and reduce global manufacturing capacity by 20%. These job reductions are global in nature and no specific reductions related to the Tennessee manufacturing facilities have been announced, yet.

LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT DATA

The labor force within the County has increased from 149,973 in 2014 to 200,977 in October 2024, reflecting a 34% increase. The Covid-19 outbreak, and the impact on economic conditions, resulted in a sharp increase in the unemployment rate in 2020. However, as of October 2024, the County's estimated unemployment rate is 2.9% which compares favorably to the State average of 3.3% and the U. S. average of 4.1%.

Year	Employment	Unemployment	Total Labor Force	Unemployment Percent		
				County	State	U.S.
2014	142,024	7,949	149,973	5.3%	6.6%	6.2%
2015	148,912	7,017	155,929	4.5%	5.6%	5.3%
2016	157,683	6,058	163,741	3.7%	4.8%	4.9%
2017	166,767	4,981	171,748	2.9%	3.8%	4.4%
2018	174,726	4,848	179,574	2.7%	3.5%	3.9%
2019	183,071	4,694	187,765	2.5%	3.3%	3.7%
2020	173,697	13,074	186,771	7.0%	7.5%	8.1%
2021	183,010	6,834	189,844	3.6%	4.5%	5.4%
2022	190,858	5,296	196,154	2.7%	3.4%	3.6%
2023	193,976	5,178	199,154	2.6%	3.3%	3.6%
Oct-24	195,149	5,828	200,977	2.9%	3.3%	4.1%

Source: Bureau of Labor Statistics and Tennessee Department of Labor and Workforce Development

EDUCATION

Two accredited public school systems—the Rutherford County Schools and the Murfreesboro City Schools—educate the majority of children in the County. In the 2022-2023 school year, the Rutherford County School System had an average daily membership of 49,954, an increase of 25% from the 2012-2013 school year. The Murfreesboro City School System had an average daily membership of 8,923 in the 2022-2023 school year, an increase of 25% from the 2012-2013 school year.

Average Daily Membership

Rutherford			Rutherford		
School Year	County Schools	Murfreesboro City Schools	School Year	County Schools	Murfreesboro City Schools
2003-2004	29,422	5,983	2013-2014	40,932	7,072
2004-2005	31,002	6,029	2014-2015	41,425	7,528
2005-2006	32,704	6,358	2015-2016	42,650	7,981
2006-2007	34,384	6,661	2016-2017	43,789	8,015
2007-2008	35,706	6,849	2017-2018	44,843	8,353
2008-2009	36,497	6,859	2018-2019	45,888	8,423
2009-2010	37,238	6,903	2019-2020	46,879	8,690
2010-2011	38,122	6,837	2020-2021	46,716	8,523
2011-2012	38,645	7,069	2021-2022	48,921	8,922
2012-2013	39,969	7,151	2022-2023	49,954	8,923

Source: Tennessee Department of Education

Rutherford County is also the home to several institutions of higher education. Middle Tennessee State University, located in Murfreesboro, is the second largest university in Tennessee. MTSU has enrollment over 20,000 students and faculty of approximately 900. Motlow Community College has four campuses including one in Rutherford County. The Rutherford County campus in Smyrna serves over 2,000 students.

ACCOUNTING AND FINANCIAL REPORTING FOR RETIREMENT COMMITMENTS

Employees of Rutherford County and non-certified employees of the Rutherford County School Department and employees of Community Care of Rutherford County are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the Tennessee Consolidated Retirement System (TCRS). Teachers of the Rutherford County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is now closed to new membership. Teachers with membership in TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement 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 administrations 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.

For detailed information on retirement commitments, see page 103, Note G, of the Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2023.

ACCOUNTING AND FINANCIAL REPORTING FOR OTHER POSTEMPLOYMENT BENEFITS

All full-time employees and eligible retirees of the primary government, the Smyrna-Rutherford County Airport Authority, Community Care of Rutherford County, Rutherford County Emergency Communications District and the Rutherford County School Department 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 and premium requirements are established and amended by an insurance committee established by the County Commission. The plan is self-insured and financed on a pay-as-you-go basis. For detailed information on other post-employment benefits, see Appendix C, page 123, Note H of the Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2023.

PROPERTY TAX FREEZE PROGRAM

In its 2007 session, the 105th General Assembly enacted the *Property Tax Freeze Act* which authorizes the legislative body of any county and/or municipality to adopt the property tax freeze program for lower income senior citizens. The Act became effective on July 1, 2007.

Homeowners qualifying for an authorized program will have the property taxes on their principal residence frozen at a base tax amount, which is the amount of taxes owed in the year they first qualify for the program. Thereafter, as long as the owner continues to qualify for the program, the amount of property taxes owed for that property will not change, even if there is a property tax rate increase.

In order to qualify, the homeowner must file an application annually and must:

- Own their principal place of residence in a participating county and/or city
- Be 65 years of age or older by the end of the year in which the application is filed
- Have an income from all sources that does not exceed the county income limit established for that tax year

The Rutherford County Board of Commissioners created a property tax freeze program for qualifying citizens.

LONG-TERM FINANCIAL PLANNING AND RELEVANT FINANCIAL POLICIES

Significant financial demands continue as a result of the high population growth rate being experienced by Rutherford County. A 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. The Board of Education continues to forecast a need for additional schools and significant additions to existing schools within the next five years if growth continues.

In addition to the initial construction costs for new 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 are expected to prepare the operating budgets accordingly.

Rutherford County is required to conduct a reappraisal of all taxable property every four years. The County completed a reappraisal process in 2022. The reappraisal resulted in a significant increase in recorded property valuations. Upon completion of a reappraisal a county is required to calculate a certified tax rate which is revenue neutral. For Rutherford County, the increase in property values resulted in a reduction of the prior tax rate of \$2.2194 per \$100 of assessed values down to a new certified tax rate of \$1.6162 per \$100 of assessed values.

For fiscal year 2023-2024, the County Commission increased the property tax rate from \$1.6162 to \$1.8762. This 16% increase in the property tax rate was approved to support the operations of the County and support the County's capital improvement plan. After the tax increase, the County's projected unassigned general fund balance is expected to exceed the minimum 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.

The County Commission maintained the \$1.8762 tax rate for the 2024-2025 fiscal year. County officials project that the 2024-2025 ending General Fund balance will be approximately unchanged from the prior year. The County's budget also projects that the Debt Service Fund will finish the 2024-2025 fiscal year at approximately the same level as 2023-2024. Subsequent to the approval of the Budget, however, the County has tentatively approved the use of approximately \$7 million of funds in the Debt Service Fund to redeem outstanding bonds ahead of their scheduled maturity. The use of these funds would reduce principal and interest due, but would also reduce the ending Debt Service Fund balance.

To better serve the needs of the commission and the public, the commission reviewed the county's policy concerning the fund balance in the General Debt Service Fund. The last revision to this policy was approved April 17, 2014. 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.

**RUTHERFORD COUNTY, TENNESSEE
GENERAL FINANCIAL INFORMATION
SUMMARY OF OUTSTANDING DEBT**

Amount Issued	Issue	Date Issued	Maturity Date	Interest Rate	Principal Outstanding 6/30/2024 ⁽¹⁾
88,800,000	GO Refunding Bonds, Series 2010	09/28/10	04/01/26	4.00% - 5.00%	4,840,000
2,570,000	GO Bonds, Series 2014B (Taxable)	06/12/14	04/01/34	1.20% - 4.10%	1,595,000
40,460,000	GO Refunding and Improvement Bonds, Series 2015A	05/14/15	04/01/35	3.125% - 5.00%	8,755,000 ⁽²⁾
23,930,000	GO Refunding Bonds, Series 2015B	05/14/15	04/01/25	5.00%	2,530,000 ⁽²⁾
25,640,000	GO Refunding Bonds, Series 2016A	09/15/16	04/01/29	2.50% - 5.00%	14,195,000
101,000,000	GO Public Improvement & School Bonds, Series 2016B	09/28/16	04/01/36	2.50% - 5.00%	73,765,000
81,530,000	GO School Bonds, Series 2017	11/28/17	04/01/38	2.25% - 5.00%	63,505,000
40,680,000	GO School Bonds, Series 2018	08/30/18	04/01/38	2.80% - 5.00%	32,200,000
14,610,000	GO Bonds, Series 2019	09/20/19	04/01/29	5.00%	8,010,000
90,370,000	GO Bonds, Series 2020	10/15/20	04/01/40	1.50% - 5.00%	79,520,000
64,100,000	GO Refunding Bonds, Series 2020	11/12/20	04/01/32	0.27% - 1.73%	57,665,000
21,000,000	GO School Bonds, Series 2021A	09/01/21	04/01/41	2.00% - 5.00%	18,835,000
6,140,000	GO Bonds, Series 2021B (Taxable)	09/01/21	04/01/36	0.30% - 2.00%	5,420,000
171,240,000	GO Bonds, Series 2023	10/06/23	04/01/43	4.375% - 5.00%	166,240,000
43,510,000	GO Refunding and School Bonds, Series 2024	04/24/24	04/01/34	5.00%	43,510,000
20,130,000	GO Refunding Bonds, Series 2025A	01/08/25	04/01/32	5.00%	20,130,000
Total					600,715,000
<u>Other Loans and Leases</u>					
2,133,645	Energy Efficiency Loan	02/21/18	03/01/25	1.00%	235,887
Total					235,887
Total Current Outstanding Debt					\$600,950,887

**DEBT STATEMENT
(as of June 30, 2024)**

Current Debt	\$600,950,887
Net Direct Debt	\$600,950,887
Net Overlapping Debt (As of 6/30/2023)⁽³⁾	330,477,931
Overall Net Debt	\$931,428,818

DEBT RECORD

There is no record of a default on bond principal and interest from information available.

(1) As of 6/30/2024 and adjusted for GO Refunding Bonds, Series 2025A.

(2) Excludes Bonds being refunded by GO Refunding Bonds, Series 2025A.

(3) Consists of tax supported debt of Murfreesboro, Smyrna, Eagleville, and LaVergne.

Source: Annual Financial Reports prepared by State Comptroller of the Treasury for the fiscal year ending June 30, 2023 and County Officials.

POPULATION

	County	Tennessee
1980 U.S. Census	84,058	4,600,252
1990 U.S. Census	119,847	4,890,626
2000 U.S. Census	183,596	5,703,719
2010 U.S. Census	263,721	6,355,518
2020 U.S. Census	343,298	6,926,091
2021 U.S. Census Estimate	351,194	6,963,709
2022 U.S. Census Estimate	360,682	7,048,976
2023 U.S. Census Estimate	367,101	7,126,489

Source: U.S. Bureau of Census

PER CAPITA DEBT RATIOS

Net Direct Debt	\$1,637
Total Net Overlapping Debt	\$900
Overall Net Debt	\$2,537

DEBT RATIOS

	Assessed Value ⁽¹⁾	Estimated Actual Value ⁽¹⁾
Property Values	\$16,229,543,320	\$55,768,677,735
Net Direct Debt to	3.70%	1.08%
Total Net Overlapping Debt to	2.04%	0.59%
Overall Net Debt to	5.74%	1.67%

⁽¹⁾ Includes estimated value of property subject to in lieu of tax payments.

DEBT TREND

For Fiscal Years Ending June 30

	(Unaudited)				
	2024	2023	2022	2021	2020
Bonded Debt	\$602,030,000	\$446,435,000	\$485,150,000	\$496,400,000	\$439,745,000
Notes & Cap. Leases & Loans	235,887	602,800	1,241,008	1,872,868	2,493,728
Total Net Debt	\$602,265,887	\$447,037,800	\$486,391,008	\$498,272,868	\$442,238,728

Sources: Annual Financial Reports and Auditor's Report Prepared by State Comptroller of the Treasury for the fiscal years ending June 30, 2020-2023 and County Officials.

DEBT SERVICE REQUIREMENTS⁽¹⁾

Year Ended June 30	Existing Bonds (as of June 30, 2024) ⁽²⁾		Plus: GO Refunding Bonds, Series 2025A		New Debt Service			
	Principal	Interest	Principal	Interest	Principal	Percent of Principal Retired	Interest	Total
1 2025	\$44,435,000	\$21,874,106		\$232,054	\$44,435,000		\$22,106,160	\$66,541,160
2 2026	41,615,000	19,866,089	4,075,000	1,006,500	45,690,000		20,872,589	66,562,589
3 2027	38,340,000	18,127,542	4,165,000	802,750	42,505,000		18,930,292	61,435,292
4 2028	39,855,000	16,585,963	4,260,000	594,500	44,115,000		17,180,463	61,295,463
5 2029	41,225,000	15,215,474	1,770,000	381,500	42,995,000	36.6%	15,596,974	58,591,974
6 2030	37,825,000	13,757,593	1,855,000	293,000	39,680,000		14,050,593	53,730,593
7 2031	35,635,000	12,355,528	1,955,000	200,250	37,590,000		12,555,778	50,145,778
8 2032	37,045,000	10,967,838	2,050,000	102,500	39,095,000		11,070,338	50,165,338
9 2033	36,370,000	9,578,495			36,370,000		9,578,495	45,948,495
10 2034	37,695,000	8,274,185			37,695,000	68.3%	8,274,185	45,969,185
11 2035	33,155,000	6,943,239			33,155,000		6,943,239	40,098,239
12 2036	31,745,000	5,831,569			31,745,000		5,831,569	37,576,569
13 2037	24,875,000	4,752,269			24,875,000		4,752,269	29,627,269
14 2038	25,760,000	3,857,988			25,760,000		3,857,988	29,617,988
15 2039	18,030,000	2,927,838			18,030,000	90.5%	2,927,838	20,957,838
16 2040	18,635,000	2,317,363			18,635,000		2,317,363	20,952,363
17 2041	13,170,000	1,676,288			13,170,000		1,676,288	14,846,288
18 2042	12,310,000	1,132,875			12,310,000		1,132,875	13,442,875
19 2043	12,865,000	578,925			12,865,000	100.0%	578,925	13,443,925
	\$580,585,000	\$176,621,162	\$20,130,000	\$3,613,054	\$600,715,000		\$180,234,216	\$780,949,216

(1) Excludes \$235,887 of Energy Efficiency Loan payable from the General Purpose School Fund.

(2) Excludes Bonds being refunded by GO Refunding Bonds, Series 2025A.

Source: Annual Financial Reports and Auditor's Report Prepared by State Comptroller of the Treasury for the fiscal year ending June 30, 2023 and County Officials.

Real Property Assessment, Tax Levy and Collection Procedures

State Taxation of Property; Classifications of Taxable Property; Assessment Rates

Under the Constitution and laws of the State of Tennessee, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the “*General Assembly*”) exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as defined under the *Tennessee Code Annotated*.

Under the Constitution and laws of the State of Tennessee, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required constitutionally to be classified into four sub classifications and assessed at the rates as follows:

- (a) Public Utility Property (which includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies), to be assessed at 55% of its value;
- (b) Industrial and Commercial Property (which includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose), to be assessed at 40% of its value;
- (c) Residential Property (which includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit), to be assessed at 25% of its value; and
- (d) Farm Property (which includes all real property used or held for use in agriculture), to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required constitutionally to be classified into three sub classifications and assessed at the rates as follows:

- (a) Public Utility Property, to be assessed at 55% of its value;
- (b) Industrial and Commercial Property, to be assessed at 30% of its value; and

- (c) All other Tangible Personal Property (including that used in agriculture), to be assessed at 5% of its value, subject to an exemption of \$7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into sub classifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

The Constitution of the State of Tennessee requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State of Tennessee and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

County Taxation of Property

The Constitution of the State of Tennessee empowers the General Assembly to authorize the several counties and incorporated towns in the State of Tennessee to impose taxes for county and municipal purposes in the manner prescribed by law. Under the *Tennessee Code Annotated*, the General Assembly has authorized the counties in Tennessee to levy an *ad valorem* tax on all taxable property within their respective jurisdictions, the amount of which is required to be fixed by the county legislative body of each county.

All property is required to be taxed according to its values upon the principles established in regard to State taxation as described above, including equality and uniformity. All counties, which levy and collect taxes to pay off any bonded indebtedness are empowered, through the respective county legislative bodies, to place all funds levied and collected into a special fund of the respective counties and to appropriate and use the money for the purpose of discharging any bonded indebtedness of the respective counties.

Assessment of Property

The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own such property on January 1 for the year for which the assessment is made. All assessment of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

The assessment records are open to public inspection at the assessor’s office during normal business hours. The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer’s property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the county board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local board of equalization begins its annual session.

Valuation for Property Tax Purposes

The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the division of property assessments and approved by the State board of equalization. Such assessment manuals are required to take into account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment.

TOP TAXPAYERS

Business	Type of Business	Tax Year 2023 Assessed Value	Assessed Value as a % of Total Assessment	Tax Year 2023 Tax Levy	Tax Levy as a % of Total Levy
Nissan North America	Automobile Manufacturing	\$501,557,607 ⁽¹⁾	3.09%	\$8,063,569 ⁽²⁾⁽³⁾	2.70%
Middle Tennessee Electric	Public Utility	218,147,897	1.34%	4,059,344	1.36%
Progress Residential	Rental Housing	189,978,813	1.17%	3,579,871	1.20%
Prologis	Real Estate Development	155,860,360	0.96%	2,924,252	0.98%
American Homes 4 Rent LLC		98,195,567	0.61%	1,859,209	0.62%
BVA Avenue	The Avenues (Retail Mall)	76,153,040	0.47%	1,428,783	0.48%
General Mills / Pillsbury	Food Products	64,295,676	0.40%	1,007,869	0.34%
Topre America Corp.	Automotive Supplier	52,218,635	0.32%	979,726	0.33%
Bridgestone/Firestone USA	Tire Manufacturing	50,411,076	0.31%	945,812	0.32%
Wal-mart	Retail	50,250,113	0.31%	942,792	0.32%
		\$1,457,068,784	8.98%	\$25,791,227	8.63%

⁽¹⁾ The Assessed value figures shown are disproportionate to the taxes levied based on an in lieu of tax payment agreement.

⁽²⁾ Nissan North America's Tax Year 2023 Tax Levy represents \$7,390,855 tax on real and personal property not covered by the PILOT agreement and \$661,782 net in lieu of tax payments.

⁽³⁾ Tax revenues are limited by the terms of the in lieu of tax payment agreements.

Source: County Officials.

PROPERTY VALUATION AND PROPERTY TAX

Fiscal Year Tax Year	2023-2024 2023	Reappraisal 2022-2023 2022	2021-2022 2021	2020-2021 2020	2019-2020 2019
ESTIMATED ACTUAL VALUES					
Residential & Farm	\$38,377,871,148	\$37,023,068,204	\$27,858,085,586	\$26,662,018,623	\$22,709,083,068
Commercial & Industrial	12,369,994,008	12,015,770,998	9,904,595,340	9,563,203,130	8,283,813,750
Personal Property	3,302,166,420	2,628,077,672	2,380,877,077	2,235,978,061	2,091,229,863
Public Utilities	971,454,646	882,211,132	767,059,601	537,173,837	560,217,666
In Lieu of Property Tax Payments ⁽¹⁾⁽²⁾	<u>747,191,513</u>	<u>2,213,575,621</u>	<u>2,147,759,351</u>	<u>2,123,583,821</u>	<u>2,086,766,418</u>
Total Estimated Actual Values	<u><u>\$55,768,677,735</u></u>	<u><u>\$54,762,703,627</u></u>	<u><u>\$43,058,376,955</u></u>	<u><u>\$41,121,957,472</u></u>	<u><u>\$35,731,110,765</u></u>
Annual Percentage Change	1.84%	27.18%	4.71%	15.09%	3.77%
Estimated Per Capita Amount	\$151,916	\$151,831	\$122,606	\$119,785	\$107,583
ASSESSED VALUES					
Residential & Farm (at 25%)	\$9,594,467,787	\$9,255,767,051	\$6,169,173,053	\$5,904,304,024	\$5,677,270,767
Commercial & Industrial (at 40%)	4,947,997,603	4,806,308,399	3,509,396,221	3,388,434,133	3,313,525,500
Personal Property (at 30% - 40%)	990,649,926	789,138,344	633,344,313	594,758,913	627,954,052
Public Utilities (at 30%-55%)	424,039,953	385,085,159	334,821,516	234,476,380	244,535,011
In Lieu of Property Tax Payments ⁽¹⁾⁽²⁾	<u>272,388,051</u>	<u>786,195,518</u>	<u>724,194,857</u>	<u>727,122,146</u>	<u>727,470,608</u>
Total Assessed Values	<u><u>\$16,229,543,320</u></u>	<u><u>\$16,022,494,471</u></u>	<u><u>\$11,370,929,960</u></u>	<u><u>\$10,849,095,596</u></u>	<u><u>\$10,590,755,938</u></u>
Annual Percentage Change	1.29%	40.91%	4.81%	2.44%	3.88%
Estimated Per Capita Amount	\$44,210	\$44,423	\$32,378	\$31,603	\$31,888
Appraisal Ratio	100.00%	100.00%	88.58%	88.58%	100.00%
Assessed Values to Actual Values	29.10%	29.26%	26.41%	26.38%	29.64%
Property Tax Rate					
General/Operating	\$0.7862	\$0.5262	\$0.6470	\$0.6170	\$0.6170
Schools	0.6927	0.8027	1.1024	1.1224	1.1224
General Debt Service	0.3973	0.2873	0.4700	0.4800	0.4800
Total Property Tax Rate	<u><u>\$1.8762</u></u>	<u><u>\$1.6162</u></u>	<u><u>\$2.2194</u></u>	<u><u>\$2.2194</u></u>	<u><u>\$2.2194</u></u>
Taxes Levied					
Property Taxes	\$298,726,697	\$246,067,008	\$236,550,895	\$224,488,310	\$218,454,575
In-lieu of Property Taxes ⁽³⁾	<u>1,969,367</u>	<u>4,269,576</u>	<u>5,647,756</u>	<u>5,676,655</u>	<u>5,751,196</u>
Total Taxes	<u><u>\$300,696,064</u></u>	<u><u>\$250,336,584</u></u>	<u><u>\$242,198,651</u></u>	<u><u>\$230,164,965</u></u>	<u><u>\$224,205,771</u></u>
Current Collections					
Current Fiscal Year ⁽⁴⁾	\$290,991,810	\$241,530,070	\$233,710,645	\$221,580,862	\$214,957,808
Percent Collected Current FY	97.41%	98.16%	98.80%	98.70%	98.40%

⁽¹⁾ The value estimates for producing In-Lieu of Tax Payments were provided by the Rutherford County Trustee and Director of Finance. These values include Nissan which is the largest component.

⁽²⁾ Tax revenues from this line item are limited by the terms of the in lieu of tax payment agreements. Tax revenues from the other categories of assessed values are not limited as to rate or amount.

⁽³⁾ These values are net of the amount paid to the Town of Smyrna.

⁽⁴⁾ Does not include In-Lieu of Property Taxes levied and collected.

Source: State Board of Equalization, 2019 - 2023 Tax Aggregate Reports of Tennessee, the Rutherford County Director of Finance, Clerk and Master, and Property Assessor.

FUND BALANCES

The General Fund is the chief operating fund of Rutherford County Government. At the end of the 2023-2024 fiscal year, the estimated total fund balance and unassigned fund balance of the General Fund were approximately \$135 million and \$115 million, respectively. The increase in the General Fund balance was attributable to an increase in the property tax rate, conservative budgeting, a national opioid settlement, and higher than expected investment income. The increase in the Debt Service Fund balance was attributable to the repayment of an internal loan, an increase in property tax revenues, conservative budgeting and higher than expected investment income.

GOVERNMENTAL FUNDS	(Unaudited)				
	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20
General Government Fund	\$135,434,114	\$88,494,329	\$87,719,976	\$58,270,952	\$54,631,928
Ambulance Service	16,273,154	13,078,452	12,353,218	9,375,847	6,216,710
Special Revenue Funds	55,143,082	48,299,154	43,360,536	37,148,306	33,188,887
Education Funds	166,202,772	167,899,316	141,559,151	104,200,305	70,682,446
Debt Service Funds	68,754,452	14,521,861 ⁽¹⁾	52,075,652	52,222,607	52,829,597
Capital Project - Gen. Government	36,407,800	13,376,009	14,275,045	9,826,118	6,724,116
Capital Project - Education	171,491,423	59,944,199	37,030,401	42,367,978	7,215,699
TOTAL ALL FUNDS	<u>\$649,706,797</u>	<u>\$405,613,320</u>	<u>\$388,373,979</u>	<u>\$313,412,113</u>	<u>\$231,489,383</u>

(1) - The General Debt Service Fund loaned \$35,000,000 to the school department for construction costs during the year ended June 30, 2023. These funds were replenished when bonds were issued in October 2023.

Sources: Annual Financial Reports and Auditor's Report Prepared by State Comptroller of the Treasury for the fiscal years ending June 30, 2020 - 2023 and County Officials.

WHEEL TAX

	(Unaudited)				
	FY2023-24	FY2022-23	FY2021-22	FY2020-21	FY2019-20
Rate	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
General Fund	\$4,653,961	\$4,574,320	\$4,319,099	\$3,945,563	\$3,818,732
Highways	\$4,653,961	4,574,320	4,319,099	3,945,563	3,818,732
General Purpose School	5,303,506	5,218,523	4,908,773	4,495,203	4,323,155
Total Amount Collected	<u>\$14,611,428</u>	<u>\$14,367,163</u>	<u>\$13,546,971</u>	<u>\$12,386,329</u>	<u>\$11,960,619</u>
% of Increase	1.70%	6.05%	9.37%	3.56%	3.28%

Note - Beginning in FY2023, this table excludes wheel taxes collected on behalf of, and distributed to, the City School System.

Sources: Annual Financial Reports and Auditor's Report Prepared by State Comptroller of the Treasury for the fiscal years ending June 30, 2020-2023 and County Officials.

LOCAL SALES TAX

Tennessee counties may, by a resolution approved by the governing body, levy a sales tax on the same privileges subject to the State sales tax. The local option sales tax rate cannot exceed 2.75%. Additionally, the local option sales tax is only applicable to the first \$1,600 of any single article of personal property. The County's local sales tax collections for FY 2023-24 were over \$115 million, which excludes sales tax collected on behalf of, and distributed to, Cities within the County and the City School System. The County receives the portion of sales taxes originated in unincorporated areas. Sales tax revenues are an important part of the Rutherford County School budget but not a large part of the Rutherford County budget.

	(Unaudited)				
	<u>FY2023-24</u>	<u>FY2022-23</u>	<u>FY2021-22</u>	<u>FY2020-21⁽¹⁾</u>	<u>FY2019-20</u>
Rate (Percent of retail sales)	2.75%	2.75%	2.75%	2.75%	2.75%
Distribution					
General Fund	\$2,174,458	\$2,164,191	\$2,056,369	\$1,581,277	\$1,076,066
Solid Waste/Sanitation	6,523,375	6,492,573	6,169,108	4,743,832	3,228,198
Highway/Public Works	2,174,458	2,164,191	2,056,369	1,581,277	1,076,066
General Purpose School	104,703,656	101,893,712	95,662,753	81,355,898	68,090,105
Total Amount Collected	<u>\$115,575,947</u>	<u>\$112,714,667</u>	<u>\$105,944,599</u>	<u>\$89,262,284</u>	<u>\$73,470,435</u>
% of Increase	2.54%	6.39%	18.69%	21.49%	4.74%

(1) - County Officials attribute a portion of the increase in 2020-2021 to changes in Tennessee law that impacted the collection and distribution of sale tax revenue related to remote and online sales.

Note - Beginning in FY2023, this table excludes sales taxes collected on behalf of, and distributed to, Cities within the County and the City School System.

Sources: Annual Financial Reports and Auditor's Report Prepared by State Comptroller of the Treasury for the fiscal years ending June 30, 2020-2023 and County Officials.

Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
Fiscal Year ended June 30

	(Unaudited)				
	2024	2023	2022	2021	2020
REVENUES					
Local Taxes	\$134,033,692	\$97,168,120	\$86,388,305	\$79,877,340	\$77,328,699
Licenses & Permits	4,197,911	3,050,368	3,029,865	3,152,246	2,545,137
Fines, Forfeitures, and Penalties	1,574,030	1,623,060	1,465,722	1,432,103	1,719,437
Charges for Current Services	4,610,414	2,601,806	2,338,096	2,400,828	2,314,776
Other Local Revenues	17,514,720	10,409,271	2,272,792	2,461,696	5,194,135
Fees Received from County Officials	15,829,286	14,158,961	14,826,786	13,592,675	12,250,722
State of Tennessee	14,555,977	13,225,295	5,693,986	7,142,891	9,985,651
Federal Government	4,880,208	5,230,680	26,905,720	10,462,249	1,890,308
Other Governments	1,173,318	2,622,921	397,757	484,865	369,466
Total Taxes and Revenues	198,369,556	150,090,482	143,319,029	121,006,893	113,598,331
Other Sources:					
Debt Proceeds					
Insurance Recovery	214,242	94,454	447,741	228,845	5,900
Operating Transfers In			23,790,423	692,550	660,394
Total Other Sources	214,242	94,454	24,238,164	921,395	666,294
Total Revenues & Other Sources	198,583,798	150,184,936	167,557,193	121,928,288	114,264,625
EXPENDITURES					
General Government	13,913,452	14,019,261	10,034,003	10,416,326	9,558,020
Finance	13,800,983	12,014,068	10,419,957	10,510,037	8,566,161
Administration of Justice	13,114,880	12,108,548	10,469,346	10,218,872	9,984,762
Public Safety	88,144,829	76,694,402	63,701,145	54,393,374	60,094,386
Public Health and Welfare	7,874,535	7,031,262	5,986,963	7,090,820	5,669,717
Social, Cultural, and Recreational Services	3,439,625	3,318,200	3,127,101	2,897,390	3,034,617
Agriculture and Natural Resources	1,335,719	1,307,472	1,179,199	1,129,070	1,121,303
Other Operations	9,119,990	13,304,675	31,985,031	20,827,466	7,744,712
Debt Service					
Total Expenditures	150,744,013	139,797,888	136,902,745	117,483,355	105,773,678
Payments to Refunded Bond Escrow Agent	-	-	-	-	-
Operating Transfers Out	900,000	9,612,695	1,205,424	805,909	4,171,954
Total Other Sources	900,000	9,612,695	1,205,424	805,909	4,171,954
Total Expenditures & Other Uses	151,644,013	149,410,583	138,108,169	118,289,264	109,945,632
Excess of Revenues & Other Sources					
Sources Over (Under) Expenditures	46,939,785	774,353	29,449,024	3,639,024	4,318,993
Fund Balance July 1	88,494,329	87,719,976	58,270,952	54,631,928	50,312,935
Prior Period Adjustment	-	-	-	-	-
Fund Balance, June 30	135,434,114	88,494,329	87,719,976	58,270,952	54,631,928

Sources: Annual Financial Reports and Auditor's Report Prepared by State Comptroller of the Treasury for the fiscal years ending June 30, 2020-2023 and County Officials.

SELECTED FINANCIAL INFORMATION REGARDING THE COUNTY

General

The County accounts for its financial resources on the basis of funds and account groups, each of which is considered a separate accounting entity. The General Fund is the general operating fund of the County. Other funds include Special Revenue Funds, the General Debt Service Fund, Capital Projects Funds, Internal Service Funds and Trust and Agency Funds. For additional information regarding the component units, see Notes to the General Purpose Financial Statements contained in Appendix C hereto.

Revenues received from ad valorem taxes levied on all taxable property within the boundaries of the County securing the payment of principal of and interest on the Obligations are deposited in the Debt Service Funds of the County. Such tax collections for the Obligations will be used exclusively to pay the principal of and interest on the Obligations. Included as Appendix C to this Official Statement are the General Purpose Financial Statements and notes thereto for the fiscal year ended June 30, 2023. Potential purchasers should read Appendix C in its entirety for more complete information concerning the County's financial position.

The County uses the modified accrual basis of accounting for all Governmental Funds, Expendable Trust Funds and Agency Funds. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred. Funds where expenditures determine the eligibility for grants recognize revenue at the time of the expenditures. Grant proceeds received prior to meeting the aforementioned revenue recognition policy are recorded as deferred revenues. Principal and interest on general 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.

The primary revenues susceptible to accrual are revenues received from the State of Tennessee. Sales tax collected and held by the State at year-end on behalf of the County and its component units are also recognized as revenue.

All Proprietary Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when incurred.

For additional information regarding these funds, see Notes to the Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2023, in Appendix C hereto.

APPENDIX C

Comprehensive Annual Financial Report of the County for the
Fiscal Year Ended June 30, 2023

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

FOR THE YEAR ENDED JUNE 30, 2023



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL COMPREHENSIVE FINANCIAL REPORT
RUTHERFORD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2023

MICHAEL SMITH, CPA
DIRECTOR OF FINANCE
RUTHERFORD COUNTY, TENNESSEE

Independent Audit Performed by:

***COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER***

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

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

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

RUTHERFORD COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Comprehensive Financial Report
Rutherford County, Tennessee
For the Year Ended June 30, 2023

Scope

We have audited the basic financial statements of Rutherford County as of and for the year ended June 30, 2023.

Results

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

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

Findings

The following is a summary of the audit findings:

OFFICE OF DIRECTOR OF FINANCE AND COUNTY MAYOR

- ◆ All accounting records for the year ended June 30, 2023, were not available for audit by August 31, 2023.

OFFICE OF DIRECTOR OF FINANCE AND DIRECTOR OF SCHOOLS

- ◆ The office had deficiencies in budget operations.



INTRODUCTORY SECTION



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

LETTER OF TRANSMITTAL

January 8, 2024

To the County Mayor, Board of County Commissioners, and Citizens
of Rutherford County, Tennessee

The Annual Comprehensive Financial Report (ACFR) of Rutherford County, Tennessee, for the year ended June 30, 2023, 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 Annual Comprehensive 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, 2023, 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, 2023, 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 annual comprehensive 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 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 Rutherford County's economy can be attributed to its diversity of manufacturing, retail establishments, warehouse facilities, higher education institutions, medical services and corporate call centers. The County's strong economy in turn attracts a growing population. Rutherford County has been recognized as one of the fastest growing counties in America. The citizenry has grown to 360,619 per the 2022 Census estimates, which is 37% above the 2010 Census and 96% above the 2000 Census.

The County's largest manufacturing employers include Nissan USA, Ingram Content Group, Asurion, Bridgestone, Adient, Schneider Electric, and General Mills. While manufacturing is one of the County's strongest economic segments, distribution, transportation, and other service related industries are also large contributors to the strength of the economy. Tennessee's second largest state university with an enrollment of approximately 22,000, a regional veteran's facility with 347 hospital beds and 245 long-term care beds, a call center for Verizon Wireless, a call center for the Veteran's Administration, and numerous other companies are all located in Rutherford County. The employees of the south-central regional office for State Farm Insurance continue to work remotely. The County also benefits from being within a day's drive of 75 percent of the nation's markets and only minutes from three major interstates.

Nissan, with approximately 8,500 employees from throughout the region, is a major employer in the County. The Nissan Vehicle Assembly Plant in Smyrna was opened in 1983. Nissan has reportedly invested over \$6.4 billion in manufacturing facilities. The Smyrna plant is located on over 884 acres and the facility covers over 5.9 million square feet. The plant capacity is over 640,000 vehicles per year. Currently, the Nissan plant produces the Maxima, Murano, Pathfinder, Leaf, Infiniti QX60 and the Rogue.

The economic base in the County continues to grow. Steel Technologies added 112 jobs and \$59 million of investment at its Smyrna plant. Smyrna is in the middle of several major infrastructure improvements: the widening of both Jefferson Pike & Sam Ridley Parkway and a new road with improved utilities for the Smyrna airport which will allow for additional airside property to attract new companies.

Ascend Federal Credit Union opened a new Operations Center in Murfreesboro's Gateway District bringing up to 100 new jobs. In June 2022, BJ's Wholesale Club, a Northeast-based wholesale club, broke ground in LaVergne for a building consisting of 110,000 square feet of retail space. In August 2022, Minnesota-based McNeilus Truck and Manufacturing, Inc., an Oshkosh Corporation company, announced that they will be investing more than \$50 million to expand its manufacturing presence in Murfreesboro. McNeilus is finalizing provisions to occupy a new facility which will bring 230 new jobs to the area over the next five years.

Murfreesboro welcomed numerous new small businesses, construction projects, and started on a One East College infill downtown development project which is expected to vitalize downtown Murfreesboro to have more foot traffic.

Like the nation and the State of Tennessee, Rutherford County's unemployment rate has decreased over the course of the fiscal year. As of June 2023, Rutherford County had a labor force of 200,833 with 194,850 employed resulting in a 3 percent unemployment rate. Based on the unemployment data reported by the Tennessee Department of Labor and Workforce Development for June 2023, Rutherford County's unemployment rate was below the state's average of 3.6 percent and below the national average of 3.6 percent. These rates are lower than the June 2021 rates, which were reported as 3.3 percent for the county, 3.5 percent for the state, and 3.6 percent for the country.

Using the local option sales tax revenue received by the General Purpose School Fund as another economic indicator for the County, since all local sales tax includes an education component, it's interesting to note during FY 2023 this revenue component increased 6 percent over the prior year to \$102 million. Rutherford County Board of Education depends on the education component of the local option sales tax to provide 23.7 percent of its income for the fiscal year.

Rutherford County had a major impact on tourism numbers in the Volunteer State last year. According to Rutherford County, the annual amount of money spent by visitors to Rutherford County increased by 17.3% between 2021 and 2022. A total of \$744 million was spent by guests in Rutherford County in 2022, which is \$110 million more than 2020. Of the money spent locally, 29% went to the food and beverage industry, 31% was spent on transportation, 22% was used for lodging, 10% was spent in local retail stores and the remaining 8% was used for recreation.

Major Initiatives

Schools: Major financial pressures continue because 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. As expected, school enrollment increased by 816 students from the prior year.

In April 2023, the Commission approved funding of \$154 million for the construction for three high school additions to include: Riverdale, Smyrna, and Oakland. The design costs were approved in the prior fiscal year.

Solid Waste: Besides the remarkable population growth, the County is experiencing, another pressing challenge facing the County and Municipal Governments is our locally available disposal capacity for both solid waste and debris. In August 2016, the County and city of Murfreesboro contracted with Gershman, Brickner & Bratton, Inc. (GBB) to prepare a solid waste strategic plan that would identify and evaluate available technologies to expand, create, supplement, or replace the existing infrastructure to manage the community's solid waste management needs into the next 20 to 40 years. To evaluate the situation, representatives from the County and cities of Murfreesboro, Eagleville, LaVergne and town of Smyrna participated in a Solid Waste Advisory/Steering Council (SWAC) organized by the County and City of Murfreesboro. The GBB Project Team conducted a planning and public decision-making process that reviewed key factors such as: technology and management options for the future solid waste management system; who the solid waste management system should serve; how the system should be implemented; and, how the system will be administered. In February 2018, at its final meeting, the SWAC endorsed the organizational option of creating a solid waste management authority under the Tennessee Solid Waste Authority Act of 1991. At the same meeting the SWAC recommended the solid waste authority pursue two management options. The first being a plan to extend the available time for disposing of waste at the Middle Point landfill, delaying closure and the loss of economic benefits (referred to as Middle Point 2.0). The second was the idea to develop two transfer stations in the

County allowing waste and recyclables to be consolidated and better marketed for disposal or processing (referred to as Max-Flex system). In April 2018, the Rutherford County Commission dismissed the recommendation for Middle Point 2.0 and tabled a decision regarding the recommendation for the creation of an Authority but requested additional information regarding the Max-Flex system. During the 2018-2019 fiscal year, key decision makers visited many solid waste and recycle facilities across the country and within Tennessee. During 2019-2020 many companies proposed various ideas for waste disposal and recycling efforts in response to a request for information issued by the County in June 2020. Based on the gathered information, the County engaged Caldwell Environmental Solutions, LLC in November 2020 to assist with a request for proposal process. As a result, nine companies responded and have presented their proposals to the Public Works Committee. In October 2022, the commission authorized \$200 thousand for the design and engineering of a transfer station. In October 2023, the commission borrowed \$20 million through a General Obligation Bond Debt issuance to fund the construction of a transfer station.

Long-term Financial Planning and Relevant Financial Policies

On June 26, 2023, the County Commission agreed to use \$559 of the unassigned fund balance to fund the General Fund operations for the 2023-2024 fiscal year. For fiscal year 2023-2024, the County Commission increased the property tax rate from \$1.6162 to \$1.8775. This 16% increase in the property tax rate was approved to support the operations of the County and support the County's capital improvement plan. After the tax increase, the County's projected unassigned general fund balance is expected to exceed the minimum 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 has reviewed 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 annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. 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 ACFR 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 27 consecutive fiscal years. We believe that our current ACFR

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, Chrissi Caruthers, Reba Carleton, Sharon Richards, Jennifer Henson, Scott Magner, Lisa Boulanger, Kierstie Jensen, Patricia Newcomb, Denise Terranova, Vicki Newman, and Gina Lennon. 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,

Michael Smith, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Rutherford County
Tennessee**

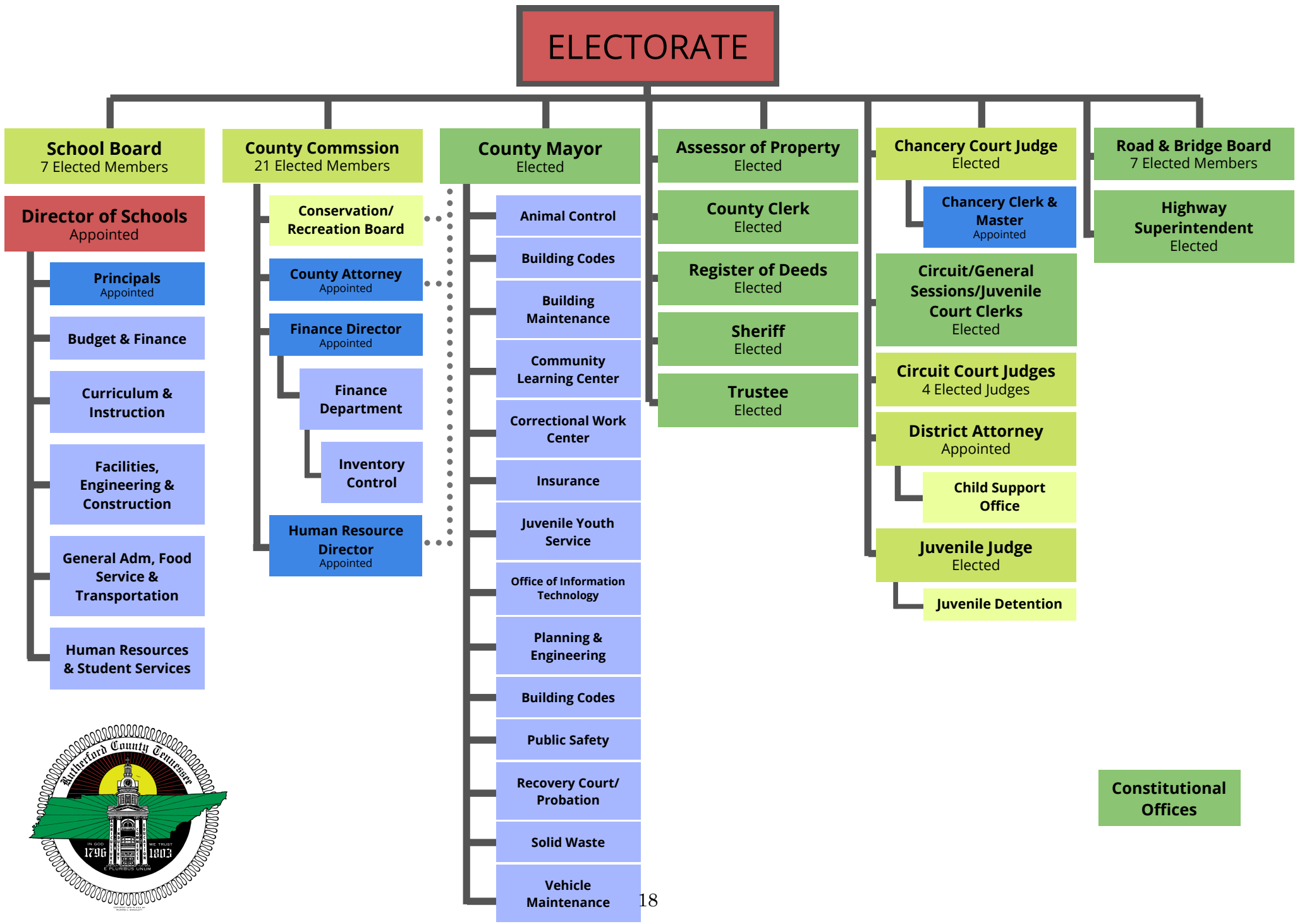
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Rutherford County Government Organizational Chart



Rutherford County Officials

June 30, 2023

Officials

Joe Carr, County Mayor
Greg Brooks, Highway Superintendent
James Sullivan, Director of Schools
Thomas Batey, Trustee
Rob Mitchell, Assessor of Property
Lisa Crowell, County Clerk
Melissa Harrell, Circuit, General Sessions, and Juvenile Courts Clerk
Adam Dodd, Clerk and Master
Heather Dawbarn, Register of Deeds
Michael Fitzhugh, Sheriff
Michael Smith, Director of Finance

Board of County Commissioners

Jeff Phillips, Chairman
Hope Oliver
Steve Percy
Michael Wrather
Robert Peay Jr.
Laura Davidson
Jonathan Beverly
Michael Kusch
Pettus Reed
Joshua James

Phil Wilson
Anthony Johnson
Carl Boyd
Paul Johnson
Wayne Irvin
Craig Harris
Phil Dodd
Allen McAdoo
Romel McMurry
Trey Gooch
Chantho Sourinho

Highway Commissioners

Michael Anderson, Chairman
David Victory
Keith Bratcher
Paul Johnson

Mark Lee
Michael Shirley
Keith Elrod

(Continued)

Rutherford County Officials (Cont.)

Board of Education

Tammy Sharp, Chairman
Caleb Tidwell
Shelia Bratton
Clair Maxwell

Frances Rosales
Katie Darby
Coy Young

Audit Committee

Barbara Sutton, Chairman
Craig Harris
Claire Maxwell
Mark Lee

Hope Oliver
Blair Haskins
Suzanne Vandiver

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying 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, 2023, 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.

We did not audit the financial statements of the discretely presented Community Care of Rutherford County, Inc., which represent 0.68 percent, 0.58 percent, and 1.74 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We did not audit the financial statements of the discretely presented Rutherford County Emergency Communications District, which represent 0.96 percent, 1.23 percent, and 0.45 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We did not audit the financial statements of the Internal School Fund of the Rutherford County School Department (a discretely presented component unit), which represent one percent, 1.31 percent, and 3.21 percent, respectively, of the assets, net position, and revenues of the discretely presented school department component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented Community Care of Rutherford County, Inc., the Rutherford County Emergency Communications District, and the Internal School Fund of the Rutherford County School Department is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rutherford County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rutherford County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Rutherford County's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rutherford County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in the county's, school department's, and community care's net pension liability (asset) and related ratios, schedules of county, school, and community care contributions, schedules of school's proportionate share of the net pension liability (asset), and schedules of county and school changes in the total OPEB liability and related ratios as listed under Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Rutherford County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Rutherford County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are 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 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2024, on our consideration of Rutherford County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Rutherford County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rutherford County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 8, 2024

JEM/gc

**Rutherford County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2023**

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, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report. **All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

Financial Highlights

- The assets and deferred outflows of resources of Rutherford County Government exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$97,467(net position). Part of the liabilities (\$353,885) is long-term debt that is attributable to the Rutherford County Board of Education (RCBOE), a component unit. The related capital assets are reported in the financial statements of the RCBOE.
- From yearly activity, the government's total net position increased by \$32,909 resulting mostly from the primary government borrowing funds on behalf of RCBOE in the fiscal year.
- As of the close of the current fiscal year, the governmental funds of Rutherford County, Tennessee, reported combined ending fund balances of \$177,770, a decrease of \$32,015 in comparison with the prior year. Most of the decrease occurred in the General Debt Service Fund, due to a \$35,000 contribution to the Rutherford County school department, that was paid in October 2023. Of the combined fund balances, \$133,642 is available for spending at the government's discretion (assigned and unassigned fund balances).
- At the end of the current fiscal year, an assigned fund balance of \$559 in the General Fund will be used to fund operations in the 2023-2024 fiscal year. Unassigned fund balance for the General Fund was \$71,607 or 51.22% of total General Fund expenditures.
- The total debt of Rutherford County, Tennessee, decreased by \$39,353 (8.09%) during the current fiscal year. During the fiscal year, the county retired \$38,715 of bonded debt, and retired principal balances of \$638 for other loans.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Rutherford County, Tennessee. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

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

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

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on

balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

Rutherford County, Tennessee, maintains 11 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and General Debt Service Fund, both of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

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

financial statements. The notes to the financial statements can be found after the Basic Financial Statements; see the table of contents for location.

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Rutherford County, Tennessee, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$97,467 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, 2023, Rutherford County had outstanding debt totaling \$353,885 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	
	2022	2023
Assets:		
Current and other assets	\$ 464,042	\$ 442,832
Capital assets	367,145	389,305
Total assets	\$ 831,187	\$ 832,137
Deferred outflows of resources:		
Deferred charge on refunding	\$ 4,931	\$ 3,706
Pension related	26,494	35,473
OPEB related	4,552	2,773
Total deferred outflows of resources	\$ 35,977	\$ 41,952
Liabilities:		
Long-term liabilities outstanding	\$ 597,918	\$ 484,134
Unearned Revenue	37,288	21,139
Other liabilities	11,546	60,475
Total liabilities	\$ 646,752	\$ 565,748
Deferred inflows of resources:		
Deferred current property taxes	\$ 116,478	\$ 182,795
Pension related	31,965	3,906
OPEB related	7,410	24,172
Total deferred inflows of resources	\$ 155,853	\$ 210,873
Net position:		
Net investment in capital assets	\$ 255,735	\$ 287,739
Restricted	56,367	20,010
Unrestricted	(247,543)	(210,282)
Total net position	\$ 64,559	\$ 97,467

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 \$287,739; 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.

Rutherford County's Changes in Net Position

Governmental activities. Governmental activities increased Rutherford County Government's net position by \$32,909. Key elements of this increase are displayed on the Changes in Net Position Table. While revenues decreased \$41,283 from the prior year, some individual large revenues increase. Additionally, expenses decreased \$11,176. The following table also presents 2022-2023 revenues and expenses as a percentage of total revenues and expenses.

CHANGES IN NET POSITION

	Governmental Activities		
	2022	2023	
Revenues:			
Program revenues:			
Charges for services	\$ 113,344	\$ 85,710	28%
Operating grants and contributions	63,474	20,404	7%
Capital grants and contributions	7,639	18,543	6%
General revenues:			
Property taxes	119,573	123,497	40%
Payment in-lieu-of taxes	3,445	4,001	1%
Local option sales taxes	10,546	10,637	3%
Hotel/Motel tax	5,393	6,136	2%
Wheel tax	8,638	9,149	3%
Business tax	4,129	4,936	2%
Mixed drink tax	23	22	0%
Litigation tax	2,776	2,993	1%
Development/School facilities tax	2,742	2,975	1%
Mineral severance tax	541	514	0%
Bank excise tax	1,124	1,695	1%
Wholesale beer tax	785	733	0%
Grants and contributions not restricted to specific programs	3,660	3,405	1%
Unrestricted investment income	1,127	12,831	4%
Other	827	321	0%
Total revenues	\$ 349,786	\$ 308,502	100%
Expenses:			
General government	\$ 21,192	\$ 39,417	14%
Finance	13,030	12,197	4%
Administration of justice	16,172	21,275	8%
Public safety	64,321	64,716	23%
Public health and welfare	50,028	37,503	14%
Social, cultural, and recreation services	3,976	4,320	2%
Agriculture and natural resources	1,047	1,456	1%
Highways	15,257	14,834	5%
Education	87,328	71,604	26%
Interest on long-term debt	14,418	8,271	3%
Total expenses	\$ 286,769	\$ 275,593	100%
Change in net position	\$ 63,017	\$ 32,909	
Net position, July 1	1,542	64,559	
Net position, June 30	\$ 64,559	\$ 97,468	

Changes in general revenue occurred primarily due to an increase in property tax and investment income, and a decrease in program revenues due to the end of the county's emergency rental program. The County Trustee's offices collected 98.16 % of the current year tax levy by year end compared to 98.8 % in the prior year. The property tax rate decreased due to reappraisal, the assessed values in the county increased 43.11%.

Decreases in general revenue primarily occurred with payment in lieu of taxes with the original agreement with Nissan ending in February 2023. Also, the County Commission voted to eliminate the development tax (received by the primary government) and replace it with a school facilities tax (split between the primary government and the component unit, Rutherford County Board of Education.) There is also a lag in the collection of the schools facilities tax compared with the collection of the development tax.

Governmental Program Expenses

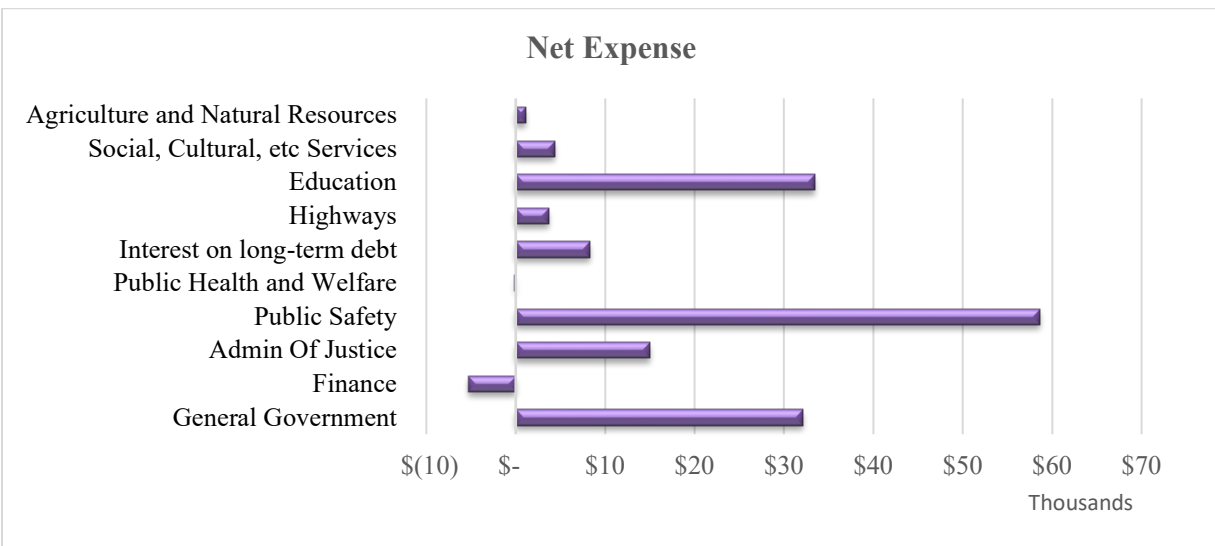
The cost of all governmental activities was \$275,593. However, as shown on the previous page, 45.23 % of these costs (\$124,657) were either paid by those who directly benefited from the programs (\$85,710), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$20,404) and capital grants and contributions (\$18,543). The county paid for the remaining “public benefit” portion of governmental activities with taxes, general grants and contributions, and other miscellaneous revenue (54.77 % of the cost of all governmental activities).

Education expenses of \$71,604, Public Safety expenses of \$64,716, General Government expenses of \$39,417 and Public Health and Welfare expenses of \$37,503 comprise the largest categories of expenses of Rutherford County, which when combined (\$213,239) comprise 77.37% of total expenses. Of the \$213,239, \$61,947 was recovered by charges for services, \$13,814 from operating grants/contributions, and \$13,636 from capital grants/contributions. Rutherford County’s Board of Education is a component unit of the primary government and does not have the authority to issue debt. Rutherford County issues debt on the Board of Education’s behalf; then contributes the proceeds to the Board so they can purchase, build, or renovate schools. For FY 2022-2023, the county issued \$35,000 in bond anticipation notes as a contribution to the Rutherford County School Department, paid in October 2023.

Expenses by Governmental Activities. The following table shows the “net (expense) revenue” as a percentage of the total expense. Net expense is all program expenses less all program revenue. Citizens must then pay for these governmental activities through taxes, unrestricted grants, contributions, and investment income. The next table shows the percentage of total expenses, along with the impact of the program on the local citizens’ tax base, as a percentage. For example, during the 2022-2023 fiscal year, 12.1% of Education expenses was covered by the local citizen tax base while 21.2 % for Public Safety expenses was covered by the local citizen tax base. Seldom does program revenue exceed the government expenses; however, program revenue for Finance and Public Health and Welfare programs did indeed exceed the expense.

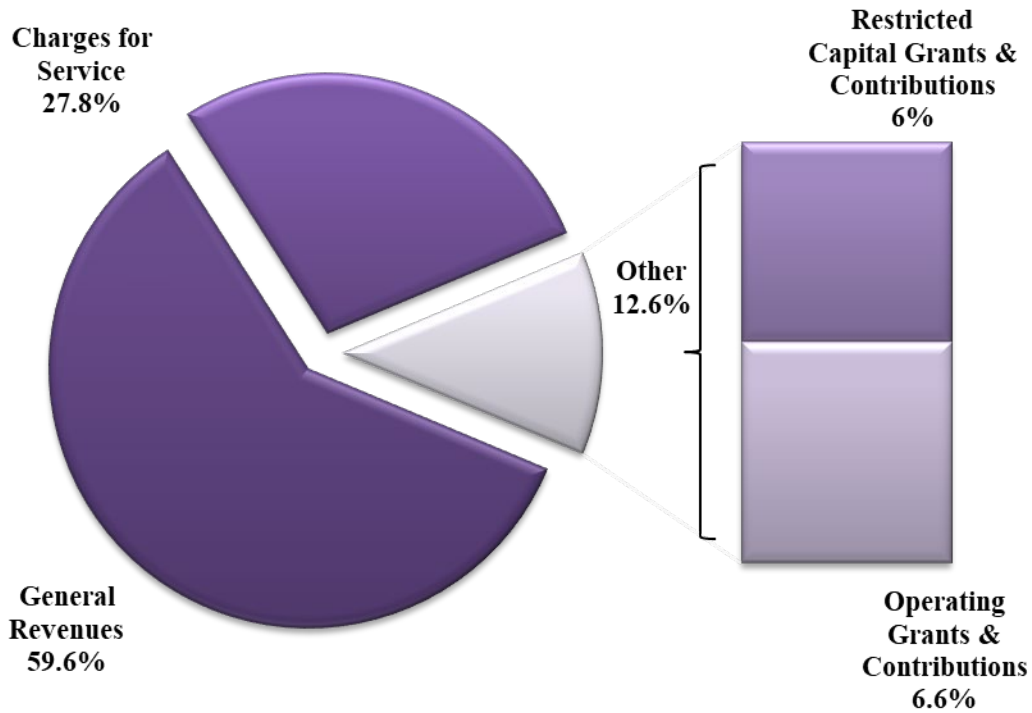
Net Program Cost to Taxpayers
Allocation of the Citizen Tax Base to Governmental Activities

Function - % of Total Expense	Program		Net	Net Expense
	Revenue	Expense	(Expense)	as % to
			Revenue	Total Expense
General Gov't - 14.3%	\$ 7,353	\$ 39,417	\$ (32,064)	11.6%
Finance - 4.4%	17,490	12,197	5,292	-1.9%
Admin. of Justice - 7.7%	6,309	21,275	(14,967)	5.4%
Public Safety - 23.5%	6,155	64,716	(58,561)	21.2%
Health & Welfare - 13.6%	37,671	37,503	169	-0.1%
Social, Cultural, Rec. Services - 1.6%	-	4,320	(4,320)	1.6%
Agri. & Natural Resources - .5%	338	1,456	(1,118)	0.4%
Highways - 5.4%	11,123	14,834	(3,711)	1.3%
Education -26%	38,218	71,604	(33,386)	12.1%
Interest on debt - 3%	-	8,271	(8,271)	3.0%
Total Governmental Activities	\$ 124,657	\$ 275,593	\$ (150,936)	54.8%



Revenues

Revenues on the government-wide statement of activities are broken into two major categories: program and general revenues. Of the total revenues, 40.4 % is received from program revenues and 59.6 % from general revenues.



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

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

General Revenue	Revenue	% of total General Revenue
Property Taxes	\$ 123,497	67.17%
Payments in-Lieu-of Tax	4,001	2.18%
Local Option Sales Tax	10,637	5.79%
Hotel/Motel Tax	6,136	3.34%
Wheel Tax	9,149	4.98%
Business Tax	4,936	2.68%
Mixed Drink Tax	22	0.01%
Litigation Tax	2,993	1.63%
Adequate Facilities/Development Tax	2,975	1.62%
Mineral Severance Tax	514	0.28%
Bank Excise Tax	1,695	0.92%
Wholesale Beer Tax	733	0.40%
Grants and Contributions Not Restricted to Specific Programs	3,405	1.85%
Unrestricted Investment Income	12,831	6.98%
Miscellaneous	321	0.17%
Total	\$ 183,845	100%

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, \$63 – 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, \$19,606 – 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, \$24,459 – 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, \$62,035 – 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, \$71,607 – the residual classification of the General Fund. This classification generally represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

As of the end of the current fiscal year, Rutherford County Government’s governmental funds reported combined ending fund balances of \$177,770, which was a decrease of \$32,015 in comparison with the prior year. The General Debt Service Fund (\$37,554) experienced most of the decrease due to a \$35,000 contribution to the Rutherford County school department, that was paid in October 2023.

The General Fund is the chief operating fund of Rutherford County Government. On a budgetary basis, the actual net change to fund balance was an increase of \$774. Revenues were less than final estimates by \$4,039. All of the negative performance was due to grant revenue budgeted but not received until next fiscal year. Estimates for local taxes and fees from county officials performed better than anticipated. The current property tax levy was estimated at 95.5% collected as of fiscal year end; however, the County Trustee’s Office collected 98.16% of this tax. Unspent appropriations totaled \$24,121 which mostly resulted from unspent grant funds, salary, wages, and related benefits. Net other financing sources/uses was \$294 less than expected.

On a GAAP basis, the unassigned fund balance was \$71,607 while total General Fund balance was \$88,494, which is an increase of \$774 over the prior fiscal year. Assigned fund balance was \$559, which has been assigned for the purpose to fund operations in the next fiscal year. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 51.22% of total General Fund expenditures, while total fund balance represents 63.3% of that same amount. It should be noted that when the original budget for 2022-2023 was adopted, the assigned and unassigned fund balance was estimated at \$53,239 by June 30, 2023. The improvement to the estimate of unassigned fund balance was primarily due to the conservative budgeting of property tax collection, an increase in interest rates, which caused an increase in investment income, and receiving monies from the national opioid settlement. Additionally, all departments did not spend all their appropriations. Wages and related benefits are budgeted as if all positions would be filled for the entire year, which is rarely the case.

The Debt Service Fund is the fund Rutherford County sets aside resources to meet current and future debt service requirements on general long-term debt. At the end of the current fiscal year, assigned fund balance in this fund was \$12,701 while total fund balance was \$14,522. The restricted fund balance offsets the Note Receivable due from the City of Murfreesboro Water and Sewer Department. 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 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 13.87% of total expenditures for debt service. However, \$35,000 of expenditures was repaid to the General Debt Service Fund in October 2023, due to a temporary contribution made to the Rutheford County School District.

General Fund Budgetary Highlights

During the fiscal year, there was an increase of \$23,598 in appropriations from the original budget. These differences are summarized in the following table. Significant changes are displayed in the following table and discussed further by function below.

**Net Change in Appropriation Budget
Amended over (under) Original**

	2022	2023
General Government	\$ 649	\$ 2,479
Finance	248	325
Administration of Justice	226	1,027
Public Safety	753	3,845
Public, Health and Welfare	92	359
Social, Cultural and Recreational	90	100
Agriculture and Natural Resources	36	47
Other Operations	29,660	15,416
	\$ 31,754	\$ 23,598

This fiscal year General Government had a net increase of \$2,479. Appropriations for the Election Commission increased \$1,529 to recognize a grant for new voting equipment. Additional appropriations totaling \$765 were needed in Building Maintenance to provide necessary repairs to a parking garage owned jointly with the City of Murfreesboro.

The increase in Finance was primarily for the County’s Office of Information Technology needed additional appropriations of \$200 for additional internet utility cost.

The increase of \$1,027 in appropriations for Administration of Justice were needed for several departments and offices. Drug Court needed \$811 which was related to grants they received to run their various programs.

The increase of appropriations for Public Safety totaled \$3,845. Most related to the Sheriff’s Office which needed \$2,113 for the payoff of leased patrol cars and purchase of new patrol cars. The \$714 increase in the jail was necessary to provide funds to repair damage to the building elevator. Rural Fire (\$147) and Disaster Relief (\$205) also received additional appropriations for grants administered by their departments and overtime costs.

Within Public Health and Welfare, an additional appropriation of \$293 was authorized for the Health Department due to a capital grant for HVAC improvements.

For Social, Cultural, and Recreation - the Parks and Recreation department needed an additional \$100 for a contribution to the City of Murfreesboro for the county's obligation for maintenance of the greenway. The County contributes 5% of the collected hotel/ motel tax for this purpose. As discussed before, the hotel/motel tax collected during the year was more than anticipated which caused the need for an increase in appropriations.

The increase of Agriculture and Natural Resources totaled \$47 and was mostly needed by the Agriculture Extension Service for various cleaning and maintenance projects and to add a new fence around their outdoor arena.

The largest change to the original budget was \$15,416 for Other Operations which mostly resulted from federal grant funds awarded to Rutherford County. The county received an award of \$5,000 for water infrastructure projects. An increase in appropriations was needed for Employee Benefits (\$750) to pay claims stemming from the workers compensation/on the job injury program. The County contributes 15% of the collected hotel motel tax to the Convention & Visitor's Bureau. As noted above, the hotel/motel tax collected during the year was more than anticipated, which required the additional appropriation of \$275 for Tourism. Because of improving estimated revenue, additional appropriation of \$140 was needed for the trustee's commission reflected in the Miscellaneous function. Also in this function was an additional appropriation of \$3,500 for judgements.

The actual results compared to the final budget are displayed on the next table. On a budgetary basis, at the close of the fiscal year, actual expenditures were \$24,121 less than budgetary estimates. Also, across all functions personnel and benefit line items left unspent totaled \$9,714. The county typically budgets all positions as being filled for the entire year. Because of turnover, there are normally appropriations left unspent in those cost categories. Unspent appropriations for services and supplies are estimated at approximately \$11,036 while unspent appropriations for other expenditures totaled approximately \$3,371.

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

		2022		2023
General Government	\$	1,842	\$	2,190
Finance		1,012		1,474
Administration of Justice		1,322		1,680
Public Safety		6,795		8,860
Public, Health and Welfare		969		1,160
Social, Cultural and Recreational		49		50
Agriculture and Natural Resources		83		82
Other Operations		4,267		8,625
	\$	16,339	\$	24,121

Capital Assets and Debt Administration

Capital Assets. Rutherford County Government’s investment in capital assets for its governmental funds as of June 30, 2023, totaled \$389,305 (net of accumulated depreciation). The investment in capital assets includes land, intangibles – right of ways, buildings and improvements, other capital assets (includes equipment), other intangibles, and infrastructure (roads, highways, and bridges). The increase in Rutherford County Government’s investment in capital assets for the current fiscal year totaled \$22,160, which represented a 6.04% increase over the prior year.

	Governmental Activities	
	2022	2023
Land	\$ 45,668	\$ 45,815
Intangibles (Right of Way)	47,416	48,156
Buildings and Improvements	124,374	119,893
Infrastructure	102,869	104,730
Intangibles (Other)	1,867	1,807
Other Capital Assets	18,129	19,264
Other Operations	26,822	49,640
	\$ 367,145	\$ 389,305

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

Long-term debt. At the end of the current fiscal year, Rutherford County Government had total bonded debt and loans outstanding of \$447,038. 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	
	2022	2023	2022	2023	2022	2023
Notes	\$ 1,241	\$ 603	\$ -	\$ -	\$ 1,241	\$ 603
Bonds	383,994	353,282	101,156	93,153	485,150	446,435
Total	\$ 385,235	\$ 353,885	\$ 101,156	\$ 93,153	\$ 486,391	\$ 447,038

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

Rutherford County decreased its long-term debt by \$39,353 (8.09%) during the 2022-2023 fiscal year. Rutherford County Government maintains a rating of “Aaa” 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. of this report.

Economic Factors and Next Year’s Budget and Rates

Rutherford County adopted a budget for the fiscal year ending June 30, 2024, on June 26, 2023. As in prior years, many factors were considered when adopting this budget. Rutherford County continues to be one of the fastest growing areas in the State of Tennessee. Based on continued increases in the local sales tax and revenues related to residential construction, it appears that the county’s economy continues to be stable. However, as in prior years, estimates for revenues from property tax, sales tax, development tax, hotel/motel tax and building related revenues were conservatively developed for the next fiscal year. Rutherford County’s Board of Commissioners has strived to limit the tax burden on property owners but has always been cognizant of the financial policies they have set in place.

For calendar year 2023, the County Commission increased the property tax rate twenty-six cents to \$1.8762 and moved eleven pennies to the General Debt Service Fund from the Rutherford County School system to fund additional debt service for school construction. The chart below shows how the property tax rate was allocated to the various funds.

Distribution of the County Property Tax Rate

Fund	2022 Adopted Tax Rate	Change	2023 Adopted Tax Rate
General	\$ 0.4762	\$ 0.2348	\$ 0.7110
Ambulance Service	0.0428	0.0252	0.0680
Highway/Public Works	0.0072	0.0000	0.0072
Education	0.6927	(0.1000)	0.5927
Education Capital Projects	0.1100	(0.0100)	0.1000
Debt Service	0.2873	0.1100	0.3973
Total	\$ 1.6162	\$ 0.2600	\$ 1.8762

Projected amounts were sufficient and available in the unassigned fund balance in the General Fund to allow a portion to be used to fund operations in the next fiscal year. Rutherford County Government has appropriated \$559 for spending in the 2023-2024 fiscal year. This is reflected as the Assigned for Other Purposes in the Balance Sheet of the Governmental Funds as of June 30, 2023. Unassigned fund balance in the General Fund was projected at \$71,050 as of June 30, 2024, which is 44.40 % of the original 2023-2024 General Fund appropriations.

The Board of Education requested funding for three high school additions during FY23. The County Commission approved funding and issued a Bond Anticipation Note (BAN) in June 2023, for \$35 million. This BAN was repaid to the General Debt Service fund in October 2023 with the issuance of \$171 million in General Obligation Bonds on October 6, 2023. This debt issuance included money for three high school additions, construction of a solid waste transfer station and funding for a joint road project with the Tennessee Department of Transportation. Additionally, with this bond issuance, in September 2023 Moody’s

maintained their rating of “Aaa” for the general obligation bonds of Rutherford County. Standard and Poor’s maintained their “AA+” rating for the County.

Request for Information

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

BASIC FINANCIAL STATEMENTS

Exhibit A

Rutherford County, Tennessee
Statement of Net Position
June 30, 2023

	Primary Governmental Activities	Component Units		
		Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
<u>ASSETS</u>				
Cash	\$ 1,799,879	\$ 10,730,906	\$ 4,818,953	\$ 5,634,543
Equity in Pooled Cash and Investments	232,983,930	231,052,298	0	0
Inventories	0	694,469	36,990	0
Accounts Receivable	11,032,989	988,933	996,931	481
Allowance for Uncollectibles	(4,277,143)	0	(47,983)	0
Property Taxes Receivable	187,692,925	97,093,371	0	0
Allowance for Uncollectible Property Taxes	(3,505,806)	(2,505,704)	0	0
Due from Other Governments	7,236,877	38,785,235	0	0
Due from Component Units	547,533	0	0	0
Other Current Assets	0	28,548	1,013	0
Prepaid Items	62,819	3,001	6,359	928,654
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	7,031,618	0	0
Cash-Patient's Funds	0	0	17,686	0
Notes Receivable - Long-term	9,257,767	0	0	0
Net Pension Asset - Teacher Retirement Plan	0	1,510,437	0	0
Net Pension Asset - Teacher Legacy Pension Plan	0	57,990,416	0	0
Capital Assets:				
Assets Not Depreciated:				
Land	45,814,862	28,893,466	113,184	17,500
Intangible Assets (Right-of-Ways)	48,156,027	0	0	0
Construction in Progress	49,639,789	178,194,931	155,005	0
Other Capital Assets-not depreciated	0	0	0	75,498
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	119,893,288	417,068,121	0	785,750
Capital Improvements	0	0	696,800	0
Infrastructure	104,730,817	0	0	0
Intangible Assets	1,806,835	20,471	0	1,213,850
Other Capital Assets	19,263,666	7,838,524	587,367	1,876,312
Total Assets	<u>\$ 832,137,054</u>	<u>\$ 1,075,419,041</u>	<u>\$ 7,382,305</u>	<u>\$ 10,532,588</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Amount on Refunding	\$ 3,705,966	\$ 0	\$ 0	\$ 0
Pension Changes in Experience	12,864,111	18,346,018	633,317	170,448
Pension Changes in Assumptions	13,589,765	47,313,950	669,042	30,238
Pension Changes in Investment Earnings	726,047	1,960,098	35,744	5,139
Pension Contribution after Measurement Date	8,292,948	21,479,478	418,822	30,354
OPEB Changes in Experience	404,336	1,577,329	20,293	72,752
OPEB Changes in Assumptions	1,870,452	7,463,086	93,874	15,138
OPEB Benefits Paid After Measurement Date	498,065	982,930	1,930	0
Total Deferred Outflows of Resources	<u>\$ 41,951,690</u>	<u>\$ 99,122,889</u>	<u>\$ 1,873,022</u>	<u>\$ 324,069</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Units		
		Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
<u>LIABILITIES</u>				
Accounts Payable	\$ 2,324,600	\$ 312,148	\$ 1,334,384	\$ 9,837
Accrued Payroll	2,639,567	39,573,221	102,110	0
Payroll Deductions Payable	13,139	11,731,933	0	0
Accrued Leave	0	0	200,542	42,203
Accrued Other Benefits	0	0	35,128	0
Contracts Payable	339,976	896,338	0	0
Retainage Payable	18,019	230,972	0	0
Accrued Interest Payable	3,629,972	0	0	0
Cash Overdraft	0	61,130	0	0
Due to Primary Government	0	547,533	0	0
SBITA Payable	0	0	0	65,911
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	2,941,920	0	17,686	0
Unearned/Unavailable Revenue	21,139,358	0	0	0
Noncurrent Liabilities:				
Due Within One Year - Debt	40,085,669	0	0	0
Due Within One Year - Other	8,481,740	86,357	0	0
Due in More Than One Year - Debt	445,977,067	0	0	0
Due in More Than One Year - Other	38,156,962	89,649,948	1,332,707	262,693
Total Liabilities	\$ 565,747,989	\$ 143,089,580	\$ 3,022,557	\$ 380,644
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 182,795,259	\$ 93,679,920	\$ 0	\$ 0
Pension Changes in Experience	3,906,460	13,365,600	192,320	52,116
Pension Changes in Proportion	0	2,086,842	0	0
OPEB Changes in Experience	6,145,555	25,157,198	308,432	26,938
OPEB Changes in Assumptions	18,026,032	73,832,116	904,686	43,358
Total Deferred Inflows of Resources	\$ 210,873,306	\$ 208,121,676	\$ 1,405,438	\$ 122,412
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 287,738,971	\$ 632,015,513	\$ 1,552,355	\$ 3,902,999
Restricted for:				
General Government	883,905	0	0	0
Finance	153,158	0	0	0
Administrative of Justice	598,822	0	0	0
Public Safety	2,756,350	0	0	0
Public Health and Welfare	4,735,656	0	0	0
Debt Service	9,979,016	0	0	0
Capital Projects	904,242	60,072,358	0	0
Education	0	36,195,126	0	0
Pensions	0	66,532,471	0	0
Unrestricted	(210,282,671)	28,515,206	3,274,977	6,450,602
Total Net Position	\$ 97,467,449	\$ 823,330,674	\$ 4,827,332	\$ 10,353,601

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, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units		
					Total Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
Primary Government:								
General Government	\$ 39,416,869	\$ 5,424,896	\$ 1,928,232	\$ 0	\$ (32,063,741)	\$ 0	\$ 0	\$ 0
Finance	12,197,380	17,488,582	1,000	0	5,292,202	0	0	0
Administration of Justice	21,275,373	5,935,248	373,261	0	(14,966,864)	0	0	0
Public Safety	64,715,804	4,586,182	1,559,097	10,000	(58,560,525)	0	0	0
Public Health and Welfare	37,502,988	13,718,583	10,326,554	13,626,354	168,503	0	0	0
Social, Cultural, and Recreational Services	4,320,169	0	0	0	(4,320,169)	0	0	0
Agriculture and Natural Resources	1,456,127	338,478	0	0	(1,117,649)	0	0	0
Highways	14,834,554	0	6,215,946	4,906,835	(3,711,773)	0	0	0
Education	71,603,599	38,217,823	0	0	(33,385,776)	0	0	0
Interest on Long-term Debt	8,270,631	0	0	0	(8,270,631)	0	0	0
Total Primary Government	\$ 275,593,494	\$ 85,709,792	\$ 20,404,090	\$ 18,543,189	\$ (150,936,423)	\$ 0	\$ 0	\$ 0
Component Units:								
Rutherford County School Department	\$ 554,753,657	\$ 10,479,597	\$ 79,052,422	\$ 35,000,000	\$ 0	\$ (430,221,638)	\$ 0	\$ 0
Community Care of Rutherford County, Inc.	11,293,244	10,440,644	699,485	0	0	0	(153,115)	0
Emergency Communications District	1,747,220	2,741,880	0	0	0	0	0	994,660
Total Component Units	\$ 567,794,121	\$ 23,662,121	\$ 79,751,907	\$ 35,000,000	\$ 0	\$ (430,221,638)	\$ (153,115)	\$ 994,660

(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 Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 80,166,333	\$ 106,351,953	\$ 0	\$ 0
Property Taxes Levied for Debt Service					43,330,884	0	0	0
Payments in-Lieu-of Tax					4,000,612	96,041	0	0
Local Option Sales Tax					10,636,672	101,709,203	0	0
Hotel/Motel Tax					6,136,029	0	0	0
Wheel Tax					9,148,640	5,218,523	0	0
Business Tax					4,935,893	4,198,491	0	0
Mixed Drink Tax					21,845	733,291	0	0
Litigation Tax					2,993,378	0	0	0
Adequate Facilities/Development Tax					2,975,463	2,975,463	0	0
Mineral Severance Tax					514,326	0	0	0
Bank Excise Tax					1,694,874	0	0	0
Wholesale Beer Tax					733,019	0	0	0
Grants and Contributions Not Restricted to Specific Programs					3,404,741	277,648,568	0	164,000
Unrestricted Investment Income					12,831,148	4,499,300	5,834	14,482
Miscellaneous					321,225	178,942	0	1,600
Gain on Disposal of Capital Assets					0	0	0	20
Total General Revenues					<u>\$ 183,845,082</u>	<u>\$ 503,609,775</u>	<u>\$ 5,834</u>	<u>\$ 180,102</u>
Change in Net Position					\$ 32,908,659	\$ 73,388,137	\$ (147,281)	\$ 1,174,762
Net Position, July 1, 2022					<u>64,558,790</u>	<u>749,942,537</u>	<u>4,974,613</u>	<u>9,178,839</u>
Net Position, June 30, 2023					<u>\$ 97,467,449</u>	<u>\$ 823,330,674</u>	<u>\$ 4,827,332</u>	<u>\$ 10,353,601</u>

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

Exhibit C-1

Rutherford County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2023

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 2,870	\$ 0	\$ 1,446,048	\$ 1,448,918
Equity in Pooled Cash and Investments	89,918,385	12,325,666	85,478,195	187,722,246
Accounts Receivable	2,551,295	278,629	8,128,630	10,958,554
Allowance for Uncollectibles	0	0	(4,277,143)	(4,277,143)
Due from Other Governments	4,357,850	61,303	2,817,724	7,236,877
Property Taxes Receivable	112,723,345	63,048,250	11,921,330	187,692,925
Allowance for Uncollectible Property Taxes	(1,668,779)	(1,272,034)	(564,993)	(3,505,806)
Prepaid Items	62,819	0	0	62,819
Notes Receivable - Long-term	0	1,820,785	7,436,982	9,257,767
Total Assets	<u>\$ 207,947,785</u>	<u>\$ 76,262,599</u>	<u>\$ 112,386,773</u>	<u>\$ 396,597,157</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 742,696	\$ 0	\$ 1,575,304	\$ 2,318,000
Accrued Payroll	1,980,312	0	659,255	2,639,567
Payroll Deductions Payable	8,070	0	5,069	13,139
Contracts Payable	0	0	339,976	339,976
Retainage Payable	0	0	18,019	18,019
Current Liabilities Payable From Restricted Assets	2,941,920	0	0	2,941,920
Unearned/Unavailable Revenue	1,029,883	0	20,109,475	21,139,358
Total Liabilities	<u>\$ 6,702,881</u>	<u>\$ 0</u>	<u>\$ 22,707,098</u>	<u>\$ 29,409,979</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 110,049,707	\$ 61,494,724	\$ 11,250,828	\$ 182,795,259

(Continued)

Exhibit C-1

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Other Govern- mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>				
Deferred Delinquent Property Taxes	\$ 946,054	\$ 246,014	\$ 99,335	\$ 1,291,403
Other Deferred/Unavailable Revenue	1,754,814	0	3,575,897	5,330,711
Total Deferred Inflows of Resources	<u>\$ 112,750,575</u>	<u>\$ 61,740,738</u>	<u>\$ 14,926,060</u>	<u>\$ 189,417,373</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Prepaid Items	\$ 62,819	\$ 0	\$ 0	\$ 62,819
Restricted:				
Restricted for General Government	818,937	0	0	818,937
Restricted for General Government - American Rescue Plan Act	0	0	2,149	2,149
Restricted for Finance	153,158	0	0	153,158
Restricted for Administration of Justice	598,822	0	0	598,822
Restricted for Public Safety	575,550	0	2,180,800	2,756,350
Restricted for Public Health and Welfare	4,730,695	0	4,961	4,735,656
Restricted for Debt Service	0	1,820,785	7,610,698	9,431,483
Restricted for Capital Projects	671,390	0	437,929	1,109,319
Committed:				
Committed for General Government	275,392	0	0	275,392
Committed for Finance	374,179	0	0	374,179
Committed for Administration of Justice	2,820	0	0	2,820
Committed for Public Safety	1,716,977	0	0	1,716,977
Committed for Public Health and Welfare	5,158,415	0	0	5,158,415
Committed for Agriculture and Natural Resources	1,188,298	0	0	1,188,298
Committed for Other Operations	410	0	0	410
Committed for Highways/Public Works	0	0	2,804,457	2,804,457

(Continued)

Exhibit C-1

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>				
Committed (Cont.):				
Committed for Capital Projects	\$ 0	\$ 0	\$ 12,938,080	\$ 12,938,080
Assigned:				
Assigned for General Government	0	0	175,254	175,254
Assigned for Finance	0	0	714,500	714,500
Assigned for Administration of Justice	0	0	559,198	559,198
Assigned for Public Health and Welfare	0	0	25,744,004	25,744,004
Assigned for Other Operations	0	0	362,050	362,050
Assigned for Highways/Public Works	0	0	21,219,535	21,219,535
Assigned for Debt Service	0	12,701,076	0	12,701,076
Assigned for Other Purposes	559,493	0	0	559,493
Unassigned	71,606,974	0	0	71,606,974
Total Fund Balances	<u>\$ 88,494,329</u>	<u>\$ 14,521,861</u>	<u>\$ 74,753,615</u>	<u>\$ 177,769,805</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 207,947,785</u>	<u>\$ 76,262,599</u>	<u>\$ 112,386,773</u>	<u>\$ 396,597,157</u>

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

Exhibit C-2

Rutherford County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2023

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)		\$ 177,769,805
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 45,814,862	
Add: intangible assets – right-of-ways	48,156,027	
Add: construction in progress	49,639,789	
Add: buildings and improvements net of accumulated depreciation	119,893,288	
Add: infrastructure net of accumulated depreciation	104,730,817	
Add: intangible assets net of accumulated depreciation	1,806,835	
Add: other capital assets net of accumulated depreciation	<u>19,263,666</u>	389,305,284
(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.		36,024,507
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (446,435,000)	
Less: other loans payable	(602,800)	
Add: deferred amount on refunding	3,705,966	
Add: debt to be contributed by the school department	547,533	
Less: unamortized premium on debt	(39,024,936)	
Less: OPEB liability	(20,227,377)	
Less: landfill closure/postclosure care costs	(1,197,350)	
Less: compensated absences payable	(9,108,036)	
Less: accrued interest on bonds and other loans	(3,629,972)	
Less: net pension liability	<u>(6,449,966)</u>	(522,421,938)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 35,472,871	
Less: deferred inflows of resources related to pensions	(3,906,460)	
Add: deferred outflows of resources related to OPEB	2,772,853	
Less: deferred inflows of resources related to OPEB	<u>(24,171,587)</u>	10,167,677
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>6,622,114</u>
Net position of governmental activities (Exhibit A)		<u>\$ 97,467,449</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, 2023

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>General Debt Service</u>	<u>Funds Other Governmental Funds</u>	
<u>Revenues</u>				
Local Taxes	\$ 97,168,120	\$ 49,986,046	\$ 21,622,053	\$ 168,776,219
Licenses and Permits	3,050,368	0	0	3,050,368
Fines, Forfeitures, and Penalties	1,623,050	0	453,443	2,076,493
Charges for Current Services	2,601,806	0	20,304,012	22,905,818
Other Local Revenues	10,409,271	2,835,869	1,395,055	14,640,195
Fees Received From County Officials	14,158,961	0	0	14,158,961
State of Tennessee	13,225,295	0	7,255,328	20,480,623
Federal Government	5,230,680	0	13,930,040	19,160,720
Other Governments and Citizens Groups	2,622,921	647,700	203,020	3,473,641
Total Revenues	\$ 150,090,472	\$ 53,469,615	\$ 65,162,951	\$ 268,723,038
<u>Expenditures</u>				
<u>Current:</u>				
General Government	\$ 14,019,261	\$ 963,141	\$ 863,638	\$ 15,846,040
Finance	12,014,058	0	2,798,368	14,812,426
Administration of Justice	12,108,548	0	3,091,492	15,200,040
Public Safety	76,694,402	0	567,287	77,261,689
Public Health and Welfare	7,031,262	0	24,041,856	31,073,118
Social, Cultural, and Recreational Services	3,318,200	0	0	3,318,200
Agriculture and Natural Resources	1,307,472	0	0	1,307,472
Other Operations	13,304,675	0	141,013	13,445,688
Highways	0	0	13,583,001	13,583,001
<u>Debt Service:</u>				
Principal on Debt	0	39,353,208	0	39,353,208
Interest on Debt	0	16,281,447	0	16,281,447
Other Debt Service	0	35,000,000	0	35,000,000

(Continued)

Exhibit C-3

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

	<u>Major Funds</u>		<u>Nonmajor</u>	
			<u>Funds</u>	
			<u>Other</u>	
			<u>Govern-</u>	<u>Total</u>
	<u>General</u>	<u>Debt</u>	<u>mental</u>	<u>Governmental</u>
		<u>Service</u>	<u>Funds</u>	<u>Funds</u>
<u>Expenditures (Cont.)</u>				
Capital Projects	\$ 0	\$ 0	\$ 24,365,040	\$ 24,365,040
Total Expenditures	\$ 139,797,878	\$ 91,597,796	\$ 69,451,695	\$ 300,847,369
Excess (Deficiency) of Revenues Over Expenditures	\$ 10,292,594	\$ (38,128,181)	\$ (4,288,744)	\$ (32,124,331)
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 94,454	\$ 0	\$ 15,255	\$ 109,709
Transfers In	0	574,390	9,777,231	10,351,621
Transfers Out	(9,612,695)	0	(738,926)	(10,351,621)
Total Other Financing Sources (Uses)	\$ (9,518,241)	\$ 574,390	\$ 9,053,560	\$ 109,709
Net Change in Fund Balances	\$ 774,353	\$ (37,553,791)	\$ 4,764,816	\$ (32,014,622)
Fund Balance, July 1, 2022	87,719,976	52,075,652	69,988,799	209,784,427
Fund Balance, June 30, 2023	\$ 88,494,329	\$ 14,521,861	\$ 74,753,615	\$ 177,769,805

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, 2023

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)		\$ (32,014,622)
(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	\$ 29,411,663	
Less: current-year depreciation expense	<u>(11,155,232)</u>	18,256,431
(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	\$ 4,299,745	
Less: book value of capital assets disposed	<u>(395,574)</u>	3,904,171
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2022	\$ (9,135,875)	
Add: deferred delinquent property taxes and other deferred June 30, 2023	<u>6,622,114</u>	(2,513,761)
(4) The issuance of long-term debt (e.g. bond and other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on other loans	\$ 638,208	
Add: principal payments on bonds	38,715,000	
Add: change in premium on debt issuances	8,796,845	
Less: contributions from school department for other loans	(308,568)	
Less: change in deferred amount on refunding debt	<u>(1,224,840)</u>	46,616,645
(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	\$ 438,811	
Change in landfill closure/postclosure care costs	(75,553)	
Change in net OPEB liability	16,716,918	
Change in deferred outflows of resources related to OPEB	(1,779,234)	
Change in deferred inflows of resources related to OPEB	(16,761,416)	
Change in compensated absences payable	(2,265,008)	
Change in deferred outflows of resources related to pensions	8,978,586	
Change in deferred inflows of resources related to pensions	28,058,788	
Change in net pension liability/asset	<u>(36,729,731)</u>	(3,417,839)
(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>2,077,634</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 32,908,659</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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 97,168,120	\$ 0	\$ 0	\$ 97,168,120	\$ 87,748,622	\$ 93,325,021	\$ 3,843,099
Licenses and Permits	3,050,368	0	0	3,050,368	2,448,000	2,932,705	117,663
Fines, Forfeitures, and Penalties	1,623,050	0	0	1,623,050	1,418,800	1,560,970	62,080
Charges for Current Services	2,601,806	0	0	2,601,806	2,098,500	2,413,774	188,032
Other Local Revenues	10,409,271	0	0	10,409,271	1,364,250	9,826,150	583,121
Fees Received From County Officials	14,158,961	0	0	14,158,961	13,306,000	13,306,000	852,961
State of Tennessee	13,225,295	0	0	13,225,295	7,172,140	13,883,238	(657,943)
Federal Government	5,230,680	0	0	5,230,680	1,171,514	14,299,010	(9,068,330)
Other Governments and Citizens Groups	2,622,921	0	0	2,622,921	1,870,000	2,582,416	40,505
Total Revenues	\$ 150,090,472	\$ 0	\$ 0	\$ 150,090,472	\$ 118,597,826	\$ 154,129,284	\$ (4,038,812)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 380,305	\$ 0	\$ 0	\$ 380,305	\$ 416,675	\$ 443,675	\$ 63,370
Board of Equalization	28,084	0	0	28,084	47,340	47,340	19,256
County Mayor/Executive	1,211,275	(157,860)	12,941	1,066,356	1,093,072	1,198,222	131,866
Personnel Office	731,484	0	0	731,484	696,448	747,773	16,289
County Attorney	300,648	0	0	300,648	301,668	301,668	1,020
Election Commission	2,551,294	(4,482)	0	2,546,812	1,133,846	2,663,746	116,934
Register of Deeds	409,511	(39)	71	409,543	449,976	449,976	40,433
Planning	1,390,138	(773)	9,470	1,398,835	1,563,058	1,563,058	164,223
Geographical Information Systems	1,123,627	(5,004)	641	1,119,264	1,167,740	1,167,740	48,476
County Buildings	4,861,486	(204,602)	252,270	4,909,154	4,766,021	5,531,168	622,014
Preservation of Records	279,803	0	0	279,803	303,884	304,134	24,331
Risk Management	751,606	(147)	0	751,459	1,692,822	1,692,822	941,363
<u>Finance</u>							
Accounting and Budgeting	1,756,779	0	467	1,757,246	1,944,910	1,945,060	187,814
Reappraisal Program	2,950,815	(18,334)	0	2,932,481	3,385,309	3,412,911	480,430
County Trustee's Office	972,047	(616)	5,353	976,784	1,098,970	1,098,970	122,186
County Clerk's Office	1,221,449	(6,518)	44,293	1,259,224	1,439,700	1,513,700	254,476

(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 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Data Processing	\$ 5,112,968	\$ (531,015)	\$ 324,065	\$ 4,906,018	\$ 5,112,138	\$ 5,335,138	\$ 429,120
<u>Administration of Justice</u>							
Circuit Court	1,505,129	(2,034)	109	1,503,204	1,678,960	1,828,960	325,756
Circuit Court Judge	355,672	0	0	355,672	405,424	405,424	49,752
General Sessions Court	2,499,729	(1,728)	1,517	2,499,518	2,554,793	2,597,093	97,575
Drug Court	2,148,002	(132)	17,333	2,165,203	2,056,542	2,868,003	702,800
Chancery Court	1,258,918	(753)	0	1,258,165	1,313,134	1,313,134	54,969
Juvenile Court	983,112	(23)	931	984,020	1,136,946	1,158,446	174,426
District Attorney General	188,773	0	0	188,773	213,877	213,877	25,104
Office of Public Defender	218,772	0	0	218,772	219,441	219,441	669
Other Administration of Justice	1,613,862	0	0	1,613,862	1,807,989	1,807,989	194,127
Probation Services	1,044,265	0	0	1,044,265	1,075,599	1,077,879	33,614
Victim Assistance Programs	292,314	(270)	0	292,044	313,678	313,678	21,634
<u>Public Safety</u>							
Sheriff's Department	35,272,666	(485,817)	1,521,421	36,308,270	36,995,390	39,540,516	3,232,246
Special Patrols	39,801	0	0	39,801	43,370	43,370	3,569
Traffic Control	6,339	0	0	6,339	25,000	25,000	18,661
Administration of the Sexual Offender Registry	98,004	(900)	1,350	98,454	100,239	100,264	1,810
Jail	22,356,977	(411,881)	246,427	22,191,523	24,992,581	25,706,712	3,515,189
Workhouse	5,222,650	(13,951)	72,508	5,281,207	5,668,143	5,876,465	595,258
Juvenile Services	2,899,127	(4,819)	6,504	2,900,812	3,229,910	3,254,410	353,598
Rural Fire Protection	6,063,425	(14,215)	8,731	6,057,941	6,246,592	6,393,946	336,005
Disaster Relief	3,477,932	(171,311)	194,273	3,500,894	3,863,364	4,068,740	567,846
Inspection and Regulation	1,257,481	(972)	673	1,257,182	1,492,569	1,492,569	235,387
<u>Public Health and Welfare</u>							
Local Health Center	892,393	(4,266)	9,867	897,994	1,042,723	1,335,473	437,479
Rabies and Animal Control	2,445,098	(27,909)	148,546	2,565,735	2,884,184	2,946,684	380,949
Dental Health Program	9,778	0	1,433	11,211	11,850	11,850	639
Alcohol and Drug Programs	14,427	0	0	14,427	25,000	28,500	14,073

(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 7/1/2022	Add: Encumbrances 6/30/2023	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>							
Other Local Health Services	\$ 2,862,523	\$ 0	\$ 0	\$ 2,862,523	\$ 3,141,828	\$ 3,142,403	\$ 279,880
General Welfare Assistance	57,750	0	0	57,750	57,750	57,750	0
Sanitation Management	42,937	0	0	42,937	42,937	42,937	0
Other Public Health and Welfare	706,356	0	0	706,356	753,000	753,000	46,644
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	37,800	0	0	37,800	37,800	37,800	0
Libraries	1,994,814	0	0	1,994,814	1,994,814	1,994,814	0
Parks and Fair Boards	702,404	0	0	702,404	650,635	750,635	48,231
Other Social, Cultural, and Recreational	583,182	0	0	583,182	585,682	585,682	2,500
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	872,792	0	256	873,048	870,608	917,608	44,560
Soil Conservation	125,027	0	0	125,027	143,210	143,210	18,183
Storm Water Management	309,653	(3,697)	0	305,956	325,140	325,140	19,184
<u>Other Operations</u>							
Tourism	1,011,254	0	0	1,011,254	765,850	1,040,850	29,596
Industrial Development	231,500	0	0	231,500	231,500	231,500	0
Other Economic and Community Development	24	0	0	24	245,232	955,232	955,208
Other Charges	334,976	(1,625)	410	333,761	358,557	364,657	30,896
Employee Benefits	1,631,818	0	0	1,631,818	1,250,000	1,968,420	336,602
Payments to Cities	1,648,096	0	0	1,648,096	607,000	1,648,100	4
COVID-19 Grant #5	2,975,993	(404,476)	0	2,571,517	0	3,642,250	1,070,733
COVID-19 Grant #6	0	0	0	0	0	363,625	363,625
Miscellaneous	5,471,014	0	0	5,471,014	2,650,000	11,309,064	5,838,050
Total Expenditures	\$ 139,797,878	\$ (2,480,169)	\$ 2,881,860	\$ 140,199,569	\$ 140,722,418	\$ 164,320,201	\$ 24,120,632
Excess (Deficiency) of Revenues Over Expenditures	\$ 10,292,594	\$ 2,480,169	\$ (2,881,860)	\$ 9,890,903	\$ (22,124,592)	\$ (10,190,917)	\$ 20,081,820

(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 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 94,454	\$ 0	\$ 0	\$ 94,454	\$ 0	\$ 94,454	\$ 0
Transfers In	0	0	0	0	956,050	956,050	(956,050)
Transfers Out	(9,612,695)	0	0	(9,612,695)	0	(10,862,696)	1,250,001
Total Other Financing Sources	\$ (9,518,241)	\$ 0	\$ 0	\$ (9,518,241)	\$ 956,050	\$ (9,812,192)	\$ 293,951
Net Change in Fund Balance	\$ 774,353	\$ 2,480,169	\$ (2,881,860)	\$ 372,662	\$ (21,168,542)	\$ (20,003,109)	\$ 20,375,771
Fund Balance, July 1, 2022	87,719,976	(2,480,169)	0	85,239,807	74,407,143	74,407,143	10,832,664
Fund Balance, June 30, 2023	\$ 88,494,329	\$ 0	\$ (2,881,860)	\$ 85,612,469	\$ 53,238,601	\$ 54,404,034	\$ 31,208,435

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, 2023

	Governmental Activities
	<u>Internal Service Funds</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 350,961
Equity in Pooled Cash and Investments	45,261,684
Accounts Receivable	74,435
Total Assets	<u>\$ 45,687,080</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 6,600
Claims and Judgments Payable	7,900,998
Total Current Liabilities	<u>\$ 7,907,598</u>
Noncurrent Liabilities:	
Claims and Judgments Payable	\$ 1,754,975
Total Noncurrent Liabilities	<u>\$ 1,754,975</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 36,024,507</u>
Total Net Position	<u>\$ 36,024,507</u>

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

Exhibit D-2

Rutherford County, Tennessee
Statement of Revenues, Expenses, and Changes
in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Governmental Activities <u>Internal Service Funds</u>
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 44,756,023
Other Employee Benefits Charges/Contributions	1,434,394
Service Charges	180
Other Local Revenues:	
Retirees' Insurance Payments	4,587,443
Cobra Insurance Payments	130,729
State of Tennessee:	
On-Behalf Contributions for OPEB	78,650
Total Operating Revenues	<u>\$ 50,987,419</u>
<u>Operating Expenses</u>	
Employee Benefits:	
Supervisor/Director	\$ 127,468
Clerical Personnel	279,812
Part-time Personnel	35,732
Longevity Pay	226
Overtime Pay	10,010
Other Salaries and Wages	60,010
Board and Committee Members Fees	8,100
Social Security	30,920
Handling Charges and Administrative Costs	3,131,572
Pensions	47,204
Employee and Dependent Insurance	73,498
Disability Insurance	9,857
Employer Medicare	7,232
Bank Charges	2,000
Communication	1,158
Consultants	125,314
Contracts with Private Agencies	1,341,680
Data Processing Services	186
Maintenance Agreements	1,372
Postal Charges	1,142
Travel	5,080
Other Contracted Services	30,570
Office Supplies	6,116
Medical Claims	39,794,369
Premiums on Corporate Surety Bonds	5,000
Liability Claims	3,332,526
Other Charges	96
Other Self-Insured Claims	1,064,946
Data Processing Equipment	1,246
Total Operating Expenses	<u>\$ 49,534,442</u>
Operating Income (Loss)	<u>\$ 1,452,977</u>
<u>Nonoperating Revenues (Expenses)</u>	
Insurance Recovery	\$ 624,657
Total Nonoperating Revenues (Expenses)	<u>\$ 624,657</u>
Income (Loss)	<u>\$ 2,077,634</u>
Change in Net Position	\$ 2,077,634
Net Position, July 1, 2022	<u>33,946,873</u>
Net Position, June 30, 2023	<u>\$ 36,024,507</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, 2023

	<u>Governmental Activities Internal Service Funds</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 51,531,848
Payments to Suppliers	(5,534,003)
Claims Paid	(53,332,091)
Insurance Recovery	624,657
Net Cash Provided By (Used In) Operating Activities	<u>\$ (6,709,589)</u>
Net Increase (Decrease) in Cash	\$ (6,709,589)
Cash, July 1, 2022	<u>52,322,234</u>
Cash, June 30, 2023	<u><u>\$ 45,612,645</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 1,452,977
Insurance Recovery	624,657
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	528,891
(Increase) Decrease in Due from Other Governments	15,538
Increase (Decrease) in Accounts Payable	(191,402)
Increase (Decrease) in Claims and Judgments Payable	<u>(9,140,250)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (6,709,589)</u></u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash Per Net Position	\$ 350,961
Equity in Pooled Cash and Investments Per Net Position	<u>45,261,684</u>
Cash, June 30, 2023	<u><u>\$ 45,612,645</u></u>

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

Exhibit E-1

Rutherford County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2023

	<u>Other Employee Benefit Trust Fund</u>	
	Flexible	Custodial
	Benefits	Funds
	<u>Fund</u>	<u>Funds</u>
<u>ASSETS</u>		
Cash	\$ 533,456	\$ 13,546,169
Equity in Pooled Cash and Investments	76,776	676,159
Accounts Receivable	167	0
Due from Other Governments	0	21,709,175
Property Taxes Receivable	0	13,707,791
Allowance for Uncollectible Property Taxes	0	(674,013)
	<u> </u>	<u> </u>
Total Assets	\$ 610,399	\$ 48,965,281
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 33
Accrued Payroll	0	431
Due to Other Taxing Units	0	21,968,845
	<u> </u>	<u> </u>
Total Liabilities	\$ 0	\$ 21,969,309
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 0	\$ 13,021,409
	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	\$ 0	\$ 13,021,409
<u>NET POSITION</u>		
<u>Restricted For:</u>		
Amounts Held for Other Employee Benefits	\$ 610,399	\$ 0
Individuals, Organizations, and Other Governments	0	13,974,563
	<u> </u>	<u> </u>
Total Net Position	\$ 610,399	\$ 13,974,563

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

Exhibit E-2

Rutherford County, Tennessee
Combining Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Other Employee Benefit Trust Fund	
	Flexible Benefits Fund	Custodial Funds
<u>Additions</u>		
Other Employee Benefit Charges/Contributions	\$ 878,372	\$ 0
Sales Tax Collections for Other Governments	0	110,364,210
Property Tax Collections for Other Governments	0	13,954,175
ADA - Educational Funds Collected for Cities	0	33,880,203
Fines/Fees and Other Collections	0	63,629,435
District Attorney General Collections	0	30,946
	<hr/>	<hr/>
Total Additions	\$ 878,372	\$ 221,858,969
<u>Deductions</u>		
Other Fringe Benefits	\$ 833,363	\$ 0
Payment of Sales Tax Collections to Other Governments	0	110,364,210
Payment of Property Tax Collections to Other Governments	0	13,954,175
Payments to City School Systems	0	33,880,203
Payments to State	0	30,835,321
Payments to Cities	0	561,188
Payments to Individuals and Others	0	29,339,208
Payment of District Attorney General Expenses	0	44,604
	<hr/>	<hr/>
Total Deductions	\$ 833,363	\$ 218,978,909
Change in Net Position	\$ 45,009	\$ 2,880,060
Net Position July 1, 2022	<hr/>	<hr/>
	565,390	11,094,503
Net Position June 30, 2023	<hr/>	<hr/>
	\$ 610,399	\$ 13,974,563

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

RUTHERFORD COUNTY, TENNESSEE
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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, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rutherford County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Rutherford County:

A. Reporting Entity

Rutherford County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Rutherford County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Rutherford County School Department operates the public school system in the county, and the voters of Rutherford County elect its board. The school department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The school department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

Community Care of Rutherford County, Inc., provides nursing care to the citizens of Rutherford County, and the Rutherford County Commission appoints its governing body. Patient charges provide the majority of the revenues for the entity. Before the issuance of debt instruments, the entity must obtain the county commission's approval.

The Rutherford County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Rutherford County, and the Rutherford County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval.

The Rutherford County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of

the school department are included in this report as listed in the table of contents. Complete financial statements of the Community Care of Rutherford County, Inc., and the Rutherford County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Community Care of
Rutherford County, Inc.
901 East County Farm Road
Murfreesboro, TN 37127

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

Related Organizations – The Public Building Authority of Rutherford County and Rutherford County Industrial Development Board are related organizations of Rutherford County. The county’s officials are responsible for appointing the members of the boards, but the county’s accountability for these organizations does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all 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. The General Debt Service Fund contributed \$35,000,000 to the school department for construction costs during the year ended June 30, 2023. These funds will be replenished when bonds are issued.

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. 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 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. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes an employee benefit trust fund and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement.

Rutherford County reports the following major governmental funds:

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

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

Additionally, Rutherford County reports the following fund types:

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

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.

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Rutherford County, property taxes for the city of Smyrna and the city of Eagleville, the city school system's share of educational revenues, restricted revenues held for the benefit of the Office of District Attorney General, and assets in a regional planning agency.

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

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.

Education Capital Projects Fund – This fund is used to account for projects and renovations of the school department.

Other Capital Projects Fund – This fund is used to account for building construction and additions of the school department.

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

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

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 is required to be maintained intact.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 23) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 22) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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 and cash on deposit with the county trustee.

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

federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Rutherford County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General and General Debt Service funds. In addition, an investment is held separately by the Constitutional Officers - Custodial Fund. Rutherford County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

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

All other investments are reported at fair value.

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.

Accounts receivable in the General Fund include \$1,434,813 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 \$36,600, deposits in-lieu-of bonds for developments \$2,862,478, agricultural facilities rentals \$26,350, agricultural token sales program \$8,462, animal adoption fees \$185, and other deposits of \$7,845.

Retainage payable in the primary government's nonmajor governmental funds represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the nonmajor governmental funds. Retainage payable in the discretely presented Rutherford County School Department's Education Capital Projects and Other Capital Projects funds represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the Education Capital Projects and Other Capital Projects funds.

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

from the trust to pay pension costs. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

5. Capital Assets

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

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

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

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

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

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets 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. These items are for a deferred charge on refunding, pension and OPEB changes in experience, pension and OPEB changes in assumptions, pension changes in investment earnings, and employer contributions made to the pension and OPEB plans after the measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension and OPEB changes in experience, pension changes in proportionate share, OPEB changes in assumptions, 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.

7. Compensated Absences

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

8. Long-term Debt and Long-term Obligations

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions,

the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, claims and judgments, other postemployment benefits, pension liabilities, and landfill closure/postclosure care costs are recognized to the extent that the liabilities have matured (come due for payment) each period.

9. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position reports \$20,011,149 of restricted net position for the primary government, of which \$671,390 is restricted by enabling legislation.

As of June 30, 2023, Rutherford County had \$353,884,559 in outstanding debt for capital purposes for the discretely presented Rutherford County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public-school systems in the county (Murfreesboro City School District) based on an average daily attendance proration. This debt is a liability of Rutherford County, but the capital assets acquired are reported in the financial statements of the Rutherford County School Department and Murfreesboro City School District. Therefore, Rutherford County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

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

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution

authorized the county's Budget/Finance Committee to make assignments by for the general government. The Board of Education makes assignments for the school department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

10. Minimum Fund Balance Policy

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

General Fund – 15 percent of subsequent year appropriations.

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

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Rutherford County's participation in the Public Employee Pension 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 Pension 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 Pension Plan of TCRS. Investments are reported at fair value.

Discretely Presented Rutherford County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee

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

F. Other Postemployment Benefit (OPEB) Plan

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

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

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

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

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The

difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2023, Rutherford County and the discretely presented Rutherford County School Department reported the following significant encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Fund:	
General	\$ 2,881,860
Nonmajor Funds:	
Solid/Waste Sanitation	640
Ambulance Service	610,813
Drug Control	46,403
Other General Government	6,758,077
School Department:	
Major Funds:	
General Purpose School	3,655,932
Education Capital Projects	13,577,898
Nonmajor Funds:	
School Federal Projects	3,035,627
Central Cafeteria	120,471

B. Cash Overdraft

The General Purpose School Fund had a cash overdraft of \$61,130 at June 30, 2023. This cash overdraft resulted from the issuance of checks exceeding cash on deposit in the bank account. The cash overdraft was liquidated subsequent to June 30, 2023.

C. Appropriations Exceed Estimated Available Funding

The budget and subsequent amendments approved by the county commission for the Education Capital Projects Fund resulted in appropriations exceeding estimated available funding by \$227,277.

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, 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 three 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 90 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 fair 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.

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two

eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool, the State Treasurer's Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2023, Rutherford County had the following investments carried at amortized cost using a Stable Net Asset Value or fair value within the fair value hierarchy established by generally accepted accounting principles. Except for the investment in U.S. Treasury Bills, investments are in the trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Rutherford County and the discretely presented Rutherford County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity	Maturities	Fair Value or Amortized Cost
Investments at Amortized Cost:			
State Treasurer's Investment Pool	1 to 46 days	N/A	\$ 66,621,278
Investments at Fair Value:			
U.S. Treasury Bills	N/A	Various	50,020,119
Total			\$ 116,641,397

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level	6-30-23			
U.S. Treasury Bills	\$ 50,020,119	\$ 50,020,119	\$ 0	\$ 0

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Rutherford County has an investment policy that further limits its investment choices. The policy limits the trustee's investments to collateralized certificates of deposit, U.S. Treasury Bills and Notes, the State Treasurer's Investment Pool, collateralized cash management accounts, shared certificates of deposit, and insured cash sweeps. As of June 30, 2023, Rutherford County's investment in the State Treasurer's Investment Pool was unrated.

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

Rutherford County places a limit on the amount the county may invest in one issuer. The policy allows the trustee to invest up to 70 percent of the portfolio in collateralized certificates of deposit, up to 100 percent of the portfolio in either U.S. Treasury Bills and Notes or the State Treasurer’s Investment Pool, up to 70 percent of the portfolio in collateralized cash management accounts, up to 50 percent of the portfolio in shared certificates of deposit, and up to 90 percent of the portfolio in insured cash sweeps.

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

TCRS Stabilization Trust

Legal Provisions. The Rutherford County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member’s funds are restricted for the payment of retirement benefits of that member’s employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Rutherford County School Department may not impose any restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2023, the Rutherford County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 2,179,801
Developed Market International Equity	N/A	N/A	984,426
Emerging Market International Equity	N/A	N/A	281,265
U.S. Fixed Income	N/A	N/A	1,406,324
Real Estate	N/A	N/A	703,162
Short-term Securities	N/A	N/A	70,316
NAV - Private Equity and Strategic Lending	N/A	N/A	1,406,324
 Total			 \$ 7,031,618

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag20045.pdf>.

B. Notes Receivable

The Industrial/Economic Development Fund had three long-term notes receivable of \$9,482, \$1,692,500, and \$5,735,000 on June 30, 2023, from financing projects for the Smyrna-Rutherford County Airport (joint venture) and is included in restricted fund balance.

The General Debt Service Fund had a long-term note receivable of \$1,820,785 on June 30, 2023, from financing projects for the city of Murfreesboro's Rockvale Utility District and is included in restricted fund balance.

C. Capital Assets

Capital assets activity for the year ended June 30, 2023, was as follows:

Primary Government - Governmental Activities:

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 45,668,091	\$ 146,771	\$ 0	\$ 45,814,862
Intangible Assets (Right-of-Ways)	47,415,832	905,673	(165,478)	48,156,027
Construction in Progress	26,821,750	22,818,039	0	49,639,789
Total Capital Assets Not Depreciated	\$ 119,905,673	\$ 23,870,483	\$ (165,478)	\$ 143,610,678
Capital Assets Depreciated:				
Buildings and Improvements	\$ 179,781,632	\$ 127,080	\$ 0	\$ 179,908,712
Infrastructure	158,858,995	4,289,745	(263,704)	162,885,036
Intangible Assets	5,389,043	0	0	5,389,043
Other Capital Assets	56,447,521	5,424,100	(2,444,878)	59,426,743
Total Capital Assets Depreciated	\$ 400,477,191	\$ 9,840,925	\$ (2,708,582)	\$ 407,609,534
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 55,407,363	\$ 4,608,061	\$ 0	\$ 60,015,424
Infrastructure	55,989,729	2,184,478	(19,988)	58,154,219
Intangible Assets	3,522,043	60,165	0	3,582,208
Other Capital Assets	38,319,047	4,302,528	(2,458,498)	40,163,077
Total Accumulated Depreciation	\$ 153,238,182	\$ 11,155,232	\$ (2,478,486)	\$ 161,914,928
Total Capital Assets Depreciated, Net	\$ 247,239,009	\$ (1,314,307)	\$ (230,096)	\$ 245,694,606
Governmental Activities Capital Assets, Net	\$ 367,144,682	\$ 22,556,176	\$ (395,574)	\$ 389,305,284

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

Governmental Activities:

General Government	\$ 1,166,392
Finance	258,025
Administration of Justice	2,046,066
Public Safety	3,886,346
Public Health and Welfare	844,477
Agriculture and Natural Resources	178,328
Highways	<u>2,775,598</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 11,155,232</u></u>

Net Investment in Capital Assets

Capital Assets (both tangible and intangible)	\$ 389,305,284
Add:	
Unspent proceeds of capital debt and other capital borrowings	205,077
Less:	
Outstanding principal of capital debt and other capital borrowings	(80,723,912)
Outstanding principal balance of debt and other borrowing used to refund capital-related debt	(12,429,329)
Unamortized balance of original issue premiums on outstanding capital-related debt	(987,196)
Unamortized balance of capital-related deferred inflows of resources	<u>(7,630,953)</u>
Net Investment in Capital Assets	<u><u>\$ 287,738,971</u></u>

Discretely Presented Rutherford County School Department

Governmental Activities:

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 23,972,236	\$ 5,249,930	\$ (328,700)	\$ 28,893,466
Construction in Progress	170,204,254	8,264,426	(273,749)	178,194,931
Total Capital Assets Not Depreciated	\$ 194,176,490	\$ 13,514,356	\$ (602,449)	\$ 207,088,397
Capital Assets Depreciated:				
Buildings and Improvements	\$ 671,391,867	\$ 7,636,826	\$ 0	\$ 679,028,693
Intangible Assets	416,167	0	0	416,167
Other Capital Assets	23,547,015	2,856,950	(214,015)	26,189,950
Total Capital Assets Depreciated	\$ 695,355,049	\$ 10,493,776	\$ (214,015)	\$ 705,634,810
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 243,235,684	\$ 18,724,888	\$ 0	\$ 261,960,572
Intangible Assets	388,687	7,009	0	395,696
Other Capital Assets	17,120,340	1,423,301	(192,215)	18,351,426
Total Accumulated Depreciation	\$ 260,744,711	\$ 20,155,198	\$ (192,215)	\$ 280,707,694
Total Capital Assets Depreciated, Net	\$ 434,610,338	\$ (9,661,422)	\$ (21,800)	\$ 424,927,116
Governmental Activities Capital Assets, Net	\$ 628,786,828	\$ 3,852,934	\$ (624,249)	\$ 632,015,513

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

Governmental Activities:

Instruction	\$ 7,009
Support Services	20,080,305
Operation of Non-instructional Services	<u>67,884</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 20,155,198</u>

D. Construction Commitments

At June 30, 2023, the primary government had uncompleted construction contracts of approximately \$6,573,214 and \$2,289,603 in the Other General Government and General Capital Projects funds, respectively. At June 30, 2023, the discretely presented Rutherford County School Department had uncompleted construction contracts of approximately \$134,061,579 and \$13,577,898 in the Other Capital Projects and Education Capital Projects funds, respectively, for the school building program. Funding will be received for these future expenditures subsequent to June 30, 2023.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	\$ 239,552

This balance 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:	
Governmental Activities	School Department Governmental Activities	\$ 547,533

The \$547,533 due to 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, 2023, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		Purpose
	General Debt Service Fund	Nonmajor Govern-mental Funds	
General Fund	\$ 0	\$ 9,612,695	Building projects
Nonmajor governmental funds	574,390	164,536	Debt retirement
Total	\$ 574,390	\$ 9,777,231	

Discretely Presented Rutherford County School Department

Transfers Out	Transfers In		Purpose
	General Purpose School Fund	Nonmajor Govern-mental Fund	
General Purpose School Fund	\$ 0	\$ 3,000,000	Permanent transfer
Nonmajor governmental funds	867,646	0	Indirect cost

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

F. Long-term Debt

Primary Government

General Obligation Bonds and Other Loans

General Obligation Bonds - Rutherford County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 20 years. Repayment

terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2023, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Rutherford County issues other loans to fund capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Other loans outstanding were issued for original terms of up to eight years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Other loans included in long-term debt as of June 30, 2023, will be retired from the General Debt Service Fund.

General obligation bonds and other loans outstanding as of June 30, 2023, for governmental activities are as follows:

Type	Original Amount of Issue	Interest Rate	Final Maturity	Balance 6-30-23
Governmental Activities				
General Obligation Bonds:				
Refunding Bonds, Series 2010	\$ 13,764,000	2.4838 %	4-1-26	\$ 1,834,544
School Refunding Bonds, Series 2010	75,036,000	2.4838	4-1-26	10,005,456
Public Improvements, and Refunding Note, Series 2014A	7,161,000	2.4214	4-1-34	4,636,170
School Facilities and Refunding Note, Series 2014A	23,839,000	2.4214	4-1-34	15,433,830
Public Improvements, Series 2014B	2,570,000	3.6776	4-1-34	1,725,000
Public Improvements, Series 2015A	2,065,693	2.8757	4-1-35	1,468,575
School Facilities, Series 2015A	31,798,132	2.8757	4-1-35	22,606,425
Refunding Bonds, Series 2015B	4,139,890	2.2522	4-1-28	2,202,290
School Refunding Bonds, Series 2015 B	19,790,110	2.2522	4-1-28	10,527,710
Refunding Bonds, Series 2016A	1,217,900	1.5655	4-1-29	793,725
School Refunding Bonds, Series 2016A	24,422,100	1.5655	4-1-29	15,916,275
Public Improvements, Series 2016B	61,408,000	2.3686	4-1-36	47,724,960
School Facilities, Series 2016B	39,592,000	2.3686	4-1-36	30,770,040
School Facilities, Series 2017	81,530,000	2.6657	4-1-38	66,885,000
School Facilities, Series 2018	40,680,000	3.9826	4-1-38	33,850,000
Public Improvement, Series 2019	14,610,000	5.0000	4-1-29	9,390,000
Public Improvements, Series 2020A	10,826,326	2.7077	4-1-40	9,939,207
School Facilities, Series 2020A	79,543,674	2.7077	4-1-40	73,025,793
Refunding Bonds, Series 2020B	7,820,200	1.3137	4-1-32	7,598,770
Refunding Bonds, School, Series 2020B	56,279,800	1.3137	4-1-32	54,686,230
School Facilities, Series 2021A	21,000,000	1.6127	4-1-41	19,575,000
Public Improvements, Series 2021B	6,140,000	1.6094	6-30-36	5,840,000
Total General Obligation Bonds				<u>\$ 446,435,000</u>
Direct Borrowing and Direct Placement:				
Energy Efficiency Loan	2,133,645	1	3-1-25	\$ 547,533
Energy Efficiency Loan	980,761	1	9-1-23	55,267
Total Direct Borrowing and Direct Placement				<u>\$ 602,800</u>
Total Governmental Activities				<u><u>\$ 447,037,800</u></u>

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2023, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2024	\$ 35,585,000	\$ 14,518,392	\$ 50,103,392
2025	36,980,000	12,964,847	49,944,847
2026	38,165,000	11,706,464	49,871,464
2027	34,570,000	10,172,417	44,742,417
2028	35,765,000	8,844,463	44,609,463
2029-2033	146,285,000	28,715,804	175,000,804
2034-2038	103,170,000	9,123,868	112,293,868
2039-2041	15,915,000	512,862	16,427,862
Total	\$ 446,435,000	\$ 96,559,117	\$ 542,994,117

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2024	\$ 366,913	\$ 4,122	\$ 371,035
2025	235,887	975	236,862
Total	\$ 602,800	\$ 5,097	\$ 607,897

There is \$14,521,861 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,307, based on the 2020 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premiums, totaled \$1,423, based on the 2020 federal census.

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

Description of Debt	Outstanding 6-30-23
<u>Other Loans - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficiency Loan	\$ 547,533

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2023, was as follows:

Governmental Activities:

	Bonds	Unamortized Premium on Debt	Other Loans - Direct Placement
Balance, July 1, 2022	\$ 485,150,000	\$ 47,821,781	\$ 1,241,008
Reductions	(38,715,000)	(8,796,845)	(638,208)
Balance, June 30, 2023	<u>\$ 446,435,000</u>	<u>\$ 39,024,936</u>	<u>\$ 602,800</u>
Balance Due Within One Year	<u>\$ 35,585,000</u>	<u>\$ 4,133,756</u>	<u>\$ 366,913</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2023	\$ 486,062,736
Less: Balance Due Within One Year - Debt	<u>(40,085,669)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 445,977,067</u>

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2023, was as follows:

Governmental Activities:

	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2022	\$ 6,843,028	\$ 1,121,797
Additions	10,518,057	75,553
Reductions	<u>(8,253,049)</u>	<u>0</u>
Balance, June 30, 2023	<u>\$ 9,108,036</u>	<u>\$ 1,197,350</u>
Balance Due Within One Year	<u>\$ 273,242</u>	<u>\$ 307,500</u>

Governmental Activities (Cont.):

	Claims and Judgments	Other Postemployment Benefits
Balance, July 1, 2022	\$ 18,796,223	\$ 36,944,295
Additions	44,191,841	2,007,883
Reductions	<u>(53,332,091)</u>	<u>(18,724,801)</u>
Balance, June 30, 2023	<u>\$ 9,655,973</u>	<u>\$ 20,227,377</u>
Balance Due Within One Year	<u>\$ 7,900,998</u>	<u>\$ 0</u>

	Net Pension Liability - Agent Plan*
Balance, July 1, 2022	\$ (30,279,765)
Additions	47,694,718
Reductions	<u>(10,964,987)</u>
Balance, June 30, 2023	<u>\$ 6,449,966</u>
Balance Due Within One Year	<u>\$ 0</u>

*At June 30, 2022, the Agent Plan has a net pension asset.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2023	\$ 46,638,702
Less: Balance Due Within One Year - Other	<u>(8,481,740)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 38,156,962</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, \$9,655,973 of claims and judgments is included in the above amounts. Compensated absences, pension liabilities, and other postemployment benefits will be paid from the employing funds, primarily the General, Solid Waste/Sanitation, and Highway/Public Works funds. Landfill closure/postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Discretely Presented Rutherford County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Rutherford County School Department for the year ended June 30, 2023, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2022	\$ 1,923,311	\$ 147,335,929
Additions	2,616,555	9,376,941
Reductions	<u>(1,661,290)</u>	<u>(74,229,396)</u>
Balance, June 30, 2023	<u>\$ 2,878,576</u>	<u>\$ 82,483,474</u>
Balance Due Within One Year	<u>\$ 86,357</u>	<u>\$ 0</u>

	Net Pension Liability - Agent Plan*
Balance, July 1, 2022	\$ (20,071,110)
Additions	31,882,915
Reductions	<u>(7,437,550)</u>
Balance, June 30, 2023	<u>\$ 4,374,255</u>
Balance Due Within One Year	<u>\$ 0</u>

*At June 30, 2022, the Agent Plan has a net pension asset.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2023	\$ 89,736,305
Less: Balance Due Within One Year - Other	<u>(86,357)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 89,649,948</u>

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

H. Donor Restricted Endowments

The discretely presented Rutherford County School Department accounts for an endowment in a private-purpose trust fund, the Endowment Fund. The principal amount must remain intact, while interest earned on the principal will fund a scholarship for the valedictorian of the senior class at Eagleville High School. During the year ended June 30, 2023, interest earned and expended totaled \$871 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. As of January 1, 2023, the discretely presented school department chose to participate in the Local Education Group Insurance Fund (LEGIF) a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

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
2021-22	\$	7,400,391	\$ 1,973,547	\$ (6,002,753)	\$ 3,371,185
2022-23		3,371,185	3,332,526	(3,325,873)	3,377,838

Employee Insurance - Health Fund

		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2021-22	\$	13,569,005	\$	72,715,546	\$	(73,120,313)	\$	13,164,238
2022-23		13,164,238		39,794,369		(48,036,572)		4,922,035

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

2021-22	\$	1,133,000	\$	809,039	\$	(65,039)	\$	1,877,000
2022-23		1,877,000		25,328		(1,712,328)		190,000

On-the-Job Injury Program

2021-22	\$	738,300	\$	210,963	\$	(565,463)	\$	383,800
2022-23		383,800		1,039,618		(257,318)		1,166,100

B. Accounting Changes

GASB Statement No. 91, *Conduit Debt Obligations*, became effective for fiscal year ending June 30, 2023. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, became effective for fiscal year ending June 30, 2023. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, became effective for fiscal year ending June 30, 2023. This standard establishes a definition for SBITAs and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. This statement also establishes criteria for the recognition of implementation costs and requires a government to report a subscription asset

and subscription liability for a SBITA and to disclose essential information about the arrangement.

GASB Statement No. 99, *Omnibus 2022*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including Financial Guarantees; Derivative Instruments; Leases, PPPs, and SBITAs; LIBOR rate replacement; and other technical updates and corrections.

C. Contingent Liabilities

The county has received various federal and state grants and other assistance for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. County management is not aware of any potential disallowances and believes that reimbursements, if any, would not be material.

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 county's financial statements.

D. Changes in Administration

On August 31, 2022, Bill Ketron left the Office of County Mayor and was succeeded by Joe Carr.

On July 1, 2022, James Sullivan succeeded Bill Spurlock as Director of Schools.

On August 1, 2022, Michael Smith succeeded Lisa Nolen as Rutherford County Finance Director.

On October 31, 2022, John Bratcher left the Office of Clerk and Master and was succeeded by Adam Dodd.

E. 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 \$1,197,350 reported as postclosure care liability at June 30, 2023, represents amounts based on what it would cost to perform all postclosure care in 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Linebaugh Public Library System is jointly owned by Rutherford County and the cities of Murfreesboro and Smyrna and is operated by an appointed board. The board comprises 14 members, seven of whom are appointed by the Rutherford County Commission, with two being residents of Smyrna. The remaining seven members are appointed by the city of Murfreesboro. Rutherford County has control over budgeting and financing the joint venture only to the extent of representation by the seven board members appointed. Rutherford County contributed \$1,994,814 to the operations of the libraries during the year ended June 30, 2023.

Rutherford County is a participant with Cannon, Coffee, and Warren counties in a multi-county Municipal Solid Waste Planning Region. This entity was created to promote the preparation of municipal solid waste regional plans to manage solid waste effectively and efficiently. This entity is governed by a 13-member board comprising appointees from Cannon County (2), Coffee County (2), Rutherford County (3), Warren County (2), the city of Manchester (1), the city of McMinnville (1), the city of Murfreesboro (1), and the city of Woodbury (1). Funding is provided from member contributions and grants. There are no separately issued financial statements for the Municipal Solid Waste Planning Region. Rutherford County has been designated as the fiscal agent for the Planning Region and accounts for its activities through the Joint Venture Fund (agency fund), which is included in the financial statements of this report.

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

The Joint Parking Authority of Rutherford County was created by Rutherford County and the city of Murfreesboro to operate and maintain a jointly owned parking garage. The Joint Parking Authority comprises seven members, three of whom are appointed by Rutherford County, three by the city of

Murfreesboro, and one jointly by the county mayor and the city mayor. Rutherford County has control over budgeting and financing the joint venture only to the extent of representation by the three board members appointed. This agency had no financial activity to report.

The Rutherford County Chamber of Commerce Economic Development Council has been designated as the Joint Economic and Community Development Board for Rutherford County, the city of Murfreesboro, the town of Smyrna, the city of LaVergne, and the town of Eagleville. This designation was authorized by an interlocal agreement between the governments, as provided by Section 6-58-115(j), *Tennessee Code Annotated (TCA)*. The purpose of this board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. If funding through the Rutherford County Chamber of Commerce is inadequate, the funding formula established by the Comprehensive Growth Plan, Section 6-58-101, et seq., *TCA*, shall be followed. Rutherford County has control over budgeting and financing the board through the county mayor or designee to the board. Separate financial statements are not prepared for the board; however, financial information may be obtained through the Rutherford County Chamber of Commerce. Rutherford County contributed \$96,500 to the operations of the board during the year ended June 30, 2023.

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

Administrative Offices:

Linebaugh Public Library System
105 West Vine Street
Murfreesboro, TN 37130

Smyrna-Rutherford County Airport
278 Doug Warpoole Road
Smyrna, TN 37167

G. 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 Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 57.88 percent, the non-certified employees of the discretely presented school department comprise 39.27 percent, and the employees of the discretely presented Community Care of Rutherford County, Inc., comprise 2.85 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available 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 nonservice-related disability eligibility. The service-related and nonservice-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 automatic cost of living adjustments (COLAs) 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, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	1,304
Inactive Employees Entitled to But Not Yet Receiving Benefits	2,608
Active Employees	<u>2,854</u>
 Total	 <u>6,766</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary to the plan. 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, 2023, the employer contributions for Rutherford County were \$8,292,948, \$5,137,559, and \$418,822, for the primary government, the non-certified employees of the discretely presented school department, and the discretely presented Community Care of Rutherford County, Inc., respectively, based on a rate of 10.16 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Rutherford County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Rutherford County’s net pension liability (asset) was measured as of June 30, 2022, 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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	4.88 %	31 %
Developed Market		
International Equity	5.37	14
Emerging Market		
International Equity	6.09	4
Private Equity and		
Strategic Lending	6.57	20
U.S. Fixed Income	1.20	20
Real Estate	4.38	10
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Rutherford County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Primary Government			
Balance, July 1, 2021	\$ 213,780,245	\$ 244,060,010	\$ (30,279,765)
Changes for the Year:			
Service Cost	\$ 5,675,732	\$ 0	\$ 5,675,732
Interest	14,802,907	0	14,802,907
Differences Between Expected and Actual Experience	13,941,174	0	13,941,174
Contributions-Employer		7,220,366	(7,220,366)
Net Investment Income	0	(9,364,298)	9,364,298
Benefit Payments, Including Refunds of Employee Contributions	(6,452,621)	(6,452,621)	0
Administrative Expense	0	(165,986)	165,986
Net Changes	\$ 27,967,192	\$ (8,762,539)	\$ 36,729,731
Balance, June 30, 2022	\$ 241,747,437	\$ 235,297,471	\$ 6,449,966

School Department	Increase (Decrease)		
	Total	Plan	Net Pension
	Pension Liability (a)	Fiduciary Net Position (b)	Liability (Asset) (a)-(b)
Balance, July 1, 2021	\$ 143,840,135	\$ 163,911,245	\$ (20,071,110)
Changes for the Year:			
Service Cost	\$ 3,850,108	\$ 0	\$ 3,850,108
Interest	9,571,399	0	9,571,399
Differences Between Expected and Actual Experience	9,456,934	0	9,456,934
Contributions-Employer	0	4,897,904	(4,897,904)
Net Investment Income	0	(6,352,232)	6,352,232
Benefit Payments, Including Refunds of Employee Contributions	(4,377,108)	(4,377,108)	0
Administrative Expense	0	(112,596)	112,596
Net Changes	\$ 18,501,333	\$ (5,944,032)	\$ 24,445,365
Balance, June 30, 2022	\$ 162,341,468	\$ 157,967,213	\$ 4,374,255

Community Care	Increase (Decrease)		
	Total	Plan	Net Pension
	Pension Liability (a)	Fiduciary Net Position (b)	Liability (Asset) (a)-(b)
Balance, July 1, 2021	\$ 12,728,020	\$ 14,401,485	\$ (1,673,465)
Changes for the Year:			
Service Cost	\$ 279,855	\$ 0	\$ 279,855
Interest	909,854	0	909,854
Differences Between Expected and Actual Experience	687,400	0	687,400
Contributions-Employer	0	356,016	(356,016)
Net Investment Income	0	(461,728)	461,728
Benefit Payments, Including Refunds of Employee Contributions	(318,161)	(318,161)	0
Administrative Expense	0	(8,184)	8,184
Net Changes	\$ 1,558,948	\$ (432,057)	\$ 1,991,005
Balance, June 30, 2022	\$ 14,286,968	\$ 13,969,428	\$ 317,540

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 6.75 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 (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
<u>Net Pension Liability (Asset)</u>	<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
Primary Government	\$ 43,670,764	\$ 6,449,966	\$ (23,919,737)
School Department	29,626,891	4,374,255	(16,227,502)
Community Care	2,150,264	317,540	(1,177,762)
Total	<u>\$ 75,447,919</u>	<u>\$ 11,141,761</u>	<u>\$ (41,325,001)</u>

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, Rutherford County recognized pension expense (negative pension expense) of \$13,686,609.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, 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
<u>Primary Government</u>		
Difference Between Expected and Actual Experience	\$ 12,864,111	\$ 3,906,460
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	726,047	0
Changes in Assumptions	13,589,765	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	8,292,948	N/A
Total	<u>\$ 35,472,871</u>	<u>\$ 3,906,460</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

School Department	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 8,724,219	\$ 2,649,294
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	492,392	0
Changes in Assumptions	9,216,345	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	5,137,559	N/A
Total	\$ 23,570,515	\$ 2,649,294

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

Community Care	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 633,317	\$ 192,320
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	35,744	0
Changes in Assumptions	669,042	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	418,822	N/A
Total	\$ 1,756,925	\$ 192,320

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred

inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Primary Government	School Department	Community Care	Total
2024	\$ 4,193,912	\$ 2,844,922	\$ 206,790	\$ 7,245,624
2025	3,775,465	2,561,070	186,158	6,522,693
2026	3,081,746	2,090,489	151,952	5,324,187
2027	9,895,602	6,712,638	487,925	17,096,165
2028	2,326,738	1,574,543	112,959	4,014,240
Thereafter	0	0	0	0

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

Discretely Presented Rutherford County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Rutherford County, non-certified employees of the discretely presented Rutherford County School Department, and employees of the discretely presented Community Care of Rutherford County, Inc. are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 57.88 percent, the non-certified employees of the discretely presented school department comprise 39.27 percent, and the employees of the discretely presented Community Care of Rutherford County, Inc. comprise 2.85 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Rutherford County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension

plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service related and nonservice-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 automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board

of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2023, to the Teacher Retirement Plan were \$2,841,322, which is 2.87 percent of covered payroll. In addition, employer contributions of \$1,086,963, which is 1.13 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions, 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2023, the school department reported a liability (asset) of (\$1,510,437) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2022, the school department's proportion was 4.986174 percent. The proportion as of June 30, 2021, was 4.766823 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the Rutherford County School Department recognized pension expense (negative pension expense) of \$2,092,473.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 82,591	\$ 917,687
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	476,097	0
Changes in Assumptions	1,769,403	0
Changes in Proportion of Net Pension Liability (Asset)	0	427,656
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	2,841,322	N/A
Total	<u>\$ 5,169,413</u>	<u>\$ 1,345,343</u>

The school department's employer contributions of \$2,841,322, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2024. 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
2024	\$ (7,494)
2025	(2,646)
2026	(80,880)
2027	748,369
2028	45,313
Thereafter	280,086

Actuarial Assumptions. The total pension liability as of the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	4.88 %	31 %
International Equity Emerging Market	5.37	14
International Equity	6.09	4
Private Equity and Strategic Lending	6.57	20
U.S. Fixed Income	1.20	20
Real Estate	4.38	10
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Rutherford County calculated using the discount rate of 6.75 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 (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 7,928,921 \$ (1,510,437) \$ (8,404,074)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. 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 nonservice-related disability eligibility. The service related and nonservice-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 automatic cost of living adjustments (COLAs) 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 are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Rutherford County School Department for the year ended June 30, 2023, to the Teacher Legacy Pension Plan were \$13,500,597, which is 8.69 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2023, the school department reported a liability (asset) of (\$57,990,416) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2022, the school department's proportion was 4.7218487 percent. The proportion measured at June 30, 2021, was 4.611195 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of (\$132,888).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 9,539,208	\$ 9,798,619
Changes in Assumptions	36,328,202	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	991,609	0
Changes in Proportion of Net Pension Liability (Asset)	0	1,659,186
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	<u>13,500,597</u>	<u>N/A</u>
Total	<u>\$ 60,359,616</u>	<u>\$ 11,457,805</u>

The school department's employer contributions of \$13,500,597 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the pension liability (asset) in the year ending June 30, 2024. 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
2024	\$ 5,110,794
2025	10,282,505
2026	(10,599,379)
2027	30,607,294
2028	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability as of the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions, used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	4.88 %	31 %
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	10
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Rutherford County calculated using the discount rate of 6.75 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 (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 114,859,028 \$ (57,990,416) \$ (201,962,522)

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

2. Deferred Compensation

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

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state’s 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$4,984,557 and teachers contributed \$3,688,850 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

Rutherford County, the Smyrna-Rutherford County Airport (a joint venture), and the discretely presented Rutherford County School Department, Community Care of Rutherford County, Inc., and the Rutherford County Emergency Communications District (component units) provide OPEB benefits to their retirees through a single commercial insurance plan administered by Cigna Insurance Company. For reporting purposes, the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on

a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

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

The premium requirements of plan members are established and may be amended by the insurance committee comprised of 15 members, which include the County Mayor, three County Commissioners, four members at large, one highway representative, three employee representatives, two Board of Education representatives, and one Rutherford Education Association representative. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. While the County Risk Management committee recommends the contribution policy, the County Commission approves and authorizes the policy in terms of subsidizing active employees or retired employees' premiums. During the year, plan members paid the following amounts to the plan for OPEB benefits as they became due: Primary Government \$618,609, school department \$2,237,212, Community Care \$35,486, Airport \$4,487, and E-911 \$0.

Benefits Provided:

Employees Hired after December 31, 2010

All full-time employees and eligible retirees of Rutherford County, the Smyrna-Rutherford County Airport (a joint venture), and the discretely presented Rutherford County School Department, Community Care of Rutherford County, Inc., and the Rutherford County Emergency Communications District (component units) are eligible to retire with medical insurance at age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan. The county will provide \$1,000 per month or the adequate rate, whichever is less, into a Health Reimbursement Account. All medical plan benefits will end with Medicare eligibility.

Employees Hired on or Before December 31, 2010

On December 31, 2010, if employees had worked full-time at Rutherford County, the Smyrna-Rutherford County Airport (a joint venture), and the

discretely presented Rutherford County School Department, Community Care of Rutherford County, Inc., and the Rutherford County Emergency Communications District (component units) for a total of:

1. Less than six months of service, the eligibility requirements to retire with medical insurance at age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan. The county will provide \$1,000 per month or the adequate rate, whichever is less, into a Health Reimbursement Account. All medical plan benefits will end with Medicare eligibility.
2. Six months up to seven years of service, the eligibility requirements to retire with medical insurance are age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan. For pre-65 and post-65, the county will provide \$1,000 per month or the adequate rate, whichever is less, into a Health Reimbursement Account. Pre-65 pharmacy benefits cease when the participant reaches age 65 or older (post-65) at retirement, there will not be any pharmacy benefits.
3. Seven up to ten years of service, the eligibility requirements to retire with medical insurance are age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan. For pre-65 and post-65, the county will provide 50 percent for retirees and 25 percent for dependents of the adequate rate. Pre-65 pharmacy benefits cease when the participant reaches age 65 or older (post-65) at retirement, there will not be any pharmacy benefit.
4. Ten up to 20 years of service and were age 55 with 15 years of service and five years on the plan, age 62 with ten years of service and five years on the plan or any age with 30 years of service and five years on the plan, the eligibility requirements to retire have been met. For pre-65, the county will provide 50 percent for retirees and 50 percent for dependents of the adequate rate. For post-65, the county pays 50 percent of adequate rate for Medicare supplement and county pharmacy plan.
5. Ten up to 20 years of service but you were not age 55 with 15 years of service and five years on the plan, age 62 with ten years of service and five years on the plan or any age with 30 years of service and five years on the plan, the eligibility requirements to retire with medical insurance are age 60 with 20 years of service and ten years on the plan, or any age with 30 years of service and ten years on the plan. For pre-65 and post-65, the county pays 50 percent of adequate rate. Pre-65 pharmacy benefits cease when the participant reaches age 65 or older and post-65 at retirement, there will not be any pharmacy benefit.

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

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

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

Employees Covered by Benefit Terms

At the valuation date of January 1, 2022, the following employees were covered by the benefit terms:

Active Employees	6,733
Inactive Employees or Beneficiaries	841
Total	<u>7,574</u>

Total OPEB Liability

The plan's total OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Methods. The total OPEB liability on the June 30, 2022, measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50%
Salary Increases	4.00%
Discount Rate	3.54%
Healthcare Cost Trend Rate	5.8% for medical and 7.6% for Rx in 2022 trending downward to an ultimate rate of 4.5% for both medical and Rx in 2032.
Retirees share of Benefit Related Cost	25% to 50% depending upon years of service and employment classification.
Future Participation Rates	40% to 80% depending on employment classification and whether grandfathered

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

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

The actuarial assumptions used for the June 30, 2023, fiscal year end were based on plan data and costs presented by Rutherford County with concurrence by the actuary.

Changes in Assumptions. The discount rate changed from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of July 1, 2022.

Changes in the Total OPEB Liability – As of the Measurement Date

	Share of Collective Liability		
	Primary Government	School Department	Community Care
Balance July 1, 2021	\$ 36,944,295	\$ 147,335,929	\$ 2,638,592
Changes for the Year:			
Service Cost	\$ 1,215,699	\$ 4,847,839	\$ 86,728
Interest	821,425	3,272,587	58,725
Experience	(5,106,514)	(15,654,005)	(869,741)
Change in Assumptions	(13,383,996)	(55,961,451)	(885,911)
Benefit Payments	(263,532)	(1,357,425)	(13,226)
Net Changes	\$ (16,716,918)	\$ (64,852,455)	\$ (1,623,425)
Balance June 30, 2022	\$ 20,227,377	\$ 82,483,474	\$ 1,015,167

	Share of Collective Liability		Total
	Airport	E-911	
Balance July 1, 2021	\$ 614,709	\$ 76,416	\$ 187,609,941
Changes for the Year:			
Service Cost	\$ 21,037	\$ 2,987	\$ 6,174,290
Interest	13,677	1,706	4,168,120
Experience	(43,480)	24,396	(21,649,344)
Change in Assumptions	(205,899)	(36,274)	(70,473,531)
Benefit Payments	(5,145)	(890)	(1,640,218)
Net Changes	\$ (219,810)	\$ (8,075)	\$ (83,420,683)
Balance June 30, 2022	\$ 394,899	\$ 68,341	\$ 104,189,258

During the year, the plan member's proportionate share of the collective OPEB liability was as follows: Primary Government 49.41 percent, school department 79.17 percent, Community Care .97 percent, Airport .38 percent, and E-911 .07 percent. The proportionate share of each plan member was allocated based on actual benefit payments paid by the group.

OPEB Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the plan recognized OPEB expense of (\$4,997,304) which was allocated as follows: primary government (\$422,647); school department (\$4,534,063); Community Care (\$110,363), Airport \$60,038; E-911 \$9,731. At June 30, 2023, the plan reported deferred outflows of resources and deferred inflows of resources related to their proportionate share of OPEB from the following sources:

Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 404,336	\$ 6,145,555
Changes of Assumptions/Inputs	1,870,452	18,026,032
Benefits Paid After the Measurement Date	498,065	0
Total	\$ 2,772,853	\$ 24,171,587

School Department	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,577,329	\$ 25,157,198
Changes of Assumptions/Inputs	7,463,086	73,832,116
Benefits Paid After the Measurement Date	982,930	0
Total	\$ 10,023,345	\$ 98,989,314
Community Care	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 20,293	\$ 308,432
Changes of Assumptions/Inputs	93,874	904,686
Benefits Paid After the Measurement Date	1,930	0
Total	\$ 116,097	\$ 1,213,118
Airport	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 7,984	\$ 17,036
Changes of Assumptions/Inputs	191,968	44,149
Benefits Paid After the Measurement Date	19,214	0
Total	\$ 219,166	\$ 61,185

E-911		Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$	72,752	\$ 26,938
Changes of Assumptions/Inputs		15,138	43,358
Benefits Paid After the Measurement Date		0	0
Total	\$	<u>87,890</u>	<u>\$ 70,296</u>

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

Year Ending June 30	Primary Government	School Department	Community Care
2024	\$ (2,977,439)	\$ (12,238,314)	\$ (148,795)
2025	(2,977,439)	(12,238,314)	(148,795)
2026	(2,977,439)	(12,238,314)	(148,795)
2027	(2,977,439)	(12,238,314)	(148,795)
2028	(2,671,654)	(10,983,980)	(133,514)
Thereafter	(7,315,389)	(30,011,663)	(370,257)

Year Ending June 30	Airport	E-911	Total
2024	\$ 19,824	\$ 5,009	\$ (15,339,715)
2025	19,824	5,009	(15,339,715)
2026	19,824	5,009	(15,339,715)
2027	19,824	5,009	(15,339,715)
2028	19,824	5,009	(13,764,315)
Thereafter	39,647	(7,451)	(37,665,113)

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the proportionate share of the total OPEB liability of the plan members calculated using the discount rate of 3.54 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.54 percent) or one percentage point higher (4.54 percent) than the current rate:

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
OPEB Liability	2.54%	3.54%	4.54%
Primary Government	\$ 22,948,402	\$ 20,227,377	\$ 17,145,787
School Department	93,602,525	82,483,474	69,934,672
Community Care	1,146,829	1,015,167	856,848
Airport	449,273	394,899	335,672
E-911	82,761	68,341	61,834
Total	\$ 118,229,790	\$ 104,189,258	\$ 88,334,813

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the proportionate share of total OPEB liability of the plan members calculated using the healthcare cost trend rate of 5.8 to 7.6 percent, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher (than the current rate):

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Trend Rates	1% Increase
OPEB Liability	4.8 to 6.6%	5.8 to 7.6%	6.8 to 8.6%
Primary Government	\$ 17,353,852	\$ 20,227,377	\$ 22,619,213
School Department	70,783,331	82,483,474	92,259,819
Community Care	867,246	1,015,167	1,130,378
Airport	339,746	394,899	442,828
E-911	62,585	68,341	81,574
Total	\$ 89,406,760	\$ 104,189,258	\$ 116,533,812

I. 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.

J. Purchasing Laws

Office of County Mayor

Rutherford County Purchasing Act of 2017, as amended, governs purchasing procedures for the general county government. This act provides for purchases

to be made by the county mayor and for all purchases exceeding \$25,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Highway Superintendent

Chapter 55, Private Acts of 1951, as amended, and Section 54-7-113, *Tennessee Code Annotated (TCA)* (Uniform Road Law), govern purchasing procedures for the highway department. These statutes require all purchases exceeding \$25,000 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 \$50,000.

K. Subsequent Event

On October 6, 2023, Rutherford County issued \$171,240,000 in general obligation bonds.

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

A. Summary of Significant Accounting Policies

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

Financial Reporting Entity – 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, the nursing home cannot be a primary government. Instead, it qualifies as a component unit according to the directives of GASB.

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

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

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

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

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

Cash and Cash Equivalents – The nursing home presents its cash flow statement using the direct method. For purposes of cash flow presentation, the nursing home considers cash in operating bank accounts, demand deposits, cash on hand, and certificates of deposit, which have original maturities of three months or less as cash and cash equivalents. At June 30, 2023, there were no certificates of deposit that qualified as cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts – Patient accounts receivable are stated at the amount the nursing home expects to collect from outstanding balances. Patient accounts receivable are due within ten days after the issuance of the request for payment. Third-party payer receivables are usually collected within 60 days. Receivables past due more than 120 days are considered delinquent. The nursing home provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Delinquent accounts are written off based on individual evaluation and specific circumstances. Some delinquent accounts deemed to be collectible are placed with an attorney for collection.

Patient Service Revenue – Gross patient revenue is recorded on an accrual basis based on services rendered at amounts equal to established rates. Allowances for contractual adjustments are recorded for the differences between established rates and amounts estimated to be paid by the Medicare and Medicaid programs and other third-party payors. Contractual adjustments are deducted from gross patient revenue to determine net patient revenue. Contractual adjustments and bad debt expense for the fiscal year ended June 30, 2023, amounted to \$1,158,363 and \$94,142, respectively. Amounts paid under Medicare and Medicaid programs are generally based on fixed rates per patient day, adjusted prospectively. All amounts earned under Medicare, Medicaid, and other governmental programs are subject to review by the third-party payors. Any differences between estimated settlements and final determinations are reflected in operations in the year finalized.

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

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

<u>Assets</u>	<u>Years</u>
Leasehold Improvements	5 - 25
Transportation Equipment	4 - 5
Furniture 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The nursing home has items that qualify for reporting in this category. Accordingly, the items are reported in the Statement of Net Position. These items are for pension changes in experience, assumptions, and investment earnings; other postemployment benefit plan (OPEB) changes in experience and assumptions, and contributions for the pension plan and OPEB benefits both paid after the measurement dates of the actuarial reports.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the Statement of Net Position. The deferred inflows relate to certain amounts related to pensions and OPEB, such as pension changes in experience as well as changes in OPEB experience and assumptions.

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

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

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

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

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

Income Taxes – The nursing home is exempt from income taxes as a nonprofit corporation described in Section 501(c)(3) of the Internal Revenue Code, and accordingly, the financial statements do not reflect a provision for income taxes.

Newly Adopted Accounting Pronouncements—The nursing home implemented the following Governmental Accounting Standards Board (GASB) statements during fiscal year 2023:

GASB Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation did not have an effect on the nursing home's financial statements for fiscal year 2023.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued in March 2020. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate. The implementation did not have an effect on the nursing home's financial statements for fiscal year 2023.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued in March 2020. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The implementation did not have an effect on the nursing home's financial statements for fiscal year 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued in May 2020. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other

than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The implementation did not have an effect on the nursing home's financial statements for fiscal year 2023.

GASB Statement No. 99, *Omnibus 2022*, was issued in April 2022. This statement provides guidance on several practice issues identified during the implementation of certain GASB statements. The implementation did not have an effect on the nursing home's financial statements for fiscal year 2023.

Recent Accounting Pronouncements – GASB Statement No. 100, *Accounting for Change and Error Corrections*, was issued in June 2022. This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement will be effective for the nursing home in fiscal year 2024. The nursing home is in the process of evaluating the impact of GASB Statement No. 100.

GASB Statement No. 101, *Compensated Absences*, was issued in June 2022. This statement updates the recognition and measurement guidance for compensated absences. This statement requires liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This statement will be effective for the nursing home in fiscal year 2025. The nursing home is in the process of evaluating the impact of GASB Statement No. 101.

B. Cash and Certificates of Deposit

State statutes authorize the nursing home 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. Cash reserves for operations were held in bank checking and savings accounts.

State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. This must be done by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. The Tennessee Bank Collateral Pool is a multiple financial institution collateral pool in which member financial institutions holding public funds pledge collateral securities equal to at least 105 percent of the average daily balance of public deposits held. 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.

The second method is for deposits with financial institutions that do not participate in the bank collateral pool. In this case, 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 organization who has the deposits.

During fiscal year 2023, the nursing home's deposit balances were fully collateralized by the State of Tennessee Bank Collateral Pool. Additionally, cash and the cash-patients' funds presented on the statement of net position includes \$250 of cash on hand and not included in cash deposits above.

At June 30, 2023, the carrying amount of cash deposits was \$4,818,953, and the bank balance was \$4,890,125. In addition, the nursing home held patient funds in trust with a carrying amount of \$17,686 at June 30, 2023.

C. Capital Assets

Capital asset activity for the year ended June 30, 2023, is summarized as follows:

Description	Balance 7-1-22	Additions	Balance 6-30-23
Capital assets not being depreciated:			
Land	\$ 113,184	\$ 0	\$ 113,184
Construction in Progress	41,342	113,663	155,005
Subtotal	<u>\$ 154,526</u>	<u>\$ 113,663</u>	<u>\$ 268,189</u>
Capital assets being depreciated:			
Land improvements	\$ 34,944	\$ 26,926	\$ 61,870
Leasehold improvements	1,170,316	28,720	1,199,036
Transportation equipment	89,903	117,630	207,533
Furniture, fixtures, and equipment	1,305,401	0	1,305,401
Total	<u>\$ 2,600,564</u>	<u>\$ 173,276</u>	<u>\$ 2,773,840</u>
Accumulated depreciation:			
Land improvements	\$ 23,466	\$ 1,948	\$ 25,414
Leasehold improvements	493,483	45,209	538,692
Transportation equipment	89,903	0	89,903
Furniture, fixtures, and equipment	769,230	66,434	835,664
Total	<u>\$ 1,376,082</u>	<u>\$ 113,591</u>	<u>\$ 1,489,673</u>
Capital assets being depreciated, net	<u>\$ 1,224,482</u>	<u>\$ 59,685</u>	<u>\$ 1,284,167</u>
Capital Assets, net	<u>\$ 1,379,008</u>	<u>\$ 173,348</u>	<u>\$ 1,552,356</u>

Depreciation expense for the fiscal year ended June 30, 2023, totaled \$113,591.

D. Long-Term Obligations

A summary of changes in the nursing home's governmental activities long-term obligations transactions for the year ended June 30, 2023, are as follows:

	Balance 7-1-22	Additions	Reductions	Balance 6-30-23	Due Within One Year
Compensated absences	\$ 186,327	\$ 314,344	\$ (300,129)	\$ 200,542	\$ 200,542
Pension liability	0	317,540	0	317,540	0
OPEB liability	2,638,592	0	(1,623,425)	1,015,167	0
	<u>\$ 2,824,919</u>	<u>\$ 631,884</u>	<u>\$ (1,923,554)</u>	<u>\$ 1,533,249</u>	<u>\$ 200,542</u>

E. Funds Held in Trust

At June 30, 2023, the nursing home had a fiduciary responsibility for funds totaling \$17,686 on behalf of patients. This amount was held in a separate interest-bearing cash account.

The nursing home is required to maintain a cash account as a depository for patient funds. The fund is restricted in use and can be used only for providing spending money for patients, purchasing supplies for patients with cash in the fund, or paying amounts due to the nursing home for patient care, provided the amount does not include monies stipulated for patients' use only. All funds are required to be placed in an insured interest-bearing account.

F. Lease Commitment

The nursing home has a lease agreement with Rutherford County for the rental of the building, which it occupies. Under the lease terms, the nursing home will incur no lease expense as long as the nursing home meets its responsibility to pay timely its cost of the medical, hospital and life insurance premiums incurred. The lease agreement was renewed June 17, 2021, for an additional five-year period commencing July 1, 2021, and ending June 30, 2026, and may be terminated by either party upon a 90-day written notice. For the year ended June 30, 2023, medical, hospital and life insurance premiums in the amount of \$758,441 were paid timely.

G. Concentration of Credit Risk

The nursing home grants credits without collateral to its patients, most of whom are insured under third-party payer agreements. The mix of receivables from patients and third-party payers are as follows:

Medicaid	52 %
Medicare	40
Private	3
Insurance	5
	<u>100 %</u>

Approximately 97 percent of net patient revenue is derived from third-party payers.

H. Risk Management

The nursing home is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The nursing home maintains commercial insurance coverage on each area of risk. Exposure is limited to claims in excess of standard policy limitations. The nursing home annually reviews its insurance needs based on claims and/or potential claims to minimize exposure. There were no claims in excess of insurance coverage during the past three years.

All full-time employees of the nursing home are eligible to participate in Rutherford County's Employee Insurance – Health Fund, which is an internal service fund of Rutherford County. Premium charges are allocated to the

nursing home and are based on actuarial estimates of the amounts needed to pay prior- and current-year claims.

I. Pension Plan

Plan Description. Employees of Community Care of Rutherford County, Inc., are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS.

The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Since Community Care of Rutherford County, Inc., is a component unit of Rutherford County and does not have its own distinct agent multiple-employer pension plan, the plan is treated as a cost-sharing plan for purposes of Community Care of Rutherford County, Inc.'s stand-alone financial statements. At the measurement date of June 30, 2022, Community Care of Rutherford County, Inc., comprised 2.85 percent of the plan based on contributions, and the proportion measured as of June 30, 2021, was 3.14 percent.

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 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 nonservice-related disability eligibility. The service-related and nonservice-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 are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between

one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. Community Care of Rutherford County, Inc., makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, the employer contributions for Community Care of Rutherford County, Inc., were \$418,822 based on a rate of 10.16 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept state shared taxes of Rutherford County, the primary government, if required employer contributions are not remitted. The employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Pension Liability. At June 30, 2023, Community Care of Rutherford County, Inc., reported a liability of \$317,540 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The nursing home's proportion of the net pension liability was based on a projection of the nursing home's long-term share of contributions to the pension plan relative to the actuarially determined projected contributions of all participating entities. At June 30, 2023, Community Care of Rutherford County, Inc.'s proportion was 2.85 percent.

Actuarial Assumptions. The total pension liability as of the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period

July 1, 2016, through June 30, 2020. 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, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	4.88	% 31 %
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	10
	0.00	<u>1</u>
Total		<u><u>100 %</u></u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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.

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 6.75 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 (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Community Care of Rutherford County	5.75%	6.75%	7.75%

Net Pension Liability (Asset)	\$ 2,150,264	\$ 317,540	\$ (1,177,762)
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense. For the year ended June 30, 2023, Community Care of Rutherford County, Inc., recognized a pension expense (negative pension expense) of \$390,068.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, 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	\$ 633,317	\$ 192,320
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	35,744	0
Changes in Assumptions	669,042	0
Contributions Subsequent to the Measurement Date of June 30, 2022	418,822	0
Total	<u>\$ 1,756,925</u>	<u>\$ 192,320</u>

The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent measurement period.

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

Year Ending June 30	Amount
2024	\$ 206,500
2025	185,897
2026	151,739
2027	487,240
2028	114,407
Thereafter	0

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

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

Payable to the Pension Plan. At June 30, 2023, the nursing home reported a payable of \$47,467 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

J. Other Postemployment Benefits (OPEB)

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

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

The premium requirements of plan members are established and may be amended by the insurance committee comprised of 15 members, which include the County Mayor, three county commissioners, four members at large, one

highway representative, three employee representatives, two Board of Education representatives, and one Rutherford Education Association representative. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. While the County Risk Management committee recommends the contribution policy, the County Commission approves and authorizes the policy in terms of subsidizing active employees or retired employees' premiums. During the year, the nursing home paid \$35,486 to the plan for OPEB benefits as they became due.

Benefits Provided:

Employees Hired after December 31, 2010

All full-time employees and eligible retirees of Community Care of Rutherford County, Inc., are eligible to retire with medical insurance at age 60 with 20 years of service and 15 years on the plan, or any age- with 30 years of service and 15 years on the plan. The county will provide \$1,000 per month or the adequate rate, whichever is less, into a Health Reimbursement Account. All medical plan benefits will end with Medicare eligibility.

Employees Hired on or Before December 31, 2010

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

1. Less than six months of service, the eligibility requirements to retire with medical insurance at age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan. The county will provide \$1,000 per month or the adequate rate, whichever is less, into a Health Reimbursement Account. All medical plan benefits will end with Medicare eligibility.
2. Six months up to seven years of service, the eligibility requirements to retire with medical insurance are age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan. For pre-65 and post-65, the county will provide \$1,000 per month or the adequate rate, whichever is less, into a Health Reimbursement Account. Pre-65 pharmacy benefits cease when the participant reaches age 65 or older (post-65) at retirement, there will not be any pharmacy benefits.
3. Seven up to ten years of service, the eligibility requirements to retire with medical insurance are age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan. For pre-65 and post-65, the county will provide 50 percent for retirees and 25 percent for dependents of the adequate rate. Pre-65 pharmacy benefits cease when the participant reaches age 65 or older (post-65) at retirement, there will not be any pharmacy benefit.

4. Ten up to 20 years of service and were age 55 with 15 years of service and five years on the plan, age 62 with ten years of service and five years on the plan or any age with 30 years of service and five years on the plan, the eligibility requirements to retire have been met. For pre-65, the county will provide 50 percent for retirees and 50 percent for dependents of the adequate rate. For post-65, the county pays 50 percent of the adequate rate for Medicare supplement and the county pharmacy plan.
5. Ten up to 20 years of service but you were not age 55 with 15 years of service and five years on the plan, age 62 with ten years of service and five years on the plan or any age with 30 years of service and five years on the plan, the eligibility requirements to retire with medical insurance are age 60 with 20 years of service and ten years on the plan, or any age with 30 years of service and ten years on the plan. For pre-65 and post-65, the county pays 50 percent of the adequate rate. Pre-65 pharmacy benefits cease when the participant reaches age 65 or older and post-65 at retirement, there will not be any pharmacy benefit.
6. Twenty up to 30 years of service as of December 31, 2009, the eligibility requirements to retire with medical insurance are age 55 with 15 years of service and five years on the plan, age 62 with ten years of service and five years on the plan or any age with 30 years of service and five years on the plan. For pre-65, the county will provide 50 percent of the adequate rate for retired employees and dependents. For post-65, the county pays 50 percent of the adequate rate for Medicare supplement and the county pharmacy plan for retired employees and dependents.
7. Thirty or more years of service as of December 31, 2009, the eligibility requirements to retire with medical insurance are any age with 30 years of service and five years on the plan. For pre-65, the county will provide 50 percent of the adequate rate for retired employees and dependents. For post-65, the county pays 75 percent of the adequate rate for themselves and 50 percent of the adequate rate for dependents for Medicare supplement and the county pharmacy plan.

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

Total OPEB Liability

The plan's total OPEB liability was measured as of July 1, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Methods. The total OPEB liability on the July 1, 2022, measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Discount Rate	3.54%
Inflation Rate	2.50%
Salary Increases	4.00%
Healthcare Cost Trend Rate	5.8% for medical and 7.6% for Rx in 2022 trending downward to an ultimate rate of 4.5% for both medical and Rx in 2032.
Retirees share of Benefit Related Cost	25% to 50% depending upon years of service and employment classification.
Future Participation Rates	40% to 80% depending on employment classification and whether grandfathered.

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

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

The actuarial assumptions used for the June 30, 2023, fiscal year end were based on plan data and costs presented by Rutherford County with concurrence by the actuary.

Changes in Assumptions. The discount rate changed from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of July 1, 2022.

Changes in the Total OPEB Liability:

Balance July 1, 2021	<u>\$ 2,638,592</u>
Changes for the Year:	
Service Cost	\$ 86,728
Interest	58,725
Experience	(869,741)
Change in Assumptions	(885,911)
Benefit Payments	(13,226)
Net Changes	<u>\$ (1,623,425)</u>
Balance June 30, 2022	<u><u>\$ 1,015,167</u></u>

During the year, the nursing home's proportionate share of the collective OPEB liability was 0.97 percent. The nursing home's proportionate share was 1.41 percent in the prior year. The proportionate share of each plan member was allocated based on actual benefit payments paid by the group.

OPEB Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the nursing home's portion of OPEB expense (income) recognized by the plan was (\$110,363). At June 30, 2023, the plan reported deferred outflows of resources and deferred inflows of resources related to the nursing home's proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 20,293	\$ 308,432
Changes of Assumptions/Inputs	93,874	904,686
Benefits Paid After the Measurement Date	1,930	0
Total	<u>\$ 116,097</u>	<u>\$ 1,213,118</u>

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

Year Ending June 30	Amount
2024	\$ (148,795)
2025	(148,795)
2026	(148,795)
2027	(148,795)
2028	(133,514)
Thereafter	(370,257)

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

Sensitivity of the Nursing Home's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate. The following presents the nursing home's proportionate share of the total OPEB liability of the plan members calculated using the discount rate of 3.54 percent, as well as what the nursing home's proportionate share of the total OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.54 percent) or one percentage point higher (4.54 percent) than the current rate:

Community Care	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
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Total OPEB Liability	\$ 1,146,829	\$ 1,015,167	\$ 856,848
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Sensitivity of the Nursing Home’s Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the nursing home’s proportionate share of the total OPEB liability of the plan members calculated using the healthcare cost trend rate of 5.8 to 7.6 percent, as well as what the nursing home’s proportionate share of the total OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 4.8 to 6.6%	Current Trend Rates 5.8 to 7.6%	1% Increase 6.8 to 8.6%
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Total OPEB Liability	\$ 867,246	\$ 1,015,167	\$ 1,130,378
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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. Risks and Uncertainties Related to the Pandemic (COVID-19)

In March 2020, the World Health Organization classified a new strain of coronavirus outbreak as a pandemic (COVID-19). During the pandemic, certain patients have postponed or refused necessary care in an attempt to avoid possible exposure to COVID-19, thereby reducing occupancy. Also, certain residents in the nursing home have tested positive for COVID-19;

accordingly, the nursing home has incurred significant increases in costs for caring for those patients/residents. Further, COVID-19 has impacted the nursing home's operations by causing staffing and supply shortages. The extent of the impact of COVID-19 on the nursing home's operational and financial performance for the year ended June 30, 2023, cannot be measured. Additionally, subsequent to year end, the effects of the pandemic are ongoing. However, the risks associated with the outbreak have been lessened with the release of vaccines. The vaccines have been made available to all residents. The effects of the continuing pandemic on the operations and finances of the nursing home subsequent to year end are not known at this time.

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

A. Summary of Significant Accounting Policies

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

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

Financial Reporting Entity - Component Unit – The district is a component unit of the primary government of Rutherford County, Tennessee. The district reports its financial information separately from Rutherford County; however, the 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 Mayor and confirmed by the Rutherford County Commission, the district cannot be a primary government. Instead, it qualifies as a component unit according to the directives of the Governmental Accounting Standards Board (GASB).

The GASB specifies that component units must be legally separate organizations, which have financial accountability to a primary government. Financial accountability exists prima facie if a special-purpose government is not fiscally independent. GASB states that to be fiscally independent, the government has to have the authority to do all of three activities. Two of these

are to issue bonded debt without approval by another government and to levy taxes or set rates or charges without approval by another government. As provided by Section 7-86-114, *Tennessee Code Annotated*, before issuing negotiable bonds, the district must have approval of the legislative body of a county wherein a district is established. It also must have approval before making purchase contracts, lease agreements, and notes payable of over five years' duration. In addition, the Rutherford County Commission has the ability to adjust the district's service charges. Because the district is both a legal entity and is financially accountable to the primary government of Rutherford County, as the county commission appoints all members of the governing board and by the nature of its fiscal dependence on Rutherford County as described above, it is a component unit of Rutherford County.

At June 30, 2023, there were no related receivables or payables between Rutherford County and the district. The district did not engage in any activities that were subject to the approval of Rutherford County.

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

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

The accounting and financial reporting treatment applied to the district is determined by its measurement focus. The transactions of the district are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Position. Net position (i.e., total assets plus net deferred outflows net of total liabilities and net deferred inflows) is segregated into net 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, 2023, 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 clerk 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.

Prepaid Expenses – The costs of prepaid insurance and any other applicable costs that are prepaid are charged to operations over the period of coverage. As of June 30, 2023, prepaid insurance and service contract costs were \$928,654.

Property and Equipment – Property and equipment are stated at cost. The district defines capital assets as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. For financial statement purposes, depreciation of property and equipment is provided using the straight-line method. Maintenance and repairs are charged to operations when incurred. Major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included as nonoperating revenue or loss.

The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10 - 40
Furniture and Fixtures	6 - 10
Office Equipment	3 - 10
Communications Equipment	5 - 10
Vehicles	5
Other Capital Assets	5 - 15

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 benefits, no compensation will be

paid for unused sick days. After an employee is eligible to receive vested benefits in the retirement plan, any sick leave that said employee has accrued will be credited to retirement service days. Non-exempt employees are entitled to overtime or compensatory time.

An estimated liability for vacation has been accrued under the vesting method. The estimated amount calculated for compensated absences recorded as a liability at June 30, 2023, is \$42,203.

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

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

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

Other Postemployment Benefits (OPEB) –The district provides OPEB benefits to its retirees through a single commercial insurance plan of Rutherford County (the county), the primary government, administered by Cigna Insurance Company. For reporting purposes, the plan is considered a single employer defined benefit OPEB plan based on criteria in GASB Statement No. 75. The plan is treated as a cost-sharing plan for purposes of the district’s stand-alone financial statements. The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

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 assets that applies to a

future period(s) and so will not be recognized as an outflow of resources (expense) until then. The district has items that qualify for reporting in this category. Accordingly, the items are reported in the statement of net position. These items are for pension changes in experience, net pension changes in investment earnings, pension changes in assumptions, pension contributions subsequent to the measurement date, other postemployment benefit plan (OPEB) changes in experience and OPEB changes in assumptions.

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 assets 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 include pension changes in experience, OPEB changes in experience and OPEB changes in assumptions.

Implementation of GASB Statement No. 96 – During the fiscal year ended June 30, 2023, the district implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. Under this statement, a government generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. The subscription liability should be initially measured at the present value of the subscription payments expected to be made during the subscription term. As a result of implementing this standard, the district recognized a SBITA asset and liability in the amount of \$165,739 as of July 1, 2022, the implementation date.

B. Cash and Certificates of Deposit Investments

The district follows state statutes requiring all deposits with financial institutions to be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. The Tennessee Bank Collateral Pool (the pool) is a multiple financial institution collateral pool to which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. Public fund accounts covered by the pool are considered to be insured for purposes of custodial credit risk exposure.

The pool also has the ability to make additional assessments on a pro rata basis to the members of the pool if the value of collateral is inadequate to cover a loss.

The district does not have a formal policy regarding types of investments authorized. State Statutes authorize the district to make investments in bonds, notes, or treasury bills of the United States, Federal Land Bank bonds, Federal

Home Loan Bank notes and bonds, Federal National Mortgage Association notes and debentures, banks for cooperative debentures, or any of its other agencies, or obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law. For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the government.

During the year ended June 30, 2023, the Board of Directors chose to limit the investment of funds to demand deposits and certificates of deposit at banking institutions.

At June 30, 2023, the carrying amount of cash deposits was \$3,634,533 and the bank balance was \$3,703,557. All bank accounts earn a variable rate of interest. At June 30, 2023, the entire bank balance was covered by federal depository insurance or by collateral held in the Tennessee Bank Collateral Pool.

Certificates of Deposit – At June 30, 2023, the district held the following certificates of deposit:

<u>Bank</u>	<u>Interest</u>	<u>Maturity</u>	<u>Carrying Amount</u>
First Bank	0.20 %	11-6-23	\$ 250,000
Pinnacle Bank	1.40	1-13-24	250,000
Truist Bank	0.01	12-16-24	250,000
First Nat'l Bank of McMinnville	0.85	1-20-25	250,000
F&M Bank	0.25	10-24-23	250,010
CapStar Bank	4.41	7-18-24	250,000
Wilson Bank & Trust	0.30	8-19-24	250,000
SmartBank	0.45	7-20-23	<u>250,000</u>
Total			<u>\$ 2,000,010</u>

C. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-22	Additions	Reductions	Balance 6-30-23
<u>Capital assets, not being depreciated/amortized</u>				
Land	\$ 17,500	\$ 0	\$ 0	\$ 17,500
Other assets-not depreciated	34,892	82,362	(41,756)	75,498
Total	<u>\$ 52,392</u>	<u>\$ 82,362</u>	<u>\$ (41,756)</u>	<u>\$ 92,998</u>
<u>Capital assets, being depreciated/amortized</u>				
Buildings and Improvements	\$ 1,400,556	\$ 41,756	\$ 0	\$ 1,442,312
Furniture and Fixtures	87,667	0	0	87,667
Office Equipment	14,186	0	0	14,186
Communications Equipment	3,151,666	73,101	0	3,224,767
Vehicle	48,775	0	0	48,775
Other Capital Assets	538,129	0	0	538,129
Intangible(right-to-use)lease asset	1,238,230	0	0	1,238,230
Intangible(right-to-use)SBITA asset	0	165,739	0	165,739
Total	<u>\$ 6,479,209</u>	<u>\$ 280,596</u>	<u>\$ 0</u>	<u>\$ 6,759,805</u>
<u>Less: Accumulated Depreciation/Amortization</u>				
Buildings and Improvements	\$ (619,070)	\$ (37,492)	\$ 0	\$ (656,562)
Furniture and Fixtures	(48,773)	(6,966)	0	(55,739)
Office Equipment	(14,187)	0	0	(14,187)
Communications Equipment	(1,256,973)	(176,890)	0	(1,433,863)
Vehicle	(48,775)	0	0	(48,775)
Other Capital Assets	(469,147)	(15,501)	0	(484,648)
Intangible(right-to-use)lease asset	(61,912)	(61,911)	0	(123,823)
Intangible(right-to-use)SBITA asset	0	(66,296)	0	(66,296)
Total	<u>\$ (2,518,837)</u>	<u>\$ (365,056)</u>	<u>\$ 0</u>	<u>\$ (2,883,893)</u>
Total	<u>\$ 3,960,372</u>	<u>\$ (84,460)</u>	<u>\$ 0</u>	<u>\$ 3,875,912</u>
Total Capital Assets	<u>\$ 4,012,764</u>	<u>\$ (2,098)</u>	<u>\$ (41,756)</u>	<u>\$ 3,968,910</u>

Net investment in capital assets of \$3,902,999 is computed as follows: Capital assets, net, in the amount of \$3,968,910 less SBITA liability of \$65,911. Net investment in capital assets is reported as a separate component of net position on the Statement of Net Position.

D. Intangible (Right-to-Use) Lease Asset

During the fiscal year ended June 30, 2020, the district entered into a Master Dark Fiber IRU Agreement ("IRU Agreement") with United Communications. The IRU Agreement provides the district with an irrevocable right to use certain optical fibers in various portions of the United Communications network. As of June 30, 2023, the district has paid 100% of

the contract in the amount of \$1,238,230. The construction was completed on June 18, 2021. The district has the right-to-use of the fibers for a period of 20 years. Amortization expense for the year ended June 30, 2023, was \$61,911. The net book value of the intangible (right-to-use) asset at June 30, 2023, was \$1,114,407. Amortization of the intangible right-to-use asset is \$61,912 for fiscal years ending June 30, 2024, through June 30, 2028, and \$804,847 thereafter.

E. Retirement Plan

General Information about the Pension Plan

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

Benefits Provided – *TCA*, Title 8, Chapters 34-37 establishes 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 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 nonservice-related disability eligibility. The service related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms – At the measurement date of June 30, 2022, 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	4
Active employees	<u>3</u>
Total	<u><u>8</u></u>

Contributions – Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Rutherford County Emergency Communications District has adopted a noncontributory retirement plan for its employees. Rutherford County Emergency Communications District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, the employer contributions for Rutherford County Emergency Communications District were \$30,354 based on a rate of 10.87 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Rutherford County Emergency Communications District’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Pension liabilities (assets) - Rutherford County Emergency Communications District’s net pension liability (asset) was measured as of June 30, 2022, 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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Graded salary ranges from 8.72 to 3.44% based on age, including inflation, averaging 4%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation
Cost-of-living adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	%	Target Allocation
U.S. Equity	4.88	%	31 %
Developed market international equity	5.37		14
Emerging market international equity	6.09		4
Private equity and strategic lending	6.57		20
U.S. Fixed Income	1.20		20
Real Estate	4.38		10
Short-term securities	0.00		1
			100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate – The discount rate used to measure the total pension liability was 6.75 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 Rutherford County Emergency Communications District will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2021	\$ 1,149,899	\$ 1,271,299	\$ (121,400)
Changes for the year:			
Service Cost	\$ 16,070	\$ 0	\$ 16,070
Interest	78,296	0	78,296
Differences Between Expected and Actual Experience	203,981	0	203,981
Contributions-Employer	0	31,951	(31,951)
Net Investment Income	0	(49,009)	49,009
Benefit Payments, Including Refunds of Employee Contributions	(12,059)	(12,059)	0
Administrative Expense	0	(347)	347
Net Changes	<u>\$ 286,288</u>	<u>\$ (29,464)</u>	<u>\$ 315,752</u>
Balance, June 30, 2022	<u>\$ 1,436,187</u>	<u>\$ 1,241,835</u>	<u>\$ 194,352</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 Emergency Communications District calculated using the discount rate of 6.75 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 (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

	1% Decrease	Current Discount Rate 6.75%	1% Increase 7.75%
Rutherford County Emergency Communications District	5.75%	6.75%	7.75%
Net Pension Liability (Asset)	\$ 411,974	\$ 194,352	\$ 15,714

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

Pension expense (negative pension expense) – For the year ended June 30, 2023, Rutherford County Emergency Communications District recognized pension expense (negative pension expense) of \$21,361.

Deferred outflows of resources and deferred inflows of resources – For the year ended June 30, 2023, 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	\$ 170,448	\$ 52,116
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,139	0
Changes in Assumptions	30,238	0
Contributions Subsequent to the Measurement Date of June 30, 2022	30,354	0
Total	<u>\$ 236,179</u>	<u>\$ 52,116</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2022,” 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:

<u>Year Ending June 30:</u>	<u>Amount</u>
2024	\$ 7,330
2025	27,193
2026	24,095
2027	61,093
2028	33,998

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 of required contributions to the pension plan as of June 30, 2023.

F. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district purchases commercial insurance for claims and

for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

G. Other Postemployment Benefits (OPEB)

Plan Description – All full-time employees and eligible retirees of the district are eligible to participate in the health insurance plan accounted for in the Employee Insurance – Health Fund (internal service fund) of Rutherford County. The premium requirements of plan members are established and may be amended by the insurance committee comprised of 15 members, which include the county mayor, three county commissioners, four members at large, one highway representative, three employee representatives, two board of education representatives, and one Rutherford Education Association representative. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. While the county risk management committee recommends the contribution policy, the county commission approves and authorizes the policy in terms of subsidizing active employees or retired employees' premiums. During the year, the district paid \$0 to the plan for OPEB benefits as they became due.

Benefits Provided –

Employees Hired after December 31, 2010 –

All full-time employees and eligible retirees of the district are eligible to retire with medical insurance at age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan. The County will provide \$1,000 per month or the adequate rate, whichever is less, into a Health Reimbursement Account. All medical plan benefits will end with Medicare eligibility.

Employees Hired on or Before December 31, 2010 –

On December 31, 2010, if employees had worked full-time at the district for a total of:

1. Less than six months of service, the eligibility requirements to retire with medical insurance at age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan. The county will provide \$1,000 per month or the adequate rate, whichever is less, into a Health Reimbursement Account. All medical plan benefits will end with Medicare eligibility.
2. Six months up to seven years of service, the eligibility requirements to retire with medical insurance are age 60 with 20 years of service and 15 years on the plan, or any age with 30

years of service and 15 years on the plan. For pre-65 and post-65, the County will provide \$1,000 per month or the adequate rate, whichever is less, into a Health Reimbursement Account. Pre-65 pharmacy benefits cease when the participant reaches age 65 or older (post-65) at retirement, there will not be any pharmacy benefits.

3. Seven up to ten years of service, the eligibility requirements to retire with medical insurance are age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan. For pre-65 and post-65, the county will provide 50 percent for retirees and 25 percent for dependents of the adequate rate. Pre-65 pharmacy benefits cease when the participant reaches age 65 or older (post-65) at retirement, there will not be any pharmacy benefit.
4. Ten up to 20 years of service and were age 55 with 15 years of service and five years on the plan, age 62 with ten years of service and five years on the plan or any age with 30 years of service and five years on the plan, the eligibility requirements to retire have been met. For pre-65, the County will provide 50 percent for retirees and 50 percent for dependents of the adequate rate. For post-65, the county pays 50 percent of the adequate rate for Medicare supplement and the County pharmacy plan.
5. Ten up to 20 years of service but were not age 55 with 15 years of service and five years on the plan, age 62 with ten years of service and five years on the plan or any age with 30 years of service and five years on the plan, the eligibility requirements to retire with medical insurance are age 60 with 20 years of service and ten years on the plan, or any age with 30 years of service and ten years on the plan. For pre-65 and post-65, the county pays 50 percent of the adequate rate. Pre-65 pharmacy benefits cease when the participant reaches age 65 or older and post-65 at retirement, there will not be any pharmacy benefit.
6. Twenty up to 30 years of service as of December 31, 2009, the eligibility requirements to retire with medical insurance are age 55 with 15 years of service and five years on the plan, age 62 with ten years of service and five years on the plan or any age with 30 years of service and five years on the plan. For pre-65, the county will provide 50 percent of the adequate rate for retired employees and dependents. For post-65, the County pays 50 percent of the adequate rate for Medicare supplement and the county pharmacy plan for retired employee and dependents.

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

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

Total OPEB Liability – The plan’s total OPEB liability was measured as of July 1, 2022, and was determined by an actuarial valuation as of January 1, 2022.

Actuarial Assumptions and Methods. The total OPEB liability on the July 1, 2022, measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Discount Rate	3.54%
Inflation Rate	2.50%
Salary Increases	4.00%
Healthcare Cost Trend Rate	5.8% for medical and 8.0% for Rx in 2022 trending downward to an ultimate rate of 4.5% for both medical and Rx in 2032.
Retirees share of Benefit Related Cost	25% to 50% depending upon years of service and employment classification.
Future Participation Rates	40% to 80% depending on employment classification and whether grandfathered

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

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

The actuarial assumptions used for the June 30, 2023, fiscal year end were based on plan data and costs presented by Rutherford County with concurrence by the actuary.

Changes in Assumptions - The discount rate changed from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of July 1, 2022.

During the year, the district's proportionate share of the collective OPEB liability was .07%. The district's proportionate share was .05% in the prior year. The proportionate share of each plan member was allocated based on actual benefit payments paid by the group.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources - For the year ended June 30, 2023, the district's portion of OPEB expense recognized by the plan was \$9,731. At June 30, 2023, the district reported its proportionate share of deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 72,752	\$ 26,938
Changes of Assumptions/Inputs	15,138	43,358
Total	<u>\$ 87,890</u>	<u>\$ 70,296</u>

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

Year Ending June 30	E-911 District
2024	\$ 5,009
2025	5,009
2026	5,009
2027	5,009
2028	5,009
Thereafter	(7,451)

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

Sensitivity of the District's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the total OPEB liability of the plan members calculated

using the discount rate of 3.54 percent, as well as what the District’s proportionate share of the total OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.54 percent) or one percentage point higher (4.54 percent) than the current rate:

<u>Discount Rate</u>	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
Total OPEB Liability	\$ 82,761	\$ 68,341	\$ 61,834

Sensitivity of District’s Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the district’s proportionate share of the total OPEB liability of the plan members calculated using the healthcare cost trend rate of 5.8 to 7.6 percent, as well as what the district’s proportionate share of the total OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Discount Rate</u>	1% Decrease 4.8 to 6.6%	Current Discount Rate 5.8 to 7.6%	1% Increase 6.8 to 8.6%
Total OPEB Liability	\$ 62,585	\$ 68,341	\$ 81,574

H. Transactions with Primary Government

Amounts paid to Rutherford County for mapping services and maintenance agreements totaled \$50,000. Rutherford County also administers the payroll reporting for the district. The district reimbursed Rutherford County \$386,503 for salaries and benefits paid on the district’s behalf.

I. Option and Lease Agreement

On February 26, 2021, the district entered into an Option and Lease Agreement with Vogue Tower Partners VII, LLC (the tenant) for lease of property for the erection of a communications tower. Upon signing of the Agreement, the tenant was granted the right to perform certain testing at the tenant’s expense for a period of one year from the effective date the “option period” to determine the suitability of the property for the communications tower. In consideration of the district granting the tenant the option period, the tenant agreed to pay the district the sum of \$800 within thirty business days of the full execution of the agreement. The option period may be renewed by the tenant for an additional six months upon written notification to the district and the payment of an additional \$800 no later than ten days prior to the expiration date of the initial option period and may be renewed by the

tenant for a second six month option period upon written notification to the district and the payment of an additional \$800 no later than ten days prior to the expiration of the date of the previous option period.

During the initial option period and any extension thereof, the tenant may commence the initial term of the agreement by notifying the district in writing. If the tenant commences the initial term, the district leases the property to the tenant subject to the terms and conditions of this agreement. If the tenant does not commence the agreement during the initial option period or any extension thereof, the agreement will terminate, and the parties will have no further liability to each other.

The agreement shall commence on the first day of the month in which the tenant begins construction. Unless extended or sooner terminated the initial term shall be for a period of five years following the commencement date. The tenant shall have the option to extend the term of the agreement for five successive terms of five years. Each renewal term shall commence automatically unless the tenant delivers notice to the district of its intent not to renew. Upon the commencement date, the tenant shall pay to the district a monthly rental payment of \$800. Commencing on the first day of the second year of the term, the rent due under the agreement shall be increased by an amount equal to 2% per year over the rent applicable during the previous year.

In addition to rent and the escalator, the tenant shall pay the district an additional monthly rent of \$250 for the second and all subsequent broadband or other communications carrier installations and each rent increase shall commence at carrier lease rent commencement. Additional monthly rent shall be increased annually by an amount equal to 2% per year over the additional monthly rent applicable during the previous year.

At June 30, 2023, the district and the tenant are in the initial term of the agreement and construction is expected to commence in FYE 2024, but no construction agreements have been signed.

J. Subscription-Based Information Technology Arrangements (SBITA)

The district implemented GASB Statement No. 96 during the year ended June 30, 2023. Due to this implementation, the district's arrangement for the use of communications software entered into a prior year met the criteria of a SBITA. As a result, an intangible right-to-use asset and a SBITA liability were recorded in the amount of \$165,739 as of July 1, 2022, the date of implementation.

The communications software arrangement ends on December 28, 2024, and is paid in advance in annual installments of \$67,783 in December of each fiscal year. The district used a 2.84 % discount rate to determine the present value of the intangible right-to-use asset and SBITA liability. The asset is being amortized over the term of the arrangement. Amortization in the

amount of \$66,296 was reported in the Statement of Revenues, Expenses and Changes in Fund Net Position for the year ended June 30, 2023. In addition, interest expense in the amount of \$1,847 was reported during the year ended June 30, 2023. The intangible right-to-use asset in the amount of \$165,739, the related accumulated amortization in the amount of \$66,296 and the SBITA liability in the amount of \$65,911 (all of which is reported as a current liability), were reported in the Statement of Net Position as of June 30, 2023.

In fiscal year ended June 30, 2024, the principal and interest requirements of the SBITA liability are \$65,911 and \$1,872, accordingly.

K. Long-Term Obligations

Long-term obligation activity for the year ended June 30, 2023, was as follows.

	Balance			Balance	Due Within
	7-1-22	Increases	Decreases	6-30-23	One Year
Compensated absences	\$ 34,765	\$ 7,438	\$ 0	\$ 42,203	\$ 42,203
SBITA payable	0	165,739	(99,828)	65,911	65,911
OPEB	76,416	29,089	(37,164)	68,341	0

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service Cost	\$ 2,569,896	\$ 3,618,341	\$ 3,686,202	\$ 4,017,655	\$ 4,387,268	\$ 4,541,169	\$ 4,843,016	\$ 5,076,560	\$ 5,675,732
Interest	6,111,706	8,816,901	9,357,749	10,414,555	10,845,557	11,615,285	12,608,260	13,833,450	14,802,907
Differences Between Actual and Expected Experience	2,079	(1,836,333)	693,814	148,760	(1,030,643)	(137,645)	2,436,324	(5,362,402)	13,941,174
Changes in Assumptions	0	0	0	3,256,002	0	0	0	19,851,748	0
Benefit Payments, Including Refunds of Employee Contributions	(2,070,807)	(3,075,600)	(3,357,210)	(3,811,933)	(4,066,583)	(4,522,728)	(5,314,921)	(5,913,281)	(6,452,621)
Other	0	28,910,338	(239,049)	3,606,102	(3,534,174)	555,509	2,294,387	0	0
Net Change in Total Pension Liability	\$ 6,612,874	\$ 36,433,646	\$ 10,141,507	\$ 17,631,142	\$ 6,601,425	\$ 12,051,590	\$ 16,867,066	\$ 27,486,075	\$ 27,967,192
Total Pension Liability, Beginning	79,954,920	86,567,794	123,001,440	133,142,947	150,774,089	157,375,514	169,427,104	186,294,170	213,780,245
Total Pension Liability, Ending (a)	\$ 86,567,794	\$ 123,001,440	\$ 133,142,947	\$ 150,774,089	\$ 157,375,514	\$ 169,427,104	\$ 186,294,170	\$ 213,780,245	\$ 241,747,437
Plan Fiduciary Net Position									
Contributions - Employer	\$ 4,371,110	\$ 5,590,866	\$ 5,826,912	\$ 5,701,929	\$ 5,849,461	\$ 6,142,236	\$ 6,343,408	\$ 6,559,118	\$ 7,220,366
Contributions - Employee	3,738	292	5,879	300	0	23,431	372	142	0
Net Investment Income	12,888,992	3,808,129	3,440,094	15,737,798	12,665,478	12,465,067	9,102,379	50,506,306	(9,364,298)
Benefit Payments, Including Refunds of Employee Contributions	(2,070,807)	(3,075,600)	(3,357,210)	(3,811,933)	(4,066,583)	(4,522,728)	(5,314,921)	(5,913,281)	(6,452,621)
Administrative Expense	(41,246)	(72,007)	(108,787)	(129,923)	(146,451)	(139,405)	(143,692)	(149,614)	(165,986)
Other	0	30,659,881	(250,160)	3,636,930	(3,642,840)	586,195	2,445,997	0	0
Net Change in Plan Fiduciary Net Position	\$ 15,151,787	\$ 36,911,560	\$ 5,556,728	\$ 21,135,101	\$ 10,659,066	\$ 14,554,796	\$ 12,433,543	\$ 51,002,671	\$ (8,762,539)
Plan Fiduciary Net Position, Beginning	76,654,756	91,806,544	128,718,104	134,274,833	155,409,934	166,069,000	180,623,796	193,057,339	244,060,010
Plan Fiduciary Net Position, Ending (b)	\$ 91,806,544	\$ 128,718,104	\$ 134,274,833	\$ 155,409,934	\$ 166,069,000	\$ 180,623,796	\$ 193,057,339	\$ 244,060,010	\$ 235,297,471
Net Pension Liability (Asset), Ending (a - b)	\$ (5,238,749)	\$ (5,716,664)	\$ (1,131,886)	\$ (4,635,845)	\$ (8,693,486)	\$ (11,196,692)	\$ (6,763,169)	\$ (30,279,765)	\$ 6,449,966
Plan Fiduciary Net Position as a Percentage of Total Pension Liability Covered Payroll	106.05%	104.65%	100.85%	103.07%	105.52%	106.61%	103.63%	114.05%	97.34%
Net Pension Liability (Asset) as a Percentage of Covered Payroll	\$ 46,043,005	\$ 46,712,485	\$ 48,858,829	\$ 53,670,979	\$ 55,032,657	\$ 57,744,945	\$ 62,438,801	\$ 64,558,223	\$ 71,668,093
	15.21%	12.24%	2.33%	(8.67)%	(15.84)%	(19.43)%	(10.83)%	(47.04)%	9.07%

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

Exhibit F-2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service Cost	\$ 3,177,998	\$ 2,465,714	\$ 2,512,934	\$ 2,636,889	\$ 3,081,773	\$ 3,140,323	\$ 3,268,174	\$ 3,347,555	\$ 3,850,108
Interest	7,557,888	6,008,266	6,379,305	6,835,337	7,618,305	8,032,237	8,508,334	9,121,972	9,571,399
Differences Between Actual and Expected Experience	2,571	(1,251,367)	472,982	97,635	(723,960)	(95,185)	1,644,085	(3,536,043)	9,456,934
Changes in Assumptions	0	0	0	2,136,997	0	0	0	13,090,522	0
Benefit Payments, Including Refunds of Employee Contributions	(2,560,812)	(2,095,864)	(2,288,655)	(2,501,869)	(2,856,512)	(3,127,571)	(3,586,627)	(3,899,301)	(4,377,108)
Other	0	(28,359,471)	(130,390)	(1,013,480)	4,469,690	(1,333,220)	(1,281,281)	0	0
Net Change in Total Pension Liability	\$ 8,177,646	\$ (23,232,722)	\$ 6,946,176	\$ 8,191,510	\$ 11,589,296	\$ 6,616,584	\$ 8,552,685	\$ 18,124,705	\$ 18,501,333
Total Pension Liability, Beginning	98,874,255	107,051,901	83,819,179	90,765,355	98,956,865	110,546,161	117,162,745	125,715,430	143,840,135
Total Pension Liability, Ending (a)	\$ 107,051,901	\$ 83,819,179	\$ 90,765,355	\$ 98,956,865	\$ 110,546,161	\$ 117,162,745	\$ 125,715,430	\$ 143,840,135	\$ 162,341,468
Plan Fiduciary Net Position									
Contributions - Employer	\$ 5,405,424	\$ 3,809,889	\$ 3,972,285	\$ 3,742,321	\$ 4,108,870	\$ 4,247,498	\$ 4,280,672	\$ 4,325,175	\$ 4,897,904
Contributions - Employee	4,623	199	4,008	197	0	16,203	250	94	0
Net Investment Income	15,938,851	2,595,045	2,345,158	10,329,117	8,896,683	8,619,880	6,142,486	33,304,569	(6,352,232)
Benefit Payments, Including Refunds of Employee Contributions	(2,560,812)	(2,095,864)	(2,288,655)	(2,501,869)	(2,856,512)	(3,127,571)	(3,586,627)	(3,899,301)	(4,377,108)
Administrative Expense	(51,006)	(49,069)	(74,162)	(85,272)	(102,872)	(96,401)	(96,966)	(98,658)	(112,596)
Other	0	(30,075,677)	(136,450)	(1,021,984)	4,607,119	(1,406,869)	(1,365,964)	0	0
Net Change in Plan Fiduciary Net Position	\$ 18,737,080	\$ (25,815,478)	\$ 3,822,185	\$ 10,462,510	\$ 14,653,288	\$ 8,252,740	\$ 5,373,851	\$ 33,631,879	\$ (5,944,032)
Plan Fiduciary Net Position, Beginning	94,793,190	113,530,270	87,714,792	91,536,977	101,999,487	116,652,775	124,905,515	130,279,366	163,911,245
Plan Fiduciary Net Position, Ending (b)	\$ 113,530,270	\$ 87,714,792	\$ 91,536,977	\$ 101,999,487	\$ 116,652,775	\$ 124,905,515	\$ 130,279,366	\$ 163,911,245	\$ 157,967,213
Net Pension Liability (Asset), Ending (a - b)	\$ (6,478,369)	\$ (3,895,613)	\$ (771,622)	\$ (3,042,622)	\$ (6,106,614)	\$ (7,742,770)	\$ (4,563,936)	\$ (20,071,110)	\$ 4,374,255
Plan Fiduciary Net Position as a Percentage of Total Pension Liability Covered Payroll	106.05%	104.65%	100.85%	103.07%	105.52%	106.61%	103.63%	114.05%	97.34%
Net Pension Liability (Asset) as a Percentage of Covered Payroll	15.21%	12.24%	2.33%	(8.67)%	(15.84)%	(19.43)%	(10.83)%	(47.04)%	9.07%

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service Cost	\$ 308,896	\$ 308,774	\$ 326,270	\$ 270,060	\$ 274,107	\$ 305,087	\$ 292,447	\$ 273,092	\$ 279,855
Interest	734,615	752,396	828,266	700,048	677,608	780,345	761,353	744,167	909,854
Differences Between Actual and Expected Experience	250	(156,705)	61,410	9,999	(64,392)	(9,247)	147,118	(288,469)	687,400
Changes in Assumptions	0	0	0	218,863	0	0	0	1,067,920	0
Benefit Payments, Including Refunds of Employee Contributions	(248,907)	(262,458)	(297,151)	(256,231)	(254,072)	(303,848)	(320,943)	(318,104)	(318,161)
Other	0	(550,867)	369,438	(2,592,622)	(935,516)	777,711	(1,013,107)	0	0
Net Change in Total Pension Liability	\$ 794,854	\$ 91,140	\$ 1,288,234	\$ (1,649,884)	\$ (302,265)	\$ 1,550,048	\$ (133,132)	\$ 1,478,606	\$ 1,558,948
Total Pension Liability, Beginning	9,610,419	10,405,273	10,496,413	11,784,647	10,134,763	9,832,498	11,382,546	11,249,414	12,728,020
Total Pension Liability, Ending (a)	\$ 10,405,273	\$ 10,496,413	\$ 11,784,647	\$ 10,134,763	\$ 9,832,498	\$ 11,382,546	\$ 11,249,414	\$ 12,728,020	\$ 14,286,968
Plan Fiduciary Net Position									
Contributions - Employer	\$ 525,399	\$ 477,100	\$ 515,747	\$ 383,273	\$ 365,462	\$ 412,651	\$ 383,048	\$ 352,846	\$ 356,016
Contributions - Employee	449	25	520	20	0	1,575	22	8	0
Net Investment Income	1,549,231	324,969	304,487	1,057,866	791,313	837,433	549,649	2,716,974	(461,728)
Benefit Payments, Including Refunds of Employee Contributions	(248,907)	(262,458)	(297,151)	(256,231)	(254,072)	(303,848)	(320,943)	(318,104)	(318,161)
Administrative Expense	(4,958)	(6,145)	(9,629)	(8,733)	(9,150)	(9,366)	(8,677)	(8,048)	(8,184)
Other	0	(584,204)	386,609	(2,614,651)	(964,280)	820,674	(1,080,058)	0	0
Net Change in Plan Fiduciary Net Position	\$ 1,821,214	\$ (50,713)	\$ 900,584	\$ (1,438,455)	\$ (70,727)	\$ 1,759,119	\$ (476,959)	\$ 2,743,676	\$ (432,057)
Plan Fiduciary Net Position, Beginning	9,213,746	11,034,960	10,984,248	11,884,832	10,446,376	10,375,649	12,134,768	11,657,809	14,401,485
Plan Fiduciary Net Position, Ending (b)	\$ 11,034,960	\$ 10,984,248	\$ 11,884,832	\$ 10,446,376	\$ 10,375,649	\$ 12,134,768	\$ 11,657,809	\$ 14,401,485	\$ 13,969,428
Net Pension Liability (Asset), Ending (a - b)	\$ (629,687)	\$ (487,835)	\$ (100,185)	\$ (311,613)	\$ (543,151)	\$ (752,222)	\$ (408,395)	\$ (1,673,465)	\$ 317,540
Plan Fiduciary Net Position as a Percentage of Total Pension Liability Covered Payroll	106.05%	104.65%	100.85%	103.07%	105.52%	106.61%	103.63%	114.05%	97.34%
Net Pension Liability (Asset) as a Percentage of Covered Payroll	\$ 3,789,014	\$ 3,988,436	\$ 4,320,309	\$ 3,610,253	\$ 3,433,547	\$ 3,880,012	\$ 3,770,381	\$ 3,472,894	\$ 3,855,368
	15.21%	12.24%	2.33%	(8.67)%	(15.84)%	(19.43)%	(10.83)%	(47.04)%	9.07%

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

Exhibit F-4

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 5,591,490	\$ 5,843,440	\$ 5,720,040	\$ 5,866,361	\$ 6,157,743	\$ 5,257,236	\$ 5,366,890	\$ 6,034,257	\$ 8,292,948
Less: Contributions in Relation to the Actuarially Determined Contribution	(5,591,490)	(5,843,440)	(5,720,040)	(5,866,361)	(6,157,743)	(6,343,408)	(6,475,962)	(7,281,242)	(8,292,948)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,086,172)	\$ (1,109,072)	\$ (1,246,985)	\$ 0
Covered Payroll	\$ 46,712,485	\$ 48,858,829	\$ 53,670,979	\$ 55,032,657	\$ 57,744,945	\$ 62,438,801	\$ 63,739,770	\$ 71,668,093	\$ 81,623,470
Contributions as a Percentage of Covered Payroll	11.97%	11.97%	10.66%	10.66%	10.66%	10.16%	10.16%	10.16%	10.16%

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

Exhibit F-5

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 3,808,948	\$ 3,982,892	\$ 3,753,831	\$ 4,119,936	\$ 4,257,952	\$ 3,547,565	\$ 3,621,697	\$ 3,979,073	\$ 5,137,559
Less: Contributions in Relation to the Actuarially Determined Contribution	(3,808,948)	(3,982,892)	(3,753,831)	(4,119,936)	(4,257,952)	(4,280,672)	(4,370,124)	(4,801,352)	(5,137,559)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (733,107)	\$ (748,427)	\$ (822,279)	\$ 0
Covered Payroll	\$ 31,820,841	\$ 33,273,947	\$ 35,214,136	\$ 38,648,492	\$ 39,943,296	\$ 42,135,086	\$ 43,013,008	\$ 47,258,950	\$ 50,566,601
Contributions as a Percentage of Covered Payroll	11.97%	11.97%	10.66%	10.66%	10.66%	10.16%	10.16%	10.16%	10.16%

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

Exhibit F-6

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 513,236	\$ 517,141	\$ 384,853	\$ 366,016	\$ 413,785	\$ 317,248	\$ 324,081	\$ 324,611	\$ 418,822
Less: Contributions in Relation to the Actuarially Determined Contribution	(513,236)	(517,141)	(384,853)	(366,016)	(413,785)	(383,048)	(391,053)	(391,692)	(418,822)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (65,800)	\$ (66,972)	\$ (67,081)	\$ 0
Covered Payroll	\$ 3,988,436	\$ 4,320,309	\$ 3,610,253	\$ 3,433,547	\$ 3,880,012	\$ 3,770,381	\$ 3,848,940	\$ 3,855,368	\$ 4,122,264
Contributions as a Percentage of Covered Payroll	11.97%	11.97%	10.66%	10.66%	10.66%	10.16%	10.16%	10.16%	10.16%

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

Exhibit F-7

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 316,382	\$ 659,699	\$ 1,014,698	\$ 1,447,156	\$ 882,087	\$ 1,140,532	\$ 1,389,675	\$ 1,711,494	\$ 2,841,322
Less: Contributions in Relation to the Contractually Required Contribution	(316,382)	(659,699)	(1,014,698)	(1,447,156)	(882,087)	(1,140,532)	(1,389,675)	(1,711,494)	(2,841,322)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 7,909,475	\$ 16,492,393	\$ 25,827,905	\$ 36,178,724	\$ 45,468,436	\$ 56,192,539	\$ 68,807,340	\$ 85,149,193	\$ 98,920,784
Contributions as a Percentage of Covered Payroll	4.0%	4.0%	3.93%	4.0%	1.94%	2.03%	2.02%	2.01%	2.87%

Note 1: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually into the Pension Stabilization Reserve Trust (SRT).

2019: Pension - 1.94 %, SRT - 2.02%

2020: Pension - 2.03 %, SRT - 1.97%

2021: Pension - 2.02 %, SRT - 1.98%

2022: Pension - 2.01 %, SRT - 1.99%

2023: Pension - 2.87 %, SRT - 1.13%

Note 2: Ten years of data will be presented when available.

Exhibit F-8

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 13,375,185	\$ 13,266,310	\$ 13,139,659	\$ 13,248,019	\$ 13,467,559	\$ 15,721,307	\$ 16,250,443	\$ 15,543,366	\$ 16,027,991	\$ 13,500,597
Less: Contributions in Relation to the Contractually Required Contribution	(13,375,185)	(13,266,310)	(13,139,659)	(13,248,019)	(13,467,559)	(15,721,307)	(16,250,443)	(15,543,366)	(16,027,991)	(13,500,597)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 150,621,457	\$ 146,751,255	\$ 145,350,015	\$ 146,087,228	\$ 148,321,247	\$ 150,299,326	\$ 152,873,395	\$ 151,347,256	\$ 155,611,738	\$ 155,387,553
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.07%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%

Exhibit F-9

Rutherford County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Retirement Plan of TCRS
Discretely Presented Rutherford County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	3.806811%	3.748250%	3.864995%	4.140032%	4.296752%	4.453875%	4.766823%	4.986174%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (153,146)	\$ (390,205)	\$ (1,019,719)	\$ (1,877,620)	\$ (2,425,458)	\$ (2,532,659)	\$ (5,163,480)	\$ (1,510,437)
Covered Payroll	\$ 7,909,475	\$ 16,492,393	\$ 25,830,753	\$ 36,178,724	\$ 45,468,436	\$ 56,204,673	\$ 68,807,340	\$ 85,149,193
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(3.95)%	(5.19)%	(5.33)%	(4.51)%	(7.50)%	(1.77)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%

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

Exhibit F-10

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	3.837498%	3.920158%	4.026546%	4.145713%	4.235836%	4.482340%	4.593231%	4.611195%	4.728487%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (623,576)	\$ 1,605,831	\$ 25,163,682	\$ (1,356,408)	\$ (14,905,548)	\$ (46,086,527)	\$ (35,026,769)	\$ (198,891,912)	\$ (57,990,416)
Covered Payroll	\$ 150,621,457	\$ 146,751,255	\$ 145,350,015	\$ 146,086,516	\$ 148,325,289	\$ 150,299,326	\$ 152,874,439	\$ 151,347,256	\$ 155,611,738
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094253%	17.310000%	(.93)%	(10.05)%	(30.66)%	(22.91)%	(131.41)%	(37.27)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%

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

Exhibit F-11

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

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 6,297,303	\$ 5,350,641	\$ 3,874,438	\$ 4,465,070	\$ 6,080,786	\$ 6,174,290
Interest	5,958,633	7,001,893	6,119,904	6,169,371	4,314,053	4,168,120
Differences Between Actual and Expected Experience	0	(23,773,341)	0	2,990,845	0	(21,649,345)
Changes in Assumptions or Other Inputs	(22,493,216)	(22,183,253)	9,251,748	5,928,601	(11,073,157)	(70,473,530)
Benefit Payments	(2,483,641)	(2,118,819)	(2,620,026)	(1,786,982)	(1,664,901)	(1,640,218)
Net Change in Total OPEB Liability	\$ (12,720,921)	\$ (35,722,879)	\$ 16,626,064	\$ 17,766,905	\$ (2,343,219)	\$ (83,420,683)
Total OPEB Liability, Beginning	204,003,991	191,283,070	155,560,191	172,186,255	189,953,160	187,609,941
Total OPEB Liability, Ending - As of the Measurement Date	\$ 191,283,070	\$ 155,560,191	\$ 172,186,255	\$ 189,953,160	\$ 187,609,941	\$ 104,189,258
Proportionate Share of Total OPEB Liability:						
Primary Government	\$ 32,782,293	\$ 28,983,874	\$ 32,081,681	\$ 37,513,293	\$ 36,944,295	\$ 20,227,377
School Department	155,772,597	124,372,444	137,665,254	149,056,443	147,335,929	82,483,474
Community Care	2,652,550	2,072,747	2,294,270	2,679,029	2,638,592	1,015,167
Airport	75,630	45,519	50,361	625,834	614,709	394,899
E-911	0	85,607	94,689	78,561	76,416	68,341
Covered Employee Payroll:						
Primary Government	\$ 50,967,314	\$ 51,985,924	\$ 54,538,342	\$ 62,624,119	\$ 64,960,125	\$ 70,880,756
School Department	207,129,268	223,174,798	235,708,059	251,346,116	266,346,089	289,608,938
Community Care	4,793,494	3,433,547	4,664,180	3,781,609	3,467,358	3,506,319
Airport	303,923	503,662	520,495	558,203	523,096	540,925
E-911	0	305,425	313,114	369,420	380,359	311,587
Net OPEB Liability as a Percentage of Covered Employee Payroll:						
Primary Government	64.32%	55.75%	58.82%	59.90%	56.87%	28.54%
School Department	75.21%	55.73%	58.40%	59.30%	55.32%	28.48%
Community Care	55.34%	60.37%	49.19%	70.84%	76.10%	28.95%
Airport	24.88%	9.04%	9.68%	112.12%	117.51%	73.00%
E-911	0.00%	28.03%	30.24%	21.27%	20.09%	21.93%

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

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

2017	3.58%
2018	3.87%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%

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

RUTHERFORD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2023 were calculated based on the July 1, 2021, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation; averaging 4%
Investment Rate of Return	6.75%, 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	2.125%

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

Other General Government Fund – The Other General Government Fund is used to account for funding related to the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021, received by the county to be used to respond to acute pandemic response needs, fill revenue shortfalls, and support communities and populations hit by the COVID-19 crisis.

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

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

Capital Projects Fund

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

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

Exhibit G-1

Rutherford County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds					Other General Government Fund
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	
<u>ASSETS</u>						
Cash	\$ 400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	12,123,252	12,620,207	542,385	107,604	2,063,766	20,111,624
Accounts Receivable	94,736	7,953,018	0	478	8,952	0
Allowance for Uncollectibles	0	(4,277,143)	0	0	0	0
Due from Other Governments	1,188,376	32,935	0	0	0	0
Property Taxes Receivable	0	10,773,153	0	0	0	0
Allowance for Uncollectible Property Taxes	0	(509,217)	0	0	0	0
Notes Receivable - Long-term	0	0	7,436,982	0	0	0
Total Assets	\$ 13,406,764	\$ 26,592,953	\$ 7,979,367	\$ 108,082	\$ 2,072,718	\$ 20,111,624
<u>LIABILITIES</u>						
Accounts Payable	\$ 13,426	\$ 74,221	\$ 6,619	\$ 0	\$ 0	\$ 0
Accrued Payroll	79,505	429,805	0	0	0	0
Payroll Deductions Payable	1,149	166	0	0	0	0
Contracts Payable	0	0	0	0	0	0
Retainage Payable	0	0	0	0	0	0
Unearned/Unavailable Revenue	0	0	0	0	0	20,109,475
Total Liabilities	\$ 94,080	\$ 504,192	\$ 6,619	\$ 0	\$ 0	\$ 20,109,475
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 10,173,621	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit G-1

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

	Special Revenue Funds					
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	Other General Government Fund
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Deferred Delinquent Property Taxes	\$ 0	\$ 85,030	\$ 0	\$ 0	\$ 0	\$ 0
Other Deferred/Unavailable Revenue	642,171	2,751,658	0	0	0	0
Total Deferred Inflows of Resources	<u>\$ 642,171</u>	<u>\$ 13,010,309</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government - American Rescue Plan Act	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,149
Restricted for Public Safety	0	0	0	108,082	2,072,718	0
Restricted for Public Health and Welfare	0	4,961	0	0	0	0
Restricted for Debt Service	0	0	7,610,698	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
Committed for Capital Projects	0	0	0	0	0	0
Assigned:						
Assigned for General Government	0	0	0	0	0	0
Assigned for Finance	0	0	0	0	0	0
Assigned for Administration of Justice	0	0	0	0	0	0
Assigned for Public Health and Welfare	12,670,513	13,073,491	0	0	0	0
Assigned for Other Operations	0	0	362,050	0	0	0
Assigned for Highways/Public Works	0	0	0	0	0	0
Total Fund Balances	<u>\$ 12,670,513</u>	<u>\$ 13,078,452</u>	<u>\$ 7,972,748</u>	<u>\$ 108,082</u>	<u>\$ 2,072,718</u>	<u>\$ 2,149</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,406,764</u>	<u>\$ 26,592,953</u>	<u>\$ 7,979,367</u>	<u>\$ 108,082</u>	<u>\$ 2,072,718</u>	<u>\$ 20,111,624</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>Total</u>
	<u>Constitu -</u>	<u>Highway /</u>		<u>Projects</u>	
	<u>Officers -</u>	<u>Public</u>	<u>Total</u>	<u>Capital</u>	<u>Nonmajor</u>
	<u>Fees</u>	<u>Works</u>		<u>Projects</u>	<u>Governmental</u>
				<u>Fund</u>	<u>Funds</u>
<u>ASSETS</u>					
Cash	\$ 1,445,648	\$ 0	\$ 1,446,048	\$ 0	\$ 1,446,048
Equity in Pooled Cash and Investments	0	24,177,027	71,745,865	13,732,330	85,478,195
Accounts Receivable	3,304	66,468	8,126,956	1,674	8,128,630
Allowance for Uncollectibles	0	0	(4,277,143)	0	(4,277,143)
Due from Other Governments	0	1,596,413	2,817,724	0	2,817,724
Property Taxes Receivable	0	1,148,177	11,921,330	0	11,921,330
Allowance for Uncollectible Property Taxes	0	(55,776)	(564,993)	0	(564,993)
Notes Receivable - Long-term	0	0	7,436,982	0	7,436,982
Total Assets	<u>\$ 1,448,952</u>	<u>\$ 26,932,309</u>	<u>\$ 98,652,769</u>	<u>\$ 13,734,004</u>	<u>\$ 112,386,773</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 1,481,038	\$ 1,575,304	\$ 0	\$ 1,575,304
Accrued Payroll	0	149,945	659,255	0	659,255
Payroll Deductions Payable	0	3,754	5,069	0	5,069
Contracts Payable	0	0	0	339,976	339,976
Retainage Payable	0	0	0	18,019	18,019
Unearned/Unavailable Revenue	0	0	20,109,475	0	20,109,475
Total Liabilities	<u>\$ 0</u>	<u>\$ 1,634,737</u>	<u>\$ 22,349,103</u>	<u>\$ 357,995</u>	<u>\$ 22,707,098</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 1,077,207	\$ 11,250,828	\$ 0	\$ 11,250,828

(Continued)

Exhibit G-1

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Capital</u>	<u>Total</u>
	<u>Constitu -</u>	<u>Highway /</u>		<u>Projects</u>	
	<u>Officers -</u>	<u>Public</u>	<u>Total</u>	<u>Capital</u>	<u>Nonmajor</u>
	<u>Fees</u>	<u>Works</u>		<u>Projects</u>	<u>Governmental</u>
				<u>Fund</u>	<u>Funds</u>
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Deferred Delinquent Property Taxes	\$ 0	\$ 14,305	\$ 99,335	\$ 0	\$ 99,335
Other Deferred/Unavailable Revenue	0	182,068	3,575,897	0	3,575,897
Total Deferred Inflows of Resources	\$ 0	\$ 1,273,580	\$ 14,926,060	\$ 0	\$ 14,926,060
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government - American Rescue Plan Act	\$ 0	\$ 0	\$ 2,149	\$ 0	\$ 2,149
Restricted for Public Safety	0	0	2,180,800	0	2,180,800
Restricted for Public Health and Welfare	0	0	4,961	0	4,961
Restricted for Debt Service	0	0	7,610,698	0	7,610,698
Restricted for Capital Projects	0	0	0	437,929	437,929
Committed:					
Committed for Highways/Public Works	0	2,804,457	2,804,457	0	2,804,457
Committed for Capital Projects	0	0	0	12,938,080	12,938,080
Assigned:					
Assigned for General Government	175,254	0	175,254	0	175,254
Assigned for Finance	714,500	0	714,500	0	714,500
Assigned for Administration of Justice	559,198	0	559,198	0	559,198
Assigned for Public Health and Welfare	0	0	25,744,004	0	25,744,004
Assigned for Other Operations	0	0	362,050	0	362,050
Assigned for Highways/Public Works	0	21,219,535	21,219,535	0	21,219,535
Total Fund Balances	\$ 1,448,952	\$ 24,023,992	\$ 61,377,606	\$ 13,376,009	\$ 74,753,615
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,448,952	\$ 26,932,309	\$ 98,652,769	\$ 13,734,004	\$ 112,386,773

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, 2023

	Special Revenue Funds					
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	Other General Government Fund
<u>Revenues</u>						
Local Taxes	\$ 6,492,573	\$ 6,734,091	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	453,443	0
Charges for Current Services	1,037,650	12,136,946	0	0	0	0
Other Local Revenues	380,007	21,097	148,878	3,993	70,961	0
State of Tennessee	383,867	38,425	0	0	0	0
Federal Government	0	161,557	0	192,129	0	13,576,354
Other Governments and Citizens Groups	0	0	0	0	0	0
Total Revenues	\$ 8,294,097	\$ 19,092,116	\$ 148,878	\$ 196,122	\$ 524,404	\$ 13,576,354
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	0	0	0	0	0	0
Administration of Justice	0	0	0	0	0	0
Public Safety	0	0	0	126,168	441,119	0
Public Health and Welfare	5,674,974	18,366,882	0	0	0	0
Other Operations	139,524	0	1,489	0	0	0
Highways	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	13,462,692
Total Expenditures	\$ 5,814,498	\$ 18,366,882	\$ 1,489	\$ 126,168	\$ 441,119	\$ 13,462,692
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 2,479,599	\$ 725,234	\$ 147,389	\$ 69,954	\$ 83,285	\$ 113,662

(Continued)

Exhibit G-2

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

	Special Revenue Funds					Other General Government Fund
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Transfers In	0	0	0	0	0	0
Transfers Out	(164,536)	0	(574,390)	0	0	0
Total Other Financing Sources (Uses)	<u>\$ (164,536)</u>	<u>\$ 0</u>	<u>\$ (574,390)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Net Change in Fund Balances	\$ 2,315,063	\$ 725,234	\$ (427,001)	\$ 69,954	\$ 83,285	\$ 113,662
Fund Balance, July 1, 2022	<u>10,355,450</u>	<u>12,353,218</u>	<u>8,399,749</u>	<u>38,128</u>	<u>1,989,433</u>	<u>(111,513)</u>
Fund Balance, June 30, 2023	<u>\$ 12,670,513</u>	<u>\$ 13,078,452</u>	<u>\$ 7,972,748</u>	<u>\$ 108,082</u>	<u>\$ 2,072,718</u>	<u>\$ 2,149</u>

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)			Capital Projects Fund	Total Nonmajor Governmental Funds
	Constitu- tional - Officers - Fees	Highway / Public Works	Total	General Capital Projects	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 8,395,389	\$ 21,622,053	\$ 0	\$ 21,622,053
Fines, Forfeitures, and Penalties	0	0	453,443	0	453,443
Charges for Current Services	7,129,416	0	20,304,012	0	20,304,012
Other Local Revenues	0	747,058	1,371,994	23,061	1,395,055
State of Tennessee	0	6,833,036	7,255,328	0	7,255,328
Federal Government	0	0	13,930,040	0	13,930,040
Other Governments and Citizens Groups	0	0	0	203,020	203,020
Total Revenues	<u>\$ 7,129,416</u>	<u>\$ 15,975,483</u>	<u>\$ 64,936,870</u>	<u>\$ 226,081</u>	<u>\$ 65,162,951</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 863,638	\$ 0	\$ 863,638	\$ 0	\$ 863,638
Finance	2,798,368	0	2,798,368	0	2,798,368
Administration of Justice	3,091,492	0	3,091,492	0	3,091,492
Public Safety	0	0	567,287	0	567,287
Public Health and Welfare	0	0	24,041,856	0	24,041,856
Other Operations	0	0	141,013	0	141,013
Highways	0	13,583,001	13,583,001	0	13,583,001
Capital Projects	0	0	13,462,692	10,902,348	24,365,040
Total Expenditures	<u>\$ 6,753,498</u>	<u>\$ 13,583,001</u>	<u>\$ 58,549,347</u>	<u>\$ 10,902,348</u>	<u>\$ 69,451,695</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 375,918</u>	<u>\$ 2,392,482</u>	<u>\$ 6,387,523</u>	<u>\$ (10,676,267)</u>	<u>\$ (4,288,744)</u>

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)			Capital Projects Fund	Total Nonmajor Governmental Funds
	Constitu - tional Officers - Fees	Highway / Public Works	Total	General Capital Projects	
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0	\$ 15,255	\$ 15,255	\$ 0	\$ 15,255
Transfers In	0	0	0	9,777,231	9,777,231
Transfers Out	0	0	(738,926)	0	(738,926)
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 0</u>	<u>\$ 15,255</u>	<u>\$ (723,671)</u>	<u>\$ 9,777,231</u>	<u>\$ 9,053,560</u>
Net Change in Fund Balances	\$ 375,918	\$ 2,407,737	\$ 5,663,852	\$ (899,036)	\$ 4,764,816
Fund Balance, July 1, 2022	1,073,034	21,616,255	55,713,754	14,275,045	69,988,799
Fund Balance, June 30, 2023	<u>\$ 1,448,952</u>	<u>\$ 24,023,992</u>	<u>\$ 61,377,606</u>	<u>\$ 13,376,009</u>	<u>\$ 74,753,615</u>

Exhibit G-3

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,492,573	\$ 0	\$ 0	\$ 6,492,573	\$ 5,700,000	\$ 6,375,000	\$ 117,573
Charges for Current Services	1,037,650	0	0	1,037,650	811,000	1,022,000	15,650
Other Local Revenues	380,007	0	0	380,007	420,000	400,000	(19,993)
State of Tennessee	383,867	0	0	383,867	349,000	383,867	0
Total Revenues	\$ 8,294,097	\$ 0	\$ 0	\$ 8,294,097	\$ 7,280,000	\$ 8,180,867	\$ 113,230
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Convenience Centers	\$ 4,583,119	\$ (625,999)	\$ 640	\$ 3,957,760	\$ 6,166,338	\$ 6,183,868	\$ 2,226,108
Other Waste Collection	203,995	(15,058)	0	188,937	431,868	316,868	127,931
Landfill Operation and Maintenance	727,623	(43,680)	0	683,943	832,917	962,267	278,324
Postclosure Care Costs	160,237	(76,028)	0	84,209	596,500	596,500	512,291
<u>Other Operations</u>							
Employee Benefits	25,000	0	0	25,000	25,000	25,000	0
Miscellaneous	114,524	0	0	114,524	94,600	134,700	20,176
Total Expenditures	\$ 5,814,498	\$ (760,765)	\$ 640	\$ 5,054,373	\$ 8,147,223	\$ 8,219,203	\$ 3,164,830
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,479,599	\$ 760,765	\$ (640)	\$ 3,239,724	\$ (867,223)	\$ (38,336)	\$ 3,278,060
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (164,536)	\$ 0	\$ 0	\$ (164,536)	\$ 0	\$ (164,536)	\$ 0
Total Other Financing Sources	\$ (164,536)	\$ 0	\$ 0	\$ (164,536)	\$ 0	\$ (164,536)	\$ 0
Net Change in Fund Balance	\$ 2,315,063	\$ 760,765	\$ (640)	\$ 3,075,188	\$ (867,223)	\$ (202,872)	\$ 3,278,060
Fund Balance, July 1, 2022	10,355,450	(760,765)	0	9,594,685	9,594,686	9,594,686	(1)
Fund Balance, June 30, 2023	\$ 12,670,513	\$ 0	\$ (640)	\$ 12,669,873	\$ 8,727,463	\$ 9,391,814	\$ 3,278,059

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,734,091	\$ 0	\$ 0	\$ 6,734,091	\$ 6,425,475	\$ 6,642,568	\$ 91,523
Charges for Current Services	12,136,946	0	0	12,136,946	11,610,000	11,826,000	310,946
Other Local Revenues	21,097	0	0	21,097	5,000	19,531	1,566
State of Tennessee	38,425	0	0	38,425	20,000	30,150	8,275
Federal Government	161,557	0	0	161,557	190,530	190,530	(28,973)
Total Revenues	\$ 19,092,116	\$ 0	\$ 0	\$ 19,092,116	\$ 18,251,005	\$ 18,708,779	\$ 383,337
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	\$ 18,366,882	\$ (365,647)	\$ 610,813	\$ 18,612,048	\$ 19,590,156	\$ 19,996,592	\$ 1,384,544
Total Expenditures	\$ 18,366,882	\$ (365,647)	\$ 610,813	\$ 18,612,048	\$ 19,590,156	\$ 19,996,592	\$ 1,384,544
Excess (Deficiency) of Revenues Over Expenditures	\$ 725,234	\$ 365,647	\$ (610,813)	\$ 480,068	\$ (1,339,151)	\$ (1,287,813)	\$ 1,767,881
Net Change in Fund Balance	\$ 725,234	\$ 365,647	\$ (610,813)	\$ 480,068	\$ (1,339,151)	\$ (1,287,813)	\$ 1,767,881
Fund Balance, July 1, 2022	12,353,218	(365,647)	0	11,987,571	11,981,784	11,981,784	5,787
Fund Balance, June 30, 2023	\$ 13,078,452	\$ 0	\$ (610,813)	\$ 12,467,639	\$ 10,642,633	\$ 10,693,971	\$ 1,773,668

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 148,878	\$ 148,879	\$ 148,878	\$ 0
Total Revenues	\$ 148,878	\$ 148,879	\$ 148,878	\$ 0
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 1,489	\$ 575,879	\$ 1,489	\$ 0
Total Expenditures	\$ 1,489	\$ 575,879	\$ 1,489	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 147,389	\$ (427,000)	\$ 147,389	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (574,390)	\$ 0	\$ (574,390)	\$ 0
Total Other Financing Sources	\$ (574,390)	\$ 0	\$ (574,390)	\$ 0
Net Change in Fund Balance	\$ (427,001)	\$ (427,000)	\$ (427,001)	\$ 0
Fund Balance, July 1, 2022	8,399,749	894,169	894,169	7,505,580
Fund Balance, June 30, 2023	\$ 7,972,748	\$ 467,169	\$ 467,168	\$ 7,505,580

Exhibit G-6

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 3,993	\$ 200	\$ 200	\$ 3,793
Federal Government	192,129	0	175,569	16,560
Total Revenues	<u>\$ 196,122</u>	<u>\$ 200</u>	<u>\$ 175,769</u>	<u>\$ 20,353</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 126,168	\$ 20,000	\$ 195,569	\$ 69,401
Total Expenditures	<u>\$ 126,168</u>	<u>\$ 20,000</u>	<u>\$ 195,569</u>	<u>\$ 69,401</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 69,954</u>	<u>\$ (19,800)</u>	<u>\$ (19,800)</u>	<u>\$ 89,754</u>
Net Change in Fund Balance	\$ 69,954	\$ (19,800)	\$ (19,800)	\$ 89,754
Fund Balance, July 1, 2022	<u>38,128</u>	<u>38,128</u>	<u>38,128</u>	<u>0</u>
Fund Balance, June 30, 2023	<u><u>\$ 108,082</u></u>	<u><u>\$ 18,328</u></u>	<u><u>\$ 18,328</u></u>	<u><u>\$ 89,754</u></u>

Exhibit G-7

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 453,443	\$ 0	\$ 0	\$ 453,443	\$ 394,000	\$ 569,569	\$ (116,126)
Other Local Revenues	70,961	0	0	70,961	3,600	3,600	67,361
Total Revenues	\$ 524,404	\$ 0	\$ 0	\$ 524,404	\$ 397,600	\$ 573,169	\$ (48,765)
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 441,119	\$ (38,389)	\$ 46,403	\$ 449,133	\$ 438,000	\$ 594,700	\$ 145,567
Total Expenditures	\$ 441,119	\$ (38,389)	\$ 46,403	\$ 449,133	\$ 438,000	\$ 594,700	\$ 145,567
Excess (Deficiency) of Revenues Over Expenditures	\$ 83,285	\$ 38,389	\$ (46,403)	\$ 75,271	\$ (40,400)	\$ (21,531)	\$ 96,802
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ (94,200)	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ (94,200)	\$ 0	\$ 0
Net Change in Fund Balance	\$ 83,285	\$ 38,389	\$ (46,403)	\$ 75,271	\$ (134,600)	\$ (21,531)	\$ 96,802
Fund Balance, July 1, 2022	1,989,433	(38,389)	0	1,951,044	1,951,044	1,951,044	0
Fund Balance, June 30, 2023	\$ 2,072,718	\$ 0	\$ (46,403)	\$ 2,026,315	\$ 1,816,444	\$ 1,929,513	\$ 96,802

Exhibit G-8

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Other General Government Special Revenue Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 13,576,354	\$ 0	\$ 0	\$ 13,576,354	\$ 0	\$ 22,179,435	\$ (8,603,081)
Total Revenues	\$ 13,576,354	\$ 0	\$ 0	\$ 13,576,354	\$ 0	\$ 22,179,435	\$ (8,603,081)
<u>Expenditures</u>							
<u>Capital Projects</u>							
American Rescue Plan Act Grant #1	\$ 13,462,692	\$ (11,392,733)	\$ 6,758,077	\$ 8,828,036	\$ 0	\$ 22,179,435	\$ 13,351,399
Total Expenditures	\$ 13,462,692	\$ (11,392,733)	\$ 6,758,077	\$ 8,828,036	\$ 0	\$ 22,179,435	\$ 13,351,399
Excess (Deficiency) of Revenues Over Expenditures	\$ 113,662	\$ 11,392,733	\$ (6,758,077)	\$ 4,748,318	\$ 0	\$ 0	\$ 4,748,318
Net Change in Fund Balance	\$ 113,662	\$ 11,392,733	\$ (6,758,077)	\$ 4,748,318	\$ 0	\$ 0	\$ 4,748,318
Fund Balance, July 1, 2022	(111,513)	(11,392,733)	0	(11,504,246)	0	0	(11,504,246)
Fund Balance, June 30, 2023	\$ 2,149	\$ 0	\$ (6,758,077)	\$ (6,755,928)	\$ 0	\$ 0	\$ (6,755,928)

Exhibit G-9

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 8,395,389	\$ 7,570,905	\$ 8,104,080	\$ 291,309
Other Local Revenues	747,058	51,250	779,710	(32,652)
State of Tennessee	6,833,036	5,859,400	6,606,697	226,339
Total Revenues	<u>\$ 15,975,483</u>	<u>\$ 13,481,555</u>	<u>\$ 15,490,487</u>	<u>\$ 484,996</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 882,350	\$ 1,063,769	\$ 1,114,809	\$ 232,459
Highway and Bridge Maintenance	9,424,180	7,860,415	10,049,545	625,365
Operation and Maintenance of Equipment	1,294,094	1,422,645	1,532,475	238,381
Other Charges	762,451	995,190	995,190	232,739
Employee Benefits	181,393	237,505	237,505	56,112
Capital Outlay	1,038,533	754,000	2,154,000	1,115,467
Total Expenditures	<u>\$ 13,583,001</u>	<u>\$ 12,333,524</u>	<u>\$ 16,083,524</u>	<u>\$ 2,500,523</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,392,482</u>	<u>\$ 1,148,031</u>	<u>\$ (593,037)</u>	<u>\$ 2,985,519</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 15,255	\$ 0	\$ 15,053	\$ 202
Total Other Financing Sources	<u>\$ 15,255</u>	<u>\$ 0</u>	<u>\$ 15,053</u>	<u>\$ 202</u>
Net Change in Fund Balance	\$ 2,407,737	\$ 1,148,031	\$ (577,984)	\$ 2,985,721
Fund Balance, July 1, 2022	<u>21,616,255</u>	<u>21,616,254</u>	<u>21,616,254</u>	<u>1</u>
Fund Balance, June 30, 2023	<u>\$ 24,023,992</u>	<u>\$ 22,764,285</u>	<u>\$ 21,038,270</u>	<u>\$ 2,985,722</u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 49,986,046	\$ 47,613,928	\$ 49,628,053	\$ 357,993
Other Local Revenues	2,835,869	380,400	2,380,400	455,469
Other Governments and Citizens Groups	647,700	0	647,700	0
Total Revenues	<u>\$ 53,469,615</u>	<u>\$ 47,994,328</u>	<u>\$ 52,656,153</u>	<u>\$ 813,462</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 963,141	\$ 1,200,000	\$ 1,275,000	\$ 311,859
<u>Principal on Debt</u>				
General Government	8,003,225	8,003,225	8,003,225	0
Education	31,349,983	30,711,775	31,349,983	0
<u>Interest on Debt</u>				
General Government	3,504,674	3,504,675	3,504,675	1
Education	12,776,773	15,567,281	15,576,773	2,800,000
<u>Other Debt Service</u>				
Education	35,000,000	0	35,000,000	0
Total Expenditures	<u>\$ 91,597,796</u>	<u>\$ 58,986,956</u>	<u>\$ 94,709,656</u>	<u>\$ 3,111,860</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (38,128,181)</u>	<u>\$ (10,992,628)</u>	<u>\$ (42,053,503)</u>	<u>\$ 3,925,322</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 574,390	\$ 574,390	\$ 574,390	\$ 0
Total Other Financing Sources	<u>\$ 574,390</u>	<u>\$ 574,390</u>	<u>\$ 574,390</u>	<u>\$ 0</u>
Net Change in Fund Balance	<u>\$ (37,553,791)</u>	<u>\$ (10,418,238)</u>	<u>\$ (41,479,113)</u>	<u>\$ 3,925,322</u>
Fund Balance, July 1, 2022	<u>52,075,652</u>	<u>50,254,867</u>	<u>50,254,867</u>	<u>1,820,785</u>
Fund Balance, June 30, 2023	<u>\$ 14,521,861</u>	<u>\$ 39,836,629</u>	<u>\$ 8,775,754</u>	<u>\$ 5,746,107</u>

Proprietary Funds

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

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

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

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

Exhibit I-1

Rutherford County, Tennessee
Combining Statement of Net Position
Proprietary Funds
June 30, 2023

	Internal Service Funds			Total Proprietary Funds
	Self- Insurance	Employee Insurance - Health	Workers' Compensation	
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 163,082	\$ 0	\$ 187,879	\$ 350,961
Equity in Pooled Cash and Investments	5,417,570	37,713,129	2,130,985	45,261,684
Accounts Receivable	0	74,435	0	74,435
Total Assets	\$ 5,580,652	\$ 37,787,564	\$ 2,318,864	\$ 45,687,080
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 6,600	\$ 6,600
Claims and Judgments Payable	2,702,270	3,937,628	1,261,100	7,900,998
Total Current Liabilities	\$ 2,702,270	\$ 3,937,628	\$ 1,267,700	\$ 7,907,598
Noncurrent Liabilities:				
Claims and Judgments Payable	\$ 675,568	\$ 984,407	\$ 95,000	\$ 1,754,975
Total Noncurrent Liabilities	\$ 675,568	\$ 984,407	\$ 95,000	\$ 1,754,975
<u>NET POSITION</u>				
Unrestricted	\$ 2,202,814	\$ 32,865,529	\$ 956,164	\$ 36,024,507
Total Net Position	\$ 2,202,814	\$ 32,865,529	\$ 956,164	\$ 36,024,507

Exhibit I-2

Rutherford County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Internal Service Funds			Total Proprietary Funds
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	
<u>Operating Revenues</u>				
Charges for Current Services:				
Self-Insurance Premiums/Contributions	\$ 3,614,048	\$ 39,316,508	\$ 1,825,467	\$ 44,756,023
Other Employee Benefit Charges/Contributions	0	1,434,394	0	1,434,394
Service Charges	0	180	0	180
Other Local Revenues:				
Retirees' Insurance Payments	0	4,587,443	0	4,587,443
Cobra Insurance Payments	0	130,729	0	130,729
State of Tennessee:				
On-Behalf Contributions for OPEB	0	78,650	0	78,650
Total Operating Revenues	\$ 3,614,048	\$ 45,547,904	\$ 1,825,467	\$ 50,987,419
<u>Operating Expenses</u>				
Employee Benefits:				
Supervisor/Director	\$ 0	\$ 63,734	\$ 63,734	\$ 127,468
Clerical Personnel	0	139,906	139,906	279,812
Part-time Personnel	0	17,866	17,866	35,732
Longevity Pay	0	113	113	226
Overtime Pay	0	5,005	5,005	10,010
Other Salaries and Wages	0	30,005	30,005	60,010
Board and Committee Members Fees	0	4,050	4,050	8,100
Social Security	0	15,460	15,460	30,920
Handling Charges and Administrative Costs	50,745	3,037,047	43,780	3,131,572
Pensions	0	23,602	23,602	47,204
Employee and Dependent Insurance	0	36,749	36,749	73,498
Disability Insurance	0	340	9,517	9,857
Employer Medicare	0	3,616	3,616	7,232
Bank Charges	0	2,000	0	2,000
Communication	0	579	579	1,158
Consultants	25,100	100,214	0	125,314
Contracts with Private Agencies	0	1,341,680	0	1,341,680
Data Processing Services	0	93	93	186
Maintenance Agreements	0	686	686	1,372
Postal Charges	0	571	571	1,142
Travel	0	2,540	2,540	5,080
Other Contracted Services	0	11,985	18,585	30,570
Office Supplies	0	3,058	3,058	6,116
Medical Claims	0	39,794,369	0	39,794,369
Premiums on Corporate Surety Bonds	0	0	5,000	5,000
Liability Claims	3,332,526	0	0	3,332,526
Other Charges	0	0	96	96
Other Self-Insured Claims	0	0	1,064,946	1,064,946
Data Processing Equipment	0	623	623	1,246
Total Operating Expenses	\$ 3,408,371	\$ 44,635,891	\$ 1,490,180	\$ 49,534,442
Operating Income (Loss)	\$ 205,677	\$ 912,013	\$ 335,287	\$ 1,452,977
<u>Nonoperating Revenues (Expenses)</u>				
Insurance Recovery	\$ 571,396	\$ 47,561	\$ 5,700	\$ 624,657
Total Nonoperating Revenues (Expenses)	\$ 571,396	\$ 47,561	\$ 5,700	\$ 624,657
Income (Loss)	\$ 777,073	\$ 959,574	\$ 340,987	\$ 2,077,634
Change in Net Position	\$ 777,073	\$ 959,574	\$ 340,987	\$ 2,077,634
Net Position, July 1, 2022	1,425,741	31,905,955	615,177	33,946,873
Net Position, June 30, 2023	\$ 2,202,814	\$ 32,865,529	\$ 956,164	\$ 36,024,507

Exhibit I-3

Rutherford County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	<u>Internal Service Funds</u>			Total Proprietary Funds
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	
<u>Cash Flows from Operating Activities</u>				
Receipts for Self-Insurance Premiums	\$ 3,614,048	\$ 45,592,333	\$ 2,325,467	\$ 51,531,848
Payments to Suppliers	(75,845)	(5,039,524)	(418,634)	(5,534,003)
Claims Paid	(3,325,873)	(48,036,572)	(1,969,646)	(53,332,091)
Insurance Recovery	571,396	47,561	5,700	624,657
Net Cash Provided By (Used In) Operating Activities	<u>\$ 783,726</u>	<u>\$ (7,436,202)</u>	<u>\$ (57,113)</u>	<u>\$ (6,709,589)</u>
Net Increase (Decrease) in Cash	\$ 783,726	\$ (7,436,202)	\$ (57,113)	\$ (6,709,589)
Cash, July 1, 2022	4,796,926	45,149,331	2,375,977	52,322,234
Cash, June 30, 2023	<u>\$ 5,580,652</u>	<u>\$ 37,713,129</u>	<u>\$ 2,318,864</u>	<u>\$ 45,612,645</u>
<u>Reconciliation of Operating Income (Loss)</u>				
<u>to Net Cash Provided By (Used In) Operating Activities</u>				
Operating Income (Loss)	\$ 205,677	\$ 912,013	\$ 335,287	\$ 1,452,977
Insurance Recovery	571,396	47,561	5,700	624,657
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	0	28,891	500,000	528,891
(Increase) Decrease in Due from Other Governments	0	15,538	0	15,538
Increase (Decrease) in Accounts Payable	0	(198,002)	6,600	(191,402)
Increase (Decrease) in Claims and Judgments Payable	6,653	(8,242,203)	(904,700)	(9,140,250)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 783,726</u>	<u>\$ (7,436,202)</u>	<u>\$ (57,113)</u>	<u>\$ (6,709,589)</u>
<u>Reconciliation of Cash With Statement of Net Position</u>				
Cash Per Net Position	\$ 163,082	\$ 0	\$ 187,879	\$ 350,961
Equity in Pooled Cash and Investments Per Net Position	5,417,570	37,713,129	2,130,985	45,261,684
Cash, June 30, 2023	<u>\$ 5,580,652</u>	<u>\$ 37,713,129</u>	<u>\$ 2,318,864</u>	<u>\$ 45,612,645</u>

Custodial Funds

Custodial Funds are used to account for assets held by the county in a custodial capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial fund reporting focuses on net position and changes in net position. Custodial funds are distinguished from trust funds by the absence of a trust agreement or equivalent arrangement.

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

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

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

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

Constitutional Officers - Custodial Fund – The Constitutional Officers - Custodial Fund is used to account for amounts collected in a custodial capacity by the county clerk, circuit and general sessions courts clerk, juvenile court clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, 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 District Attorney General.

Exhibit J-1

Rutherford County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2023

	Custodial Funds						
	Cities - Sales Tax	Cities - Property Tax	City School ADA - Murfreesboro	Joint Venture	Constitu- tional Officers - Custodial	District Attorney General	Total
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,546,169	\$ 0	\$ 13,546,169
Equity in Pooled Cash and Investments	0	12,011	236,097	8,649	0	419,402	676,159
Accounts Receivable	0	0	0	0	0	0	0
Due from Other Governments	18,643,443	0	3,064,925	0	0	807	21,709,175
Property Taxes Receivable	0	0	13,707,791	0	0	0	13,707,791
Allowance for Uncollectible Property Taxes	0	0	(674,013)	0	0	0	(674,013)
Total Assets	\$ 18,643,443	\$ 12,011	\$ 16,334,800	\$ 8,649	\$ 13,546,169	\$ 420,209	\$ 48,965,281
<u>LIABILITIES</u>							
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33	\$ 33
Accrued Payroll	0	0	0	0	0	431	431
Due to Other Taxing Units	18,643,443	12,011	3,313,391	0	0	0	21,968,845
Total Liabilities	\$ 18,643,443	\$ 12,011	\$ 3,313,391	\$ 0	\$ 0	\$ 464	\$ 21,969,309
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 13,021,409	\$ 0	\$ 0	\$ 0	\$ 13,021,409
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 13,021,409	\$ 0	\$ 0	\$ 0	\$ 13,021,409
<u>NET POSITION</u>							
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 0	\$ 8,649	\$ 13,546,169	\$ 419,745	\$ 13,974,563
Total Net Position	\$ 0	\$ 0	\$ 0	\$ 8,649	\$ 13,546,169	\$ 419,745	\$ 13,974,563

Exhibit J-2

Rutherford County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2023

	Custodial Funds						Total
	Cities - Sales Tax	Cities - Property Tax	City School ADA - Murfreeshoro	Joint Venture	Constitu- tional Officers - Custodial	District Attorney General	
<u>Additions</u>							
Sales Tax Collections for Other Governments	\$ 110,364,210	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 110,364,210
Property Tax Collections for Other Governments	0	13,954,175	0	0	0	0	13,954,175
ADA - Educational Funds Collected for Cities	0	0	33,880,203	0	0	0	33,880,203
Fines/Fees and Other Collections	0	0	0	0	63,629,435	0	63,629,435
District Attorney General Collections	0	0	0	0	0	30,946	30,946
Total Additions	\$ 110,364,210	\$ 13,954,175	\$ 33,880,203	\$ 0	\$ 63,629,435	\$ 30,946	\$ 221,858,969
<u>Deductions</u>							
Payment of Sales Tax Collections to Other Governments	\$ 110,364,210	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 110,364,210
Payment of Property Tax Collections to Other Governments	0	13,954,175	0	0	0	0	13,954,175
Payments to City School Systems	0	0	33,880,203	0	0	0	33,880,203
Payments to State	0	0	0	0	30,835,321	0	30,835,321
Payments to Cities	0	0	0	0	561,188	0	561,188
Payments to Individuals and Others	0	0	0	170	29,339,038	0	29,339,208
Payment of District Attorney General Expenses	0	0	0	0	0	44,604	44,604
Total Deductions	\$ 110,364,210	\$ 13,954,175	\$ 33,880,203	\$ 170	\$ 60,735,547	\$ 44,604	\$ 218,978,909
Change in Net Position	\$ 0	\$ 0	\$ 0	\$ (170)	\$ 2,893,888	\$ (13,658)	\$ 2,880,060
Net Position July 1, 2022	0	0	0	8,819	10,652,281	433,403	11,094,503
Net Position June 30, 2023	\$ 0	\$ 0	\$ 0	\$ 8,649	\$ 13,546,169	\$ 419,745	\$ 13,974,563

Rutherford County School Department

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

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

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

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

Internal School Fund – The Internal School Fund is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities.

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

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for building construction and additions 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, 2023

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	\$ 315,354,549	\$ 811,786	\$ 16,453,317	\$ 0	\$ (298,089,446)
Support Services	195,004,443	946,469	44,550,772	35,000,000	(114,507,202)
Operation of Non-instructional Services	44,394,665	8,721,342	18,048,333	0	(17,624,990)
Total Governmental Activities	\$ 554,753,657	\$ 10,479,597	\$ 79,052,422	\$ 35,000,000	\$ (430,221,638)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 106,351,953
Payments in-Lieu-of Tax					96,041
Local Option Sales Tax					101,709,203
Wheel Tax					5,218,523
Business Tax					4,198,491
Mixed Drink Tax					733,291
Adequate Facilities/Development Tax					2,975,463
Grants and Contributions Not Restricted for Specific Programs					277,648,568
Unrestricted Investment Income					4,499,300
Miscellaneous					178,942
Total General Revenues					\$ 503,609,775
Change in Net Position					\$ 73,388,137
Net Position, July 1, 2022					749,942,537
Net Position, June 30, 2023					\$ 823,330,674

Exhibit K-2

Rutherford County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2023

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Capital Projects	Other Governmental Funds	
<u>ASSETS</u>					
Cash	\$ 341	\$ 0	\$ 0	\$ 10,730,565	\$ 10,730,906
Equity in Pooled Cash and Investments	148,679,451	20,046,451	40,985,457	21,340,939	231,052,298
Inventories	0	0	0	694,469	694,469
Accounts Receivable	866,031	21,273	0	101,629	988,933
Due from Other Governments	28,983,103	14,780	0	9,787,352	38,785,235
Due from Other Funds	239,552	0	0	0	239,552
Property Taxes Receivable	81,090,207	16,003,164	0	0	97,093,371
Allowance for Uncollectible Property Taxes	(2,116,666)	(389,038)	0	0	(2,505,704)
Prepaid Items	3,001	0	0	0	3,001
Other Current Assets	0	0	0	28,548	28,548
Restricted Assets	7,031,618	0	0	0	7,031,618
Total Assets	<u>\$ 264,776,638</u>	<u>\$ 35,696,630</u>	<u>\$ 40,985,457</u>	<u>\$ 42,683,502</u>	<u>\$ 384,142,227</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 28,156	\$ 10,036	\$ 0	\$ 273,956	\$ 312,148
Accrued Payroll	37,944,320	0	0	1,628,901	39,573,221
Payroll Deductions Payable	11,712,965	0	0	18,968	11,731,933
Cash Overdraft	61,130	0	0	0	61,130
Contracts Payable	0	495,593	400,745	0	896,338
Retainage Payable	0	135,263	95,709	0	230,972
Due to Other Funds	0	0	0	239,552	239,552
Total Liabilities	<u>\$ 49,746,571</u>	<u>\$ 640,892</u>	<u>\$ 496,454</u>	<u>\$ 2,161,377</u>	<u>\$ 53,045,294</u>

(Continued)

Exhibit K-2

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Capital Projects	Other Governmental Funds	
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 78,207,537	\$ 15,472,383	\$ 0	\$ 0	\$ 93,679,920
Deferred Delinquent Property Taxes	692,833	128,159	0	0	820,992
Other Deferred/Unavailable Revenue	8,752,506	0	0	0	8,752,506
Total Deferred Inflows of Resources	<u>\$ 87,652,876</u>	<u>\$ 15,600,542</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 103,253,418</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 0	\$ 0	\$ 694,469	\$ 694,469
Prepaid Items	3,001	0	0	0	3,001
Restricted:					
Restricted for Education	670,000	0	0	34,827,656	35,497,656
Restricted for Capital Projects	0	19,455,196	40,489,003	0	59,944,199
Restricted for Hybrid Retirement Stabilization Funds	7,031,618	0	0	0	7,031,618
Committed:					
Committed for Education	264,474	0	0	5,000,000	5,264,474
Assigned:					
Assigned for Education	3,642,256	0	0	0	3,642,256
Unassigned	115,765,842	0	0	0	115,765,842
Total Fund Balances	<u>\$ 127,377,191</u>	<u>\$ 19,455,196</u>	<u>\$ 40,489,003</u>	<u>\$ 40,522,125</u>	<u>\$ 227,843,515</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 264,776,638</u>	<u>\$ 35,696,630</u>	<u>\$ 40,985,457</u>	<u>\$ 42,683,502</u>	<u>\$ 384,142,227</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, 2023

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)		\$ 227,843,515
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 28,893,466	
Add: construction in progress	178,194,931	
Add: buildings and improvements net of accumulated depreciation	417,068,121	
Add: intangible assets net of accumulated depreciation	20,471	
Add: other capital assets net of accumulated depreciation	<u>7,838,524</u>	632,015,513
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on primary government debt for other loans	\$ (547,533)	
Less: OPEB liability	(82,483,474)	
Less: pension liability	(4,374,255)	
Less: compensated absences payable	<u>(2,878,576)</u>	(90,283,838)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 89,099,544	
Less: deferred inflows of resources related to pensions	(15,452,442)	
Add: deferred outflows of resources related to OPEB	10,023,345	
Less: deferred inflows of resources related to OPEB	<u>(98,989,314)</u>	(15,318,867)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - teacher retirement plan	\$ 1,510,437	
Add: net pension asset - teacher legacy pension plan	<u>57,990,416</u>	59,500,853
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>9,573,498</u>
Net position of governmental activities (Exhibit A)		<u>\$ 823,330,674</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, 2023

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 201,012,558	\$ 20,254,254	\$ 0	\$ 0	\$ 221,266,812
Licenses and Permits	15,101	0	0	0	15,101
Charges for Current Services	808,326	0	0	8,679,987	9,488,313
Other Local Revenues	6,037,820	0	0	20,759,782	26,797,602
State of Tennessee	276,661,655	0	0	218,827	276,880,482
Federal Government	1,709,875	0	0	57,306,922	59,016,797
Other Governments and Citizens Groups	0	0	35,000,000	0	35,000,000
Total Revenues	<u>\$ 486,245,335</u>	<u>\$ 20,254,254</u>	<u>\$ 35,000,000</u>	<u>\$ 86,965,518</u>	<u>\$ 628,465,107</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 314,936,173	\$ 0	\$ 0	\$ 15,769,684	\$ 330,705,857
Support Services	150,403,444	368,501	0	17,650,278	168,422,223
Operation of Non-Instructional Services	4,276,160	0	0	41,299,211	45,575,371
Capital Outlay	234,408	0	0	1,675,830	1,910,238
Debt Service:					
Other Debt Service	647,700	0	0	0	647,700
Capital Projects	0	10,752,506	21,219,449	0	31,971,955
Total Expenditures	<u>\$ 470,497,885</u>	<u>\$ 11,121,007</u>	<u>\$ 21,219,449</u>	<u>\$ 76,395,003</u>	<u>\$ 579,233,344</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 15,747,450</u>	<u>\$ 9,133,247</u>	<u>\$ 13,780,551</u>	<u>\$ 10,570,515</u>	<u>\$ 49,231,763</u>

(Continued)

Exhibit K-4

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Capital Projects	Other Govern- mental Funds	
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 22,200	\$ 0	\$ 0	\$ 0	\$ 22,200
Transfers In	867,646	0	0	3,000,000	3,867,646
Transfers Out	(3,000,000)	0	0	(867,646)	(3,867,646)
<u>Total Other Financing Sources (Uses)</u>	<u>\$ (2,110,154)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,132,354</u>	<u>\$ 22,200</u>
Net Change in Fund Balances	\$ 13,637,296	\$ 9,133,247	\$ 13,780,551	\$ 12,702,869	\$ 49,253,963
Fund Balance, July 1, 2022	113,739,895	10,321,949	26,708,452	27,819,256	178,589,552
Fund Balance, June 30, 2023	<u>\$ 127,377,191</u>	<u>\$ 19,455,196</u>	<u>\$ 40,489,003</u>	<u>\$ 40,522,125</u>	<u>\$ 227,843,515</u>

Exhibit K-5

Rutherford County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2023

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)		\$ 49,253,963
(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	\$ 23,734,383	
Less: current-year depreciation expense	<u>(20,155,198)</u>	3,579,185
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(350,500)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2022	\$ (9,550,722)	
Add: deferred delinquent property taxes and other deferred June 30, 2023	<u>9,573,498</u>	22,776
(4) The contributions of long-term debt (e.g. bonds, other loans, leases) by the primary government provide current financial resources to governmental funds, while the contributions by the school department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on loans to primary government		308,568
(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 net OPEB liability	\$ 64,852,455	
Change in compensated absences payable	(955,265)	
Change in deferred outflows of resources related to pensions	(2,070,134)	
Change in deferred outflows of resources related to OPEB	(52,242)	
Change in deferred inflows of resources related to pensions	185,399,056	
Change in deferred inflows of resources related to OPEB	(57,599,821)	
Change in net pension liability/asset - agent plan	(24,445,365)	
Change in net pension asset - teacher retirement plan	(3,653,043)	
Change in net pension asset - teacher legacy pension plan	<u>(140,901,496)</u>	<u>20,574,145</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 73,388,137</u>

Exhibit K-6

Rutherford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2023

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Internal School	
<u>ASSETS</u>				
Cash	\$ 289	\$ 58,906	\$ 10,671,370	\$ 10,730,565
Equity in Pooled Cash and Investments	364,641	20,976,298	0	21,340,939
Inventories	0	621,038	73,431	694,469
Accounts Receivable	441	80,645	20,543	101,629
Due from Other Governments	9,418,557	368,795	0	9,787,352
Other Current Assets	0	0	28,548	28,548
Total Assets	<u>\$ 9,783,928</u>	<u>\$ 22,105,682</u>	<u>\$ 10,793,892</u>	<u>\$ 42,683,502</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 193,275	\$ 56,869	\$ 23,812	\$ 273,956
Accrued Payroll	1,313,162	315,739	0	1,628,901
Payroll Deductions Payable	1,134	17,834	0	18,968
Due to Other Funds	239,552	0	0	239,552
Total Liabilities	<u>\$ 1,747,123</u>	<u>\$ 390,442</u>	<u>\$ 23,812</u>	<u>\$ 2,161,377</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 621,038	\$ 73,431	\$ 694,469
Restricted:				
Restricted for Education	3,036,805	21,094,202	10,696,649	34,827,656
Committed:				
Committed for Education	5,000,000	0	0	5,000,000
Total Fund Balances	<u>\$ 8,036,805</u>	<u>\$ 21,715,240</u>	<u>\$ 10,770,080</u>	<u>\$ 40,522,125</u>
Total Liabilities and Fund Balances	<u>\$ 9,783,928</u>	<u>\$ 22,105,682</u>	<u>\$ 10,793,892</u>	<u>\$ 42,683,502</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, 2023

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Internal School	
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 8,679,987	\$ 0	\$ 8,679,987
Other Local Revenues	0	614,387	20,145,395	20,759,782
State of Tennessee	0	218,827	0	218,827
Federal Government	39,477,416	17,829,506	0	57,306,922
Total Revenues	<u>\$ 39,477,416</u>	<u>\$ 27,342,707</u>	<u>\$ 20,145,395</u>	<u>\$ 86,965,518</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 15,769,684	\$ 0	\$ 0	\$ 15,769,684
Support Services	17,552,134	98,144	0	17,650,278
Operation of Non-Instructional Services	576,495	22,733,201	17,989,515	41,299,211
Capital Outlay	1,675,830	0	0	1,675,830
Total Expenditures	<u>\$ 35,574,143</u>	<u>\$ 22,831,345</u>	<u>\$ 17,989,515</u>	<u>\$ 76,395,003</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,903,273</u>	<u>\$ 4,511,362</u>	<u>\$ 2,155,880</u>	<u>\$ 10,570,515</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 3,000,000	\$ 0	\$ 0	\$ 3,000,000
Transfers Out	(867,646)	0	0	(867,646)
Total Other Financing Sources (Uses)	<u>\$ 2,132,354</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,132,354</u>
Net Change in Fund Balances	\$ 6,035,627	\$ 4,511,362	\$ 2,155,880	\$ 12,702,869
Fund Balance, July 1, 2022	2,001,178	17,203,878	8,614,200	27,819,256
Fund Balance, June 30, 2023	<u>\$ 8,036,805</u>	<u>\$ 21,715,240</u>	<u>\$ 10,770,080</u>	<u>\$ 40,522,125</u>

Exhibit K-8

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Rutherford County School Department
General Purpose School Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 201,012,558	\$ 0	\$ 0	\$ 201,012,558	\$ 187,724,224	\$ 187,724,224	\$ 13,288,334
Licenses and Permits	15,101	0	0	15,101	13,000	13,000	2,101
Charges for Current Services	808,326	0	0	808,326	155,000	155,000	653,326
Other Local Revenues	6,037,820	0	0	6,037,820	631,000	1,031,000	5,006,820
State of Tennessee	276,661,655	0	0	276,661,655	272,807,000	274,728,872	1,932,783
Federal Government	1,709,875	0	0	1,709,875	1,375,000	1,782,532	(72,657)
Total Revenues	\$ 486,245,335	\$ 0	\$ 0	\$ 486,245,335	\$ 462,705,224	\$ 465,434,628	\$ 20,810,707
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 256,808,489	\$ (292,851)	\$ 480,897	\$ 256,996,535	\$ 265,867,454	\$ 263,866,864	\$ 6,870,329
Alternative Instruction Program	2,542,649	(242)	0	2,542,407	2,783,705	2,686,705	144,298
Special Education Program	38,508,346	(476,424)	0	38,031,922	43,180,803	43,074,303	5,042,381
Career and Technical Education Program	17,076,689	(104,079)	108,852	17,081,462	18,154,438	18,154,438	1,072,976
<u>Support Services</u>							
Attendance	1,118,782	0	0	1,118,782	1,169,894	1,173,316	54,534
Health Services	4,847,893	(18,176)	18,831	4,848,548	5,094,472	5,200,472	351,924
Other Student Support	13,416,858	(1,862)	0	13,414,996	14,316,071	13,650,754	235,758
Regular Instruction Program	12,685,942	(106,994)	17,127	12,596,075	12,859,573	13,963,753	1,367,678
Alternative Instruction Program	1,194,015	(3,217)	323	1,191,121	992,689	1,217,889	26,768
Special Education Program	2,611,124	(500)	2,320	2,612,944	3,007,824	2,923,409	310,465
Career and Technical Education Program	461,903	(58,654)	7,117	410,366	565,329	565,329	154,963
Technology	6,014,073	(976,621)	89,268	5,126,720	5,384,594	5,874,994	748,274
Adult Programs	53,781	0	0	53,781	194,521	84,764	30,983
Board of Education	7,771,724	(4,056)	17,150	7,784,818	8,705,292	8,806,792	1,021,974
Director of Schools	1,485,103	(3,338)	5,238	1,487,003	1,387,693	1,510,643	23,640
Office of the Principal	27,459,429	(10,069)	275	27,449,635	28,800,821	29,024,821	1,575,186
Fiscal Services	1,483,307	(1,808)	810	1,482,309	1,743,141	1,795,091	312,782
Human Services/Personnel	1,195,507	(279)	0	1,195,228	1,256,456	1,241,256	46,028

(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 7/1/2022	Add: Encumbrances 6/30/2023	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	\$ 30,526,459	\$ (126,998)	\$ 761,212	\$ 31,160,673	\$ 32,481,520	\$ 33,545,520	\$ 2,384,847
Maintenance of Plant	11,013,701	(1,121,352)	1,375,928	11,268,277	10,495,270	12,399,260	1,130,983
Transportation	27,063,843	(126,152)	72,420	27,010,111	28,245,947	27,745,947	735,836
<u>Operation of Non-Instructional Services</u>							
Community Services	8,917	0	0	8,917	45,750	45,750	36,833
Early Childhood Education	4,267,243	0	0	4,267,243	4,009,969	4,475,902	208,659
<u>Capital Outlay</u>							
Regular Capital Outlay	234,408	0	698,164	932,572	75,000	2,727,038	1,794,466
<u>Principal on Debt</u>							
Education	0	0	0	0	638,208	0	0
<u>Interest on Debt</u>							
Education	0	0	0	0	17,240	7,748	7,748
<u>Other Debt Service</u>							
Education	647,700	0	0	647,700	0	647,700	0
Total Expenditures	\$ 470,497,885	\$ (3,433,672)	\$ 3,655,932	\$ 470,720,145	\$ 491,473,674	\$ 496,410,458	\$ 25,690,313
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 15,747,450	\$ 3,433,672	\$ (3,655,932)	\$ 15,525,190	\$ (28,768,450)	\$ (30,975,830)	\$ 46,501,020
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 22,200	\$ 0	\$ 0	\$ 22,200	\$ 0	\$ 0	\$ 22,200
Transfers In	867,646	0	0	867,646	650,000	237,152	630,494
Transfers Out	(3,000,000)	0	0	(3,000,000)	0	(3,000,000)	0
Total Other Financing Sources	\$ (2,110,154)	\$ 0	\$ 0	\$ (2,110,154)	\$ 650,000	\$ (2,762,848)	\$ 652,694
Net Change in Fund Balance							
Fund Balance, July 1, 2022	\$ 13,637,296	\$ 3,433,672	\$ (3,655,932)	\$ 13,415,036	\$ (28,118,450)	\$ (33,738,678)	\$ 47,153,714
	113,739,895	(3,433,672)	0	110,306,223	103,395,757	103,395,757	6,910,466
Fund Balance, June 30, 2023							
	\$ 127,377,191	\$ 0	\$ (3,655,932)	\$ 123,721,259	\$ 75,277,307	\$ 69,657,079	\$ 54,064,180

Exhibit K-9

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Rutherford County School Department
School Federal Projects Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 39,477,416	\$ 0	\$ 39,477,416	\$ 17,464,796	\$ 64,106,632	\$ (24,629,216)
Total Revenues	\$ 39,477,416	\$ 0	\$ 39,477,416	\$ 17,464,796	\$ 64,106,632	\$ (24,629,216)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 10,201,191	\$ 2,656,032	\$ 12,857,223	\$ 4,027,533	\$ 26,250,165	\$ 13,392,942
Alternative Instruction Program	82,602	0	82,602	0	82,602	0
Special Education Program	3,964,245	24,892	3,989,137	4,140,170	5,925,174	1,936,037
Career and Technical Education Program	1,521,646	0	1,521,646	524,177	1,521,647	1
<u>Support Services</u>						
Attendance	492,834	0	492,834	0	693,622	200,788
Health Services	118,032	0	118,032	20,000	120,809	2,777
Other Student Support	3,969,276	0	3,969,276	1,147,019	4,838,144	868,868
Regular Instruction Program	8,180,937	0	8,180,937	3,601,715	11,244,659	3,063,722
Special Education Program	3,091,121	555	3,091,676	2,344,885	4,675,279	1,583,603
Career and Technical Education Program	2,381	0	2,381	6,500	2,381	0
Technology	289,322	0	289,322	0	974,704	685,382
Office of the Principal	50,715	0	50,715	0	83,366	32,651
Fiscal Services	168,504	0	168,504	0	475,830	307,326
Human Services/Personnel	112,500	0	112,500	0	112,500	0
Operation of Plant	208,710	0	208,710	0	322,576	113,866
Transportation	867,802	0	867,802	325,050	1,615,932	748,130
<u>Operation of Non-Instructional Services</u>						
Food Service	67,973	0	67,973	0	85,372	17,399
Early Childhood Education	508,522	0	508,522	0	508,522	0

(Continued)

Exhibit K-9

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Rutherford County School Department
School Federal Projects Fund (Cont.)

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Capital Outlay</u>						
Regular Capital Outlay	\$ 1,675,830	\$ 354,148	\$ 2,029,978	\$ 0	\$ 2,942,179	\$ 912,201
Total Expenditures	\$ 35,574,143	\$ 3,035,627	\$ 38,609,770	\$ 16,137,049	\$ 62,475,463	\$ 23,865,693
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,903,273	\$ (3,035,627)	\$ 867,646	\$ 1,327,747	\$ 1,631,169	\$ (763,523)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 235,351	\$ 382,689	\$ 2,617,311
Transfers Out	(867,646)	0	(867,646)	(1,563,098)	(2,013,858)	1,146,212
Total Other Financing Sources	\$ 2,132,354	\$ 0	\$ 2,132,354	\$ (1,327,747)	\$ (1,631,169)	\$ 3,763,523
Net Change in Fund Balance	\$ 6,035,627	\$ (3,035,627)	\$ 3,000,000	\$ 0	\$ 0	\$ 3,000,000
Fund Balance, July 1, 2022	2,001,178	0	2,001,178	0	0	2,001,178
Fund Balance, June 30, 2023	\$ 8,036,805	\$ (3,035,627)	\$ 5,001,178	\$ 0	\$ 0	\$ 5,001,178

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 8,679,987	\$ 0	\$ 0	\$ 8,679,987	\$ 7,710,000	\$ 7,710,000	\$ 969,987
Other Local Revenues	614,387	0	0	614,387	18,000	18,000	596,387
State of Tennessee	218,827	0	0	218,827	180,000	180,000	38,827
Federal Government	17,829,506	0	0	17,829,506	16,802,000	18,232,251	(402,745)
Total Revenues	\$ 27,342,707	\$ 0	\$ 0	\$ 27,342,707	\$ 24,710,000	\$ 26,140,251	\$ 1,202,456
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 68,844	\$ 0	\$ 0	\$ 68,844	\$ 72,000	\$ 72,000	\$ 3,156
Maintenance of Plant	29,300	0	0	29,300	0	29,300	0
<u>Operation of Non-Instructional Services</u>							
Food Service	22,733,201	(629,174)	120,471	22,224,498	27,270,574	29,540,825	7,316,327
Total Expenditures	\$ 22,831,345	\$ (629,174)	\$ 120,471	\$ 22,322,642	\$ 27,342,574	\$ 29,642,125	\$ 7,319,483
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,511,362	\$ 629,174	\$ (120,471)	\$ 5,020,065	\$ (2,632,574)	\$ (3,501,874)	\$ 8,521,939
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ (20,000)	\$ (700)	\$ 700
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ (20,000)	\$ (700)	\$ 700
Net Change in Fund Balance	\$ 4,511,362	\$ 629,174	\$ (120,471)	\$ 5,020,065	\$ (2,652,574)	\$ (3,502,574)	\$ 8,522,639
Fund Balance, July 1, 2022	17,203,878	(629,174)	0	16,574,704	16,652,079	16,652,079	(77,375)
Fund Balance, June 30, 2023	\$ 21,715,240	\$ 0	\$ (120,471)	\$ 21,594,769	\$ 13,999,505	\$ 13,149,505	\$ 8,445,264

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 20,254,254	\$ 0	\$ 0	\$ 20,254,254	\$ 18,473,258	\$ 18,473,258	\$ 1,780,996
Total Revenues	\$ 20,254,254	\$ 0	\$ 0	\$ 20,254,254	\$ 18,473,258	\$ 18,473,258	\$ 1,780,996
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 368,501	\$ 0	\$ 0	\$ 368,501	\$ 563,448	\$ 563,448	\$ 194,947
<u>Capital Projects</u>							
Education Capital Projects	10,752,506	(3,831,851)	13,577,898	20,498,553	17,909,810	24,627,184	4,128,631
Total Expenditures	\$ 11,121,007	\$ (3,831,851)	\$ 13,577,898	\$ 20,867,054	\$ 18,473,258	\$ 25,190,632	\$ 4,323,578
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,133,247	\$ 3,831,851	\$ (13,577,898)	\$ (612,800)	\$ 0	\$ (6,717,374)	\$ 6,104,574
Net Change in Fund Balance	\$ 9,133,247	\$ 3,831,851	\$ (13,577,898)	\$ (612,800)	\$ 0	\$ (6,717,374)	\$ 6,104,574
Fund Balance, July 1, 2022	10,321,949	(3,831,851)	0	6,490,098	6,490,097	6,490,097	1
Fund Balance, June 30, 2023	\$ 19,455,196	\$ 0	\$ (13,577,898)	\$ 5,877,298	\$ 6,490,097	\$ (227,277)	\$ 6,104,575

Exhibit K-12

Rutherford County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Rutherford County School Department
Fiduciary Fund
June 30, 2023

	<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, 2023

	Private- Purpose Trust Fund
	<u>Endowment Fund</u>
<u>ADDITIONS</u>	
Investment Income:	
Interest	\$ 871
Total Additions	<u>\$ 871</u>
<u>DEDUCTIONS</u>	
Education:	
Scholarship	\$ 871
Total Deductions	<u>\$ 871</u>
Change in Net Position	\$ 0
Net Position, July 1, 2022	<u>28,783</u>
Net Position, June 30, 2023	<u><u>\$ 28,783</u></u>

MISCELLANEOUS SCHEDULES

Exhibit L-1

Rutherford County, Tennessee
Schedule of Changes in Long-term Other Loans and Bonds
For the Year Ended June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-22	Paid and/or Matured During Period	Outstanding 6-30-23
OTHER LOANS PAYABLE							
<u>Payable by School Department Contributions from the General Purpose School Fund to the General Debt Service Fund</u>							
Energy Efficiency Loan	\$ 2,133,645	1.00 %	3-20-17	3-1-25	\$ 856,101	\$ 308,568	\$ 547,533
<u>Payable through General Debt Service Fund</u>							
Energy Efficiency Loan	980,761	1.00	6-5-19	9-1-23	384,907	329,640	55,267
Total Other Loans Payable					<u>\$ 1,241,008</u>	<u>\$ 638,208</u>	<u>\$ 602,800</u>
BONDS PAYABLE							
<u>Payable through General Debt Service Fund</u>							
Refunding Bonds, Series 2010	\$ 13,764,000	2.4838	9-28-10	4-1-26	\$ 3,509,975	\$ 1,675,431	\$ 1,834,544
School Refunding Bonds, Series 2010	75,036,000	2.4838	9-28-10	4-1-26	19,135,025	9,129,569	10,005,456
Public Improvement, Series 2012	4,953,520	2.4245	2-15-12	3-30-23	258,830	258,830	0
School Facilities, Series 2012	64,326,480	2.4245	2-15-12	3-30-23	3,361,170	3,361,170	0
Refunding Bonds, Series 2013A	7,643,590	2.4214	2-27-13	3-30-23	134,325	134,325	0
School Refunding Bonds, Series 2013A	30,766,410	2.4214	2-27-13	3-30-23	540,675	540,675	0
Public Improvements, and Refunding Note, Series 2014A	7,161,000	2.8396	6-12-14	4-1-34	4,966,500	330,330	4,636,170
School Facilities and Refunding Note, Series 2014A	23,839,000	2.8396	6-12-14	4-1-34	16,533,500	1,099,670	15,433,830
Public Improvements, Series 2014B	2,570,000	3.6776	6-12-14	4-1-34	1,850,000	125,000	1,725,000
Public Improvements, Series 2015A	2,065,693	2.8757	5-14-15	4-1-35	1,558,855	90,280	1,468,575
School Facilities, Series 2015A	31,798,132	2.8757	5-14-15	4-1-35	23,996,145	1,389,720	22,606,425
Refunding Bonds, Series 2015B	4,139,890	2.2522	5-14-15	4-1-28	2,635,655	433,365	2,202,290
School Refunding Bonds, Series 2015 B	19,790,110	2.2522	5-14-15	4-1-28	12,599,345	2,071,635	10,527,710
Refunding Bonds, Series 2016A	1,217,900	1.5655	9-15-16	4-1-29	907,725	114,000	793,725
School Refunding Bonds, Series 2016A	24,422,100	1.5655	9-15-16	4-1-29	18,202,275	2,286,000	15,916,275
Public Improvements, Series 2016B	61,408,000	2.3686	9-28-16	4-1-36	50,460,960	2,736,000	47,724,960
School Facilities, Series 2016B	39,592,000	2.3686	9-28-16	4-1-36	32,534,040	1,764,000	30,770,040
School Facilities, Series 2017	81,530,000	2.6657	11-28-17	4-1-38	70,105,000	3,220,000	66,885,000
School Facilities, Series 2018	40,680,000	3.9826	8-30-18	4-1-38	35,420,000	1,570,000	33,850,000
Public Improvement, Series 2019	14,610,000	5.0000	9-20-19	4-1-29	10,710,000	1,320,000	9,390,000
Public Improvements, Series 2020A	10,826,326	2.7077	10-15-20	4-1-40	10,332,151	392,944	9,939,207
School Facilities, Series 2020A	79,543,674	2.7077	10-15-20	4-1-40	75,912,849	2,887,056	73,025,793
Refunding Bonds, Series 2020B	7,820,200	1.3137	11-12-20	4-1-32	7,691,490	92,720	7,598,770
Refunding Bonds, School, Series 2020B	56,279,800	1.3137	11-12-20	4-1-32	55,353,510	667,280	54,686,230
School Facilities, Series 2021A	21,000,000	1.6127	9-1-21	4-1-41	20,300,000	725,000	19,575,000
Public Improvements, Series 2021B	6,140,000	1.6094	9-1-21	6-30-36	6,140,000	300,000	5,840,000
Total Bonds Payable					<u>\$ 485,150,000</u>	<u>\$ 38,715,000</u>	<u>\$ 446,435,000</u>

Exhibit L-2

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

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2024	\$ 366,913	\$ 4,122	\$ 371,035
2025	235,887	975	236,862
Total	\$ 602,800	\$ 5,097	\$ 607,897

Year Ending June 30	Bonds		
	Principal	Interest	Total
2024	\$ 35,585,000	\$ 14,518,392	\$ 50,103,392
2025	36,980,000	12,964,847	49,944,847
2026	38,165,000	11,706,464	49,871,464
2027	34,570,000	10,172,417	44,742,417
2028	35,765,000	8,844,463	44,609,463
2029	34,175,000	7,732,176	41,907,176
2030	30,360,000	6,682,492	37,042,492
2031	27,755,000	5,702,404	33,457,404
2032	28,715,000	4,759,411	33,474,411
2033	25,280,000	3,839,321	29,119,321
2034	26,015,000	3,121,310	29,136,310
2035	24,255,000	2,407,366	26,662,366
2036	22,395,000	1,740,694	24,135,694
2037	15,055,000	1,128,894	16,183,894
2038	15,450,000	725,604	16,175,604
2039	7,200,000	310,962	7,510,962
2040	7,335,000	174,300	7,509,300
2041	1,380,000	27,600	1,407,600
Total	\$ 446,435,000	\$ 96,559,117	\$ 542,994,117

Exhibit L-3

Rutherford County, Tennessee
Schedule of Notes Receivable
June 30, 2023

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rates	Balance 6-30-23
Industrial/Economic Development Fund:						
Construction/Renovations	Smyrna/Rutherford County Airport	\$ 639,724	8-17-06	9-17-23	2 %	\$ 9,482
"	"	2,570,000	4-17-14	4-1-34	3.6	1,692,500
"	"	6,140,000	9-1-21	4-1-36	1.6	5,735,000
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>\$ 9,257,767</u>

Exhibit L-4

Rutherford County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2023

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Building projects	\$ 9,612,695
Solid Waste/Sanitation	"	"	164,536
Industrial/Economic Development	General Debt Service	Debt retirement	<u>574,390</u>
Total Transfers Primary Government			<u>\$ 10,351,621</u>
<u>DISCRETELY PRESENTED RUTHERFORD COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Permanent transfer	\$ 3,000,000
School Federal Projects	General Purpose School	Indirect cost	<u>867,646</u>
Total Transfers Discretely Presented Rutherford County School Department			<u>\$ 3,867,646</u>

Rutherford County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2023

Official	Authorization	Bond	Surety
County Mayor - Bill Ketron (7/1/22-8/31/22)	Section 8-24-102, TCA	\$ 100,000	RLI Insurance Company
Base salary/Total compensation		\$ <u>29,551</u>	
County Mayor - Joe Carr (9/1/22-6/30/23)	Section 8-24-102, TCA	500,000	Traveler's Casualty and Surety Company of America
Base salary/Total compensation		\$ <u>147,756</u>	
Total County Mayor compensation		\$ <u>177,307</u>	
Highway Superintendent	Section 8-24-102, TCA	500,000	Traveler's Casualty and Surety Company of America
Base salary/Total compensation		\$ <u>168,864</u>	
Director of Schools - Bill Spurlock	State Board of Education and County Board of Education	100,000	Hartford Fire Insurance Company
Base salary(to fulfill contract)		\$ 174,965	
Vacation payout		16,089	
Total compensation		\$ <u>191,054</u>	
Director of Schools - James Sullivan (7/1/22-6/30/23)	State Board of Education and County Board of Education	500,000	Traveler's Casualty and Surety Company of America
Base salary		\$ 215,000	
Career Ladder supplement		1,000	
Total compensation		\$ <u>216,000</u>	
Total Director of Schools compensation		\$ <u>407,054</u>	
Trustee	Section 8-24-102, TCA	22,178,493	Cincinnati Insurance Company
Base salary/Total compensation		\$ <u>139,557</u>	
Assessor of Property	Section 8-24-102, TCA	500,000	Traveler's Casualty and Surety Company of America
Base salary		\$ 139,557	
Certified Public Administrator		1,000	
Total compensation		\$ <u>140,557</u>	
County Clerk	Section 8-24-102, TCA	500,000	Traveler's Casualty and Surety Company of America
Base salary/Total compensation		\$ <u>139,557</u>	
Circuit, General Sessions and Juvenile Courts Clerk	Section 8-24-102, TCA	500,000	Traveler's Casualty and Surety Company of America
Base salary		\$ 139,557	
Additional 10% for overseeing more than one court		13,956	
Total compensation		\$ <u>153,513</u>	

(Continued)

Rutherford County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials (Cont.)

Official	Authorization	Bond	Surety
Clerk and Master - John Bratcher (7/1/22-10/31/22)	Section 8-24-102, TCA	\$ 100,000	Hartford Fire Insurance Company
Base salary	\$ 51,198		
Refund to county for overpayment in prior year	(3,409)		
Special commissioner fees	29,220		
Total compensation	<u>\$ 77,009</u>		
Clerk and Master - Adam Dodd (11/1/22-6/30/23)	Section 8-24-102, TCA	500,000	Traveler's Casualty and Surety Company of America
Base salary	\$ 88,359		
Special commissioner fees	24,210		
Total compensation	<u>\$ 112,569</u>		
Total Clerk and Master compensation	<u>\$ 189,578</u>		
Register of Deeds	Section 8-24-102, TCA	500,000	Traveler's Casualty and Surety Company of America
Base salary/Total compensation	<u>\$ 139,557</u>		
Sheriff	Section 8-24-102, TCA	500,000	Traveler's Casualty and Surety Company of America
Base salary	\$ 168,864		
Law enforcement training supplement	800		
Total compensation	<u>\$ 169,664</u>		
Director of Finance - Lisa Nolen (7/1/22-7/31/22)	County Commission	100,000	Hartford Fire Insurance Company
Base salary	\$ 14,748		
Longevity	650		
Certification supplement	900		
Unused vacation payout	29,495		
Total compensation	<u>\$ 45,793</u>		
Director of Finance - Michael Smith (8/1/22-6/30/23)	County Commission	500,000	Traveler's Casualty and Surety Company of America
Base salary/Total compensation	<u>\$ 148,615</u>		
Total Director of Finance compensation	<u>\$ 194,408</u>		
Employee Blanket Bonds:			
Employee Fidelity - County Departments		500,000	Traveler's Casualty and Surety Company of America
Employee Fidelity - School Department		500,000	Traveler's Casualty and Surety Company of America

Exhibit L-6

Rutherford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2023

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 71,025,179	\$ 0	\$ 6,387,869	\$ 0	\$ 0
Trustee's Collections - Prior Year	345,661	0	31,093	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	326,421	0	29,617	0	0
Interest and Penalty	145,588	0	13,135	0	0
Pickup Taxes	125,152	0	11,258	0	0
Payments in-Lieu-of Taxes - T.V.A.	4,488	0	404	0	0
Payments in-Lieu-of Taxes - Other	5,865,131	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	2,164,191	6,492,573	0	0	0
Hotel/Motel Tax	6,136,029	0	0	0	0
Wheel Tax	4,574,320	0	0	0	0
Litigation Tax - General	664,206	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Litigation Tax - Courthouse Security	469,381	0	0	0	0
Business Tax	2,872,635	0	260,715	0	0
Mixed Drink Tax	21,845	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	1,694,874	0	0	0	0
Wholesale Beer Tax	733,019	0	0	0	0
Total Local Taxes	\$ 97,168,120	\$ 6,492,573	\$ 6,734,091	\$ 0	\$ 0

(Continued)

Exhibit L-6

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
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 333,057	\$ 0	\$ 0	\$ 0	\$ 0
Animal Vaccination	35,860	0	0	0	0
Cable TV Franchise	929,305	0	0	0	0
<u>Permits</u>					
Building Permits	1,402,687	0	0	0	0
Electrical Permits	12,500	0	0	0	0
Plumbing Permits	140,347	0	0	0	0
Food Handling Permits	705	0	0	0	0
Other Permits	195,907	0	0	0	0
Total Licenses and Permits	<u>\$ 3,050,368</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 14,817	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	138,381	0	0	0	0
Drug Control Fines	0	0	0	0	0
Drug Court Fees	17,823	0	0	0	0
Veterans Treatment Court Fees	7,292	0	0	0	0
Jail Fees	24,522	0	0	0	0
Data Entry Fee - Circuit Court	14,911	0	0	0	0
Courtroom Security Fee	35,228	0	0	0	0
<u>Criminal Court</u>					
Officers Costs	453	0	0	0	0
Veterans Treatment Court Fees	4,125	0	0	0	0
DUI Treatment Fines	5,678	0	0	0	0
Victims Assistance Assessments	13,565	0	0	0	0

(Continued)

Exhibit L-6

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
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court</u>					
Fines	\$ 164,577	\$ 0	\$ 0	\$ 0	0
Officers Costs	345,388	0	0	0	0
Game and Fish Fines	1,073	0	0	0	0
Drug Control Fines	0	0	0	0	0
Drug Court Fees	25,091	0	0	0	0
Veterans Treatment Court Fees	16,963	0	0	0	0
Jail Fees	68,748	0	0	0	0
Judicial Commissioner Fees	1	0	0	0	0
DUI Treatment Fines	54,660	0	0	0	0
Data Entry Fee - General Sessions Court	75,901	0	0	0	0
Courtroom Security Fee	9,694	0	0	0	0
Victims Assistance Assessments	91,280	0	0	0	0
<u>Juvenile Court</u>					
Fines	1,923	0	0	0	0
Officers Costs	18,604	0	0	0	0
Jail Fees	370,905	0	0	0	0
Data Entry Fee - Juvenile Court	5,572	0	0	0	0
Courtroom Security Fee	117	0	0	0	0
<u>Chancery Court</u>					
Data Entry Fee - Chancery Court	17,648	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	55,883	0	0	0	0
<u>Judicial District Drug Program</u>					
Victims Assistance Assessments	22,227	0	0	0	0

(Continued)

Exhibit L-6

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
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Fines, Forfeitures, and Penalties	\$ 1,623,050	\$ 0	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 110,109	\$ 0	\$ 0	\$ 0
Surcharge - Host Agency	0	927,541	0	0	0
Patient Charges	106,096	0	10,330,468	0	0
Past Due Collections - Ambulance	0	0	209,232	0	0
Zoning Studies	152,592	0	0	0	0
Work Release Charges for Board	70,294	0	0	0	0
Other General Service Charges	0	0	1,491,974	0	0
<u>Fees</u>					
Subdivision Lot Fees	156,602	0	0	0	0
Engineer Review Fees	64,963	0	0	0	0
Archives and Records Management Fee	123,037	0	0	0	0
Greenbelt Late Application Fee	200	0	0	0	0
Telephone Commissions	524,759	0	0	0	0
Additional Fees - Titling and Registration	311,475	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0
Data Processing Fee - Register	100,130	0	0	0	0
Probation Fees	244,016	0	0	0	0
Data Processing Fee - Sheriff	26,179	0	0	0	0
Sexual Offender Registration Fee - Sheriff	9,150	0	0	0	0

(Continued)

Exhibit L-6

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
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Data Processing Fee - County Clerk	\$ 52,506	\$ 0	\$ 0	\$ 0	\$ 0
Vehicle Registration Reinstatement Fees	27,850	0	0	0	0
<u>Education Charges</u>					
Contract for Administrative Services with Other LEA's	606,891	0	0	0	0
TBI Criminal Background Fee	12,015	0	0	0	0
Other Charges for Services	13,051	0	105,272	0	0
Total Charges for Current Services	\$ 2,601,806	\$ 1,037,650	\$ 12,136,946	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 9,249,637	\$ 0	\$ 0	\$ 148,878	\$ 3,993
Lease/Rentals	350,596	0	0	0	0
Sale of Materials and Supplies	23,287	0	9,760	0	0
Commissary Sales	270,042	0	0	0	0
Sale of Maps	3,580	0	0	0	0
Sale of Recycled Materials	3,857	380,007	0	0	0
Sale of Animals/Livestock	29,356	0	0	0	0
Miscellaneous Refunds	147,470	0	1,823	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	29,483	0	5,664	0	0
Sale of Property	36,300	0	0	0	0
Damages Recovered from Individuals	2,893	0	0	0	0
Contributions and Gifts	64,457	0	3,850	0	0
Performance Bond Forfeitures	195,224	0	0	0	0

(Continued)

Exhibit L-6

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
<u>Other Local Revenues (Cont.)</u>					
<u>Other Local Revenues</u>					
Other Local Revenues	\$ 3,089	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	<u>\$ 10,409,271</u>	<u>\$ 380,007</u>	<u>\$ 21,097</u>	<u>\$ 148,878</u>	<u>\$ 3,993</u>
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 4,256,297	\$ 0	\$ 0	\$ 0	\$ 0
Register	1,176,264	0	0	0	0
Trustee	8,121,187	0	0	0	0
<u>Fees In-Lieu-of Salary</u>					
Clerk and Master	502,413	0	0	0	0
Sheriff	102,800	0	0	0	0
Total Fees Received From County Officials	<u>\$ 14,158,961</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	243,400	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	1,658,261	0	0	0	0
Other Health and Welfare Grants	163,929	0	0	0	0
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	0
Litter Program	84,607	0	0	0	0

(Continued)

Exhibit L-6

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
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Flood Control	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Income Tax	399	0	0	0	0
Beer Tax	19,200	0	0	0	0
Vehicle Certificate of Title Fees	39,815	0	0	0	0
Alcoholic Beverage Tax	603,227	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	1,513,355	0	0	0	0
State Revenue Sharing - Telecommunications	364,514	0	0	0	0
State Shared Sports Gaming Privilege Tax	156,760	0	0	0	0
Contracted Prisoner Boarding	2,733,819	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	5,309,646	0	0	0	0
Other State Revenues	310,199	383,867	38,425	0	0
Total State of Tennessee	\$ 13,225,295	\$ 383,867	\$ 38,425	\$ 0	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Disaster Relief	\$ 20,067	\$ 0	\$ 0	\$ 0	\$ 0
Law Enforcement Grants	30,785	0	0	0	0
Other Federal through State	1,866,118	0	0	0	0
<u>Direct Federal Revenue</u>					
Police Service (Lake Area)	22,620	0	0	0	0
Asset Forfeiture Funds	0	0	0	0	192,129
Public Safety Partnership and Community Policing - COPS	224,680	0	0	0	0

(Continued)

Exhibit L-6

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

	<u>Special Revenue Funds</u>				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue (Cont.)</u>					
COVID-19 Grant #10	\$ 2,571,527	\$ 0	\$ 0	\$ 0	\$ 0
American Rescue Plan Act Grant F	0	0	0	0	0
American Rescue Plan Act Grant G	50,000	0	0	0	0
Other Direct Federal Revenue	444,883	0	161,557	0	0
Total Federal Government	<u>\$ 5,230,680</u>	<u>\$ 0</u>	<u>\$ 161,557</u>	<u>\$ 0</u>	<u>\$ 192,129</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 11,585	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	66,336	0	0	0	0
Contracted Services	2,046,550	0	0	0	0
<u>Other</u>					
Other	125	0	0	0	0
Opioid Settlement Funds - Past Remediation	498,325	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 2,622,921</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 150,090,472</u>	<u>\$ 8,294,097</u>	<u>\$ 19,092,116</u>	<u>\$ 148,878</u>	<u>\$ 196,122</u>

(Continued)

Exhibit L-6

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

	Special Revenue Funds				Debt Service
	Drug Control	Other General Government Fund	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 1,084,762	\$ 42,823,419
Trustee's Collections - Prior Year	0	0	0	5,281	208,500
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	0	4,746	194,862
Interest and Penalty	0	0	0	2,160	86,893
Pickup Taxes	0	0	0	1,912	75,490
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	69	2,707
Payments in-Lieu-of Taxes - Other	0	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	2,164,191	0
Hotel/Motel Tax	0	0	0	0	0
Wheel Tax	0	0	0	4,574,320	0
Litigation Tax - General	0	0	0	0	61,504
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	1,798,287
Litigation Tax - Courthouse Security	0	0	0	0	0
Business Tax	0	0	0	43,622	1,758,921
Mixed Drink Tax	0	0	0	0	0
Mineral Severance Tax	0	0	0	514,326	0
Adequate Facilities/Development Tax	0	0	0	0	2,975,463
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	0
Wholesale Beer Tax	0	0	0	0	0
Total Local Taxes	\$ 0	\$ 0	\$ 0	\$ 8,395,389	\$ 49,986,046

(Continued)

Exhibit L-6

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

	Special Revenue Funds				Debt Service
	Drug Control	Other General Government Fund	Constitutional Officers - Fees	Highway / Public Works	General Debt Service Fund
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Animal Vaccination	0	0	0	0	0
Cable TV Franchise	0	0	0	0	0
<u>Permits</u>					
Building Permits	0	0	0	0	0
Electrical Permits	0	0	0	0	0
Plumbing Permits	0	0	0	0	0
Food Handling Permits	0	0	0	0	0
Other Permits	0	0	0	0	0
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	0	0	0	0	0
Drug Control Fines	26,294	0	0	0	0
Drug Court Fees	0	0	0	0	0
Veterans Treatment Court Fees	0	0	0	0	0
Jail Fees	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
<u>Criminal Court</u>					
Officers Costs	0	0	0	0	0
Veterans Treatment Court Fees	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0

(Continued)

Exhibit L-6

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Other General Government Fund	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0
Drug Control Fines	16,966	0	0	0	0
Drug Court Fees	0	0	0	0	0
Veterans Treatment Court Fees	0	0	0	0	0
Jail Fees	0	0	0	0	0
Judicial Commissioner Fees	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0
Data Entry Fee - General Sessions Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0
<u>Juvenile Court</u>					
Fines	0	0	0	0	0
Officers Costs	0	0	0	0	0
Jail Fees	0	0	0	0	0
Data Entry Fee - Juvenile Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
<u>Chancery Court</u>					
Data Entry Fee - Chancery Court	0	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	0	0	0	0	0
<u>Judicial District Drug Program</u>					
Victims Assistance Assessments	0	0	0	0	0

(Continued)

Exhibit L-6

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

	Special Revenue Funds				Debt Service
	Drug Control	Other General Government Fund	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service Fund
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	\$ 410,183	\$ 0	\$ 0	\$ 0	\$ 0
Total Fines, Forfeitures, and Penalties	\$ 453,443	\$ 0	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - Host Agency	0	0	0	0	0
Patient Charges	0	0	0	0	0
Past Due Collections - Ambulance	0	0	0	0	0
Zoning Studies	0	0	0	0	0
Work Release Charges for Board	0	0	0	0	0
Other General Service Charges	0	0	0	0	0
<u>Fees</u>					
Subdivision Lot Fees	0	0	0	0	0
Engineer Review Fees	0	0	0	0	0
Archives and Records Management Fee	0	0	0	0	0
Greenbelt Late Application Fee	0	0	0	0	0
Telephone Commissions	0	0	0	0	0
Additional Fees - Titling and Registration	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	7,075,986	0	0
Special Commissioner Fees/Special Master Fees	0	0	53,430	0	0
Data Processing Fee - Register	0	0	0	0	0
Probation Fees	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0

(Continued)

Exhibit L-6

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Other General Government Fund	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Data Processing Fee - County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vehicle Registration Reinstatement Fees	0	0	0	0	0
<u>Education Charges</u>					
Contract for Administrative Services with Other LEA's	0	0	0	0	0
TBI Criminal Background Fee	0	0	0	0	0
Other Charges for Services	0	0	0	0	0
Total Charges for Current Services	\$ 0	\$ 0	\$ 7,129,416	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 70,961	\$ 0	\$ 0	\$ 642,899	\$ 2,691,719
Lease/Rentals	0	0	0	0	144,150
Sale of Materials and Supplies	0	0	0	3,799	0
Commissary Sales	0	0	0	0	0
Sale of Maps	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0
Sale of Animals/Livestock	0	0	0	0	0
Miscellaneous Refunds	0	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	100,360	0
Sale of Property	0	0	0	0	0
Damages Recovered from Individuals	0	0	0	0	0
Contributions and Gifts	0	0	0	0	0
Performance Bond Forfeitures	0	0	0	0	0

(Continued)

Exhibit L-6

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

	Special Revenue Funds				Debt Service
	Drug Control	Other General Government Fund	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Local Revenues (Cont.)</u>					
<u>Other Local Revenues</u>					
Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 70,961	\$ 0	\$ 0	\$ 747,058	\$ 2,835,869
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Register	0	0	0	0	0
Trustee	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>					
Clerk and Master	0	0	0	0	0
Sheriff	0	0	0	0	0
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	0
Other Health and Welfare Grants	0	0	0	0	0
<u>Public Works Grants</u>					
State Aid Program	0	0	0	617,090	0
Litter Program	0	0	0	0	0

(Continued)

Exhibit L-6

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Other General Government Fund	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Flood Control	\$ 0	\$ 0	\$ 0	\$ 42,037	\$ 0
Income Tax	0	0	0	0	0
Beer Tax	0	0	0	0	0
Vehicle Certificate of Title Fees	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	0	0	0	0	0
State Revenue Sharing - Telecommunications	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	5,947,646	0
Petroleum Special Tax	0	0	0	226,263	0
Registrar's Salary Supplement	0	0	0	0	0
Other State Grants	0	0	0	0	0
Other State Revenues	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 6,833,036	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Law Enforcement Grants	0	0	0	0	0
Other Federal through State	0	0	0	0	0
<u>Direct Federal Revenue</u>					
Police Service (Lake Area)	0	0	0	0	0
Asset Forfeiture Funds	0	0	0	0	0
Public Safety Partnership and Community Policing - COPS	0	0	0	0	0

(Continued)

Exhibit L-6

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Other General Government Fund	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue (Cont.)</u>					
COVID-19 Grant #10	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
American Rescue Plan Act Grant F	0	13,576,354	0	0	0
American Rescue Plan Act Grant G	0	0	0	0	0
Other Direct Federal Revenue	0	0	0	0	0
Total Federal Government	\$ 0	\$ 13,576,354	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	0	0	0	0	647,700
Contracted Services	0	0	0	0	0
<u>Other</u>					
Other	0	0	0	0	0
Opioid Settlement Funds - Past Remediation	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 647,700
Total	\$ 524,404	\$ 13,576,354	\$ 7,129,416	\$ 15,975,483	\$ 53,469,615

(Continued)

Exhibit L-6

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

	Capital Projects Fund	
	General Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 0	\$ 121,321,229
Trustee's Collections - Prior Year	0	590,535
Circuit Clerk/Clerk and Master Collections - Prior Years	0	555,646
Interest and Penalty	0	247,776
Pickup Taxes	0	213,812
Payments in-Lieu-of Taxes - T.V.A.	0	7,668
Payments in-Lieu-of Taxes - Other	0	5,865,131
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	10,820,955
Hotel/Motel Tax	0	6,136,029
Wheel Tax	0	9,148,640
Litigation Tax - General	0	725,710
Litigation Tax - Jail, Workhouse, or Courthouse	0	1,798,287
Litigation Tax - Courthouse Security	0	469,381
Business Tax	0	4,935,893
Mixed Drink Tax	0	21,845
Mineral Severance Tax	0	514,326
Adequate Facilities/Development Tax	0	2,975,463
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	1,694,874
Wholesale Beer Tax	0	733,019
Total Local Taxes	\$ 0	\$ 168,776,219

(Continued)

Exhibit L-6

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

	<u>Capital Projects Fund</u>		<u>General Capital Projects</u>	<u>Total</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Animal Registration	\$	0	\$	333,057
Animal Vaccination		0		35,860
Cable TV Franchise		0		929,305
<u>Permits</u>				
Building Permits		0		1,402,687
Electrical Permits		0		12,500
Plumbing Permits		0		140,347
Food Handling Permits		0		705
Other Permits		0		195,907
Total Licenses and Permits	\$	0	\$	3,050,368
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$	0	\$	14,817
Officers Costs		0		138,381
Drug Control Fines		0		26,294
Drug Court Fees		0		17,823
Veterans Treatment Court Fees		0		7,292
Jail Fees		0		24,522
Data Entry Fee - Circuit Court		0		14,911
Courtroom Security Fee		0		35,228
<u>Criminal Court</u>				
Officers Costs		0		453
Veterans Treatment Court Fees		0		4,125
DUI Treatment Fines		0		5,678
Victims Assistance Assessments		0		13,565

(Continued)

Exhibit L-6

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

	Capital Projects Fund	General Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>General Sessions Court</u>			
Fines	\$ 0	\$ 0	164,577
Officers Costs	0	0	345,388
Game and Fish Fines	0	0	1,073
Drug Control Fines	0	0	16,966
Drug Court Fees	0	0	25,091
Veterans Treatment Court Fees	0	0	16,963
Jail Fees	0	0	68,748
Judicial Commissioner Fees	0	0	1
DUI Treatment Fines	0	0	54,660
Data Entry Fee - General Sessions Court	0	0	75,901
Courtroom Security Fee	0	0	9,694
Victims Assistance Assessments	0	0	91,280
<u>Juvenile Court</u>			
Fines	0	0	1,923
Officers Costs	0	0	18,604
Jail Fees	0	0	370,905
Data Entry Fee - Juvenile Court	0	0	5,572
Courtroom Security Fee	0	0	117
<u>Chancery Court</u>			
Data Entry Fee - Chancery Court	0	0	17,648
<u>Other Courts - In-county</u>			
Fines	0	0	55,883
<u>Judicial District Drug Program</u>			
Victims Assistance Assessments	0	0	22,227

(Continued)

Exhibit L-6

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

	Capital Projects Fund		General Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	\$	0	\$	410,183
Total Fines, Forfeitures, and Penalties	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>2,076,493</u>
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Tipping Fees	\$	0	\$	110,109
Surcharge - Host Agency		0		927,541
Patient Charges		0		10,436,564
Past Due Collections - Ambulance		0		209,232
Zoning Studies		0		152,592
Work Release Charges for Board		0		70,294
Other General Service Charges		0		1,491,974
<u>Fees</u>				
Subdivision Lot Fees		0		156,602
Engineer Review Fees		0		64,963
Archives and Records Management Fee		0		123,037
Greenbelt Late Application Fee		0		200
Telephone Commissions		0		524,759
Additional Fees - Titling and Registration		0		311,475
Constitutional Officers' Fees and Commissions		0		7,075,986
Special Commissioner Fees/Special Master Fees		0		53,430
Data Processing Fee - Register		0		100,130
Probation Fees		0		244,016
Data Processing Fee - Sheriff		0		26,179
Sexual Offender Registration Fee - Sheriff		0		9,150

(Continued)

Exhibit L-6

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

	Capital Projects Fund		General Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>				
<u>Fees (Cont.)</u>				
Data Processing Fee - County Clerk	\$ 0	\$	52,506	
Vehicle Registration Reinstatement Fees	0		27,850	
<u>Education Charges</u>				
Contract for Administrative Services with Other LEA's	0		606,891	
TBI Criminal Background Fee	0		12,015	
Other Charges for Services	0		118,323	
Total Charges for Current Services	<u>\$ 0</u>	\$	<u>22,905,818</u>	
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 23,061	\$	12,831,148	
Lease/Rentals	0		494,746	
Sale of Materials and Supplies	0		36,846	
Commissary Sales	0		270,042	
Sale of Maps	0		3,580	
Sale of Recycled Materials	0		383,864	
Sale of Animals/Livestock	0		29,356	
Miscellaneous Refunds	0		149,293	
<u>Nonrecurring Items</u>				
Sale of Equipment	0		135,507	
Sale of Property	0		36,300	
Damages Recovered from Individuals	0		2,893	
Contributions and Gifts	0		68,307	
Performance Bond Forfeitures	0		195,224	

(Continued)

Exhibit L-6

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

	<u>Capital Projects Fund</u>	<u>General Capital Projects</u>	<u>Total</u>
<u>Other Local Revenues (Cont.)</u>			
<u>Other Local Revenues</u>			
Other Local Revenues	\$ 0	\$ 3,089	
Total Other Local Revenues	<u>\$ 23,061</u>	<u>\$ 14,640,195</u>	
<u>Fees Received From County Officials</u>			
<u>Excess Fees</u>			
County Clerk	\$ 0	\$ 4,256,297	
Register	0	1,176,264	
Trustee	0	8,121,187	
<u>Fees In-Lieu-of Salary</u>			
Clerk and Master	0	502,413	
Sheriff	0	102,800	
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 14,158,961</u>	
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$ 9,000	
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0	243,400	
<u>Health and Welfare Grants</u>			
Health Department Programs	0	1,658,261	
Other Health and Welfare Grants	0	163,929	
<u>Public Works Grants</u>			
State Aid Program	0	617,090	
Litter Program	0	84,607	

(Continued)

Exhibit L-6

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

	Capital Projects Fund		General Capital Projects	Total
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues</u>				
Flood Control	\$	0	\$	42,037
Income Tax		0		399
Beer Tax		0		19,200
Vehicle Certificate of Title Fees		0		39,815
Alcoholic Beverage Tax		0		603,227
Opioid Settlement Funds - TN Abatement Council		0		1,513,355
State Revenue Sharing - Telecommunications		0		364,514
State Shared Sports Gaming Privilege Tax		0		156,760
Contracted Prisoner Boarding		0		2,733,819
Gasoline and Motor Fuel Tax		0		5,947,646
Petroleum Special Tax		0		226,263
Registrar's Salary Supplement		0		15,164
Other State Grants		0		5,309,646
Other State Revenues		0		732,491
Total State of Tennessee	\$	0	\$	20,480,623
<u>Federal Government</u>				
<u>Federal Through State</u>				
Disaster Relief	\$	0	\$	20,067
Law Enforcement Grants		0		30,785
Other Federal through State		0		1,866,118
<u>Direct Federal Revenue</u>				
Police Service (Lake Area)		0		22,620
Asset Forfeiture Funds		0		192,129
Public Safety Partnership and Community Policing - COPS		0		224,680

(Continued)

Exhibit L-6

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Federal Government (Cont.)</u>		
<u>Direct Federal Revenue (Cont.)</u>		
COVID-19 Grant #10	\$ 0	\$ 2,571,527
American Rescue Plan Act Grant F	0	13,576,354
American Rescue Plan Act Grant G	0	50,000
Other Direct Federal Revenue	0	606,440
Total Federal Government	<u>\$ 0</u>	<u>\$ 19,160,720</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Prisoner Board	\$ 0	\$ 11,585
Contributions	203,020	917,056
Contracted Services	0	2,046,550
<u>Other</u>		
Other	0	125
Opioid Settlement Funds - Past Remediation	0	498,325
Total Other Governments and Citizens Groups	<u>\$ 203,020</u>	<u>\$ 3,473,641</u>
Total	<u>\$ 226,081</u>	<u>\$ 268,723,038</u>

Exhibit L-7

Rutherford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2023

	Special Revenue Funds				Capital Projects Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 88,358,829	\$ 0	\$ 0	\$ 0	\$ 16,430,188
Trustee's Collections - Prior Year	430,152	0	0	0	79,904
Circuit Clerk/Clerk and Master Collections - Prior Years	381,970	0	0	0	71,307
Interest and Penalty	174,700	0	0	0	32,947
Pickup Taxes	155,741	0	0	0	28,930
Payments in-Lieu-of Taxes - T.V.A.	5,586	0	0	0	1,037
Payments in-Lieu-of Taxes - Local Utilities	96,041	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	101,893,712	0	0	0	0
Wheel Tax	5,218,523	0	0	0	0
Business Tax	3,564,013	0	0	0	634,478
Mixed Drink Tax	733,291	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	0	2,975,463
Total Local Taxes	\$ 201,012,558	\$ 0	\$ 0	\$ 0	\$ 20,254,254
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 15,101	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 15,101	\$ 0	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Summer School	\$ 320,540	\$ 0	\$ 0	\$ 0	\$ 0
Tuition - Other	20,425	0	0	0	0

(Continued)

Exhibit L-7

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

	Special Revenue Funds				Capital Projects Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 7,636,743	\$ 0	\$ 0
Lunch Payments - Adults	0	0	85,560	0	0
Income from Breakfast	0	0	409,882	0	0
A la Carte Sales	0	0	547,802	0	0
Charter Authorizer Fee	2,500	0	0	0	0
Other Charges for Services	464,861	0	0	0	0
Total Charges for Current Services	\$ 808,326	\$ 0	\$ 8,679,987	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 3,884,913	\$ 0	\$ 614,387	\$ 0	\$ 0
Lease/Rentals	41,355	0	0	0	0
Sale of Materials and Supplies	5,960	0	0	0	0
E-Rate Funding	497,642	0	0	0	0
Miscellaneous Refunds	84,185	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	94,846	0	0	0	0
Sale of Property	346,000	0	0	0	0
Contributions and Gifts	138,950	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	943,969	0	0	20,145,395	0
Total Other Local Revenues	\$ 6,037,820	\$ 0	\$ 614,387	\$ 20,145,395	\$ 0

(Continued)

Exhibit L-7

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
		School Federal Projects	Central Cafeteria	Internal School	
<u>State of Tennessee</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 267,825,672	\$ 0	\$ 0	\$ 0	\$ 0
Early Childhood Education	1,957,622	0	0	0	0
School Food Service	0	0	218,827	0	0
Other State Education Funds	2,417,537	0	0	0	0
Coordinated School Health	197,749	0	0	0	0
Career Ladder Program	331,016	0	0	0	0
Other Vocational	95,158	0	0	0	0
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	3,108,581	0	0	0	0
Other State Grants	5,603	0	0	0	0
Safe Schools	722,717	0	0	0	0
Total State of Tennessee	\$ 276,661,655	\$ 0	\$ 218,827	\$ 0	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 12,076,203	\$ 0	\$ 0
USDA - Commodities	0	0	750,983	0	0
Breakfast	0	0	3,357,383	0	0
USDA - Other	0	0	1,644,937	0	0
Vocational Education - Basic Grants to States	0	793,939	0	0	0
Title I Grants to Local Education Agencies	0	6,055,999	0	0	0
Special Education - Grants to States	487,133	9,002,831	0	0	0
Special Education Preschool Grants	46,924	125,625	0	0	0
English Language Acquisition Grants	0	604,538	0	0	0

(Continued)

Exhibit L-7

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
		School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Education for Homeless Children and Youth	\$ 0	\$ 260,643	\$ 0	\$ 0	\$ 0
Eisenhower Professional Development State Grants	0	862,921	0	0	0
COVID-19 Grant B	0	4,400,918	0	0	0
COVID-19 Grant D	0	67,000	0	0	0
COVID-19 Grant E	0	752,062	0	0	0
American Rescue Plan Act Grant #1	0	14,816,207	0	0	0
American Rescue Plan Act Grant #2	0	1,026,363	0	0	0
American Rescue Plan Act Grant #3	0	5,170	0	0	0
American Rescue Plan Act Grant #4	0	145,822	0	0	0
Other Federal through State	419,293	557,378	0	0	0
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	756,525	0	0	0	0
Total Federal Government	\$ 1,709,875	\$ 39,477,416	\$ 17,829,506	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 486,245,335	\$ 39,477,416	\$ 27,342,707	\$ 20,145,395	\$ 20,254,254

(Continued)

Exhibit L-7

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

	<u>Capital Projects Fund</u>	<u>Other Capital Projects</u>	<u>Total</u>
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 0	\$	104,789,017
Trustee's Collections - Prior Year	0		510,056
Circuit Clerk/Clerk and Master Collections - Prior Years	0		453,277
Interest and Penalty	0		207,647
Pickup Taxes	0		184,671
Payments in-Lieu-of Taxes - T.V.A.	0		6,623
Payments in-Lieu-of Taxes - Local Utilities	0		96,041
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0	101,893,712	
Wheel Tax	0	5,218,523	
Business Tax	0	4,198,491	
Mixed Drink Tax	0	733,291	
Adequate Facilities/Development Tax	0	2,975,463	
Total Local Taxes	<u>\$ 0</u>	<u>\$</u>	<u>221,266,812</u>
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Marriage Licenses	\$ 0	\$	15,101
Total Licenses and Permits	<u>\$ 0</u>	<u>\$</u>	<u>15,101</u>
<u>Charges for Current Services</u>			
<u>Education Charges</u>			
Tuition - Summer School	\$ 0	\$	320,540
Tuition - Other	0		20,425

(Continued)

Exhibit L-7

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

	<u>Capital Projects Fund</u>	<u>Other Capital Projects</u>	<u>Total</u>
<u>Charges for Current Services (Cont.)</u>			
<u>Education Charges (Cont.)</u>			
Lunch Payments - Children	\$ 0	\$ 7,636,743	
Lunch Payments - Adults	0	85,560	
Income from Breakfast	0	409,882	
A la Carte Sales	0	547,802	
Charter Authorizer Fee	0	2,500	
Other Charges for Services	0	464,861	
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 9,488,313</u>	
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 0	\$ 4,499,300	
Lease/Rentals	0	41,355	
Sale of Materials and Supplies	0	5,960	
E-Rate Funding	0	497,642	
Miscellaneous Refunds	0	84,185	
<u>Nonrecurring Items</u>			
Sale of Equipment	0	94,846	
Sale of Property	0	346,000	
Contributions and Gifts	0	138,950	
<u>Other Local Revenues</u>			
Other Local Revenues	0	21,089,364	
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 26,797,602</u>	

(Continued)

Exhibit L-7

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

	<u>Capital Projects Fund</u>	<u>Other Capital Projects</u>	<u>Total</u>
<u>State of Tennessee</u>			
<u>State Education Funds</u>			
Basic Education Program	\$ 0	\$ 267,825,672	
Early Childhood Education	0	1,957,622	
School Food Service	0	218,827	
Other State Education Funds	0	2,417,537	
Coordinated School Health	0	197,749	
Career Ladder Program	0	331,016	
Other Vocational	0	95,158	
<u>Other State Revenues</u>			
State Revenue Sharing - T.V.A.	0	3,108,581	
Other State Grants	0	5,603	
Safe Schools	0	722,717	
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 276,880,482</u>	
<u>Federal Government</u>			
<u>Federal Through State</u>			
USDA School Lunch Program	\$ 0	\$ 12,076,203	
USDA - Commodities	0	750,983	
Breakfast	0	3,357,383	
USDA - Other	0	1,644,937	
Vocational Education - Basic Grants to States	0	793,939	
Title I Grants to Local Education Agencies	0	6,055,999	
Special Education - Grants to States	0	9,489,964	
Special Education Preschool Grants	0	172,549	
English Language Acquisition Grants	0	604,538	

(Continued)

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

	<u>Capital Projects Fund</u>	<u>Other Capital Projects</u>	<u>Total</u>
<u>Federal Government (Cont.)</u>			
<u>Federal Through State (Cont.)</u>			
Education for Homeless Children and Youth	\$ 0	\$ 0	260,643
Eisenhower Professional Development State Grants	0	0	862,921
COVID-19 Grant B	0	0	4,400,918
COVID-19 Grant D	0	0	67,000
COVID-19 Grant E	0	0	752,062
American Rescue Plan Act Grant #1	0	0	14,816,207
American Rescue Plan Act Grant #2	0	0	1,026,363
American Rescue Plan Act Grant #3	0	0	5,170
American Rescue Plan Act Grant #4	0	0	145,822
Other Federal through State	0	0	976,671
<u>Direct Federal Revenue</u>			
ROTC Reimbursement	0	0	756,525
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>59,016,797</u>
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$ 35,000,000	\$ 35,000,000	\$ 35,000,000
Total Other Governments and Citizens Groups	<u>\$ 35,000,000</u>	<u>\$ 35,000,000</u>	<u>\$ 35,000,000</u>
Total	<u>\$ 35,000,000</u>	<u>\$ 628,465,107</u>	<u>\$ 628,465,107</u>

Exhibit L-8

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2023

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	158,100	
Other Per Diem and Fees		145,000	
Social Security		16,870	
Employer Medicare		4,396	
Dues and Memberships		55,939	
Total County Commission			\$ 380,305

Board of Equalization

Board and Committee Members Fees	\$	8,000	
Social Security		496	
Employer Medicare		116	
Consultants		18,972	
Legal Notices, Recording, and Court Costs		500	
Total Board of Equalization			28,084

County Mayor/Executive

County Official/Administrative Officer	\$	177,307	
Assistant(s)		175,302	
Secretary(ies)		122,103	
Longevity Pay		1,025	
Overtime Pay		12,542	
Other Salaries and Wages		85,157	
Social Security		34,604	
Pensions		56,218	
Employee and Dependent Insurance		53,929	
Disability Insurance		669	
Employer Medicare		8,093	
Communication		3,110	
Dues and Memberships		9,007	
Lease Payments		17,134	
Legal Services		37,207	
Legal Notices, Recording, and Court Costs		9,359	
Maintenance Agreements		1,332	
Postal Charges		731	
Printing, Stationery, and Forms		960	
Other Contracted Services		206,122	
Gasoline		744	
Office Supplies		3,620	
Other Charges		42,900	
Land		152,100	
Total County Mayor/Executive			1,211,275

Personnel Office

County Official/Administrative Officer	\$	150,255
Assistant(s)		224,502
Supervisor/Director		84,620
Longevity Pay		1,025

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Personnel Office (Cont.)

Social Security	\$	27,719	
Pensions		46,903	
Employee and Dependent Insurance		40,778	
Disability Insurance		614	
Employer Medicare		6,483	
Communication		2	
Dues and Memberships		612	
Evaluation and Testing		98,006	
Maintenance Agreements		1,224	
Postal Charges		228	
Travel		1,117	
Other Contracted Services		18,235	
Office Supplies		3,844	
Other Charges		25,317	
Total Personnel Office			\$ 731,484

County Attorney

County Official/Administrative Officer	\$	85,000	
Secretary(ies)		57,007	
Longevity Pay		300	
Social Security		8,117	
Pensions		5,833	
Employee and Dependent Insurance		39,099	
Disability Insurance		210	
Employer Medicare		1,898	
Legal Services		103,184	
Total County Attorney			300,648

Election Commission

County Official/Administrative Officer	\$	125,601	
Part-time Personnel		28,109	
Longevity Pay		1,575	
Overtime Pay		2,338	
Other Salaries and Wages		336,025	
Election Commission		12,700	
Election Workers		261,188	
Social Security		42,302	
Pensions		47,435	
Employee and Dependent Insurance		74,988	
Disability Insurance		656	
Employer Medicare		9,894	
Communication		4,703	
Dues and Memberships		728	
Legal Notices, Recording, and Court Costs		14,147	
Maintenance Agreements		33,473	
Postal Charges		22,722	
Printing, Stationery, and Forms		6,098	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Rentals	\$	5,716	
Travel		3,584	
Data Processing Supplies		4,998	
Office Supplies		15,485	
Furniture and Fixtures		929	
Voting Machines		1,495,900	
Total Election Commission			\$ 2,551,294

Register of Deeds

In-service Training	\$	1,275	
Social Security		50,476	
Pensions		87,674	
Employee and Dependent Insurance		175,397	
Disability Insurance		1,230	
Employer Medicare		11,805	
Data Processing Services		31,927	
Maintenance Agreements		24,537	
Postal Charges		768	
Data Processing Supplies		9,950	
Office Supplies		1,775	
Data Processing Equipment		12,697	
Total Register of Deeds			409,511

Planning

County Official/Administrative Officer	\$	132,760	
Assistant(s)		452,941	
Supervisor/Director		137,446	
Secretary(ies)		183,103	
Longevity Pay		3,000	
Board and Committee Members Fees		38,250	
In-service Training		3,265	
Social Security		56,028	
Pensions		91,520	
Employee and Dependent Insurance		123,739	
Disability Insurance		1,251	
Employer Medicare		13,143	
Communication		2,722	
Consultants		64,733	
Dues and Memberships		29,534	
Lease Payments		17,477	
Legal Notices, Recording, and Court Costs		5,072	
Maintenance Agreements		6,224	
Postal Charges		2,454	
Data Processing Supplies		2,489	
Gasoline		9,235	
Office Supplies		8,793	
Periodicals		90	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Other Supplies and Materials	\$	1,717	
Data Processing Equipment		3,152	
Total Planning			\$ 1,390,138

Geographical Information Systems

Data Processing Personnel	\$	273,037	
Longevity Pay		1,300	
Overtime Pay		196	
Social Security		15,640	
Pensions		27,966	
Employee and Dependent Insurance		68,895	
Disability Insurance		398	
Employer Medicare		3,658	
Data Processing Services		6,935	
Dues and Memberships		120	
Licenses		344,253	
Maintenance Agreements		3,173	
Travel		10,641	
Data Processing Supplies		7,010	
Data Processing Equipment		20,952	
Other Capital Outlay		339,453	
Total Geographical Information Systems			1,123,627

County Buildings

Assistant(s)	\$	72,068	
Supervisor/Director		79,016	
Clerical Personnel		85,322	
Custodial Personnel		22,038	
Maintenance Personnel		797,117	
Part-time Personnel		44,458	
Longevity Pay		4,250	
Overtime Pay		1,630	
Social Security		66,068	
Pensions		105,897	
Employee and Dependent Insurance		165,504	
Disability Insurance		1,499	
Unemployment Compensation		3,337	
Employer Medicare		15,449	
Communication		61,424	
Contracts with Government Agencies		360,440	
Lease Payments		63,209	
Maintenance and Repair Services - Buildings		407,926	
Travel		14,949	
Other Contracted Services		924,286	
Custodial Supplies		10,013	
Gasoline		24,020	
Utilities		1,131,503	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Other Supplies and Materials	\$	174,771	
Building Improvements		193,370	
Maintenance Equipment		3,427	
Motor Vehicles		28,495	
Total County Buildings			\$ 4,861,486

Preservation of Records

County Official/Administrative Officer	\$	81,668	
Assistant(s)		79,254	
Part-time Personnel		5,998	
Longevity Pay		450	
Social Security		9,708	
Pensions		16,121	
Employee and Dependent Insurance		40,903	
Disability Insurance		245	
Employer Medicare		2,271	
Communication		631	
Dues and Memberships		595	
Maintenance Agreements		328	
Postal Charges		125	
Travel		1,230	
Other Contracted Services		1,041	
Gasoline		229	
Office Supplies		1,394	
Other Supplies and Materials		7,954	
Other Charges		29,658	
Total Preservation of Records			279,803

Risk Management

Clerical Personnel	\$	927	
Part-time Personnel		814	
Overtime Pay		3,715	
Social Security		298	
Pensions		153	
Employer Medicare		69	
Communication		238	
Postal Charges		42	
Building and Contents Insurance		201,606	
Liability Insurance		501,265	
Premiums on Corporate Surety Bonds		42,479	
Total Risk Management			751,606

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	163,363	
Accountants/Bookkeepers		1,017,030	
Salary Supplements		4,500	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Part-time Personnel	\$	10,776	
Longevity Pay		4,225	
Overtime Pay		10,105	
Board and Committee Members Fees		1,800	
Social Security		69,611	
Pensions		117,831	
Employee and Dependent Insurance		155,294	
Disability Insurance		1,513	
Employer Medicare		16,735	
Audit Services		143,424	
Communication		235	
Dues and Memberships		2,245	
Maintenance Agreements		1,142	
Postal Charges		14,443	
Travel		1,949	
Other Contracted Services		910	
Gasoline		498	
Office Supplies		9,407	
Data Processing Equipment		9,743	
Total Accounting and Budgeting			\$ 1,756,779

Reappraisal Program

County Official/Administrative Officer	\$	139,557
Deputy(ies)		1,615,250
Salary Supplements		3,500
Part-time Personnel		2,242
Longevity Pay		6,600
In-service Training		2,177
Social Security		105,646
Pensions		179,374
Employee and Dependent Insurance		303,449
Disability Insurance		2,603
Employer Medicare		24,708
Communication		9,734
Consultants		10,551
Contracts with Private Agencies		73,975
Data Processing Services		152,578
Dues and Memberships		2,990
Lease Payments		6,719
Licenses		17,610
Maintenance Agreements		3,906
Maintenance and Repair Services - Equipment		165
Maintenance and Repair Services - Vehicles		480
Postal Charges		26,500
Travel		1,899
Other Contracted Services		21,861
Data Processing Supplies		187

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Gasoline	\$	11,626	
Office Supplies		5,210	
Uniforms		1,325	
Other Supplies and Materials		1,654	
Data Processing Equipment		43,743	
Furniture and Fixtures		11,084	
Other Capital Outlay		161,912	
Total Reappraisal Program			\$ 2,950,815

County Trustee's Office

Social Security	\$	28,908	
Pensions		49,534	
Employee and Dependent Insurance		90,273	
Disability Insurance		677	
Employer Medicare		6,761	
Communication		479	
Data Processing Services		6,313	
Legal Notices, Recording, and Court Costs		201	
Maintenance Agreements		528	
Postal Charges		37,841	
Other Contracted Services		16,905	
Office Supplies		4,324	
Tax Relief Program		726,202	
Data Processing Equipment		3,101	
Total County Trustee's Office			972,047

County Clerk's Office

Social Security	\$	130,787	
Pensions		219,832	
Employee and Dependent Insurance		391,713	
Disability Insurance		3,125	
Employer Medicare		30,928	
Communication		4,870	
Data Processing Services		54,107	
Lease Payments		822	
Maintenance Agreements		6,045	
Maintenance and Repair Services - Equipment		1,070	
Postal Charges		241,654	
Other Contracted Services		7,052	
Data Processing Supplies		44,983	
Gasoline		1,982	
Office Supplies		44,594	
Other Supplies and Materials		8,443	
Data Processing Equipment		23,488	
Office Equipment		5,954	
Total County Clerk's Office			1,221,449

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Data Processing

County Official/Administrative Officer	\$	161,198	
Data Processing Personnel		1,663,289	
Part-time Personnel		73,997	
Longevity Pay		3,475	
Overtime Pay		460	
Social Security		112,596	
Pensions		186,338	
Employee and Dependent Insurance		270,415	
Disability Insurance		2,616	
Employer Medicare		26,333	
Communication		401,153	
Data Processing Services		446,475	
Dues and Memberships		1,271	
Licenses		821,356	
Maintenance Agreements		266,000	
Postal Charges		26	
Travel		23,041	
Data Processing Supplies		9,470	
Gasoline		1,394	
Data Processing Equipment		642,065	
Total Data Processing			\$ 5,112,968

Administration of Justice

Circuit Court

Jury and Witness Expense	\$	67,170	
Social Security		180,032	
Pensions		298,036	
Employee and Dependent Insurance		533,003	
Disability Insurance		4,254	
Unemployment Compensation		352	
Employer Medicare		42,299	
Communication		1,493	
Data Processing Services		103,122	
Legal Services		22,424	
Maintenance Agreements		20,931	
Postal Charges		36,579	
Office Supplies		54,569	
Other Supplies and Materials		850	
Other Charges		135,214	
Data Processing Equipment		3,536	
Furniture and Fixtures		817	
Office Equipment		448	
Total Circuit Court			1,505,129

Circuit Court Judge

Assistant(s)	\$	67,968	
Deputy(ies)		205,483	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court Judge (Cont.)

Longevity Pay	\$	500	
Social Security		16,652	
Pensions		27,912	
Employee and Dependent Insurance		32,627	
Disability Insurance		394	
Employer Medicare		3,895	
Postal Charges		241	
Total Circuit Court Judge			\$ 355,672

General Sessions Court

Judge(s)	\$	737,228	
Assistant(s)		80,254	
Deputy(ies)		168,412	
Longevity Pay		3,775	
Overtime Pay		7,882	
Other Salaries and Wages		825,489	
Social Security		102,223	
Pensions		184,313	
Employee and Dependent Insurance		238,003	
Disability Insurance		2,247	
Employer Medicare		25,561	
Communication		1,277	
Contracts with Government Agencies		60,000	
Data Processing Services		2,240	
Dues and Memberships		4,514	
Evaluation and Testing		34,250	
Maintenance Agreements		1,417	
Postal Charges		65	
Travel		4,512	
Other Contracted Services		1,030	
Office Supplies		13,837	
Uniforms		1,200	
Total General Sessions Court			2,499,729

Drug Court

Supervisor/Director	\$	83,436	
Secretary(ies)		81,030	
Part-time Personnel		41,331	
Longevity Pay		625	
Other Salaries and Wages		991,541	
Social Security		70,884	
Pensions		117,041	
Employee and Dependent Insurance		186,486	
Disability Insurance		1,705	
Employer Medicare		16,578	
Communication		7,740	
Contracts with Other Public Agencies		14,909	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Contracts with Private Agencies	\$	17,571	
Data Processing Services		11,136	
Licenses		4,862	
Maintenance Agreements		942	
Postal Charges		200	
Travel		51,372	
Other Contracted Services		262,303	
Gasoline		938	
Office Supplies		12,563	
Other Supplies and Materials		28,872	
Other Charges		30,984	
Building Improvements		18,035	
Data Processing Equipment		56,504	
Furniture and Fixtures		38,224	
Office Equipment		190	
Total Drug Court			\$ 2,148,002

Chancery Court

County Official/Administrative Officer	\$	136,148	
Deputy(ies)		658,267	
Attendants		45,017	
Part-time Personnel		42,635	
Longevity Pay		4,100	
Overtime Pay		908	
Jury and Witness Expense		829	
Social Security		53,249	
Pensions		85,946	
Employee and Dependent Insurance		133,596	
Disability Insurance		1,199	
Employer Medicare		12,453	
Communication		212	
Data Processing Services		35,024	
Dues and Memberships		2,355	
Maintenance Agreements		2,164	
Maintenance and Repair Services - Equipment		1,364	
Postal Charges		19,609	
Travel		263	
Other Contracted Services		330	
Office Supplies		21,756	
Other Supplies and Materials		1,494	
Total Chancery Court			1,258,918

Juvenile Court

Judge(s)	\$	184,307	
Deputy(ies)		34,502	
Secretary(ies)		50,597	
Part-time Personnel		83,571	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Longevity Pay	\$	275	
Other Salaries and Wages		388,882	
Social Security		44,775	
Pensions		67,087	
Employee and Dependent Insurance		58,159	
Disability Insurance		827	
Employer Medicare		10,471	
Communication		5	
Contracts with Private Agencies		36,672	
Dues and Memberships		6,460	
Maintenance Agreements		90	
Travel		4,502	
Other Contracted Services		1,514	
Library Books/Media		4,209	
Office Supplies		2,747	
Uniforms		112	
Other Supplies and Materials		1,710	
Data Processing Equipment		1,638	
Total Juvenile Court			\$ 983,112

District Attorney General

Assistant(s)	\$	159,272	
Social Security		9,875	
Pensions		16,240	
Employee and Dependent Insurance		42	
Disability Insurance		235	
Employer Medicare		2,309	
Dues and Memberships		800	
Total District Attorney General			188,773

Office of Public Defender

Assistant(s)	\$	166,485	
Longevity Pay		350	
Social Security		9,802	
Pensions		16,995	
Employee and Dependent Insurance		21,416	
Disability Insurance		246	
Employer Medicare		2,293	
Dues and Memberships		800	
Postal Charges		385	
Total Office of Public Defender			218,772

Other Administration of Justice

County Official/Administrative Officer	\$	88,161	
Probation Officer(s)		940,415	
Longevity Pay		2,575	
Social Security		60,450	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice (Cont.)

Pensions	\$	105,095	
Employee and Dependent Insurance		200,070	
Disability Insurance		1,514	
Employer Medicare		14,138	
Communication		1,471	
Contracts with Private Agencies		78,819	
Data Processing Services		33,600	
Licenses		405	
Maintenance Agreements		842	
Postal Charges		260	
Travel		398	
Other Contracted Services		66,736	
Gasoline		118	
Office Supplies		9,721	
Other Supplies and Materials		9,074	
Total Other Administration of Justice			\$ 1,613,862

Probation Services

County Official/Administrative Officer	\$	98,117	
Assistant(s)		78,219	
Youth Service Officer(s)		238,492	
Secretary(ies)		38,996	
Longevity Pay		3,025	
In-service Training		1,140	
Social Security		27,087	
Pensions		46,489	
Employee and Dependent Insurance		74,885	
Disability Insurance		714	
Employer Medicare		6,335	
Communication		2,643	
Contracts with Private Agencies		417,696	
Data Processing Services		750	
Maintenance Agreements		673	
Postal Charges		288	
Travel		3,012	
Office Supplies		1,709	
Office Equipment		3,995	
Total Probation Services			1,044,265

Victim Assistance Programs

Assistant(s)	\$	73,475	
Part-time Personnel		15,174	
Longevity Pay		125	
Other Salaries and Wages		140,578	
In-service Training		584	
Social Security		13,961	
Pensions		21,840	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Victim Assistance Programs (Cont.)

Employee and Dependent Insurance	\$	19,950	
Disability Insurance		311	
Employer Medicare		3,265	
Dues and Memberships		400	
Maintenance Agreements		585	
Office Supplies		2,066	
Total Victim Assistance Programs			\$ 292,314

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	168,864
Assistant(s)		464,252
Deputy(ies)		78,299
Detective(s)		1,846,205
Captain(s)		693,232
Lieutenant(s)		1,136,976
Youth Service Officer(s)		3,083,239
Sergeant(s)		3,065,736
Accountants/Bookkeepers		464,090
Data Processing Personnel		601,563
Salary Supplements		187,200
Dispatchers/Radio Operators		911,187
Clerical Personnel		680,451
Part-time Personnel		515,655
Longevity Pay		81,150
Overtime Pay		1,834,769
Other Salaries and Wages		6,091,267
In-service Training		225,881
Social Security		1,295,043
Pensions		2,139,109
Employee and Dependent Insurance		3,459,864
Disability Insurance		27,616
Unemployment Compensation		6,139
Employer Medicare		303,115
Communication		269,964
Contracts with Private Agencies		50,971
Data Processing Services		431,920
Dues and Memberships		10,346
Lease Payments		1,131,563
Maintenance Agreements		88,250
Maintenance and Repair Services - Equipment		9,225
Maintenance and Repair Services - Office Equipment		22,896
Maintenance and Repair Services - Vehicles		287,076
Postal Charges		7,966
Printing, Stationery, and Forms		11,624
Internet Connectivity		192,595
Veterinary Services		1,831

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Other Contracted Services	\$	100,611	
Animal Food and Supplies		2,316	
Data Processing Supplies		91,168	
Gasoline		775,444	
Instructional Supplies and Materials		5,540	
Law Enforcement Supplies		82,044	
Office Supplies		27,186	
Uniforms		213,865	
Vehicle Parts		51,972	
Other Supplies and Materials		29,609	
Judgments		18,923	
Communication Equipment		13,182	
Data Processing Equipment		635,497	
Furniture and Fixtures		4,111	
Law Enforcement Equipment		448,930	
Motor Vehicles		883,708	
Office Equipment		11,431	
Total Sheriff's Department			\$ 35,272,666

Special Patrols

Nightwatchmen	\$	33,840	
Social Security		2,018	
Pensions		3,471	
Employer Medicare		472	
Total Special Patrols			39,801

Traffic Control

Maintenance and Repair Services - Equipment	\$	270	
Utilities		6,069	
Total Traffic Control			6,339

Administration of the Sexual Offender Registry

Longevity Pay	\$	600	
Other Salaries and Wages		73,050	
Social Security		4,483	
Pensions		7,502	
Employee and Dependent Insurance		8,573	
Disability Insurance		97	
Employer Medicare		1,049	
Other Charges		2,650	
Total Administration of the Sexual Offender Registry			98,004

Jail

Assistant(s)	\$	96,168	
Captain(s)		99,715	
Lieutenant(s)		355,599	
Sergeant(s)		545,956	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Guards	\$	4,863,506	
Clerical Personnel		92,779	
Maintenance Personnel		273,798	
Part-time Personnel		79,110	
Longevity Pay		20,575	
Overtime Pay		949,629	
Other Salaries and Wages		1,334,263	
In-service Training		38,944	
Social Security		518,284	
Pensions		866,677	
Employee and Dependent Insurance		1,396,374	
Disability Insurance		10,993	
Employer Medicare		121,211	
Dues and Memberships		100	
Maintenance Agreements		42,787	
Maintenance and Repair Services - Buildings		70,014	
Maintenance and Repair Services - Equipment		2,960	
Maintenance and Repair Services - Office Equipment		11,806	
Printing, Stationery, and Forms		5,000	
Transportation - Other than Students		95,963	
Other Contracted Services		6,688,265	
Custodial Supplies		110,650	
Data Processing Supplies		53,328	
Food Preparation Supplies		1,214	
Food Supplies		1,251,609	
Law Enforcement Supplies		5,242	
Office Supplies		11,765	
Prisoners Clothing		250,869	
Uniforms		68,440	
Utilities		772,341	
Other Supplies and Materials		352,251	
Building Improvements		388,359	
Communication Equipment		2,100	
Data Processing Equipment		73,063	
Food Service Equipment		35,623	
Maintenance Equipment		6,939	
Office Equipment		9,327	
Other Equipment		383,381	
Total Jail			\$ 22,356,977

Workhouse

County Official/Administrative Officer	\$	104,915
Captain(s)		84,021
Lieutenant(s)		159,343
Sergeant(s)		339,328
Guards		1,531,853
Secretary(ies)		53,464

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Clerical Personnel	\$	192,461	
Part-time Personnel		20,787	
Longevity Pay		7,125	
Overtime Pay		47,414	
Other Salaries and Wages		75,618	
Board and Committee Members Fees		6,750	
In-service Training		4,156	
Social Security		154,183	
Pensions		263,588	
Employee and Dependent Insurance		463,130	
Disability Insurance		3,703	
Employer Medicare		36,290	
Communication		6,619	
Dues and Memberships		144	
Lease Payments		27,501	
Maintenance Agreements		39,667	
Maintenance and Repair Services - Buildings		42,470	
Maintenance and Repair Services - Equipment		24,185	
Maintenance and Repair Services - Vehicles		630	
Postal Charges		12	
Other Contracted Services		900,634	
Animal Food and Supplies		1,908	
Custodial Supplies		25,645	
Data Processing Supplies		1,868	
Drugs and Medical Supplies		557	
Equipment and Machinery Parts		969	
Gasoline		22,030	
Instructional Supplies and Materials		2,673	
Law Enforcement Supplies		890	
Office Supplies		6,353	
Prisoners Clothing		1,734	
Uniforms		5,856	
Utilities		247,671	
Other Supplies and Materials		17,038	
Other Equipment		297,467	
Total Workhouse			\$ 5,222,650

Juvenile Services

County Official/Administrative Officer	\$	118,198
Captain(s)		79,710
Lieutenant(s)		69,211
Sergeant(s)		303,050
Guards		326,387
Secretary(ies)		108,679
Attendants		756,663
Part-time Personnel		68,207
Longevity Pay		4,000

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Overtime Pay	\$	68,596	
Other Salaries and Wages		62,526	
Board and Committee Members Fees		5,400	
In-service Training		4,722	
Social Security		117,404	
Pensions		190,730	
Employee and Dependent Insurance		264,837	
Disability Insurance		2,649	
Unemployment Compensation		5,735	
Employer Medicare		27,477	
Communication		6,366	
Data Processing Services		4,550	
Dues and Memberships		400	
Lease Payments		6,505	
Maintenance Agreements		10,075	
Medical and Dental Services		180,846	
Postal Charges		266	
Printing, Stationery, and Forms		90	
Travel		1,619	
Other Contracted Services		56,278	
Gasoline		285	
Office Supplies		8,474	
Uniforms		4,655	
Other Supplies and Materials		34,537	
Total Juvenile Services			\$ 2,899,127

Rural Fire Protection

County Official/Administrative Officer	\$	113,961
Salary Supplements		55,600
Educational Assistants		50,597
Part-time Personnel		9,528
Longevity Pay		4,425
Overtime Pay		164,701
Other Salaries and Wages		3,120,301
Social Security		208,164
Pensions		351,450
Employee and Dependent Insurance		581,355
Disability Insurance		4,756
Employer Medicare		48,683
Communication		39,121
Contributions		5,089
Data Processing Services		55,047
Dues and Memberships		3,914
Evaluation and Testing		28,098
Maintenance Agreements		15,839
Maintenance and Repair Services - Equipment		20,292
Maintenance and Repair Services - Vehicles		230,005

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Rural Fire Protection (Cont.)

Pest Control	\$	1,535	
Postal Charges		62	
Travel		8,000	
Other Contracted Services		340,000	
Custodial Supplies		5,908	
Diesel Fuel		127,584	
Drugs and Medical Supplies		5,189	
Gasoline		18,999	
Instructional Supplies and Materials		6,423	
Office Supplies		5,297	
Uniforms		55,852	
Utilities		65,257	
Other Supplies and Materials		38,790	
Administration Equipment		144,252	
Data Processing Equipment		14,211	
Other Equipment		115,140	
Total Rural Fire Protection			\$ 6,063,425

Disaster Relief

County Official/Administrative Officer	\$	133,992
Assistant(s)		95,490
Supervisor/Director		263,932
Dispatchers/Radio Operators		1,031,479
Secretary(ies)		42,163
Part-time Personnel		15,115
Longevity Pay		5,050
Overtime Pay		151,505
Other Salaries and Wages		422,607
In-service Training		9,765
Social Security		127,906
Pensions		215,880
Employee and Dependent Insurance		312,927
Disability Insurance		2,903
Employer Medicare		29,914
Communication		37,269
Contracts with Private Agencies		81,078
Dues and Memberships		3,106
Maintenance Agreements		2,291
Maintenance and Repair Services - Buildings		9,116
Maintenance and Repair Services - Equipment		3,019
Maintenance and Repair Services - Vehicles		8,802
Pest Control		350
Printing, Stationery, and Forms		419
Rentals		9,801
Travel		259
Other Contracted Services		67,365
Custodial Supplies		2,919

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Disaster Relief (Cont.)

Data Processing Supplies	\$	292	
Diesel Fuel		1,172	
Gasoline		8,191	
Office Supplies		1,710	
Uniforms		5,211	
Utilities		38,477	
Other Supplies and Materials		29,107	
Other Charges		4,515	
Communication Equipment		21,893	
Data Processing Equipment		5,091	
Furniture and Fixtures		134,036	
Other Equipment		141,815	
Total Disaster Relief			\$ 3,477,932

Inspection and Regulation

County Official/Administrative Officer	\$	95,752	
Assistant(s)		79,077	
Deputy(ies)		427,342	
Clerical Personnel		236,829	
Longevity Pay		3,425	
Social Security		49,039	
Pensions		85,532	
Employee and Dependent Insurance		180,345	
Disability Insurance		1,223	
Employer Medicare		11,469	
Communication		11,124	
Dues and Memberships		865	
Lease Payments		5,599	
Maintenance Agreements		18,470	
Postal Charges		391	
Printing, Stationery, and Forms		1,172	
Travel		2,637	
Other Contracted Services		225	
Gasoline		17,878	
Office Supplies		5,083	
Uniforms		1,927	
Other Supplies and Materials		3,660	
In Service/Staff Development		4,746	
Data Processing Equipment		13,671	
Total Inspection and Regulation			1,257,481

Public Health and Welfare

Local Health Center

Longevity Pay	\$	225	
Other Salaries and Wages		427,661	
Social Security		25,320	
Pensions		43,331	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Employee and Dependent Insurance	\$	84,908	
Disability Insurance		639	
Employer Medicare		5,921	
Communication		4,645	
Contracts with Government Agencies		125,623	
Maintenance and Repair Services - Buildings		9,956	
Maintenance and Repair Services - Equipment		4,380	
Travel		4,044	
Other Contracted Services		53,720	
Utilities		86,466	
Other Supplies and Materials		14,804	
Other Charges		750	
Total Local Health Center			\$ 892,393

Rabies and Animal Control

County Official/Administrative Officer	\$	113,961
Supervisor/Director		108,512
Attendants		1,071,073
Part-time Personnel		15,883
Longevity Pay		1,825
Overtime Pay		19,626
Other Salaries and Wages		120,252
Social Security		86,301
Pensions		145,418
Employee and Dependent Insurance		269,134
Disability Insurance		2,029
Unemployment Compensation		2,433
Employer Medicare		20,183
Advertising		8,487
Communication		14,326
Dues and Memberships		1,185
Lease Payments		36,759
Maintenance Agreements		27,239
Maintenance and Repair Services - Buildings		16,844
Maintenance and Repair Services - Vehicles		7,716
Postal Charges		331
Travel		6,280
Veterinary Services		21,796
Other Contracted Services		7,956
Animal Food and Supplies		14,195
Custodial Supplies		18,979
Drugs and Medical Supplies		69,429
Gasoline		38,706
Office Supplies		7,285
Uniforms		7,474
Utilities		54,035
Other Supplies and Materials		17,280

(Continued)

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.)

Building Improvements	\$	51,509	
Data Processing Equipment		4,924	
Furniture and Fixtures		23,180	
Building Purchases		8,428	
Other Equipment		4,125	
Total Rabies and Animal Control			\$ 2,445,098

Dental Health Program

Medical and Dental Services	\$	9,778	
Total Dental Health Program			9,778

Alcohol and Drug Programs

Advertising	\$	14,427	
Total Alcohol and Drug Programs			14,427

Other Local Health Services

Medical Personnel	\$	2,084,208	
Longevity Pay		8,500	
Social Security		122,990	
Pensions		203,490	
Employee and Dependent Insurance		392,920	
Disability Insurance		2,934	
Employer Medicare		28,764	
Travel		13,721	
Liability Insurance		4,996	
Total Other Local Health Services			2,862,523

General Welfare Assistance

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

Sanitation Management

Contracts with Private Agencies	\$	42,937	
Total Sanitation Management			42,937

Other Public Health and Welfare

Medical and Dental Services	\$	18,000	
Other Contracted Services		688,356	
Total Other Public Health and Welfare			706,356

Social, Cultural, and Recreational Services

Adult Activities

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

Libraries

Contributions	\$	1,994,814	
Total Libraries			1,994,814

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards

Supervisor/Director	\$	36,020	
Other Salaries and Wages		195,910	
Board and Committee Members Fees		4,300	
Social Security		13,612	
Employer Medicare		3,425	
Contributions		306,801	
Postal Charges		72	
Travel		637	
Other Contracted Services		126,500	
Equipment and Machinery Parts		15,127	
Total Parks and Fair Boards			\$ 702,404

Other Social, Cultural, and Recreational

Contributions	\$	583,182	
Total Other Social, Cultural, and Recreational			583,182

Agriculture and Natural Resources

Agricultural Extension Service

Part-time Personnel	\$	13,267	
Other Salaries and Wages		45,540	
Board and Committee Members Fees		2,100	
Social Security		3,758	
Pensions		4,643	
Employee and Dependent Insurance		21	
Disability Insurance		67	
Employer Medicare		883	
Advertising		3,995	
Communication		695	
Contracts with Government Agencies		557,758	
Postal Charges		630	
Fertilizer, Lime, and Seed		1,680	
Gasoline		2,569	
Office Supplies		1,996	
Utilities		150,935	
Other Supplies and Materials		82,255	
Total Agricultural Extension Service			872,792

Soil Conservation

Assistant(s)	\$	44,398	
Longevity Pay		175	
Other Salaries and Wages		33,345	
Social Security		4,708	
Pensions		7,776	
Employee and Dependent Insurance		13,409	
Disability Insurance		115	
Employer Medicare		1,101	
Contributions		20,000	
Total Soil Conservation			125,027

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Storm Water Management

Assistant(s)	\$	105,522	
Part-time Personnel		45,878	
Longevity Pay		250	
Other Salaries and Wages		57,007	
In-service Training		1,710	
Social Security		12,473	
Pensions		16,587	
Employee and Dependent Insurance		27,057	
Disability Insurance		239	
Employer Medicare		2,917	
Communication		2,963	
Dues and Memberships		300	
Engineering Services		11,228	
Postal Charges		144	
Printing, Stationery, and Forms		600	
Travel		2,494	
Other Contracted Services		4,341	
Gasoline		3,359	
Office Supplies		702	
Uniforms		746	
Other Supplies and Materials		13,136	
Total Storm Water Management			\$ 309,653

Other Operations

Tourism

Contributions	\$	1,011,254	
Total Tourism			1,011,254

Industrial Development

Contracts with Other Public Agencies	\$	135,000	
Contributions		96,500	
Total Industrial Development			231,500

Other Economic and Community Development

Other Contracted Services	\$	24	
Total Other Economic and Community Development			24

Other Charges

Mechanic(s)	\$	76,124	
Laborers		117,060	
Longevity Pay		1,350	
Overtime Pay		1,894	
Social Security		11,890	
Pensions		20,004	
Employee and Dependent Insurance		24,663	
Disability Insurance		284	
Employer Medicare		2,781	

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges (Cont.)

Lease Payments	\$	5,162	
Travel		662	
Equipment and Machinery Parts		4,895	
Gasoline		2,570	
Utilities		14,975	
Vehicle Parts		35,253	
Other Supplies and Materials		6,313	
Other Equipment		9,096	
Total Other Charges			\$ 334,976

Employee Benefits

Other Fringe Benefits	\$	531,818	
Workers' Compensation Insurance		1,100,000	
Total Employee Benefits			1,631,818

Payments to Cities

Contracts with Government Agencies	\$	1,648,096	
Total Payments to Cities			1,648,096

COVID-19 Grant #5

Accountants/Bookkeepers	\$	15,637	
Part-time Personnel		876	
Overtime Pay		2,201	
Social Security		127	
Pensions		224	
Employee and Dependent Insurance		1,657	
Disability Insurance		2	
Employer Medicare		260	
Rentals		2,866,286	
Other Contracted Services		14,404	
Utilities		30,472	
Other Charges		43,847	
Total COVID-19 Grant #5			2,975,993

Miscellaneous

Judgments	\$	3,500,000	
Trustee's Commission		1,971,014	
Total Miscellaneous			5,471,014

Total General Fund \$ 139,797,878

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Supervisor/Director	\$	97,822	
Foremen		5,507	
Truck Drivers		642,387	

(Continued)

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.)

Laborers	\$	350,823	
Clerical Personnel		42,970	
Maintenance Personnel		143,046	
Part-time Personnel		507,239	
Longevity Pay		2,250	
Overtime Pay		155,628	
Social Security		117,503	
Pensions		141,598	
Employee and Dependent Insurance		203,748	
Disability Insurance		1,762	
Employer Medicare		27,508	
Advertising		2,407	
Communication		13,066	
Contracts with Private Agencies		30,467	
Engineering Services		49,297	
Maintenance and Repair Services - Buildings		9,404	
Maintenance and Repair Services - Equipment		28,264	
Maintenance and Repair Services - Vehicles		141,572	
Rentals		10,804	
Towing Services		375	
Crushed Stone		3,576	
Diesel Fuel		316,798	
Equipment and Machinery Parts		52,484	
Gasoline		3,028	
Lubricants		17,492	
Office Supplies		226	
Small Tools		2,855	
Tires and Tubes		100,080	
Uniforms		16,149	
Utilities		27,271	
Other Supplies and Materials		5,302	
Furniture and Fixtures		6,500	
Motor Vehicles		481,604	
Site Development		7,889	
Solid Waste Equipment		816,418	
Total Convenience Centers			\$ 4,583,119

Other Waste Collection

Laborers	\$	37,887
Part-time Personnel		20,351
Overtime Pay		3,105
Social Security		3,721
Pensions		4,179
Employee and Dependent Insurance		9,178
Disability Insurance		56
Employer Medicare		870
Communication		396

(Continued)

Exhibit L-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Other Waste Collection (Cont.)

Contracts with Private Agencies	\$	73,144	
Maintenance and Repair Services - Equipment		439	
Other Contracted Services		42,310	
Other Supplies and Materials		690	
Site Development		7,669	
Total Other Waste Collection			\$ 203,995

Landfill Operation and Maintenance

Clerical Personnel	\$	48,194	
Longevity Pay		150	
Overtime Pay		2,307	
Social Security		2,835	
Pensions		4,856	
Employee and Dependent Insurance		5,838	
Disability Insurance		88	
Employer Medicare		663	
Communication		2,098	
Contracts with Private Agencies		184,760	
Engineering Services		20,469	
Legal Services		20,162	
Maintenance and Repair Services - Equipment		23,928	
Maintenance and Repair Services - Vehicles		150	
Rentals		286	
Travel		221	
Disposal Fees		386,756	
Crushed Stone		8,681	
Data Processing Supplies		1,257	
Equipment and Machinery Parts		4,037	
Tires and Tubes		1,050	
Uniforms		243	
Utilities		6,773	
Other Supplies and Materials		1,821	
Total Landfill Operation and Maintenance			727,623

Postclosure Care Costs

Contracts with Private Agencies	\$	87,468	
Engineering Services		17,738	
Contracts for Postclosure Care Costs		48,783	
Crushed Stone		6,248	
Total Postclosure Care Costs			160,237

Other Operations

Employee Benefits

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

(Continued)

Exhibit L-8

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

Solid Waste/Sanitation Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Building and Contents Insurance	\$	2,623	
Judgments		14,000	
Liability Insurance		16,650	
Trustee's Commission		81,251	
Total Miscellaneous			<u>\$ 114,524</u>

Total Solid Waste/Sanitation Fund \$ 5,814,498

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	103,909
Supervisor/Director		1,778,879
Accountants/Bookkeepers		228,806
Paraprofessionals		6,077,466
Part-time Personnel		758,527
Longevity Pay		26,575
Overtime Pay		2,063,902
In-service Training		34,421
Social Security		654,350
Pensions		1,023,194
Employee and Dependent Insurance		1,748,550
Disability Insurance		13,931
Employer Medicare		153,034
Communication		76,590
Contracts with Private Agencies		71,471
Evaluation and Testing		2,922
Lease Payments		15,441
Maintenance and Repair Services - Buildings		9,144
Maintenance and Repair Services - Vehicles		14,668
Medical and Dental Services		14,255
Pest Control		5,704
Postal Charges		436
Travel		6,146
Other Contracted Services		404,296
Custodial Supplies		7,956
Data Processing Supplies		4,334
Drugs and Medical Supplies		578,436
Gasoline		325,211
Instructional Supplies and Materials		8,213
Office Supplies		2,650
Uniforms		61,550
Utilities		86,612
Vehicle Parts		89,323
Other Supplies and Materials		53,843
Building and Contents Insurance		5,859
Judgments		100,000

(Continued)

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.)

Liability Insurance	\$	35,293	
Refunds		59,555	
Trustee's Commission		252,556	
Workers' Compensation Insurance		60,000	
In Service/Staff Development		18,442	
Fines, Assessments, and Penalties		503,080	
Other Charges		9,231	
Building Improvements		964	
Motor Vehicles		362,140	
Health Equipment		455,017	
Total Ambulance/Emergency Medical Services			\$ 18,366,882

Total Ambulance Service Fund \$ 18,366,882

Industrial/Economic Development Fund

Other Operations

Industrial Development

Trustee's Commission	\$	1,489	
Total Industrial Development			\$ 1,489

Total Industrial/Economic Development Fund 1,489

Special Purpose Fund

Public Safety

Sheriff's Department

Confidential Drug Enforcement Payments	\$	40,000	
Data Processing Equipment		59,939	
Motor Vehicles		26,229	
Total Sheriff's Department			\$ 126,168

Total Special Purpose Fund 126,168

Drug Control Fund

Public Safety

Drug Enforcement

Overtime Pay	\$	79,950	
In-service Training		47,497	
Social Security		4,960	
Pensions		8,130	
Employer Medicare		1,160	
Confidential Drug Enforcement Payments		155,000	
Maintenance and Repair Services - Buildings		3,084	
Maintenance and Repair Services - Vehicles		29,370	
Veterinary Services		4,647	
Animal Food and Supplies		4,053	
Law Enforcement Supplies		500	
Other Supplies and Materials		6,367	

(Continued)

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Trustee's Commission	\$	7,671	
Other Charges		3,645	
Data Processing Equipment		12,632	
Law Enforcement Equipment		37,751	
Motor Vehicles		34,702	
Total Drug Enforcement			\$ 441,119

Total Drug Control Fund \$ 441,119

Other General Government Special Revenue Fund

Capital Projects

American Rescue Plan Act Grant #1

Architects	\$	90,752	
Building Construction		12,816,119	
Data Processing Equipment		555,821	
Total American Rescue Plan Act Grant #1			\$ 13,462,692

Total Other General Government Special Revenue Fund 13,462,692

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	863,638	
Total Register of Deeds			\$ 863,638

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	566,695	
Total County Trustee's Office			566,695

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	2,231,673	
Total County Clerk's Office			2,231,673

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$	3,038,062	
Total Circuit Court			3,038,062

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	53,430	
Total Chancery Court			53,430

Total Constitutional Officers - Fees Fund 6,753,498

(Continued)

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	168,864	
Assistant(s)		87,555	
Secretary(ies)		150,139	
Longevity Pay		2,150	
Board and Committee Members Fees		40,000	
Social Security		25,489	
Pensions		41,674	
Employee and Dependent Insurance		76,707	
Disability Insurance		519	
Employer Medicare		6,178	
Communication		5,390	
Dues and Memberships		10,000	
Janitorial Services		8,748	
Legal Notices, Recording, and Court Costs		1,143	
Postal Charges		882	
Printing, Stationery, and Forms		1,609	
Drugs and Medical Supplies		262	
Electricity		20,853	
Natural Gas		9,729	
Office Supplies		2,801	
Water and Sewer		6,288	
Building and Contents Insurance		5,045	
Liability Insurance		32,637	
Trustee's Commission		162,555	
Other Charges		13,204	
Office Equipment		1,929	
Total Administration			\$ 882,350

Highway and Bridge Maintenance

Foremen	\$	337,493	
Equipment Operators		1,634,454	
Truck Drivers		385,857	
Longevity Pay		13,550	
Overtime Pay		15,903	
Social Security		137,632	
Pensions		243,370	
Employee and Dependent Insurance		647,839	
Disability Insurance		3,557	
Employer Medicare		32,188	
Engineering Services		17,991	
Other Contracted Services		521,579	
Asphalt		5,119,386	
Crushed Stone		98,179	
General Construction Materials		5,766	
Pipe - Metal		100,000	
Road Signs		43,362	
Salt		42,448	
Uniforms		23,626	
Total Highway and Bridge Maintenance			9,424,180

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Foremen	\$	70,810	
Mechanic(s)		264,397	
Laborers		102,228	
Longevity Pay		2,200	
Overtime Pay		7,200	
Social Security		26,606	
Pensions		44,764	
Employee and Dependent Insurance		78,271	
Disability Insurance		629	
Employer Medicare		6,222	
Maintenance and Repair Services - Equipment		77,210	
Other Contracted Services		38,321	
Diesel Fuel		261,269	
Equipment and Machinery Parts		174,183	
Garage Supplies		8,089	
Gasoline		37,655	
Lubricants		7,945	
Tires and Tubes		70,093	
Other Supplies and Materials		16,002	
Total Operation and Maintenance of Equipment			\$ 1,294,094

Other Charges

Assistant(s)	\$	80,440
Data Processing Personnel		50,432
Salary Supplements		10,000
Foremen		67,903
Equipment Operators		197,152
Secretary(ies)		56,393
Longevity Pay		2,275
Overtime Pay		4,921
In-service Training		1,584
Social Security		27,362
Pensions		47,906
Employee and Dependent Insurance		106,832
Disability Insurance		687
Employer Medicare		6,399
Communication		1,166
Maintenance and Repair Services - Equipment		19,868
Postal Charges		32
Travel		3,131
Other Contracted Services		4,521
Crushed Stone		5,641
Diesel Fuel		21,490
Equipment and Machinery Parts		8,529
Gasoline		9,008
General Construction Materials		3,277
Lubricants		105

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Office Supplies	\$	641	
Pipe - Metal		7,500	
Tires and Tubes		2,164	
Other Supplies and Materials		1,283	
Other Equipment		13,809	
Total Other Charges			\$ 762,451

Employee Benefits

Other Fringe Benefits	\$	123,308	
Workers' Compensation Insurance		58,085	
Total Employee Benefits			181,393

Capital Outlay

Bridge Construction	\$	43,393	
Building Improvements		6,493	
Highway Equipment		974,995	
Right-of-Way		13,652	
Total Capital Outlay			<u>1,038,533</u>

Total Highway/Public Works Fund \$ 13,583,001

General Debt Service Fund

General Government

Other General Administration

Trustee's Commission	\$	955,623	
Other Debt Service		7,518	
Total Other General Administration			\$ 963,141

Principal on Debt

General Government

Principal on Bonds	\$	8,003,225	
Total General Government			8,003,225

Education

Principal on Bonds	\$	30,711,775	
Principal on Other Loans		638,208	
Total Education			31,349,983

Interest on Debt

General Government

Interest on Bonds	\$	3,504,674	
Total General Government			3,504,674

Education

Interest on Bonds	\$	12,767,281	
Interest on Other Loans		9,492	
Total Education			12,776,773

(Continued)

Exhibit L-8

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

General Debt Service Fund (Cont.)

Other Debt Service

Education

Contributions

\$ 35,000,000

Total Education

\$ 35,000,000

Total General Debt Service Fund

\$ 91,597,796

General Capital Projects Fund

Capital Projects

General Administration Projects

Architects

\$ 29,097

Engineering Services

25,391

Permits

23,974

Building Construction

4,688,322

Building Improvements

409,607

Data Processing Equipment

327,333

Furniture and Fixtures

102,772

Total General Administration Projects

\$ 5,606,496

Public Safety Projects

Architects

\$ 82,480

Engineering Services

138,650

Legal Services

12,201

Permits

71,090

Building Improvements

179,717

Data Processing Equipment

226,599

Furniture and Fixtures

144,806

Motor Vehicles

56,697

Other Equipment

96,961

Total Public Safety Projects

1,009,201

Public Health and Welfare Projects

Engineering Services

\$ 120,618

Other Contracted Services

900

Building Improvements

970,886

Motor Vehicles

135,992

Site Development

2,898,286

Health Equipment

159,969

Total Public Health and Welfare Projects

4,286,651

Total General Capital Projects Fund

10,902,348

Total Governmental Funds - Primary Government

\$ 300,847,369

Exhibit L-9

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2023

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 173,957,835	
Career Ladder Program	185,601	
Educational Assistants	6,044,954	
Other Salaries and Wages	1,625,460	
Social Security	10,693,338	
Pensions	14,392,001	
Life Insurance	65,626	
Medical Insurance	27,844,227	
Unemployment Compensation	7,698	
Employer Medicare	2,509,587	
Other Fringe Benefits	265,974	
Contracts with Private Agencies	216,311	
Contracts for Substitute Teachers - Certified	1,167,793	
Contracts for Substitute Teachers - Non-certified	2,352,973	
Other Contracted Services	1,590,585	
Instructional Supplies and Materials	3,041,578	
Textbooks - Bound	5,499,502	
Software	2,052,890	
Other Supplies and Materials	79,059	
Fee Waivers	72,694	
Other Charges	32,745	
Regular Instruction Equipment	3,110,058	
Total Regular Instruction Program		\$ 256,808,489

Alternative Instruction Program

Teachers	\$ 1,761,857	
Career Ladder Program	4,350	
Educational Assistants	170,927	
Social Security	109,119	
Pensions	155,007	
Life Insurance	763	
Medical Insurance	279,595	
Employer Medicare	26,859	
Other Fringe Benefits	3,004	
Contracts for Substitute Teachers - Non-certified	11,833	
Other Contracted Services	4,028	
Instructional Supplies and Materials	5,496	
Other Equipment	9,811	
Total Alternative Instruction Program		2,542,649

Special Education Program

Teachers	\$ 16,636,069
Career Ladder Program	16,665
Educational Assistants	7,457,619
Speech Pathologist	2,301,090
Other Salaries and Wages	351,883

(Continued)

Exhibit L-9

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.)

Social Security	\$ 1,558,625	
Pensions	2,319,947	
Life Insurance	13,549	
Medical Insurance	5,359,947	
Unemployment Compensation	7,772	
Employer Medicare	368,170	
Other Fringe Benefits	40,916	
Contracts with Private Agencies	1,470,953	
Evaluation and Testing	93,684	
Maintenance and Repair Services - Equipment	5,421	
Contracts for Substitute Teachers - Certified	88,544	
Contracts for Substitute Teachers - Non-certified	149,773	
Other Contracted Services	21,671	
Instructional Supplies and Materials	131,370	
Textbooks - Bound	17,086	
Other Supplies and Materials	68,543	
Special Education Equipment	29,049	
Total Special Education Program		\$ 38,508,346

Career and Technical Education Program

Teachers	\$ 11,418,035	
Career Ladder Program	5,000	
Clerical Personnel	255,150	
Educational Assistants	25,077	
Social Security	696,152	
Pensions	955,597	
Life Insurance	4,072	
Medical Insurance	1,830,280	
Unemployment Compensation	97	
Employer Medicare	162,810	
Other Fringe Benefits	17,178	
Maintenance and Repair Services - Equipment	42,924	
Contracts for Substitute Teachers - Certified	92,829	
Contracts for Substitute Teachers - Non-certified	166,801	
Other Contracted Services	63,301	
Instructional Supplies and Materials	297,048	
T&I Construction Materials	57,272	
Textbooks - Bound	318,783	
Other Supplies and Materials	342,388	
Vocational Instruction Equipment	325,895	
Total Career and Technical Education Program		17,076,689

Support Services

Attendance

Supervisor/Director	\$ 120,485
Career Ladder Program	3,100

(Continued)

Exhibit L-9

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.)

Attendance (Cont.)

Social Workers	\$	264,553	
Clerical Personnel		162,469	
Other Salaries and Wages		78,066	
Social Security		36,279	
Pensions		55,859	
Life Insurance		189	
Medical Insurance		108,074	
Employer Medicare		8,668	
Other Fringe Benefits		961	
Travel		3,624	
Other Contracted Services		269,912	
Other Supplies and Materials		5,343	
In Service/Staff Development		1,200	
Total Attendance			\$ 1,118,782

Health Services

Supervisor/Director	\$	178,082	
Medical Personnel		3,373,468	
Other Salaries and Wages		44,100	
Social Security		214,392	
Pensions		310,752	
Life Insurance		1,144	
Medical Insurance		430,761	
Employer Medicare		50,140	
Other Fringe Benefits		4,679	
Travel		11,296	
Other Contracted Services		155,970	
Drugs and Medical Supplies		13,707	
Other Supplies and Materials		36,432	
In Service/Staff Development		6,075	
Health Equipment		16,895	
Total Health Services			4,847,893

Other Student Support

Career Ladder Program	\$	13,000	
Guidance Personnel		6,920,181	
Psychological Personnel		123,092	
Social Workers		80,894	
Clerical Personnel		396,147	
Speech Pathologist		8,762	
Other Salaries and Wages		2,126,096	
Social Security		575,893	
Pensions		815,133	
Life Insurance		3,245	
Medical Insurance		1,407,631	
Employer Medicare		134,731	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Fringe Benefits	\$	12,732	
Contracts with Government Agencies		427,438	
Evaluation and Testing		184,025	
Travel		20,956	
Contracts for Substitute Teachers - Certified		10,919	
Contracts for Substitute Teachers - Non-certified		29,309	
Other Contracted Services		34,233	
Other Supplies and Materials		40,563	
In Service/Staff Development		14,261	
Other Equipment		37,617	
Total Other Student Support			\$ 13,416,858

Regular Instruction Program

Supervisor/Director	\$	1,115,348	
Career Ladder Program		18,288	
Librarians		3,459,990	
Materials Supervisor		58,188	
Instructional Computer Personnel		363,485	
Secretary(ies)		44,931	
Clerical Personnel		106,565	
Educational Assistants		739,351	
Other Salaries and Wages		2,419,593	
In-service Training		12,344	
Social Security		493,572	
Pensions		717,516	
Life Insurance		2,778	
Medical Insurance		1,281,279	
Employer Medicare		116,103	
Retirement - Hybrid Stabilization		1,351	
Other Fringe Benefits		12,800	
Travel		77,938	
Contracts for Substitute Teachers - Certified		16,871	
Contracts for Substitute Teachers - Non-certified		24,452	
Other Contracted Services		258,758	
Library Books/Media		233,487	
Other Supplies and Materials		334,273	
In Service/Staff Development		208,674	
Other Equipment		568,007	
Total Regular Instruction Program			12,685,942

Alternative Instruction Program

Supervisor/Director	\$	229,496	
Career Ladder Program		2,968	
Guidance Personnel		140,938	
Librarians		56,352	
Clerical Personnel		66,676	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program (Cont.)

Other Salaries and Wages	\$	405,640	
Social Security		53,966	
Pensions		78,583	
Life Insurance		269	
Medical Insurance		102,645	
Employer Medicare		12,621	
Retirement - Hybrid Stabilization		228	
Other Fringe Benefits		1,219	
Contracts for Substitute Teachers - Non-certified		3,207	
Other Supplies and Materials		29,974	
In Service/Staff Development		2,771	
Other Equipment		6,462	
Total Alternative Instruction Program			\$ 1,194,015

Special Education Program

Supervisor/Director	\$	111,556	
Career Ladder Program		4,418	
Psychological Personnel		399,291	
Medical Personnel		703,808	
Clerical Personnel		169,803	
Other Salaries and Wages		422,566	
In-service Training		750	
Social Security		107,647	
Pensions		167,545	
Life Insurance		623	
Medical Insurance		251,989	
Employer Medicare		25,176	
Retirement - Hybrid Stabilization		4,777	
Other Fringe Benefits		2,892	
Maintenance and Repair Services - Equipment		175	
Travel		93,526	
Other Contracted Services		17,079	
Other Supplies and Materials		70,134	
In Service/Staff Development		33,116	
Other Charges		10,357	
Other Equipment		13,896	
Total Special Education Program			2,611,124

Career and Technical Education Program

Supervisor/Director	\$	109,756	
Clerical Personnel		46,634	
Other Salaries and Wages		102,253	
Social Security		15,327	
Pensions		23,179	
Life Insurance		63	
Medical Insurance		40,336	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program (Cont.)

Employer Medicare	\$	3,585	
Other Fringe Benefits		384	
Travel		41,835	
Other Supplies and Materials		10,574	
In Service/Staff Development		63,973	
Other Equipment		4,004	
Total Career and Technical Education Program			\$ 461,903

Technology

Supervisor/Director	\$	112,445	
Computer Programmer(s)		1,761,909	
Other Salaries and Wages		140,860	
Social Security		121,089	
Pensions		202,857	
Life Insurance		594	
Medical Insurance		273,942	
Employer Medicare		28,319	
Retirement - Hybrid Stabilization		444	
Other Fringe Benefits		2,926	
Maintenance and Repair Services - Equipment		3,968	
Internet Connectivity		466,790	
Travel		10,250	
Other Contracted Services		511,857	
Cabling		6,383	
Software		21,046	
Other Supplies and Materials		494,446	
In Service/Staff Development		6,176	
Other Equipment		1,847,772	
Total Technology			6,014,073

Adult Programs

Clerical Personnel	\$	38,784	
Social Security		2,331	
Pensions		3,956	
Life Insurance		21	
Medical Insurance		8,080	
Employer Medicare		545	
Other Fringe Benefits		64	
Total Adult Programs			53,781

Board of Education

Secretary to Board	\$	113,758	
Board and Committee Members Fees		122,564	
Social Security		14,482	
Pensions		11,085	
Life Insurance		36	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Medical Insurance	\$ 2,509,818	
Employer Medicare	3,387	
Other Fringe Benefits	147	
Audit Services	56,374	
Dues and Memberships	1,050	
Legal Services	246,206	
Other Contracted Services	14,502	
Other Supplies and Materials	1,558	
Liability Insurance	789,262	
Trustee's Commission	3,229,187	
Workers' Compensation Insurance	526,382	
In Service/Staff Development	42,300	
Criminal Investigation of Applicants - TBI	89,626	
Total Board of Education		\$ 7,771,724

Director of Schools

County Official/Administrative Officer	\$ 406,054	
Career Ladder Program	1,000	
Secretary(ies)	45,609	
Other Salaries and Wages	465,891	
Social Security	51,332	
Pensions	70,012	
Life Insurance	206	
Medical Insurance	102,371	
Employer Medicare	12,951	
Other Fringe Benefits	1,074	
Communication	106,102	
Dues and Memberships	14,897	
Postal Charges	22,869	
Travel	5,772	
Other Contracted Services	89,513	
Other Supplies and Materials	19,150	
In Service/Staff Development	14,691	
Other Charges	53,371	
Administration Equipment	2,238	
Total Director of Schools		1,485,103

Office of the Principal

Principals	\$ 5,843,778
Career Ladder Program	26,000
Accountants/Bookkeepers	1,702,387
Assistant Principals	8,777,856
Secretary(ies)	1,609,304
Clerical Personnel	2,274,847
Social Security	1,204,686
Pensions	1,808,659

(Continued)

Exhibit L-9

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.)

Life Insurance	\$	6,660	
Medical Insurance		3,154,956	
Unemployment Compensation		197	
Employer Medicare		281,741	
Retirement - Hybrid Stabilization		5,937	
Other Fringe Benefits		28,615	
Communication		160,366	
Dues and Memberships		22,100	
Contracts for Substitute Teachers - Certified		4,271	
Contracts for Substitute Teachers - Non-certified		6,779	
Other Contracted Services		204,185	
Office Supplies		6,404	
Other Supplies and Materials		5,608	
Other Charges		224,779	
Administration Equipment		99,314	
Total Office of the Principal			\$ 27,459,429

Fiscal Services

Supervisor/Director	\$	398,038	
Accountants/Bookkeepers		470,478	
Purchasing Personnel		139,779	
Social Security		59,489	
Pensions		100,507	
Life Insurance		317	
Medical Insurance		174,675	
Employer Medicare		13,913	
Other Fringe Benefits		1,384	
Travel		627	
Other Contracted Services		85,981	
Office Supplies		16,909	
Other Supplies and Materials		797	
In Service/Staff Development		16,464	
Administration Equipment		3,949	
Total Fiscal Services			1,483,307

Human Services/Personnel

Supervisor/Director	\$	142,592	
Career Ladder Program		1,500	
Clerical Personnel		246,557	
Other Salaries and Wages		321,367	
Social Security		41,639	
Pensions		67,574	
Life Insurance		255	
Medical Insurance		111,130	
Employer Medicare		9,993	
Other Fringe Benefits		1,034	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

Travel	\$	368	
Other Contracted Services		239,503	
Other Supplies and Materials		5,709	
In Service/Staff Development		1,315	
Administration Equipment		4,971	
Total Human Services/Personnel			\$ 1,195,507

Operation of Plant

Custodial Personnel	\$	8,029,687	
Other Salaries and Wages		116,086	
Social Security		479,651	
Pensions		783,916	
Life Insurance		4,471	
Medical Insurance		1,531,324	
Employer Medicare		113,831	
Other Fringe Benefits		11,025	
Maintenance and Repair Services - Equipment		6,463	
Other Contracted Services		1,328,288	
Custodial Supplies		1,903,696	
Electricity		11,214,689	
Natural Gas		1,400,040	
Water and Sewer		1,653,523	
Other Supplies and Materials		144,161	
Building and Contents Insurance		897,059	
Other Charges		14,274	
Plant Operation Equipment		894,275	
Total Operation of Plant			30,526,459

Maintenance of Plant

Supervisor/Director	\$	570,839	
Secretary(ies)		142,271	
Maintenance Personnel		3,408,372	
Social Security		243,851	
Pensions		420,785	
Life Insurance		1,597	
Medical Insurance		806,057	
Employer Medicare		57,029	
Other Fringe Benefits		5,220	
Laundry Service		30,498	
Maintenance and Repair Services - Buildings		678,813	
Maintenance and Repair Services - Equipment		139,448	
Travel		955	
Other Contracted Services		2,250,425	
Other Supplies and Materials		1,944,440	
Vehicle and Equipment Insurance		48,962	
In Service/Staff Development		13,792	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Other Charges	\$	729	
Administration Equipment		77,385	
Maintenance Equipment		172,233	
Total Maintenance of Plant			\$ 11,013,701

Transportation

Supervisor/Director	\$	95,219	
Clerical Personnel		212,570	
Attendants		495,688	
Other Salaries and Wages		174,446	
Social Security		56,829	
Pensions		80,511	
Life Insurance		482	
Medical Insurance		181,131	
Unemployment Compensation		4,132	
Employer Medicare		13,555	
Other Fringe Benefits		1,286	
Contracts with Private Agencies		150	
Contracts with Vehicle Owners		24,466,894	
Other Contracted Services		994,347	
Other Supplies and Materials		57,344	
Vehicle and Equipment Insurance		70,820	
In Service/Staff Development		5,241	
Other Charges		31,794	
Administration Equipment		5,904	
Motor Vehicles		115,500	
Total Transportation			27,063,843

Operation of Non-Instructional Services

Community Services

Other Charges	\$	8,917	
Total Community Services			8,917

Early Childhood Education

Teachers	\$	1,881,403	
Career Ladder Program		4,000	
Educational Assistants		1,054,078	
Social Security		171,480	
Pensions		259,995	
Life Insurance		1,859	
Medical Insurance		663,821	
Employer Medicare		40,218	
Retirement - Hybrid Stabilization		7,351	
Other Fringe Benefits		5,320	
Travel		858	
Contracts for Substitute Teachers - Certified		13,338	

(Continued)

Exhibit L-9

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.)

Contracts for Substitute Teachers - Non-certified	\$	40,977	
Other Contracted Services		2,700	
Instructional Supplies and Materials		100,409	
Other Supplies and Materials		9,848	
In Service/Staff Development		3,912	
Other Equipment		5,676	
Total Early Childhood Education			\$ 4,267,243

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$	234,408	
Total Regular Capital Outlay			234,408

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	647,700	
Total Education			647,700

Total General Purpose School Fund \$ 470,497,885

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	6,192,251	
Educational Assistants		301,966	
Other Salaries and Wages		67,000	
In-service Training		7,038	
Social Security		390,609	
Pensions		541,748	
Life Insurance		851	
Medical Insurance		337,081	
Employer Medicare		92,116	
Other Fringe Benefits		3,237	
Contracts for Substitute Teachers - Certified		10,053	
Contracts for Substitute Teachers - Non-certified		59,992	
Other Contracted Services		10,564	
Instructional Supplies and Materials		907,146	
Textbooks - Bound		9,048	
Software		346,468	
Other Supplies and Materials		473,096	
Regular Instruction Equipment		450,927	
Total Regular Instruction Program			\$ 10,201,191

Alternative Instruction Program

Teachers	\$	71,000	
Social Security		4,402	

(Continued)

Exhibit L-9

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.)

Alternative Instruction Program (Cont.)

Pensions	\$	6,170	
Employer Medicare		1,030	
Total Alternative Instruction Program			\$ 82,602

Special Education Program

Teachers	\$	959,642	
Educational Assistants		1,309,501	
Speech Pathologist		79,882	
Other Salaries and Wages		89,961	
Social Security		142,182	
Pensions		220,085	
Life Insurance		1,605	
Medical Insurance		570,877	
Employer Medicare		33,235	
Other Fringe Benefits		3,931	
Contracts with Private Agencies		122,703	
Evaluation and Testing		98,757	
Contracts for Substitute Teachers - Certified		9,122	
Contracts for Substitute Teachers - Non-certified		9,333	
Instructional Supplies and Materials		34,809	
Other Supplies and Materials		224,012	
Other Charges		16,500	
Special Education Equipment		38,108	
Total Special Education Program			3,964,245

Career and Technical Education Program

Teachers	\$	268,000	
Other Salaries and Wages		282,026	
Social Security		33,973	
Pensions		47,158	
Life Insurance		84	
Medical Insurance		43,981	
Employer Medicare		7,945	
Other Fringe Benefits		385	
Other Supplies and Materials		236,058	
Vocational Instruction Equipment		602,036	
Total Career and Technical Education Program			1,521,646

Support Services

Attendance

Social Workers	\$	230,949	
Social Security		13,868	
Pensions		19,826	
Life Insurance		42	
Medical Insurance		24,666	
Employer Medicare		3,243	

(Continued)

Exhibit L-9

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.)

Attendance (Cont.)

Other Fringe Benefits	\$	240	
Other Contracted Services		200,000	
Total Attendance			\$ 492,834

Health Services

Medical Personnel	\$	73,200	
Social Security		4,539	
Pensions		6,472	
Employer Medicare		1,062	
Other Supplies and Materials		32,759	
Total Health Services			118,032

Other Student Support

Guidance Personnel	\$	11,025	
Psychological Personnel		250,666	
Social Workers		1,041,492	
Educational Assistants		616,843	
Speech Pathologist		43,812	
Other Salaries and Wages		594,542	
Social Security		151,240	
Pensions		223,577	
Life Insurance		1,263	
Medical Insurance		401,337	
Employer Medicare		35,654	
Other Fringe Benefits		3,935	
Contracts with Government Agencies		25,561	
Evaluation and Testing		13,225	
Travel		71,492	
Other Contracted Services		261,421	
Other Supplies and Materials		139,089	
In Service/Staff Development		75,889	
Other Equipment		7,213	
Total Other Student Support			3,969,276

Regular Instruction Program

Supervisor/Director	\$	512,698	
Librarians		348,000	
Secretary(ies)		47,068	
Bonus Payments		889,500	
Other Salaries and Wages		2,392,270	
In-service Training		302,900	
Social Security		271,734	
Pensions		384,412	
Life Insurance		747	
Medical Insurance		382,296	
Employer Medicare		63,574	

(Continued)

Exhibit L-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Fringe Benefits	\$	4,166	
Communication		3,500	
Travel		12,682	
Other Contracted Services		606,858	
Other Supplies and Materials		166,389	
In Service/Staff Development		728,609	
Other Equipment		1,063,534	
Total Regular Instruction Program			\$ 8,180,937

Special Education Program

Psychological Personnel	\$	1,163,171	
Medical Personnel		383,025	
Other Salaries and Wages		530,782	
Social Security		122,120	
Pensions		164,363	
Life Insurance		482	
Medical Insurance		263,445	
Employer Medicare		29,285	
Other Fringe Benefits		2,477	
Communication		10,500	
Contracts with Private Agencies		269,540	
Other Supplies and Materials		16,001	
In Service/Staff Development		67,833	
Other Equipment		68,097	
Total Special Education Program			3,091,121

Career and Technical Education Program

In Service/Staff Development	\$	2,381	
Total Career and Technical Education Program			2,381

Technology

Computer Programmer(s)	\$	158,946	
Social Security		9,577	
Pensions		15,944	
Life Insurance		63	
Medical Insurance		23,317	
Employer Medicare		2,240	
Other Fringe Benefits		235	
Software		79,000	
Total Technology			289,322

Office of the Principal

Principals	\$	16,610	
Assistant Principals		20,750	
Secretary(ies)		6,456	
Social Security		2,713	

(Continued)

Exhibit L-9

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.)

Office of the Principal (Cont.)

Pensions	\$	3,552	
Employer Medicare		634	
Total Office of the Principal			\$ 50,715

Fiscal Services

Accountants/Bookkeepers	\$	111,972	
Social Security		6,393	
Pensions		11,353	
Life Insurance		37	
Medical Insurance		28,600	
Employer Medicare		1,495	
Other Fringe Benefits		154	
Other Contracted Services		8,500	
Total Fiscal Services			168,504

Human Services/Personnel

Other Contracted Services	\$	112,500	
Total Human Services/Personnel			112,500

Operation of Plant

Supervisor/Director	\$	4,812	
Other Salaries and Wages		37,615	
Social Security		2,473	
Pensions		4,046	
Life Insurance		10	
Medical Insurance		9,144	
Employer Medicare		578	
Other Fringe Benefits		52	
Other Contracted Services		149,980	
Total Operation of Plant			208,710

Transportation

Other Salaries and Wages	\$	224,926	
Social Security		12,932	
Pensions		21,352	
Life Insurance		176	
Medical Insurance		67,993	
Employer Medicare		3,024	
Other Fringe Benefits		381	
Contracts with Parents		2,561	
Contracts with Vehicle Owners		46,583	
Maintenance and Repair Services - Vehicles		5,719	
Other Contracted Services		403,952	
Gasoline		6,123	
Transportation Equipment		72,080	
Total Transportation			867,802

(Continued)

Exhibit L-9

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

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services

Food Service

Food Supplies	\$ 67,973	
Total Food Service		\$ 67,973

Early Childhood Education

Teachers	\$ 437,100	
Social Security	27,100	
Pensions	37,984	
Employer Medicare	6,338	
Total Early Childhood Education		508,522

Capital Outlay

Regular Capital Outlay

Building Improvements	\$ 1,675,830	
Total Regular Capital Outlay		1,675,830

Total School Federal Projects Fund		\$ 35,574,143
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Central Cafeteria Fund

Support Services

Board of Education

Audit Services	\$ 12,844	
Workers' Compensation Insurance	56,000	
Total Board of Education		\$ 68,844

Maintenance of Plant

Maintenance Personnel	\$ 23,712	
Social Security	1,196	
Pensions	201	
Life Insurance	11	
Medical Insurance	2,978	
Employer Medicare	280	
Other Fringe Benefits	922	
Total Maintenance of Plant		29,300

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 177,438	
Accountants/Bookkeepers	94,965	
Cafeteria Personnel	7,576,060	
Other Salaries and Wages	259,765	
Social Security	487,724	
Pensions	420,377	
Life Insurance	2,763	
Medical Insurance	1,008,181	
Unemployment Compensation	917	
Employer Medicare	114,143	

(Continued)

Exhibit L-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Other Fringe Benefits	\$	6,429	
Maintenance and Repair Services - Equipment		13	
Postal Charges		305	
Transportation - Other than Students		154,380	
Travel		22,809	
Other Contracted Services		600,030	
Food Preparation Supplies		839,051	
Food Supplies		8,300,851	
Office Supplies		16,149	
Uniforms		1,911	
USDA - Commodities		750,983	
Other Supplies and Materials		288,514	
In Service/Staff Development		38,296	
Other Charges		639,370	
Food Service Equipment		931,777	
Total Food Service			\$ 22,733,201

Total Central Cafeteria Fund \$ 22,831,345

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	17,989,515	
Total Community Services			\$ 17,989,515

Total Internal School Fund 17,989,515

Education Capital Projects Fund

Support Services

Board of Education

Trustee's Commission	\$	368,501	
Total Board of Education			\$ 368,501

Capital Projects

Education Capital Projects

Architects	\$	12,395	
Maintenance and Repair Services - Buildings		10,004,007	
Other Contracted Services		687,637	
Building Purchases		48,467	
Total Education Capital Projects			10,752,506

Total Education Capital Projects Fund 11,121,007

(Continued)

Exhibit L-9

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

Other Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$ 5,276,978	
Engineering Services	10,340	
Building Construction	6,903,494	
Furniture and Fixtures	565,813	
Land	5,333,730	
Regular Instruction Equipment	639,329	
Site Development	2,401,910	
Other Equipment	84,328	
Other Capital Outlay	3,527	
Total Education Capital Projects		<u>\$ 21,219,449</u>

Total Other Capital Projects Fund \$ 21,219,449

Total Governmental Funds - Rutherford County School Department \$ 579,233,344

STATISTICAL SECTION

This part of Rutherford County's annual comprehensive 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.

	Table(s)	Page(s)
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.	1-5	319-329
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6-10	330-334
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	335-336
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	337-338
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	339-341

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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)
(accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
PRIMARY GOVERNMENT: (Note 1, 2)										
Governmental activities										
Net investment in capital assets	\$ 212,340	\$ 215,139	\$ 222,753	\$ 203,279	\$ 234,473	\$ 236,379	\$ 255,537	\$ 264,669	\$ 255,735	\$ 287,739
Restricted for:										
Capital Projects	2,568	1,064	2,630	27,160	3,196	4,688	795	4,363	11,273	904
Debt Service	2,909	2,895	2,861	2,711	2,559	2,403	2,245	3,902	10,753	9,979
General	379	426	490	542	603	659	729	821	1,284	884
Finance	36	71	97	131	129	124	111	133	138	153
Admin. of Justice	1,052	1,034	1,013	658	768	783	502	465	489	599
Public Safety	951	1,230	1,112	1,386	860	879	938	1,481	2,100	2,756
Public Health & Welfare	126	241	71	123	53	9	15	37	50	4,736
Pensions	-	-	-	1,132	4,636	8,693	11,197	6,763	30,280	-
Other Purposes	-	5,239	5,717	-	-	-	-	-	-	-
Unrestricted (2)	(228,754)	(235,427)	(204,313)	(206,887)	(265,825)	(270,143)	(231,793)	(281,092)	(247,543)	(210,283)
Total Governmental Activities Net Position	\$ (8,393)	\$ (8,088)	\$ 32,431	\$ 30,235	\$ (18,548)	\$ (15,526)	\$ 40,276	\$ 1,542	\$ 64,559	\$ 97,467
COMPONENT UNIT - Rutherford County Schools (Note 2)										
Governmental activities										
Net investment in capital assets	\$ 432,042	\$ 430,627	\$ 438,406	\$ 471,814	\$ 563,928	\$ 580,266	\$ 585,331	\$ 608,804	\$ 628,787	\$ 632,016
Restricted for:										
Capital Projects	13,720	34,697	15,110	29,878	15,676	22,822	7,280	42,414	37,066	60,072
Education	-	-	8,981	5,002	4,055	4,586	3,443	15,337	30,057	36,195
Pensions	-	-	-	1,162	5,419	23,869	58,401	46,281	229,653	66,533
School Federal Projects	2	-	-	-	-	-	-	-	-	-
Central Cafeteria	4,087	4,271	-	-	-	-	-	-	-	-
Other Purposes	240	7,453	-	-	-	-	-	-	-	-
Unrestricted	(30,149)	(73,349)	(48,641)	(42,317)	(109,709)	(96,009)	(117,279)	(67,940)	(175,620)	28,515
Total Governmental Activities Net Position	\$ 419,942	\$ 403,699	\$ 413,856	\$ 465,539	\$ 479,369	\$ 535,534	\$ 537,176	\$ 644,896	\$ 749,943	\$ 823,331

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 67 and 68 were implemented for the fiscal year ended June 30, 2015, which affects the comparability of restricted net position in prior periods.
- (4) GASB Statement 75 was implemented for the fiscal year ended June 30, 2018, which affects the comparability of restricted net position in prior periods.

Table 2

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
EXPENSES (Note 1)										
Governmental activities:										
General Government	\$ 18,668	\$ 17,083	\$ 17,666	\$ 20,667	\$ 16,560	\$ 19,487	\$ 19,985	\$ 36,137	\$ 21,192	\$ 39,417
Finance	8,960	8,314	8,193	9,927	10,038	10,238	10,819	13,019	13,030	12,197
Administration of Justice	7,571	7,491	8,108	10,043	9,834	13,501	7,344	9,076	16,172	21,275
Public Safety	46,244	45,705	48,198	50,725	53,328	55,844	61,485	58,727	64,321	64,716
Public Health & Welfare	20,089	19,704	19,650	21,775	22,638	24,001	25,485	29,752	50,028	37,503
Social, Cultural & Rec. Services	2,267	2,307	2,687	2,802	2,920	2,974	3,028	2,915	3,976	4,320
Agriculture & Natural Resources	1,167	1,388	1,171	1,268	1,278	1,376	1,298	1,330	1,047	1,456
Highways/Public Works	12,246	12,038	8,885	12,683	11,622	13,309	12,319	13,798	15,257	14,834
Education (Pymts to Comp. Unit)	67,262	84,906	52,801	98,912	138,705	100,404	62,050	156,244	87,328	71,604
Interest on Long-Term Debt	13,998	14,203	13,124	10,924	16,400	16,207	15,186	15,421	14,418	8,271
Total Governmental activities expenses	\$ 198,472	\$ 213,139	\$180,483	\$ 239,726	\$ 283,323	\$ 257,341	\$218,999	\$ 336,419	\$ 286,769	\$ 275,593
PROGRAM REVENUES										
Governmental activities:										
Charges for Services:										
General Government	\$ 4,146	\$ 4,215	\$ 4,546	\$ 4,884	\$ 5,408	\$ 5,267	\$ 5,995	\$ 7,723	\$ 11,716	\$ 5,425
Finance	8,032	8,505	9,431	10,093	10,094	11,782	10,823	11,885	11,592	17,489
Administration of Justice	6,397	5,861	6,422	6,520	6,068	6,337	5,845	5,288	2,869	5,935
Public Safety	4,218	4,489	7,208	5,290	6,755	6,279	7,348	6,070	3,967	4,586
Public Health & Welfare	10,144	10,489	11,892	12,354	11,936	11,194	12,337	13,952	16,198	13,719
Social, Cultural & Rec. Services	-	-	-	-	-	-	-	16	-	-
Agriculture & Natural Resources	80	99	265	297	327	333	310	338	173	338
Highways/Public Works	45	-	155	121	-	-	4	22	-	-
Education	50,718	52,276	48,584	51,218	57,789	61,757	62,172	64,069	66,829	38,218
Operating Grants and Contributions	7,628	9,705	8,505	9,277	10,119	10,158	11,755	13,647	63,474	20,404
Capital grants and Contributions	4,274	3,053	3,900	5,170	3,877	2,745	3,409	12,584	7,639	18,543
Total Governmental activities program revenues	\$ 95,682	\$ 98,692	\$100,908	\$ 105,224	\$ 112,373	\$ 115,852	\$119,998	\$ 135,594	\$ 184,457	\$ 124,657

(Continued)

Table 2

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Net (expense)/Revenue Governmental Activities	<u>\$(102,790)</u>	<u>\$(114,447)</u>	<u>\$ (79,575)</u>	<u>\$(134,502)</u>	<u>\$(170,950)</u>	<u>\$(141,489)</u>	<u>\$ (99,001)</u>	<u>\$(200,825)</u>	<u>\$(102,312)</u>	<u>\$ (150,936)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property tax levied for general purposes	\$ 45,676	\$ 46,711	\$ 47,850	\$ 47,990	\$ 50,271	\$ 51,698	\$ 61,295	\$ 63,155	\$ 69,294	\$ 80,166
Property tax levied for debt services	36,193	36,958	37,883	43,250	45,938	47,259	47,066	48,590	50,279	43,331
Payments in Lieu of Taxes	8,356	7,778	8,380	8,399	7,780	7,943	7,531	7,841	3,445	4,001
Local Option Sales Tax	2,454	3,463	4,141	4,252	4,379	4,919	5,452	8,164	10,546	10,637
Hotel/Motel Tax	1,550	1,708	2,061	4,248	4,517	4,494	3,551	3,974	5,393	6,136
Wheel Tax	6,180	6,449	6,684	6,988	7,232	7,390	7,637	7,891	8,638	9,149
Business Tax	2,155	2,454	2,455	2,739	2,814	3,051	3,196	3,684	4,129	4,936
Mixed Drink Tax	-	17	17	10	-	6	8	15	23	22
Litigation Tax	2,424	2,080	2,092	3,191	3,378	3,447	2,894	2,497	2,776	2,993
Development/School Facilities Tax	3,719	3,353	5,189	6,196	5,807	6,484	6,143	6,152	2,742	2,975
Mineral Severance Tax	328	346	433	478	445	549	456	491	541	514
Bank Excise Tax	136	152	283	461	513	627	1,014	965	1,124	1,695
Wholesale Beer Tax	883	969	1,064	1,089	1,019	998	1,070	960	785	733
Interstate Telecommunications Tax	8	8	7	6	-	-	-	-	-	-
Unrestricted grants and contributions	1,903	820	863	1,173	1,147	1,002	887	5,600	3,660	3,405
Investment earnings	197	319	609	1,712	3,636	4,619	6,522	1,198	1,127	12,831
Gain on disposal of capital assets	-	-	-	-	-	-	-	465	-	-
Miscellaneous	190	96	83	124	125	25	81	449	827	321
Total Governmental activities	<u>\$ 112,352</u>	<u>\$ 113,681</u>	<u>\$ 120,094</u>	<u>\$ 132,306</u>	<u>\$ 139,001</u>	<u>\$ 144,511</u>	<u>\$ 154,803</u>	<u>\$ 162,091</u>	<u>\$ 165,329</u>	<u>\$ 183,845</u>
Change in Net Position	<u>\$ 9,562</u>	<u>\$ (766)</u>	<u>\$ 40,519</u>	<u>\$ (2,196)</u>	<u>\$ (31,949)</u>	<u>\$ 3,022</u>	<u>\$ 55,802</u>	<u>\$ (38,734)</u>	<u>\$ 63,017</u>	<u>\$ 32,909</u>

Notes:

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

Table 2a

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
EXPENSES (Note 1)										
Governmental activities:										
Education										
Instruction	\$ 215,249	\$ 203,109	\$ 214,997	\$ 223,312	\$ 238,880	\$ 244,861	\$ 270,509	\$ 286,190	\$ 269,862	\$ 315,355
Support Services	109,528	115,090	115,179	128,038	135,735	147,066	151,518	171,325	167,103	195,004
Operation of Non-instructional Services	19,573	18,330	19,263	20,886	22,559	22,181	21,105	36,437	37,128	44,395
Total Governmental activities expenses	<u>\$ 344,350</u>	<u>\$ 336,529</u>	<u>\$ 349,439</u>	<u>\$ 372,236</u>	<u>\$ 397,174</u>	<u>\$ 414,108</u>	<u>\$ 443,132</u>	<u>\$ 493,952</u>	<u>\$ 474,093</u>	<u>\$ 554,754</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for Services - Education	\$ 6,967	\$ 6,514	\$ 6,769	\$ 7,274	\$ 7,728	\$ 7,943	\$ 7,096	\$ 20,141	\$ 15,719	\$ 10,480
Operating Grants and Contributions	26,724	22,834	23,459	25,072	24,824	27,887	25,845	46,106	69,591	79,052
Capital grants and Contributions	277	97	605	-	556	-	216	4,261	3,229	35,000
Total Governmental activities program revenues	<u>\$ 33,968</u>	<u>\$ 29,445</u>	<u>\$ 30,833</u>	<u>\$ 32,346</u>	<u>\$ 33,108</u>	<u>\$ 35,830</u>	<u>\$ 33,157</u>	<u>\$ 70,508</u>	<u>\$ 88,539</u>	<u>\$ 124,532</u>
Net (expense)/Revenue Governmental Activities	<u>\$(310,382)</u>	<u>\$(307,084)</u>	<u>\$(318,606)</u>	<u>\$(339,890)</u>	<u>\$(364,066)</u>	<u>\$(378,278)</u>	<u>\$(409,975)</u>	<u>\$(423,444)</u>	<u>\$(385,554)</u>	<u>\$(430,222)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Tax levied for general purposes	\$ 65,551	\$ 66,830	\$ 79,584	\$ 79,769	\$ 82,810	\$ 85,271	\$ 94,709	\$ 98,181	\$ 101,445	\$ 106,352
Payments in-Lieu-of Taxes	-	941	987	935	942	886	974	139	168	96
Local Option Sales Tax	46,243	50,348	54,870	59,370	62,304	65,528	68,430	82,960	97,095	101,709
Wheel Tax	3,538	3,654	3,787	3,965	4,096	4,191	4,323	4,495	4,909	5,219
Business Tax	1,726	1,960	2,272	2,395	2,422	2,631	2,809	3,260	3,504	4,198
Mixed Drink Tax	1,048	492	403	424	494	537	512	546	734	733
Development/School Facilities Tax	-	-	-	-	-	-	-	-	2,742	2,975
Interstate Telecommunications Tax	23	22	19	19	-	-	-	-	-	-
Unrestricted grants and contributions	195,538	212,588	186,632	244,215	305,865	274,229	237,710	333,868	279,942	277,650
Investment earnings	63	73	157	401	856	1,141	2,118	1,000	30	4,499
Pension Income	-	231	-	-	-	-	-	-	-	-
Miscellaneous	46	30	51	80	74	29	32	277	31	179
Total Governmental activities	<u>\$ 313,776</u>	<u>\$ 337,169</u>	<u>\$ 328,762</u>	<u>\$ 391,573</u>	<u>\$ 459,863</u>	<u>\$ 434,443</u>	<u>\$ 411,617</u>	<u>\$ 524,726</u>	<u>\$ 490,600</u>	<u>\$ 503,610</u>
Change in Net Position	<u>\$ 3,394</u>	<u>\$ 30,085</u>	<u>\$ 10,156</u>	<u>\$ 51,683</u>	<u>\$ 95,797</u>	<u>\$ 56,165</u>	<u>\$ 1,642</u>	<u>\$ 101,282</u>	<u>\$ 105,046</u>	<u>\$ 73,388</u>

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	Development / School Facilities Tax	Mineral Severance Tax	Wholesale Beer Tax	Bank Excise Tax	Interstate Telecom. Tax	Total
2014	\$ 45,676	\$ 36,193	\$ 8,356	\$ 2,454	\$1,551	\$ 6,180	\$ 2,155	\$ -	\$ 2,424	\$ 3,719	\$ 328	\$ 883	\$ 136	\$ 8	\$ 110,063
2015	46,711	36,958	7,778	3,463	1,708	6,449	2,454	17	2,080	3,353	346	969	152	8	112,446
2016	47,850	37,883	8,380	4,141	2,061	6,684	2,455	17	2,092	5,188	433	1,064	283	7	118,538
2017	47,990	43,250	8,399	4,252	4,248	6,988	2,739	10	3,191	6,196	478	1,089	461	6	129,297
2018	50,271	45,938	7,780	4,379	4,517	7,232	2,814	0	3,378	5,807	445	1,019	513	0	134,093
2019	51,698	47,259	7,942	4,919	4,494	7,390	3,051	6	3,447	6,484	549	998	627	0	138,864
2020	61,295	47,066	7,531	5,452	3,551	7,637	3,196	8	2,894	6,143	456	1,070	1,014	0	147,313
2021	63,155	48,590	7,841	8,164	3,974	7,891	3,684	15	2,497	6,152	491	960	965	0	154,379
2022	69,294	50,279	3,445	10,546	5,393	8,638	4,129	23	2,776	2,742	541	785	1,124	0	159,715
2023	80,166	43,331	4,001	10,637	6,136	9,149	4,936	22	2,993	2,975	514	733	1,695	0	167,288

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	Development / School Facilities Tax	Total
2014	\$ 65,551	\$ 949	\$ 46,244	\$ 3,538	\$ 1,726	\$1,048	\$ 22	\$ -	\$ 119,078
2015	66,830	941	50,348	3,654	1,960	492	22	-	124,247
2016	79,583	987	54,870	3,787	2,272	403	19	-	141,921
2017	79,769	935	59,370	3,965	2,395	424	19	-	146,877
2018	82,810	942	62,304	4,096	2,422	494	-	-	153,068
2019	85,271	886	65,528	4,191	2,631	537	-	-	159,044
2020	94,709	974	68,430	4,323	2,809	512	-	-	171,757
2021	98,181	139	82,960	4,495	3,260	546	-	-	189,581
2022	101,445	168	97,095	4,909	3,504	734	-	2,742	210,597
2023	106,352	96	101,709	5,219	4,198	733	-	2,975	221,282

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

Table 4

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
PRIMARY GOVERNMENT										
General Fund										
Nonspendable: Prepaid Items	\$ 24	\$ 41	\$ 29	\$ 42	\$ 37	\$ 89	\$ 42	\$ 63	\$ 78	\$ 63
Restricted										
General Government	379	426	490	542	603	660	729	757	802	819
Finance	36	71	97	131	129	124	111	133	138	153
Admin of Justice	1,052	1,034	1,013	658	768	783	502	465	488	599
Public Safety	72	246	11	85	35	120	-	34	73	576
Public Health & Welfare	126	212	71	116	53	8	9	31	44	4,731
Other Operations	-	-	-	-	-	-	-	-	404	-
Capital Projects	2,030	1,636	2,630	2,839	2,150	3,232	2,573	4,149	3,183	671
Committed										
General Government	183	105	422	662	1,200	265	1,096	140	373	275
Finance	255	233	454	237	201	187	149	216	556	374
Admin of Justice	3	5	252	21	13	14	15	12	5	3
Public Safety	341	381	969	479	661	594	157	1,068	1,031	1,717
Public Health & Welfare	96	102	132	136	84	113	106	183	5,237	5,158
Agriculture & Natural Resources	248	231	292	412	493	506	563	631	898	1,188
Other Operations	-	-	4	2	1	1	-	1	1	1
Assigned for Other Purposes	1,471	6,351	6,159	8,089	7,400	7,183	9,675	13,350	21,169	559
Unassigned	19,532	20,017	23,625	24,267	31,198	36,434	38,905	37,038	53,240	71,607
Total General Fund	<u>\$25,848</u>	<u>\$31,091</u>	<u>\$36,650</u>	<u>\$38,718</u>	<u>\$45,026</u>	<u>\$50,313</u>	<u>\$54,632</u>	<u>\$ 58,271</u>	<u>\$ 87,720</u>	<u>\$88,494</u>
All Other Governmental Funds										
Restricted										
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2
Public Safety	878	984	1,101	1,301	824	759	938	1,447	2,028	2,181
Public Health & Welfare	-	29	-	6	-	1	6	7	6	5
Debt Service	2,909	2,895	2,861	2,711	2,559	2,403	2,244	3,902	9,897	9,431
Capital Projects	7,026	5,975	-	24,321	2,015	1,455	6,724	8,410	8,090	438
Committed										
Highways/Public Works	1,831	1,992	2,125	2,228	2,306	2,283	2,533	2,756	2,572	2,804
Capital Projects	-	-	-	-	-	-	-	717	6,108	12,938
Debt Service	1,821	1,821	1,821	1,821	1,821	1,821	1,821	-	-	-
Assigned										
General Government	-	-	256	181	175	175	175	177	175	175
Finance	110	125	672	650	525	550	550	571	571	715
Admin of Justice	230	81	125	304	602	464	464	421	327	559
Public Health & Welfare	8,800	9,068	10,650	11,635	12,712	12,556	15,989	21,421	22,703	25,744
Other Operations	479	275	201	127	166	206	245	285	323	362
Highways/Public Works	7,391	8,441	10,301	11,332	13,452	14,845	16,261	17,359	19,045	21,220
Debt Service	33,979	33,646	33,903	41,009	47,538	50,871	51,009	50,402	50,255	12,701
Capital Projects	-	-	-	-	-	-	-	698	76	-
Unassigned	-	-	(3,332)	-	-	-	-	-	(112)	-
Total All Other Governmental Funds	<u>\$65,454</u>	<u>\$65,332</u>	<u>\$60,684</u>	<u>\$97,626</u>	<u>\$84,695</u>	<u>\$88,389</u>	<u>\$98,959</u>	<u>\$ 108,573</u>	<u>\$ 122,064</u>	<u>\$89,275</u>

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)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
COMPONENT UNIT - Rutherford County Board of Education										
General Purpose School Fund										
Nonspendable: Prepaid Items	\$ 4	\$ 5	\$ 6	\$ 4	\$ 13	\$ 571	\$ 217	\$ 112	\$ 1	\$ 3
Nonspendable: Note Receivable	-	-	-	-	-	-	-	-	3,000	-
Restricted	240	352	-	-	-	-	-	-	-	-
For Education	-	-	414	430	364	203	747	1,018	1,237	670
For Capital Projects	-	-	120	34	34	-	-	-	-	-
For Hybrid Retirement Stabilization	-	-	-	-	-	979	2,146	4,158	5,527	7,032
Committed	-	-	-	-	5,336	294	294	266	264	264
Assigned	12,275	12,183	7,868	9,763	18,173	21,736	19,521	17,705	31,434	3,642
Unassigned	15,189	17,330	33,493	32,688	27,409	38,638	43,475	64,734	72,277	115,766
Total General Purpose School Fund	<u>\$27,708</u>	<u>\$29,870</u>	<u>\$41,901</u>	<u>\$42,919</u>	<u>\$51,329</u>	<u>\$62,421</u>	<u>\$66,400</u>	<u>\$87,993</u>	<u>\$113,740</u>	<u>\$127,377</u>
All other School Funds										
Nonspendable: Inventory	\$ 294	\$ 193	\$ 180	\$ 224	\$ 243	\$ 222	\$ 586	\$ 514	\$ 516	\$ 694
Restricted										
Education	4,089	4,271	4,339	4,348	3,690	4,383	2,696	13,693	25,304	34,828
Capital projects	13,719	34,697	14,990	29,844	67,392	22,822	7,216	42,368	37,030	59,944
Committed										
Education	1,000	1,000	1,000	1,000	1,000	1,000	1,000	2,000	2,000	5,000
Total all other School Funds	<u>\$19,102</u>	<u>\$40,161</u>	<u>\$20,509</u>	<u>\$35,416</u>	<u>\$72,325</u>	<u>\$28,427</u>	<u>\$11,498</u>	<u>\$58,575</u>	<u>\$ 64,850</u>	<u>\$100,466</u>

Table 5

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 110,352	\$ 112,660	\$ 118,102	\$ 129,425	\$ 134,395	\$ 138,692	\$ 147,640	\$ 154,189	\$ 163,558	\$ 168,776
Licenses & Permits	1,702	1,923	2,224	2,513	2,590	2,584	2,545	3,152	3,030	3,050
Fines & Forfeitures	2,723	2,691	2,743	2,395	2,559	2,224	2,156	2,217	2,341	2,076
Charges for Service	12,410	12,852	15,658	16,778	17,936	17,108	17,983	18,811	20,135	22,906
Other Local Revenue	1,842	2,073	2,309	3,399	5,548	5,959	7,828	3,553	3,614	14,640
Fees from Co. Officials	(1) 10,254	(1) 10,603	(1) 9,938	(2) 10,740	(2) 11,040	(2) 11,774	(2) 12,251	(2) 13,593	14,827	14,159
State Revenues	10,160	11,566	12,441	13,114	16,134	16,163	15,831	16,882	15,183	20,481
Federal Revenues	1,657	1,823	1,556	1,289	1,044	1,259	2,234	10,578	57,840	19,161
Other Govt/Citizens	2,669	2,171	1,084	1,443	1,298	2,518	978	1,337	1,272	3,474
Total revenues	<u>\$ 153,769</u>	<u>\$ 158,362</u>	<u>\$ 166,055</u>	<u>\$ 181,096</u>	<u>\$ 192,544</u>	<u>\$ 198,281</u>	<u>\$ 209,446</u>	<u>\$ 224,312</u>	<u>\$ 281,800</u>	<u>\$ 268,723</u>
Expenditures										
General Government	(1) \$ 9,446	(1) \$ 9,270	(1) \$ 9,421	(2) \$ 10,453	(2) \$ 13,128	(2) \$ 12,092	(2) \$ 11,309	(2) \$ 12,233	\$ 12,117	\$ 15,846
Finance	(1) 8,987	(1) 9,335	(1) 8,900	(2) 9,892	(2) 9,959	(2) 10,364	(2) 10,727	(2) 12,813	13,132	14,813
Admin. Of Justice	7,906	7,808	8,229	10,208	10,312	11,576	12,311	12,632	13,560	15,200
Public Safety	46,708	47,955	49,929	51,332	53,529	55,571	60,387	54,628	65,932	77,262
Public Health/Welfare	19,579	18,928	19,589	21,409	22,698	23,734	24,269	25,694	25,361	31,073
Social, Cultural/Rec.	2,267	2,307	2,687	2,802	2,920	2,974	3,035	2,897	3,129	3,318
Agriculture & Natural Resource	980	1,030	999	1,092	1,087	1,214	1,121	1,129	1,196	1,307
Other Operations	7,071	5,621	6,213	7,330	6,067	7,036	7,880	20,938	32,111	13,446
Highway & Bridge	7,690	8,622	7,684	10,887	10,154	11,588	10,419	11,168	14,068	13,583
Debt Service:										
Principal	44,430	27,906	29,017	28,574	30,505	34,148	36,701	38,044	39,022	39,353
Interest	14,119	13,693	13,739	14,188	16,558	18,455	18,144	17,791	17,800	16,281
Other charges	317	9,282	-	3,671	499	355	141	672	276	35,000
Capital Projects	22,181	39,639	9,358	87,954	110,345	45,976	16,583	103,430	31,727	24,365
	<u>\$ 191,681</u>	<u>\$ 201,396</u>	<u>\$ 165,765</u>	<u>\$ 259,792</u>	<u>\$ 287,761</u>	<u>\$ 235,083</u>	<u>\$ 213,027</u>	<u>\$ 314,069</u>	<u>\$ 269,431</u>	<u>\$ 300,847</u>
Excess of revenues over (under) expenditures	<u>\$ (37,912)</u>	<u>\$ (43,034)</u>	<u>\$ 290</u>	<u>\$ (78,696)</u>	<u>\$ (95,217)</u>	<u>\$ (36,802)</u>	<u>\$ (3,581)</u>	<u>\$ (89,757)</u>	<u>\$ 12,369</u>	<u>\$ (32,124)</u>

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

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

(Continued)

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

Table 5

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other financing sources (uses)										
Transfers in	\$ 1,132	\$ 1,304	\$ 1,064	\$ 2,554	\$ 2,025	\$ 1,707	\$ 5,030	\$ 1,908	\$ 31,263	\$ 10,352
Transfers out	(566)	(748)	(514)	(1,962)	(1,421)	(1,079)	(4,420)	(1,265)	(31,263)	(10,352)
Insurance Recovery	43	48	71	64	127	214	39	241	546	110
Capital Lease Issued	-	341	-	-	-	-	-	-	-	-
Bond proceeds	24,270	33,864	-	101,000	81,530	40,680	14,610	90,370	27,140	-
Other Loans Issued	-	-	-	2,163	639	444	529	8	-	-
Refunding Debt Issued	18,600	30,526	-	25,640	-	-	-	64,100	-	-
Payments to refunded bond escrow agent	-	(25,730)	-	(27,320)	-	-	-	(63,855)	-	-
Premiums on Debt Issued	2,608	8,549	-	15,567	5,694	3,817	2,682	11,503	2,886	-
TOTAL OTHER SOURCES	\$ 46,087	\$ 48,154	\$ 621	\$ 117,706	\$ 88,594	\$ 45,783	\$ 18,470	\$ 103,010	\$ 30,572	\$ 110
Net change in fund balances	\$ 8,175	\$ 5,120	\$ 911	\$ 39,010	\$ (6,623)	\$ 8,981	\$ 14,889	\$ 13,253	\$ 42,941	\$ (32,014)
Debt Service as a percentage of noncapital expenditures	31.6%	21.3%	28.1%	20.1%	18.3%	22.8%	29.6%	18.8%	21.7%	20.5%
Capital Expenditures	\$ 6,314	\$ 6,268	\$ 13,551	\$ 46,623	\$ 30,149	\$ 4,539	\$ 28,021	\$ 16,551	\$ 7,562	\$ 29,412

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Property Tax & PILOT	\$ 90,540	\$ 91,753	\$ 93,712	\$ 99,664	\$ 104,408	\$ 106,858	\$ 116,292	\$ 119,654	\$ 127,126	\$ 128,802
Sales Tax	2,428	3,370	4,106	4,355	4,262	4,788	5,380	7,906	10,282	10,821
Hotel/Motel Tax	1,551	1,709	2,061	4,248	4,517	4,494	3,551	3,974	5,393	6,136
Wheel Tax	6,180	6,449	6,684	6,989	7,232	7,390	7,637	7,891	8,638	9,149
Litigation Tax	2,424	2,080	2,092	3,191	3,378	3,447	2,894	2,497	2,775	2,993
Business Tax	2,155	2,454	2,455	2,739	2,814	3,051	3,196	3,684	4,129	4,936
Mixed Drink Tax	-	17	17	9	-	6	8	15	23	22
Mineral Severance	328	346	433	478	445	549	456	491	541	514
Develop./School Facilities	3,719	3,353	5,188	6,196	5,807	6,484	6,142	6,152	2,742	2,975
Bank Excise Tax	135	152	283	461	513	627	1,014	965	1,124	1,695
Wholesale Beer Tax	883	969	1,064	1,089	1,019	998	1,070	960	785	733
Other Statutory Tax	8	8	7	6	-	-	-	-	-	-
	\$ 110,351	\$ 112,660	\$ 118,102	\$ 129,425	\$ 134,395	\$ 138,692	\$ 147,640	\$ 154,189	\$ 163,558	\$ 168,776

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 118,961	\$ 123,915	\$ 141,531	\$ 146,700	\$ 152,564	\$ 158,635	\$ 171,578	\$ 188,221	\$ 209,154	\$ 221,267
Licenses & Permits	12	13	12	14	13	12	11	13	14	15
Charges for Service	6,844	6,466	6,661	7,183	7,320	7,790	6,612	1,398	1,972	9,488
Other Local Revenue	407	326	607	715	1,436	1,959	3,165	21,397	14,954	26,798
State Revenues	177,327	175,350	184,802	200,020	217,057	227,973	234,624	244,194	255,492	276,880
Federal Revenues	26,193	24,265	25,541	25,861	27,362	28,914	27,873	49,358	72,405	59,017
Other Govt/Citizens	17,755	35,625	-	45,406	87,349	44,586	529	89,297	23,697	35,000
Total revenues	<u>\$ 347,499</u>	<u>\$ 365,960</u>	<u>\$ 359,154</u>	<u>\$ 425,899</u>	<u>\$ 493,101</u>	<u>\$ 469,869</u>	<u>\$ 444,392</u>	<u>\$ 593,878</u>	<u>\$ 577,688</u>	<u>\$ 628,465</u>
Expenditures										
Education										
Instruction	\$ 206,228	\$ 206,071	\$ 219,513	\$ 224,316	\$ 246,325	\$ 259,080	\$ 277,106	\$ 296,090	\$ 306,808	\$ 330,706
Support Services	99,697	100,128	103,746	110,561	120,208	126,709	134,297	135,973	157,385	168,422
Operational Services	20,152	18,418	19,327	20,806	22,432	22,435	21,711	36,773	38,649	45,575
Capital Outlay	74	41	49	33	5	45	41	303	3,402	1,910
Other Debt Service	550	550	510	424	547	725	605	649	648	648
Capital Projects	11,900	17,531	23,635	53,867	58,700	93,716	23,585	61,858	38,776	31,972
	<u>\$ 338,601</u>	<u>\$ 342,739</u>	<u>\$ 366,780</u>	<u>\$ 410,007</u>	<u>\$ 448,217</u>	<u>\$ 502,710</u>	<u>\$ 457,345</u>	<u>\$ 531,646</u>	<u>\$ 545,668</u>	<u>\$ 579,233</u>
Excess of revenues over (under) expenditures	<u>\$ 8,898</u>	<u>\$ 23,221</u>	<u>\$ (7,626)</u>	<u>\$ 15,892</u>	<u>\$ 44,884</u>	<u>\$ (32,841)</u>	<u>\$ (12,953)</u>	<u>\$ 62,232</u>	<u>\$ 32,020</u>	<u>\$ 49,232</u>
Other financing sources (uses)										
Transfers in	\$ 847	\$ 223	\$ 148	\$ 19,307	\$ 4,763	\$ 311	\$ 989	\$ 2,942	\$ 1,479	\$ 3,868
Transfers out	(847)	(223)	(148)	(19,307)	(4,763)	(311)	(989)	(2,942)	(1,479)	(3,868)
Insurance Recovery	29	-	3	34	435	36	4	-	1	22
TOTAL OTHER SOURCES	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 34</u>	<u>\$ 435</u>	<u>\$ 36</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 22</u>
Net change in fund balances	<u>\$ 8,927</u>	<u>\$ 23,221</u>	<u>\$ (7,623)</u>	<u>\$ 15,926</u>	<u>\$ 45,319</u>	<u>\$ (32,805)</u>	<u>\$ (12,949)</u>	<u>\$ 62,232</u>	<u>\$ 32,021</u>	<u>\$ 49,254</u>
Debt Service as a percentage of noncapital expenditures	0.2%	0.2%	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%
Capital expenditures	\$ 14,800	\$ 14,800	\$ 21,388	\$ 47,181	\$ 54,739	\$ 83,640	\$ 21,115	\$ 40,439	\$ 38,633	\$ 38,633

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Property Tax & PILOT	\$ 66,656	\$ 67,812	\$ 80,435	\$ 80,870	\$ 83,703	\$ 85,922	\$ 95,843	\$ 98,564	\$ 101,602	\$ 106,247
Sales Tax	45,970	49,976	54,616	59,027	61,849	65,354	68,090	81,356	95,663	101,894
Wheel Tax	3,538	3,654	3,787	3,965	4,096	4,191	4,323	4,495	4,909	5,219
Business Tax	1,726	1,960	2,272	2,395	2,422	2,631	2,810	3,260	3,504	4,198
Mixed Drink Tax	1,048	492	402	424	494	537	512	546	734	733
Other Statutory Tax	23	22	19	19	-	-	-	-	2,742	2,975
	<u>\$ 118,961</u>	<u>\$ 123,916</u>	<u>\$ 141,531</u>	<u>\$ 146,700</u>	<u>\$ 152,564</u>	<u>\$ 158,635</u>	<u>\$ 171,578</u>	<u>\$ 188,221</u>	<u>\$ 209,154</u>	<u>\$ 221,266</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	
2014	2013	2.5652	\$21,149,775,795	\$5,556,719,200	\$1,380,529,310	\$414,179,684	\$317,885,769	\$174,885,573	100.00%	\$22,848,190,874	\$6,145,784,457	26.90%
2015	2014	2.4867	21,958,803,500	5,835,198,655	1,454,341,773	436,351,047	343,768,392	189,072,616	100.00%	23,756,913,665	6,460,622,318	27.19%
2016	2015	2.6800	22,388,256,768	5,965,452,501	1,439,914,594	432,002,439	372,429,031	204,835,967	100.00%	24,200,600,393	6,602,290,907	27.28%
2017	2016	2.6800	23,465,756,790	6,214,946,839	1,634,689,379	446,605,834	458,944,060	200,329,082	90.95%	28,102,683,045	6,861,881,755	24.42%
2018	2017	2.6800	24,448,618,078	6,484,653,382	1,826,626,737	498,900,870	452,694,692	197,601,233	90.95%	29,387,509,079	7,181,155,485	24.44%
2019	2018	2.0994	29,756,086,216	8,621,391,968	1,988,454,170	597,068,154	527,227,031	230,134,599	100.00%	32,271,767,417	9,448,594,721	29.28%
2020	2019	2.2194	33,644,344,347	8,990,796,267	2,091,229,863	627,954,052	560,217,666	244,535,011	100.00%	36,295,791,876	9,863,285,330	27.17%
2021	2020	2.2194	36,225,221,753	9,292,738,157	2,235,978,061	594,758,913	537,173,837	234,476,380	88.58%	44,026,161,268	10,121,973,450	22.99%
2022	2021	2.2194	37,762,680,926	9,678,569,274	2,380,877,077	633,344,313	767,059,601	334,821,516	88.58%	46,184,937,462	10,646,735,103	23.05%
2023	2022	1.6162	49,038,839,202	14,062,075,450	2,628,077,672	789,138,344	882,211,132	385,085,159	100.00%	52,549,128,006	15,236,298,953	28.99%

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

Table 7

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

Fiscal Year Ending June 30	Tax Year	Rutherford County				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	
2014	2013	\$0.7409	\$1.2381	\$0.5862	\$2.5652	0.1424	\$2.3889	6.87%	\$1.2703	\$0.9095	\$1.0000	\$0.7512	\$6.4962	
2015	2014**	0.7182	1.2002	0.5683	2.4867	0.1494	2.3139	6.95%	1.2066	0.8840	1.0000	0.7282	6.3055	
2016	2015	0.7182	1.3935	0.5683	2.6800	0.1501	2.4783	7.53%	1.2066	0.8840	0.9750	0.7282	6.4738	
2017	2016	0.6982	1.3535	0.6283	2.6800	0.1490	2.4870	7.20%	1.2066	0.8840	0.9500	0.7282	6.4488	
2018	2017	0.6982	1.3435	0.6383	2.6800	0.1503	2.4871	7.20%	1.2066	0.8840	0.9500	0.7282	6.4488	
2019	2018**	0.5470	1.0524	0.5000	2.0994	0.1495	1.9491	7.16%	0.9494	0.7007	0.7100	0.5570	5.0165	
2020	2019	0.6170	1.1224	0.4800	2.2194	0.1508	2.0615	7.11%	0.9494	0.7007	0.7100	0.5570	5.1365	
2021	2020	0.6170	1.1224	0.4800	2.2194	0.1460	2.0665	6.89%	1.2894	0.7007	0.7100	0.5570	5.4765	
2022	2021	0.6470	1.1024	0.4700	2.2194	0.1475	2.0649	6.96%	1.2894	0.7007	0.7100	0.5570	5.4765	
2023	2022	0.5262	0.8027	0.2873	1.6162	0.1446	1.4060	6.20%	0.9526	0.5257	0.5363	0.4051	4.0359	

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

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

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

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

** Reappraisal year

Table 8

Rutherford County, Tennessee
Principal Taxpayers
For the Fiscal Year Ended June 30, 2023

Taxpayer	Type of Business	2022			Percentage of Total Taxes Levied (2)	2013			Percentage of Total Taxes Levied (2)
		Rank	Assessed Valuation	2022 Tax Liability		Rank	Assessed Valuation	2013 Tax Liability	
Nissan Motor Mfg. Co. Automobile Maker		1	\$839,954,944	\$ 7,259,042	2.95%	1	\$649,219,552	\$ 5,427,444 (1)	3.44%
Middle Tennessee Electric Public Utility-Electric Company		2	172,296,697	3,823,953	1.55%	2	63,460,478	1,627,889	1.03%
Prologis Real Estate Development		3	118,589,060	2,022,026	0.82%	10	19,480,000	499,702	0.32%
Progress Residential Real Estate Residential Rentals		4	121,519,403	2,001,641	0.81%				
Pillsbury Co./General Mills Bakery Goods		5	80,319,249	1,097,387	0.45%	3	51,940,334	1,400,985	0.89%
BVA Avenue Retail Mall (The Avenues)		6	76,153,040	1,230,785	0.50%	6	31,415,589	805,873	0.51%
Topre America Corp. Automobile Supplier		7	57,070,110	922,367	0.37%				
Wal-Mart Retail		8	47,104,491	761,302	0.31%				
Bridgestone Tire Maker		9	46,222,002	747,040	0.30%	4	52,481,414	1,346,253	0.85%
LC Murfreesboro Owner, LLC Apartments		10	41,880,000	678,865	0.28%				
Swanson Development Commercial Properties						5	31,983,505	820,448	0.52%
CH Realty (formerly Southpark, Nashville, LLC) Warehousing						9	21,660,000	555,623	0.35%
HCA Health Services Stone Crest Medical Center						7	26,059,785	668,486	0.42%
Transwestern Stones River Shopping Mall (Stones River Mall)						8	23,583,880	604,978	0.38%
					<u>8.35%</u>				<u>8.73%</u>

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

- (1) The taxes represent \$4,006,908 (2022 tax year) and \$867,228 (2013 tax year) collected on real and personal property not covered by the PILOT agreement. The remaining amounts of \$3,252,134 (2022) and \$3,175,418 (2013) 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, 2023

Tax Year	Total Tax Levy	Fiscal Year Tax Collections	Percent of Fiscal Year Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2013	\$ 157,643,335	\$ 153,702,248	97.50%	\$ 3,832,496	\$ 157,534,744	99.93%	\$ 108,591	0.07%
2014	160,554,547	157,029,432	97.80%	3,408,513	160,437,945	99.93%	116,602	0.07%
2015	177,329,882	173,966,599	98.10%	3,241,510	177,208,109	99.93%	121,773	0.07%
2016	183,684,656	180,789,656	98.42%	2,753,370	183,543,026	99.92%	141,630	0.08%
2017	192,522,373	189,470,950	98.42%	2,797,765	192,268,715	99.87%	253,658	0.13%
2018	197,965,359	194,416,867	98.21%	3,277,187	197,694,054	99.86%	271,305	0.14%
2019	218,454,575	214,957,808	98.40%	3,317,867	214,957,808	98.40%	178,900	0.08%
2020	224,479,123	221,580,861	98.71%	2,617,823	221,580,861	98.71%	280,439	0.12%
2021	236,549,724	233,710,645	98.80%	2,133,934	233,710,645	98.80%	705,145	0.30%
2022	246,067,008	241,530,070	98.16%	(1)	241,530,070	98.16%	4,536,938	1.84%

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

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

Table 10

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

Fiscal Year	Tax	Estimated	Assessed	Tax
Ending	Year			Payments
June 30				
2014	2013	\$2,153,933,838	\$735,080,954	\$6,351,606
2015	2014	2,104,185,762	722,166,495	6,055,327
2016	2015	2,015,195,277	691,418,633	6,051,274
2017	2016	2,027,809,763	684,509,281	6,097,602
2018	2017	2,005,770,586	683,852,116	6,189,101
2019	2018	2,159,563,288	746,458,126	6,174,236
2020	2019	2,086,766,418	724,470,608	5,751,196
2021	2020	2,123,583,821	727,122,146	5,676,655
2022	2021	2,147,759,351	724,194,857	5,647,756
2023	2022	2,213,575,621	786,195,518	4,269,576

Source: In lieu of tax agreements

NOTE: Property subject to in-lieu-of tax payment is included in the agreement with each company. The county had PILOT agreements with 18 companies in 2022-2023. Nissan represents approximately 75.08% of the total estimated assessed values of properties under PILOTs and paid 76.17% of the total PILOTs. Section 7-53-305, TCA is the statutory basis for these agreements, which allows the county's Industrial Development Board to finance new development with revenue bonds, and establish these agreements during the term of the bonds.

In-lieu-of tax revenues are included in the General Fund. The revenues reflected in the financial statements include payments received from Nissan for the Town of Smyrna, Tennessee. Smyrna's portion of the payment has not been reflected in this table.

Table 11

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

Fiscal Year	General Net Bonded Debt	Assessed Value	% of Net Bonded Debt to Assessed Value	(1) Population	% of Net Bonded Debt to Total Personal Income (2)	Net Bonded Debt per Capita	% of Net Bonded Debt to Total Personal Income (2)
2014	\$ 384,660,213	\$6,145,784,457	6.26%	281,029	4.10%	\$ 1,369	4.10%
2015	395,513,771	6,460,622,318	6.12%	288,906	3.90%	1,369	3.90%
2016	363,657,798	6,602,290,907	5.51%	298,612	3.48%	1,218	3.48%
2017	447,234,285	6,861,881,755	6.52%	308,251	3.98%	1,451	3.98%
2018	500,776,297	7,181,155,485	6.97%	317,157	4.26%	1,579	4.26%
2019	507,486,072	9,448,594,721	5.37%	324,890	4.00%	1,562	4.00%
2020	484,257,422	9,863,285,330	4.91%	332,285	3.55%	1,457	3.55%
2021	547,855,462	10,121,973,450	5.41%	341,486	3.76%	1,604	3.76%
2022	534,212,789	10,646,735,103	5.02%	352,182	3.34%	1,517	3.34%
2023	486,062,736	15,236,298,953	3.19%	360,619	2.73%	1,348	2.73%

Sources: Table 6, Tennessee Dept. of Economic & Community Development, Census Bureau

(1) Population figures are estimated for all years except the 2011 fiscal year.

(2) See Table 13 for personal income data

NOTE: General Bonded Debt on this table includes capital outlay notes.

Table 12

Rutherford County, Tennessee
Direct and Overlapping Debt
General Obligation Bonds and Notes
 As of June 30, 2023

		% of Estimated Property Value (1)	% of Assessed Property Value (1)
<u>Direct Debt</u>			
General Bonded Debt	\$ 446,435,000		
County School District of Rutherford (Notes)	602,800		
Unamortized Premium	39,024,936		
Total Direct Debt	\$ 486,062,736	100.00%	100.00%
 <u>Overlapping Debt</u>			
City of Murfreesboro	\$ 291,829,705	44.78%	46.70%
Town of Smyrna	18,608,667	16.61%	17.60%
City of LaVergne	20,395,000	10.59%	10.90%
City of Eagleville	1,623,118	0.31%	0.29%
Total Overlapping Debt	332,456,490		
 Total Direct and Overlapping Debt	 \$ 818,519,226		

Source: City Recorders, Table 6, State of Tennessee 2022 Tax Aggregate Report,
 (1) The percentages represent the ratio of the overlapping government's property value to the county's property value

Table 13

Rutherford County, Tennessee
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year Ending June 30	(1) Population	Per Capita Income	Total Personal Income	(2) Median Age	County School Enrollment	Average Unemployment rate
2014	281,029	\$33,350	\$9,372,317,150	32.1	40,861	5.80%
2015	288,906	35,113	10,144,356,378	32.1	41,376	5.10%
2016	298,612	36,194	10,456,560,000	32.8	42,556	3.89%
2017	308,251	37,654	11,244,031,000	32.9	43,850	3.70%
2018	317,157	38,098	11,743,613,000	32.9	44,768	2.63%
2019	324,890	39,968	12,676,094,000	33.1	45,848	2.58%
2020	332,285	41,031	13,633,985,835	32.2	47,027	5.21%
2021	341,486	42,712	14,585,550,032	34.1	46,865	5.00%
2022	352,182	45,374	15,979,906,068	33.6	48,808	2.78%
2023	360,619	49,411	17,818,545,409	33.6	49,624	2.63%

Source: University of Tennessee, Center for Business & Economic Research,
Tennessee Department of Education, Bureau of Economic Analysis &
Business and Economic Research Center, TACIR
Tennessee Department of Economic & Community Development

(1) Populations are estimated for all years except fiscal year 2021.

(2) The Census Bureau determines the median age for local areas each decade. TNECD information used for 2016-2023.

Table 14

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

Employer	2023			2014		
	Estimated Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Nissan Motor Manufacturing Corp. USA	8,000	1	3.98%	7,500	1	5.04%
Rutherford County Government & Board of Education	7,441	2	3.70%	6,073	2	4.08%
Amazon Fulfillment Center	2,700	3	1.34%	1,200	10	0.81%
City of Murfreesboro (includes schools)	2,388	4	1.19%	1,912	5	1.29%
Middle Tennessee State University	2,205	5	1.10%	2,205	3	1.48%
Ascension St. Thomas Rutherford	1,741	6	0.87%			
Ingram Book Company	1,700	7	0.85%	1,500	7	1.01%
Taylor Farms	1,700	8				
Alvin C. York Veterans Administration Medical Center	1,300	9	0.65%	1,461	8	0.98%
Asurion	1,250	10	0.62%	1,250	9	0.84%
National Healthcare Corp.				2,071	4	1.39%
State Farm Insurance				1,662	6	1.12%
Total			<u>14.29%</u>			<u>15.53%</u>

Source: Rutherford County Chamber of Commerce, Tennessee ECD
Bureau of Labor Statistics

Table 15

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

	Employees as of June 30,									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Function:										
General Government	81	82	84	87	89	93	96	101	103	117
Finance	91	91	88	90	93	94	94	92	100	106
Justice	94	94	116	133	141	159	161	163	165	173
Public Safety	518	528	534	580	580	611	621	635	676	736
Health & Welfare	215	218	221	222	242	252	252	263	257	302
Agriculture	7	7	5	5	5	6	6	5	5	5
Other	3	3	3	3	3	3	3	3	3	3
Road & Bridge	64	64	60	65	65	67	70	71	72	74
Total	1073	1087	1111	1185	1218	1285	1303	1333	1381	1516
COMPONENT UNIT:										
Education	4841	4911.5	4981.4	5095	5264	5396	5703	5714	5805	5925

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

Table 16

Rutherford County, Tennessee
Operating Indicators by Function

FUNCTION	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>General Government</u>										
Registered Voters (1)	153,131	151,276	158,899	158,723	163,963	167,963	180,032	197,107	202,496	209,752
Building Permits Issued										
Single Family Homes	581	638	634	739	713	737	412	1,056	905	944
All other permits	1,868	2,016	2,189	2,625	2,682	2,492	3,438	3,374	3,153	4,068
<u>Public Safety</u>										
Number of warrants										
State - Issued	14,707	15,557	14,708	14,227	12,862	12,364	10,581	20,383	17,201	10,322
State - Served	13,469	13,626	11,513	10,670	10,561	9,939	7,203	7,400	7,725	8,203
Civil - Issued	19,750	19,804	19,526	18,663	17,325	18,237	17,902	17,270	17,492	21,212
Civil - Served	19,240	19,542	12,108	12,308	10,809	11,305	17,355	20,288	19,702	23,913
Rural Fire - Call Volume	2,170	2,683	2,738	3,747	6,312	5,803	6,829	6,516	6,859	7,443
<u>Public Health</u>										
Ambulance- Call Volume	26,015	28,700	31,433	34,920	34,343	35,055	35,905	44,866	41,515	45,402
Response Time -avg. minutes	7.80	8.00	8.00	7.90	7.60	6.90	6.50	6.80	7.40	7.05
Animal Control										
Requests for service	18,628	18,707	18,681	18,837	20,825	21,555	20,098	19,535	17,828	15,148
Animals Impounded	7,740	6,876	6,949	6,701	7,286	6,615	6,527	6,030	5,420	4,709
Animals Adopted	1,754	1,939	2,516	3,104	3,735	3,176	2,764	2,122	1,862	1,426
<u>Road & Bridge</u>										
Street Resurfaced (miles)	52.3	35.1	36.5	48.1	41.2	48.2	41.9	52.6	61.2	75.4
<u>Sanitation</u>										
(tons per day)										
Refuse Collected	123.0	113.1	120.8	112.4	120.4	122.0	120.3	102.9	119.5	106.1
Recyclables Collected	14.1	13.6	11.3	24.9	15.7	17.2	17.9	29.5	14.9	14.5
Tires Collected	8.8	13.7	9.8	10.1	11.2	12.9	12.1	11.7	15.6	8.6

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

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

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

Table 17

Rutherford County, Tennessee
Capital Assets by Function

FUNCTION	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Highways and Streets										
Number of Streets in System	2,108	2,150	2,200	2,246	2,286	2,359	2,326	2,382	2,419	2,482
Number of Miles	976	971	973	980	974	972	970	975	980	984
Number of Bridges	166	166	166	166	166	167	167	167	167	167
Public Safety										
Number of Correctional Facilities	3	3	3	3	3	3	3	3	3	3
Health and Welfare										
Nursing Home	1	1	1	1	1	1	1	1	1	1
Number of Beds	131	131	131	131	131	131	131	131	131	131
Dispatch Station	1	1	1	1	1	1	1	1	1	1
Special Operations	1	1	1	1	1	1	1	1	1	1
Ambulance Stations	12	12	12	12	12	12	12	12	12	15
Number of ambulance units	27	29	28	32	34	33	31	33	30	32
Sanitation/Landfill										
Number of SW trucks	19	17	18	18	18	21	22	19	22	23
Health Department Facilities	2	2	2	2	2	2	2	2	2	2
<u>Facilities and Services Not Included in the Primary Government</u>										
Education:										
Form of Administration										
Number of Employees	4,841	4,912	4,981	5,095	5,264	5,396	5,703	5,714	5,805	5,925
Elementary Schools	24	24	24	24	24	24	24	24	25	25
Middle Schools	10	10	10	10	11	11	11	11	11	11
High Schools	8	8	8	8	8	8	9	9	9	9
K-12 School	1	1	1	1	1	1	1	1	1	1
Alternative School	2	2	2	2	2	2	2	2	2	2
Magnet School	1	1	1	1	1	1	1	1	1	1
Virtual School	-	-	-	-	-	-	-	-	1	1

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

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rutherford County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Rutherford County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated January 8, 2024. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Community Care of Rutherford County, Inc., Rutherford County Emergency Communications District, and the Internal School Fund of Rutherford County School Department (a discretely presented component unit), 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rutherford County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rutherford County's internal control. Accordingly, we do not express an opinion on the effectiveness of Rutherford County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 identified the following deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2023-002(A).

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rutherford County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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: 2023-001 and 2023-002(B).

Rutherford County’s Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Rutherford County’s responses to the findings identified in our audit and 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 the responses.

Purpose of this Report

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 8, 2024

JEM/gc



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

Rutherford Mayor and
Board of County Commissioners
Rutherford County, Tennessee

To the Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rutherford County's compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

In our opinion, Rutherford County complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Rutherford County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to

provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Rutherford County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Rutherford County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Rutherford County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Rutherford County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Rutherford County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Rutherford County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Rutherford County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rutherford County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Rutherford County's basic financial statements. We issued our report thereon dated January 8, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility

of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 8, 2024

JEM/gc

Rutherford County, Tennessee, and the Rutherford County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6)
For the Year Ended June 30, 2023

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Agriculture:				
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (4)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(3)	\$ 0	\$ 750,983 (5)
Passed-through State Department of Education:				
Child Nutrition Cluster: (4)				
School Breakfast Program	10.553	(3)	0	3,357,383
National School Lunch Program	10.555	(3)	0	11,102,083 (5)
National School Lunch Program (Cash Assistance)	10.555	(3)	0	2,613,107 (5)
COVID 19 - State Pandemic Electronic Benefit Transfer (P-EBT)				
Administrative Costs Grant	10.649	(3)	0	5,950
Passed-through State Department of Health:				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	(3)	0	904,280
Total U.S. Department of Agriculture				<u>\$ 18,733,786</u>
U.S. Department of Interior:				
Direct Program:				
Payments in Lieu of Taxes	15.226	N/A	0	\$ 52,541
Total U.S. Department of Interior				<u>\$ 52,541</u>
Total U.S. Department of Interior				
U.S. Department of Justice:				
Direct Programs:				
State Criminal Alien Assistance Program (SCAAP)	16.606	N/A	0	\$ 105,914
Public Safety Partnership and Community Policing Grants	16.710	N/A	0	224,680
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	N/A	0	10,250
Second Chance Act Reentry Initiative	16.812	N/A	0	14,909
Children of Incarcerated Parents	16.831	N/A	0	35,719
Body Worn Camera Policy and Implementation	16.835	N/A	0	1,128
Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.838	N/A	0	151,307
Equitable Sharing Program	16.922	N/A	0	192,129
Passed-through State Department of Mental Health and Substance Abuse Services:				
Drug Court Discretionary Grant Program	16.585	(3)	0	166,544
Passed-through State Department of Finance and Administration:				
Violence Against Women Formula Grants	16.588	(3)	0	120,818
Passed-through City of Murfreesboro:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(3)	0	30,785
Total U.S. Department of Justice				<u>\$ 1,054,183</u>
U.S. Department of Transportation:				
Passed-through State Department of Safety and Homeland Security:				
Highway Safety Cluster: (4)				
State and Community Highway Safety	20.600	(3)	0	\$ 91,501
Total U.S. Department of Transportation				<u>\$ 91,501</u>
U.S. Department of Treasury:				
Direct Programs:				
COVID 19 - Emergency Rental Assistance Program	21.023	N/A	221,239	\$ 2,571,517 (7)
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	13,576,354
Passed-through State Department of Health:				
COVID 19 - Local Assistance and Tribal Consistency Fund	21.032	(3)	0	50,000
Total U.S. Department of Treasury				<u>\$ 16,197,871</u>

(Continued)

Rutherford County, Tennessee, and the Rutherford County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number		Expenditures
U.S. Department of Education:				
Passed-through State Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	(3)	\$ 0	\$ 5,946,618
Title 1 State Agency Program for Neglected and Delinquent Children and Youth Special Education Cluster: (4)	84.013	(3)	0	94,380
Special Education - Grants to States	84.027	(3)	0	9,464,517 (5)
COVID 19 - American Rescue Plan - Special Education - Grants to States	84.027	(3)	0	1,026,363 (5)
Special Education - Preschool Grants	84.173	(3)	0	172,549 (5)
COVID 19 - American Rescue Plan - Special Education - Preschool Grants	84.173	(3)	0	5,170 (5)
Career and Technical Education - Basic Grants to States	84.048	(3)	0	793,939
Career and Technical Education - National Programs	84.051	(3)	0	2,570
Education for Homeless Children and Youth	84.196	(3)	0	260,643
English Language Acquisition State Grants	84.365	(3)	0	600,639
Supporting Effective Instruction State Grants	84.367	(3)	0	874,421
Student Support and Academic Enrichment Program	84.424	(3)	0	428,097
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	(3)	0	5,793,441 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER-ARP)	84.425U	(3)	0	11,239,465 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	(3)	0	145,822 (5)
Total U.S. Department of Education				<u>\$ 36,848,634</u>
U.S. Department of Health and Human Services:				
Passed-through State Department of Health:				
Injury Prevention and Control Research and State and Community Based Programs	93.136	(3)	0	\$ 603
Family Planning Services	93.217	(3)	0	62,557
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Z-23-272578-00	0	419,878
Preventive Health and Health Services Block Grant	93.991	(3)	0	33,513
Maternal and Child Health Services Block Grant to the States	93.994	(3)	0	203,309
Passed-through the State Department of Human Services:				
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	(3)	0	129,781
Child Support Enforcement	93.563	(3)	0	29,659
COVID 19 - Temporary Assistance for Needy Families	93.558	(3)	0	407,532
CCDF Cluster: (4)				
COVID 19 - Child Care and Development Block Grant	93.575	(3)	0	9,191
Total U.S. Department of Health and Human Services				<u>\$ 1,296,023</u>
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Homeland Security Grant Program	97.067	(3)	0	\$ 20,067
Total U.S. Department of Homeland Security				<u>\$ 20,067</u>
Total Expenditures of Federal Awards				<u>\$ 74,294,606</u>

<u>State Grants</u>		<u>Contract Number</u>		
Tennessee Certified Recovery Court Program - State Department of Mental Health and Substance Abuse Services	N/A	(3)	\$	131,103
Tennessee Veterans Treatment Court Initiative (TVTCI) - State Department of Mental Health and Substance Abuse Services	N/A	(3)		94,384
Tennessee Mental Health Recovery Court Program - State Department of Mental Health and Substance Abuse Services	N/A	(3)		163,929
Juvenile Court Custody Prevention - State Department of Children Services	N/A	(3)		32,860

(Continued)

Rutherford County, Tennessee, and the Rutherford County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Contract Number	Expenditures
<u>State Grants (Cont.)</u>			
Day Treatment - Academic & Behavioral Remediation- Custody Prevention - State Department of Children Services	N/A	(3)	\$ 417,696
Juvenile Justice - State Commission on Children and Youth	N/A	(3)	9,000
Local Health Services - State Department of Health	N/A	(3)	1,658,261
Evidence-Based Jail Programming Project - Department of Finance and Administration	N/A	(3)	98,895
Litter/Litter Removal Program - State Department of Transportation	N/A	(3)	84,607
TDOT Litter Grant Program - State Department of Transportation	N/A	(3)	58,387
2023 State Voting Systems Grant - Office of Secretary of State - TN Division of Elections	N/A	(3)	1,495,900
2022 Direct Appropriations Grant - State Department of Environment and Conservation	N/A	(3)	2,500,000
2022 Direct Appropriations Grant - State Department of Finance and Administration	N/A	(3)	470,662
2023 Training Equipment Grant (TCIEP) - Tennessee Corrections Institute	N/A	(3)	9,760
Early Childhood Education - State Department of Education	N/A	(3)	1,957,622
Coordinated School Health - State Department of Education	N/A	(3)	180,000
Safe Schools act - State Department of Education	N/A	(3)	722,717
1801 Supplement - State Department of Education	N/A	(3)	17,749
Promotion of the Arts - Tennessee Arts Commission	N/A	(3)	1,400
Summer Learning Camps- State Department of Education	N/A	(3)	1,892,312
Learning Camp Transportation- State Department of Education	N/A	(3)	520,975
2023 CTE Career Exploration Grant - State Department of Education	N/A	(3)	4,203
Child Nutrition State Match - State Department of Education	N/A	(3)	218,827
Supporting Postsecondary Access in Rural Communities (SPARC) - Tennessee Department of Education	N/A	(3)	95,158
Total State Grants			<u><u>\$ 12,836,407</u></u>

FAL = Federal Assistance Listing

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Rutherford County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.

(3) Information not available.

(4) Child Nutrition Cluster total \$17,823,556; Highway Safety Cluster total \$91,501; Special Education Cluster total \$10,668,599; CCDF Cluster total

(5) Total for FAL No. 10.555 is \$14,466,173; Total for FAL 84.027 is \$10,490,880; Total for FAL 84.173 is \$177,719; Total for FAL No. 84.425 is \$17,178

(6) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	FAL Number	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 318,006
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	13,351
English Language Acquisition State Grants	84.365	3,000
Supporting Effective Instruction State Grant	84.367	11,500
Student Support and Academic Enrichment Program	84.424	500
Total amounts consolidated for administration purposes		<u><u>\$ 346,357</u></u>

(7) SUBRECIPIENT AMOUNTS

The following amounts were paid to subrecipients from the Emergency Rental Assistance Grant:

Subrecipient	FAL Number	Amount Provided to Subrecipients
Community Helpers	21.023	\$ 8,216
Dominion Financial Management, Inc.	21.023	10,899
Doors of Hope	21.023	42,767
Life of Victory International Christian Ministries	21.023	43,200
Salvation Army of Murfreesboro	21.023	35,916
The Barnabas Vision	21.023	12,376
The Hope Station Inc.	21.023	33,576
The Journey Home	21.023	34,289
Total amounts provided to subrecipients		<u><u>\$ 221,239</u></u>

Rutherford County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2023

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Comprehensive Financial Report for Rutherford County, Tennessee, for the year ended June 30, 2023.

Prior-year Federal Awards Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
<u>OFFICE OF DIRECTOR OF FINANCE</u>					
2022	371	2022-001	The finance department fell victim to fraudulent schemes resulting in a loss of \$32,893.	N/A	Corrected
2022	372	2022-002	The clerk and master was paid in excess of the amount set by state statute.	N/A	Corrected
<u>OFFICE OF COUNTY CLERK</u>					
2022	373	2022-003	Excess fees were not reported and paid to the county in compliance with state statutes.	N/A	Corrected

RUTHERFORD COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Rutherford County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listing Number: 21.023 COVID 19 - Emergency Rental Assistance Program
 - * Assistance Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds
 - * Assistance Listing Number: 84.010 Title I Grants to Local Education Agencies
 - * Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$2,228,838**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICES OF DIRECTOR OF FINANCE AND COUNTY MAYOR

FINDING 2023-001 **ALL ACCOUNTING RECORDS FOR THE YEAR ENDED JUNE 30, 2023, WERE NOT AVAILABLE FOR AUDIT BY AUGUST 31, 2023**
(Noncompliance Under *Government Auditing Standards*)

All accounting records were not available for audit by August 31, 2023, as required by Section 9-2-102, *Tennessee Code Annotated*. The actuarial report for Rutherford County's Other Post Employment Benefits was not available for auditor inspection until November 13, 2023. Based on email correspondence, the actuary requested county information be provided by April 7, 2023. County officials did not fully comply with the request until September 11, 2023. The failure to maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of accounting controls, and increases the risk that errors will not be discovered and corrected timely.

RECOMMENDATION

Management should ensure all accounting records are available for audit inspection by the following August 31 as required by state statute.

MANAGEMENT RESPONSE – DIRECTOR OF FINANCE

I do concur with this finding. Due to staff turnover in our risk management office and new staff at the third-party actuary company completing our Other Post Employment Benefits Study (OPEB), getting the OPEB study took longer than anticipated. Additionally, the data took longer to compile since the Rutherford County School System is partially no longer a part of the county's medical insurance plan. We have trained additional personnel and communicated with our third-party actuary to prevent this delay in the future.

OFFICES OF DIRECTOR OF FINANCE AND DIRECTOR OF SCHOOLS

FINDING 2023-002

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

(A. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. – Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations. These deficiencies exist because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures. In addition, the deficiencies were the result of a lack of management oversight.

- A. The budget and subsequent amendments approved by the county commission for the Education Capital Projects Fund resulted in appropriations exceeding estimated available funding by \$227,277. Sound budgetary principles dictate that appropriations be held within estimated available funding.

- B. Salaries exceeded appropriations in 18 of 96 salary line-items of the General Purpose School Fund by amounts ranging from \$84 to \$1,660,691.

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

RECOMMENDATION

Appropriations that exceed estimated available funding should not be submitted to the county commission, and the county commission should not approve such appropriations. Expenditures should be held within appropriations approved by the county commission.

MANAGEMENT RESPONSE – SCHOOL DEPARTMENT CHIEF FINANCE OFFICER

I do concur with this finding. Due to paying multiple payroll accruals and a staff bonus at the end of the year, we were unable to get budget amendments passed through required school board and local government commissions in required time before the fiscal year completed. We currently review all actual vs. budgeted expenditures on a monthly basis for exceeded appropriations and will pay any additional stipends or bonuses at earlier dates. This will allow ample time to amend the budget at year end if need be.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2023.

Rutherford County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2023

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF DIRECTOR OF FINANCE

2023-001	All accounting records for the year ended June 30, 2023, were not available for audit by August 31, 2023.	358
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OFFICE OF DIRECTOR OF SCHOOLS

2023-002	The office had deficiencies in budget operations.	359
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Rutherford County, Tennessee

Finance Department

1 Public Square
Historic Courthouse, Ste. 201, Murfreesboro, TN 37130
Michael Smith, Finance Director

Phone: (615) 898-7795
Fax: (615) 904-7526
msmith@rutherfordcountyttn.gov

Mr. Jeff Bailey, CPA, Legislative Audit Manager
Division of Local Government Audit
Cordell Hull Building
425 Rep. John Lewis Way N.
Nashville, TN 37243-3400

January 8, 2024

Dear Mr. Bailey,

Below are the required bulleted items for the county's corrective action plan to findings noted:

FINDING 2023-001.

- Preparer of the corrective action plan: Michael Smith, Finance Director
- Person responsible for implementing the correction action plan: Michael Smith, Finance Director & Ed Elam, Risk Management Director
- Specific corrective action taken: We have trained additional personnel and worked with our third party actuary to ensure this will not happen again.
- Anticipated completion date of corrective action: The next OPEB study will be completed by the required date next audit year for FY24.
- Is this a repeat finding? No.

As stated above, please reach out if you need anything from me.

Sincerely,

Michael Smith, CPA
Finance Director



Dr. James Sullivan
Director of Schools

Rutherford County Board of Education

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

Mr. Jeff Bailey, CPA, Legislative Audit Manager
Division of Local Government Audit
Cordell Hull Building
425 Rep. John Lewis Way N.
Nashville, TN 37243-3400

January 8, 2024

Mr. Bailey,

Below are the required bulleted items for the county's corrective action plan to findings noted:

FINDING 2023-001.

- Preparer of the corrective action plan: Brian Runion, Finance Director
- Person responsible for implementing the correction action plan: Brian Runion, Chief Finance Officer
- Specific corrective action taken: We currently review all actual vs. budgeted expenditures on a monthly basis for exceeded appropriations and will pay any additional stipends or bonuses at earlier dates. This will allow ample time to amend budget at year end if need be and ensure this will not happen again.
- Anticipated completion date of corrective action: The present. This is currently being done.
- Is this a repeat finding? No.

As stated above, please reach out if you need anything from me.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Runion', is written over a light blue horizontal line.

Brian Runion
Chief Finance Officer

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Rutherford County.

RUTHERFORD COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF PURCHASING

Rutherford County operates under a private act that provides for a central system of accounting and budgeting covering all county departments under the supervision of the County Mayor, Highway Superintendent, and Director of Schools. However, Rutherford County has not adopted a central system of purchasing covering all departments. Sound business practices dictate that establishing a central system would significantly improve internal controls over the purchasing process. The absence of a central system of purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Rutherford County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of purchasing covering all county departments.