CITY OF MURFREESBORO, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

MELISSA B. WRIGHT
CITY RECORDER/CITY TREASURER/FINANCE DIRECTOR

ABOUT THE COVER PHOTO



The cover photo is used with the permission of Shacklett's Photography. Beginning October 2011 through October 2012 the City celebrated the 200th anniversary of Murfreesboro's founding through many community events and media presentations. This photo appears to have been taken in the early 1900's when the old City Hall's location was on the corner of Church Street and Vine Street, directly across the street from the current City Hall. The old City Hall was torn down many years ago when the property was needed for expansion of the building behind it, which was a retail establishment that faced the county square.

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... creating a better quality of life

December 17, 2012

To the Honorable Mayor, Members of City Council and Citizens of Murfreesboro City of Murfreesboro Murfreesboro, Tennessee

The Comprehensive Annual Financial Report of the City of Murfreesboro, Tennessee for the fiscal year June 30, 2012, is hereby submitted as required by state statutes. These statutes require that all general-purpose local governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Murfreesboro for the fiscal year ended June 30, 2012.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Jobe, Hastings & Associates, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Murfreesboro's financial statements for the year ended June 30, 2012. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City operates under a Council-Manager form of government. The governing body is the City Council, which consists of a Mayor and six members who serve four-year terms of office. Non-partisan elections for City Council are held in even numbered years on a staggered basis. City Council members are elected at large. The City Council is responsible for adopting ordinances, the annual budget, appointing committees and establishing policies. The City Council appoints a City Manager, who is responsible for carrying out the policies and ordinances of the City Council and the day-to-day operations. The City Manager appoints and supervises the various department heads of the City.

Administration Department

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LOCAL ECONOMY

The City's strong and diverse economy has continued to propel population growth in the City and in surrounding Rutherford County. Census figures released in March 2011 showed that Murfreesboro has grown in population to 108,755 residents. This makes Murfreesboro the sixth largest city in Tennessee. The 42 percent increase in population over the decade also made Murfreesboro the second fastest growing city in Tennessee for the period.

Murfreesboro and Middle Tennessee have not been immune to the national economic slowdown. However, progress can be seen in the employment picture. From a low of 3.4 percent in December of 2006, the unemployment rate climbed to its peak of 11.1 percent in June 2009. Steady improvement since that date has the June 30, 2012 unemployment rate at 7.2 percent, which is 1.2 percent lower than the June 2011 data. The 7.2 percent unemployment rate is lower than comparable national and state figures. The First Quarter 2012 County Employment and Wages report indicates that Rutherford County ranks third in the nation in employment growth.

Murfreesboro depends on the Local Option Sales Tax to provide approximately 29 percent of the FY 2013 budget's income. After peaking in FY 2008 at \$30.4 million, the national economy accounted for a drop of 6.5 percent in local sales tax collections to \$27.9 million in FY 2010. Local sales taxes improved in FY 2012 by approximately \$2.9 million or 9.8 percent from the previous year, setting a record collection of \$32.7 million.

LONG TERM FINANCIAL PLANNING

The City of Murfreesboro operates two pension plans for both City employees and for Murfreesboro Water and Sewer employees. The Murfreesboro Electric Department and City Schools employees are excluded from these plans. The City closed its defined benefit retirement plan and opened a defined contribution pension plan to employees hired beginning July 1, 2010. The new plan has both mandatory and voluntary contributions from employees that are matched by the City. The now-closed defined benefit plan required the City to accept all risk of investment performance, salary growth and improvements in the longevity of retirees. The defined contribution plan shares a portion of those risks with the City's employees and offers portability for employees that leave the City's service prior to full retirement age. For the City, the new plan offers surety in the budget process for future City retirement contributions. As of June 30, 2012, seventy-seven employees were covered by the defined contribution pension plan.

In addition to the City's benefit plans, the Murfreesboro Electric Department also operates two pension plans. The defined benefit plan is closed to employees hired after April 1, 2012. The department opened a defined contribution plan to those employees hired after April 1, 2012. This plan also has both mandatory and voluntary contributions with an employer match.

The City continues changes to better control costs of employee benefits. The Sherrill Morgan firm of Cincinnati, Ohio was selected as benefits consultant to advise the City on its health, life and disability insurance coverages. Sherrill Morgan proposed a three year strategic review of the complete employee benefit offerings, beginning with competitive pricing of existing products. During the first year, FY 2011, fifty two proposals were received by the City for the variety of employee benefit types currently offered to employees. This competitive process reduced the fixed costs of administration and the benefit packages by over \$400,000 annually. The new plans and benefits were implemented July 1, 2012.

During year two, FY 12, design changes to our health insurance were studied. A comprehensive review of the City's \$11 million health insurance benefits shows that the City offered premium benefits in comparison to other Tennessee cities. The recommendations of the plan included consumerism being added to the employee health plans through creating a single Preferred Provider Option (PPO Plan), an optional Health Reimbursement Arrangement (HRA), a four tier premium structure, a Flexible Spending Account debit card and a wellness program. Many employees will realize monthly premium decreases as they accept higher co-insurance and deductibles in the new plans. These changes will institute a level of consumerism that will make our employees a partner in our health insurance program, and will take affect beginning in the second half of FY 13.

The City Council adopted a comprehensive set of financial policies during FY 2011. The financial policies set forth guidelines against which current budgetary performance can be measured and proposals for future programs can be evaluated. These publicly adopted financial policies are also intended to demonstrate to residents, the credit rating industry,

municipal bond investors, auditors and the State Comptroller that the City is committed to sound financial management and fiscal integrity.

The financial policies also assist the City in maintaining fiscal stability by helping City officials plan fiscal strategy with a consistent approach. Adherence to adopted financial policies promotes sound financial management, which can improve City bond ratings, lower the cost of capital, manage interest rate risk exposure, and preserve financial flexibility.

ACCOMPLISHMENTS

GATEWAY DISTRICT

The leadership of Murfreesboro saw an opportunity to spur development with the construction of a connector street (Medical Center Parkway) and the purchase of real estate to create new retail, hospitality, medical and office development along the new northern entrance corridor from Interstate-24 to the center of Murfreesboro. Known as the Gateway District, the project has proven to be a resounding success. Using 2009 property tax assessments, \$132,576,600 in private investment stemming from the City's Gateway Initiative has taken place. Developments include The Avenue retail area, Middle Tennessee Medical Center's medical office building, the Stonegate office development, The Oaks retail center and the Murfreesboro Medical Clinic in addition to over 60 smaller projects. These totals do not include the non-taxable investment of the new Middle Tennessee Medical Center (valued at \$256 million) or the 283 room Embassy Suite and its attached 80,000 square feet of convention space (covered by an In-Lieu-of Tax agreement).

In March 2011, Murfreesboro Medical Clinic (MMC) announced their plans for a 155,043 square feet, three story addition to the existing 78,549 square feet building on the 19.95 acre campus fronting Garrison Drive with access to Carl Adams Drive. MMC will utilize the new addition in conjunction with the existing structure to provide over 204,000 usable square feet of medical treatment and office building. The building is slated to open in February 2013.

A major apartment development has been approved for construction in the Gateway District on Robert Rose Drive. The project includes over 400 housing units, an on-site restaurant and other upscale amenities. The project is expected to exceed \$35 million in capital investment.

Additionally, Academy Daycare broke ground on the construction of an 11,578 square foot day care center on a 1.67 acre parcel. The facility meets a need for quality, convenient daycare in the employment center of the Gateway.

ROAD IMPROVEMENTS

The upgrade to South Maney Avenue was substantially complete by June 30, 2012. The project included new and larger storm drainage system, landscaping at the levels of the Gateway District, decorative lighting and street furniture and pervious brick pavers for the parking areas. Final cost is expected to be approximately \$4.5 million.

A significant travel improvement was opened in February 2011 with the realignment of the Manson Pike/Gresham Lane and Fortress Boulevard. This project was finalized in April 2012 at a cost of \$6.3 million, and eliminated several confusing intersections and improved connections from I-24 to the northwest side of Murfreesboro.

OTHER CAPITAL INVESTMENTS

Amazon announced Murfreesboro was chosen for the site of over 1 million square feet of distribution center space. Announced in December 2011, the investment of over \$76 million will ship packages across the nation. Year round employment will be about 1,150 people, but during the Christmas season, employment will swell to over 3,500 jobs. The facility shipped its first package on September 21, 2012.

Another important project that is ongoing is the NHK campus located just west of the Amazon site. NHK has constructed two buildings on site and has begun operations. This manufacturer of automobile seat components is creating a campus with the addition of their new truck terminal facility. Employment currently tops 150 jobs with an investment of over \$55 million in facilities and equipment.

The City's third new Wal-Mart supercenter, to be located on South Church St., will begin construction in early spring of 2013. Additionally, Wal-Mart has just submitted plans for its fourth new supercenter to be located on Memorial Blvd. and is anticipating opening in late spring of 2014. Approximately 600 new jobs for our community is anticipated with the addition of these two locations.

RECOGNITIONS

The City entered a yearlong celebration of its Bicentennial. A team of community leaders developed a theme per month for the yearlong celebration that began in October of 2011. Several events were held to highlight the different monthly themes which included our heritage, our beginnings, our teachers, our healers, our people, our military, our faith, our art and architecture, our rivers, roads and rails, our music, our stories, our work and our future. It was wonderful partnering with the community to highlight our past as we look to our future. The Bicentennial corresponds with the Sesquicentennial anniversary of the Battle of Stones River in December 30, 2012 through January 2, 2013 and the Centennial celebration for Middle Tennessee State University in October of 2011.

OPERATING IMPROVEMENTS

In keeping with the format of the City's operating budget document, these categorized improvements are being implemented in FY 13 by various City departments. It is anticipated these improvements will continue to put the City in a position to maintain, and in some cases elevate, service levels expected by our citizens.

SAFE AND LIVEABLE NEIGHBORHOODS

- Continuing a focus on funding Police and Fire & Rescue departments
- Implementing meal time changes for Police employees
- Implementing the zoning study of the Maney Avenue area
- Initiating planning for a park in western Murfreesboro
- Beginning construction of the Stones River Greenway extension to Barfield Crescent Park
- Adding one detective and a crime analyst position
- Utilizing social media to warn residents of severe weather and other emergencies
- Beginning a transition to new Police and Fire & Rescue radio communications system
- Funding 33 Police vehicles in the Capital Improvement Plan (CIP)
- Replace two Fire & Rescue pumpers and a Snorkel truck; add a new heavy and a new light rescue vehicle
- Renovation and new signage at all Fire & Rescue stations
- Continuing the community landscape awards and a tree appreciation program
- Completing the Oakland Park renovation
- Including recycled asphalt in the repaying program to extend the miles of streets completed
- Replacing automated side loaders in the Solid Waste Department, which will improve reliability and reduce maintenance costs

STRONG AND SUSTAINABLE ECONOMIC AND FINANCIAL HEALTH

- Maintaining the existing level of property tax, which is the 14th consecutive year without a property tax increase;
- Implementing of health insurance benefits design changes to drive consumerism and wellness
- Reviewing zoning around Medical Center Parkway corridor
- Producing new, state-of-the art marketing video for corporate headquarter property in Gateway.
- Beginning update of Major Thoroughfare Plan
- Installing Phase II of the Historic Downtown landscape revitalization project
- Auditing of the hotel motel tax and gas franchise fees
- Beginning the strategic assessment of the City's Risk Management program
- Funding a \$48 million CIP while continuing to monitor debt ratios and other measurements as adopted in the City's Comprehensive Financial Policies

EXCELLENT SERVICES WITH A FOCUS ON CUSTOMER SERVICE

- Recognizing our employees as our customers and better engage them in the workplace
- Providing residents with electronic payment solutions for City services

- Developing an information technology master plan that will create a roadmap for the acquisition of computer hardware and software, including the replacement of the legacy system currently used for the general ledger and human resources information systems
- Continuing of "Service Excellence," the City's customer service training program for City employees
- Initiate an employee service award program
- Continuing night court sessions
- Funding pay increases and longevity pay for full-time personnel
- Publishing a Fire & Rescue Post Incident Care Guide to assist persons who suffer from fire loss
- Increasing employee participation in wellness programs
- Finalizing plans to construct a short golf course to be used as a teaching facility for youth
- Conducting an Americans with Disabilities Act survey of all City buildings
- Installing Rover passenger shelters
- Beginning the project to construct new headquarters for Rover
- Replacing the Rover fleet of buses, enabling lower maintenance costs and improving customer satisfaction
- Repaying \$1.86 million in City streets from State gasoline taxes

ENGAGING OUR COMMUNITY

- Beginning Phase 1 of an Employee Engagement effort to focus on performance
- Renaming the Cable Department to Communications Department to better capture their role in providing information to the community
- Creating an additional full-time Video Journalist position to expand the availability of information to the community
- Creating a YouTube channel to cross promote City videos
- Continuing the City's Facebook presence, Police and Fire academies, CityTV, Twitter and other tools to reach out to our residents
- Redesigning the City's website
- Conducting of neighborhood meetings on critical issues facing a neighborhood or the City
- Obtaining community input on the renaming effort of the St. Clair Street Senior Center

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Murfreesboro for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the fourteenth consecutive year that the City of Murfreesboro has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received its first GFOA Distinguished Budget Award for the FY 12 budget.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the finance and administration department. Appreciation is expressed to City employees throughout the organization, especially those who were instrumental in the successful completion of this report.

We are also grateful for the outstanding work performed by City employees every day. Without their efforts, Murfreesboro would not be a community focused on the livability of its citizens.

We would like to thank the City Council for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,

Robert J. Lyons City Manager

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Melissa B. Wright, CPA City Recorder/Finance Director

Erin E. Tucker, CPA

Assistant City Recorder/Chief Accountant

CITY OF MURFREESBORO, TENNESSEE CITY OFFICIALS JUNE 30, 2012

MAYOR

Tommy Bragg

CITY COUNCIL

Ronald Washington Doug Young

Madelyn Scales Harris Tolbert Gilley, III Shane McFarland Eddie Smotherman

CITY MANAGER Robert J. Lyons

ASSISTANT CITY MANAGER James Crumley

CITY RECORDER/CITY TREASURER/FINANCE DIRECTOR Melissa B. Wright

CITY ATTORNEY Susan McGannon

HUMAN RESOURCE DIRECTOR Glen Godwin

SUPERINTENDENT OF SCHOOLS Linda Gilbert

PLANNING DIRECTOR Joseph Aydelott

DIRECTOR OF BUILDING DEPARTMENT Gary Whitaker

POLICE CHIEF Glenn Chrisman

RECREATION DIRECTOR Lanny Goodwin

GOLF COURSE DIRECTOR Tracy Wilkins

CITY ENGINEER Chris Griffith

COMMUNITY DEVELOPMENT COORDINATOR John Callow

FIRE CHIEF Cumbey Gaines, Jr.

SOLID WASTE DIRECTOR Joey Smith

WATER AND SEWER DIRECTOR Joe Kirchner

ELECTRIC DEPARTMENT DIRECTOR Steve Sax

SENIOR CITIZENS CENTER DIRECTOR Linda Burt

DIRECTOR OF URBAN ENVIRONMENT Cynthia Holloway

CITY JUDGE Ewing Sellers

CABLE TELEVISION COORDINATOR Alan Bozeman

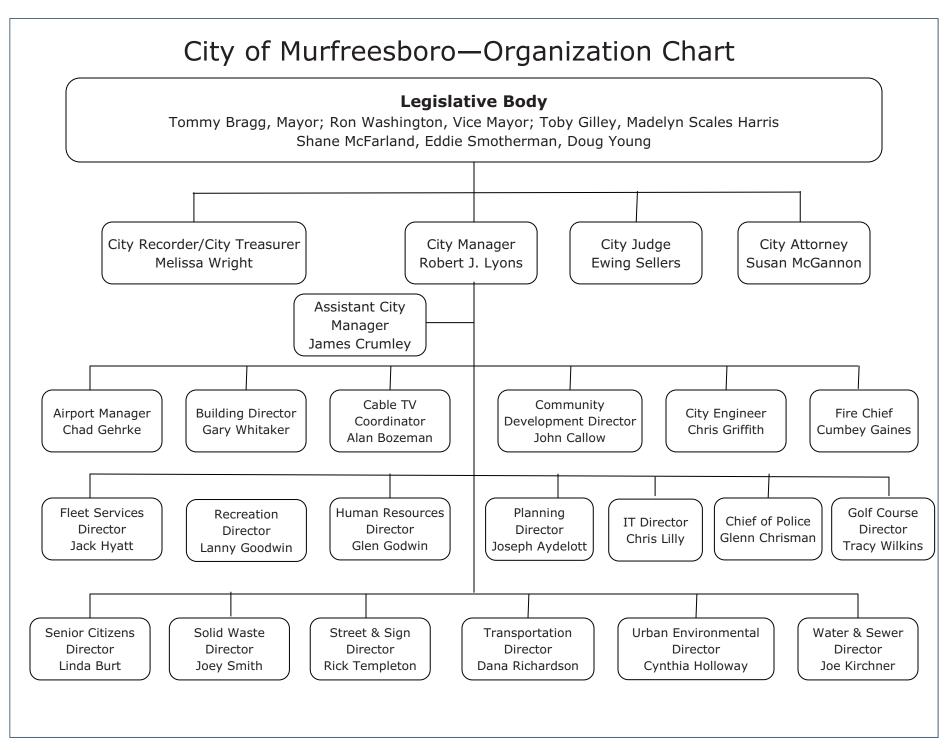
AIRPORT MANAGER Chad Gehrke

DIRECTOR OF STREET AND SIGN DEPARTMENT Rick Templeton

DIRECTOR OF FLEET SERVICES Jack Hyatt

TRANSPORTATION DIRECTOR Dana Richardson

INFORMATION TECHNOLOGY DIRECTOR Chris Lilly



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Murfreesboro Tennessee

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

OF THE CONTROL OF THE

HP I

JOBE, HASTINGS & ASSOCIATES

Certified Public Accountants
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Donna K. Hastings, CPA, CSEP James R. Jobe, CPA Joel H. Jobe (1944 – 2006)

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council City of Murfreesboro, Tennessee

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Murfreesboro, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Murfreesboro, Tennessee's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Murfreesboro City Schools, the Murfreesboro Electric Department, the Murfreesboro Water and Sewer Department, the Murfreesboro Stormwater Fund, the Murfreesboro Electric Department Pension Plan, and the Evergreen Cemetery Commission whose statements reflect total assets of \$85,663,119, \$173,896,926, \$412,380,138, \$13,971,813, \$14,945,627, and \$2,458,215 respectively, and total revenues of \$62,052,408, \$151,555,276, \$37,756,139, \$2,572,377, \$648,541, and \$622,269 respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Murfreesboro City Schools, the Murfreesboro Electric Department, the Murfreesboro Water and Sewer Department, the Murfreesboro Stormwater Fund, the Murfreesboro Electric Department Pension Plan, and the Evergreen Cemetery Commission, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Murfreesboro, Tennessee, as of June 30, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the General Purpose School Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2012 on our consideration of the City of Murfreesboro, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Honorable Mayor and City Council City of Murfreesboro, Tennessee Page 2

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension trend data, and post-employment benefit data, on pages three (3) through twenty-four (24) and eighty-seven (87) through eighty-nine (89) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Murfreesboro, Tennessee's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and financial schedules listed in the supplemental section, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and are also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the financial schedules as listed in the supplemental section, and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Certified Public Accountants

Jobe, Hastings & Associates

Murfreesboro, Tennessee December 17, 2012

CITY OF MURFREESBORO

Management's Discussion and Analysis

June 30, 2012

The following discussion and analysis of the City of Murfreesboro's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2012. Management encourages readers to consider the information presented here in conjunction with the additional information presented in our letter of transmittal, which can be found on pages i - vi of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City of Murfreesboro exceeded its liabilities at June 30, 2012 by \$937,023,428. Of this amount \$52,645,255 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$23,330,327 (2.6 percent) during the year. The governmental net assets increased by \$4,700,874 (.92 percent) and the business-type net assets increased by \$18,629,453 (4.6 percent).
- As of June 30, 2012 the City's governmental funds reported combined fund balances of \$83,378,387, a decrease of \$8,030,313 (8.8 percent) in comparison with the prior year. The 2010 TML loan is an active loan in the TML/Bond Fund and had \$9,325,868 in expenditures that were recognized in FY 12 while the loan proceeds were recognized in FY 11. The unassigned portion of the total governmental funds fund balance is \$42,802,139 and is available for spending at the City's discretion.
- At the end of the year the unassigned fund balance for the General Fund was \$45,770,905, or 62.4 percent of the total General Fund expenditures.
- The City of Murfreesboro's total long-term liabilities decreased by \$22,022,402 (5.6 percent) during the year ended June 30, 2012.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City of Murfreesboro's basic financial statements are comprised of 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.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide a broad overview of the City's finances, in a manner similar to a private-sector business. These statements present *governmental activities* and *business-type activities* separately. Governmental activities are

principally supported by taxes and intergovernmental revenues and include general government, police, fire protection, judicial, streets and signs, planning and engineering, building and codes, solid waste, transportation, urban environmental, public health, education and welfare, community services, recreation, community and economic development, education, and food service. Business-type activities are supported through user fees and charges and include a water and sewer operation, a stormwater fund, an electrical distribution operation, and a cemetery. The government-wide financial statements can be found on pages 25 - 26 of this report.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Murfreesboro is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the 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).

Fund Financial Statements

A fund is established to account for a specific activity or purpose. Law mandates the creation of some funds. Other funds are established by management to demonstrate financial compliance with budget or legal requirements. All of the funds of the City of Murfreesboro can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for most of the City's basic services. The governmental fund statements provide a detailed short-term view of the City's general government operations by using a modified accrual accounting method, which measures cash and all other financial assets that can be readily converted to cash. Governmental fund information is useful in determining whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the governmental fund financial statements to those of the government-wide financial statements are explained in a reconciliation following each governmental fund statement.

The City of Murfreesboro maintains fourteen (14) individual governmental funds. Information is presented separately in the governmental fund statements for the general fund, the general purpose school fund and the debt service fund which are considered to be major funds. Data from the other eleven (11) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in combining statements in the supplemental section of this report. The basic governmental fund financial statements can be found on pages 27 - 30 of this report.

Proprietary Funds

There are two types of proprietary funds: enterprise funds and internal service funds.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The City's water and sewer department and electric department are considered to be major funds and are displayed separately in the proprietary fund statements on pages 41 - 44 of this report. The City's other four (4) enterprise funds are combined into a single column for non-major funds.

Internal service funds are used to account for activities that provide supplies and services for the City's other programs and activities. Because these services predominantly benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements. The City of Murfreesboro uses internal service funds to account for its fleet maintenance of vehicles and for its self-insurance programs. They have been combined into a single column in the proprietary fund financial statements on pages 41 - 44 of this report. Detailed financial data for those funds can be found in the combining statements in the supplemental section of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund statements can be found on pages 45-46 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 on pages 47 - 86 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 87 - 88 of this report. In compliance with GASB 45, the City adopted the reporting requirements for post-employment benefits. Required supplementary information can be found on page 89 of this report.

The combining statements referred to earlier in connection with the non-major governmental funds, non-major enterprise funds and internal service funds are presented as supplementary information immediately following the required supplementary information on pensions and post-employment benefits. Combining statements and individual fund schedules can be found on pages 90 - 116 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve, over time, as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$937,023,428 at June 30, 2012. The largest part of the City of Murfreesboro's net assets (90.9 percent) reflects its investment in capital assets (land, buildings and improvements, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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.

A significant change in net assets is the decrease of \$23,138,644 (6.4 percent) in liabilities due in more than one year. The governmental activities decreased \$13,189,920 (5.7 percent) and the business-type activities decreased \$9,948,724 (7.7 percent). The City continued its debt service of existing loans/bonds paying out \$32,241,253 in loan/bond related payments with only \$1,604,079 being added to this type of long term liabilities for the fiscal year ended June 20, 2012.

NET ASSETS June 30, 2012

	Governme	ntal Activities	Business-ty	pe Activities	 Total					
	2012	2011	2012	2011	2012	2011				
Current and other assets	\$ 158,182,274	\$ 166,838,523	\$ 101,665,426	\$ 89,352,715	\$ 259,847,700 \$	256,191,238				
Capital assets	662,883,298	662,237,487	483,928,970	484,716,966	 1,146,812,268	1,146,954,453				
Total assets	821,065,572	829,076,010	585,594,396	574,069,681	1,406,659,968	1,403,145,691				
Long-term liabilities outstanding	242,943,988	255,769,097	131,565,017	140,762,310	374,509,005	396,531,407				
Other liabilities	62,574,827	62,461,030	32,552,708	30,460,153	95,127,535	92,921,183				
Total liabilities	305,518,815	318,230,127	164,117,725	171,222,463	469,636,540	489,452,590				
Net assets:										
Invested in capital assets,										
net of related debt	491,744,484	478,989,381	359,649,468	349,921,094	851,393,952	828,910,475				
Restricted	10,484,943	17,316,349	22,499,278	25,118,563	32,984,221	42,434,912				
Unrestricted	13,317,330	14,540,153	39,327,925	27,807,561	52,645,255	42,347,714				
Total net assets	\$ 515,546,757	\$ 510,845,883	\$ 421,476,671	\$ 402,847,218	\$ 937,023,428 \$	913,693,101				

3.5 percent of the City's net assets are subject to restrictions on how they may be used. Debt service and capital project activity comprise \$22,499,278 or 68.2 percent of the total restricted net assets. Unrestricted net assets of \$52,645,255 may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the fiscal year, the City of Murfreesboro reports a positive balance of \$13,317,330 for governmental activities unrestricted net assets, which is a decrease of \$1,222,823 from the prior year. OPEB obligations are a significant part of this decrease and will be discussed in the Financial Analysis of the Governmental Funds section of this report. The business-type activities ended the fiscal year with \$39,327,925 in unrestricted net assets, which is an increase of \$11,520,364 from the prior year.

Governmental Activities

Governmental activities increased the City of Murfreesboro's net assets by \$4,700,874 thereby accounting for 20.2 percent of the total growth in total net assets. Key elements of this increase are displayed on the Changes in Net Assets table.

Governmental charges for services increased \$3,423,730 from the previous fiscal year. 51.1 percent, or \$1,748,406, of this increase is from City court charges. Almost half of the court increase is related to the automated red light camera enforcement fines. Our new contracted provider has installed improved camera technology and replaced units that were no longer functioning. An additional \$1,107,676 or, 32.4 percent, of the increase is tied to the construction industry, including developer plat reviews, building and related permits and subdivision paving which are included in this increase.

Operating grants and contributions revenue saw an increase of \$7,433,077, which is a change of 11.8 percent from the prior year. \$6,242,189 or 84.0 percent of this increase is from projects for economic development in our community.

Capital grants and contributions for the governmental activities of the City was \$3,772,569 which is a decrease of \$831,368 from the previous year. Street related projects increased \$665,267 in this category over the previous year, but ARRA projects decreased \$416,062, economic development projects decreased \$582,313 and recreation projects decreased \$219,908 in this category over the prior year as these later projects saw construction phases come to completion.

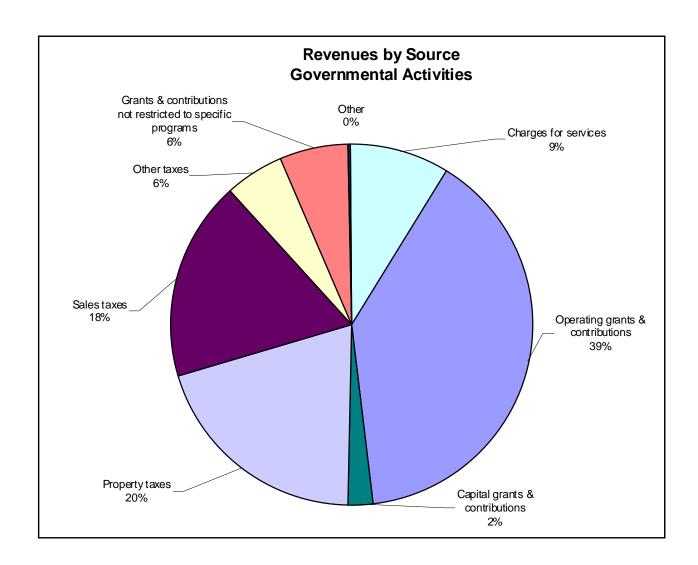
The City's general tax revenue increased \$3,803,298, of which 77.4 percent of the increase is from sales tax. Additionally, other taxes (alcohol, business, hotel/motel and franchise taxes) netted for an additional 9.1 percent of the increase. Grants and contributions not restricted to specific programs increased \$894,829 of which 74.3 percent was from an increase in state shared sales tax. Other miscellaneous revenue decreased \$480,846.

CHANGES IN NET ASSETS June 30, 2012

2012	
<u></u>	2011
Revenues:	
Program revenues:	
	207,178,505
Operating grants & contributions 70,261,023 62,827,946 83,165 311,112 70,344,188	63,139,058
Capital grants & contributions 3,772,569 4,603,937 4,879,811 5,533,215 8,652,380	10,137,152
General revenues:	
Property taxes 36,218,774 35,703,069 36,218,774	35,703,069
Other taxes 42,224,270 38,936,677 42,224,270	38,936,677
Grants & contributions not	
restricted to specific programs 10,876,032 9,981,203 10,876,032	9,981,203
Other 446,241 927,087 315,436 387,778 761,677	1,314,865
Total revenues \$\(\begin{array}{c ccccccccccccccccccccccccccccccccccc	366,390,529
Expenses:	
General government \$ 13,068,983 \$ 13,350,709 \$ 13,068,983 \$	13,350,709
Police 24,085,661 22,201,545 24,085,661	22,201,545
Fire protection 14,909,082 14,608,541 14,909,082	14,608,541
Judicial 401,713 362,930 401,713	362,930
Streets and signs 15,682,905 13,617,876 15,682,905	13,617,876
Planning and engineering 1,748,469 1,811,333 1,748,469	1,811,333
Building and codes 1,697,773 1,651,344 1,697,773	1,651,344
Solid waste 4,891,907 4,905,651 4,891,907	4,905,651
Transportation 2,235,586 2,339,168 2,235,586	2,339,168
Urban environmental 944,736 939,172 944,736	939,172
Public health, educ. and welfare 1,705,184 1,782,425 1,705,184	1,782,425
Community services 6,996,360 6,374,845 6,996,360	6,374,845
Recreation 13,127,693 12,184,112 13,127,693	12,184,112
Community/economic develop. 7,680,151 1,541,107 7,680,151	1,541,107
Education 61,165,887 58,805,049 61,165,887	58,805,049
Food service 3,848,294 3,399,774 3,848,294	3,399,774
Interest on long-term debt 4,064,522 4,189,688 4,064,522	4,189,688
Water and sewer and stormwater \$ 33,571,683 \$ 29,964,693 33,571,683	29,964,693
	145,950,961
Cemetery 472,475 484,801 472,475	484,801
Total expenses \$ \(\frac{178,254,906}{2} \) \$ \(\frac{164,065,269}{2} \) \$ \(\frac{170,955,914}{2} \) \$ \(\frac{176,400,455}{2} \) \$ \$ \(\frac{349,210,820}{2} \) \$	340,465,724
Increase in net assets before	
contributions and transfers \$ 1,779,743 \$ 1,726,660 \$ 21,471,133 \$ 24,198,145 \$ 23,250,876 \$	25,924,805
Contributions to permanent funds 79,451 66,961 79,451	66,961
Transfers 2,921,131 2,899,560 (2,921,131) (2,899,560)	
Increase in net assets \$ 4,700,874 \$ 4,626,220 \$ 18,629,453 \$ 21,365,546 \$ 23,330,327 \$	25,991,766
Net assets - beginning, as	
previously reported \$ 510,845,883 \$ 506,219,663 \$ 402,847,218 \$ 380,744,745 \$ 913,693,101 \$	886,964,408
Prior period adjustment 736,927	736,927
Net assets - beginning, as	
	887,701,335
Net assets at end of year \$\frac{515,546,757}{2} \frac{510,845,883}{2} \frac{421,476,671}{2} \frac{402,847,218}{402,847,218} \frac{937,023,428}{2} \frac{510,845,883}{2} \frac{1}{2} \frac	913,693,101

The cost of all governmental activities was \$178,254,906. However, as shown in the Changes in Net Assets table, 50.6 percent (\$90,269,332) of these costs were paid by those who directly benefited from the programs, or by other governments and organizations that subsidized certain programs with operating grants and contributions and capital grants and contributions. The City paid for the remaining "public benefit" portion of governmental

activities with taxes, general grants and contributions, and other miscellaneous revenue. Each program's net cost to taxpayers is presented on page 10.



In comparison to the previous year, the percentages noted above have only increased or decreased 1 percent, in all categories except for Property Taxes which has increased 2 percent. The increase is in total property assessed as the tax rate did not increase for fiscal year 2012.

Net Program Cost to Taxpayers

Governmental activities:					Net (Expense)
		Revenue		Expense	Revenue
General government	\$	890,084	\$	13,068,983	\$ (12,178,899)
Police		669,438		24,085,661	(23,416,223)
Fire protection		913,782		14,909,082	(13,995,300)
Judicial		3,377,787		401,713	2,976,074
Streets and signs		6,029,670		15,682,905	(9,653,235)
Planning and engineering		25,036		1,748,469	(1,723,433)
Building and codes		2,023,253		1,697,773	325,480
Solid waste		39,915		4,891,907	(4,851,992)
Transportation		1,288,397		2,235,586	(947,189)
Urban environmental		22,050		944,736	(922,686)
Public health, educ. and welfare				1,705,184	(1,705,184)
Community services		4,931,193		6,996,360	(2,065,167)
Recreation		3,744,723		13,127,693	(9,382,970)
Community/economic development		7,774,141		7,680,151	93,990
Education		54,564,603		61,165,887	(6,601,284)
Food service		3,975,260		3,848,294	126,966
Interest on long-term debt	_		_	4,064,522	(4,064,522)
Total governmental activities	\$	90,269,332	\$	178,254,906	\$ (87,985,574)

Governmental net assets for FY 12 increased by \$4,700,874 after payment of governmental activities expenses of \$178,254,906 with program revenues of \$90,269,332, general revenues of \$89,765,317 and transfers from other funds of \$2,921,131. Governmental net assets at June 30, 2012 were \$515,546,757.

Program Expenses Governmental Activities

	Total	Percent			Total	Percent
Governmental activities:	Expense	of Total			Expense	of Total
General government	\$ 13,068,983	7%	Urban environmental	_	944,736	1%
Police	24,085,661	14%	Public health, educ. and welfare		1,705,184	1%
Fire protection	14,909,082	9%	Community services		6,996,360	4%
Judicial	401,713	0%	Recreation		13,127,693	7%
Streets and signs	15,682,905	9%	Community/economic development		7,680,151	4%
Planning and engineering	1,748,469	1%	Education		61,165,887	34%
Building and codes	1,697,773	1%	Food service		3,848,294	2%
Solid waste	4,891,907	3%	Interest on long-term debt		4,064,522	2%
Transportation	2,235,586	1%				
			Total governmental activities	\$	178,254,906	100%

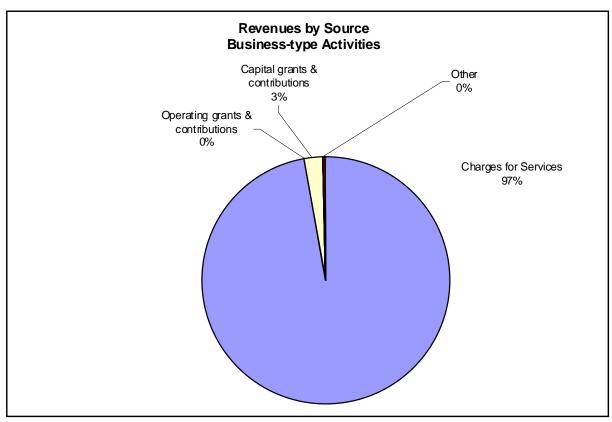
Business-type Activities

The business-type activities increased the City of Murfreesboro's net assets by \$18,629,453, accounting for 79.9 percent of the total growth of the City's net assets. The business-type activities include a water and sewer operation, a stormwater operation, an electrical

distribution operation and a cemetery. The cost of all business-type activities this year was \$170,955,914. As shown in the Changes in Net Assets table, the amounts paid by users of the operations were \$187,148,635. The additional revenue sources included operating grants and contributions of \$83,165, capital grants and contributions of \$4,879,811, unrestricted investment earnings of \$315,436, and contributions to permanent funds of \$79,451. There were also transfers to governmental funds of \$2,820,981 from the Electric Department for public utility tax.

Expenses and Program Revenues Business-type Activities

		Program	Expense as a
	Expenses	Revenue	Percent of Revenue
Water, sewer and stormwater	\$ 33,571,683	\$ 40,044,971	84%
Electric	136,911,756	151,523,822	90%
Cemetery	472,475	542,818	87%
	\$ 170,955,914	\$ 192,111,611	89%



The Water and Sewer Department experienced a \$1,158,720 (3.7 percent) growth in operating revenues due to rate design changes to the minimum allowances for consumption. The allowance was decreased by 50 cubic feet per month so that every customer paid water and sewer monthly charges for an additional 50 cubic feet each month. Operating and maintenance expenses increased \$1,374,372 (8.4 percent) from the prior year as the

department experienced increases in both chemical treatments and power. The capital contributions from developers, which include the tap fees less the tap fee expense and the contributions in aid of construction, totaled \$4,879,811, a decrease of \$598,759 compared to last year. This decline can be attributed to the decline in the economy which has resulted in fewer additions to water and sewer infrastructure being installed by developers for new subdivisions. The Stormwater Fund has now completed its fifth year of operations. Established in 2008 in accordance with federal mandates, the fund is primarily financed from charges to the Water & Sewer customer base for the study and management of stormwater runoff in the City of Murfreesboro. The charges collected by the Stormwater Fund were \$2,572,377, an increase of 2.63 percent from last year. Management attributes this increase to commercial development continuing to occur in the City. Operating and maintenance expenses totaled \$1,164,956, an increase of 43.94 percent. Engineering and inspection service cost increases and personnel cost increases resulting from reassignment of roles and responsibilities made up the majority of this increase.

Water and Sewer and Stormwater department employees participate in the City of Murfreesboro Pension Plan and the City of Murfreesboro Defined Contribution Plan for employees hired after July 1, 2010. These plans are discussed in the Financial Analysis of Governmental Funds.

The Electric Department experienced a \$8,480,926 (5.3 percent) decrease in operating revenue. This decrease is due primarily as a result of a change in billing cycles in 2011 prompted by how TVA bills the department's power costs. This resulted in additional revenue of approximately \$7.5 million in 2011. Purchased power expense of \$119,385,149 reflects a decrease of 7.34 percent in 2012 as a net result of the large Fuel Cost Adjustment (FCA) increases along with the billing cycle changes mentioned previously. Purchased power decreased more significantly than operating revenue due to the FCA increases which are passed straight through with no margin for the Electric Department. The Electric Department experienced relatively no customer growth during 2012. The customer base increased by 1,163 customers, or 0.2 percent. This trend is expected to continue through June 30, 2013.

The Electric Department contributes to a single-employer defined benefit pension plan separate from the City of Murfreesboro's pension plan for employees hired before April 1, 2012. The plan's net assets decreased by \$34,057 or 0.23 percent during FY 12 compared to a FY 11 increase of \$2,774,244. The primary reason for this increase can be attributed to the declining stock market conditions during FY 12 as compared to previous years. Benefit payments increased by \$38,365 or 5.96 percent during the year. The plan's actuary recommends the advised retirement contribution amount based on the annual actuary report. All contributions to the defined benefit plan are made by the employer. In addition, a defined contribution plan was established for employees hired after April 1, 2012. This plan requires a mandatory 4 percent employee contribution and a 6 percent employer contribution. Additional information regarding the Murfreesboro Electric Department Employee Pension Plan can be found in footnote I.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

As of June 30, 2012 the City of Murfreesboro's governmental funds reported combined ending fund balances of \$83,378,387, a decrease of \$8,030,313 in comparison with the prior year. Information regarding significant funds or variances is listed below.

General Fund

The General Fund is the chief operating fund of the City of Murfreesboro. At June 30, 2012, the fund balance was \$52,758,488, an increase of \$4,306,554. Management continued efforts in controlling costs, while enjoying an improved economic climate in our area.

Our local sales tax revenue numbers increased \$2,943,286 or 9.9 percent over FY 11 as our area continues to attract new shopping venues, sporting events and other tourism opportunities. Our local option sales tax had a positive budget variance of \$2,520,443.

Our license, permits and fees category had \$1,880,832 more revenue than FY 11. The construction industry began to show new growth as \$641,371 additional revenue was received in license, permits and fees than in FY 11 for items related to that industry. Our court fines and red light camera fees had \$700,040 and \$499,011 more revenue than FY 11. As stated earlier our new provider for the camera system has replaced inoperable cameras and installed new technology systems. Additionally, a new contract began with a collection agency in FY 12 to enhance court collections, and indications are this has been successful and the contract has been renewed.

The general government category includes the General and Administrative Department (City Manager and Finance), the Legal Department, the Human Resources Department, the new Information Technology Department and some smaller general government categories. The General Government category experienced an increase of \$271,647 in expenditures over FY11. There was a new department formed for information technology in an attempt to bring all of our talented resources together to make their operations more efficient and to add cross-training opportunities to fortify our ability to respond when a department is in need. In the past the employees of this department were employed in the General and Administrative Department and the Police Department. The new director of the department also oversees tasks of the Water and Sewer Department's information technology employees to be sure we are taking the long-term view as we develop a master IT plan for the future.

As we are a service based organization, our largest expense is for wages and related benefits, which equaled 69.3 percent of our FY 12 expenditures. In the General Fund, labor and related accounts totaled \$50,888,274 for FY 12, versus \$49,303,797 for FY 11. This equated to an increase of \$1,584,477 or 3.2 percent. The City amended the job table for determining employee salaries for FY 12. While employees did not receive a step in pay, the table itself had the bottom step removed and a new step added at the top. This resulted in an increase of 3.5 percent in pay for all employees. City management continued to carefully monitor and consider hiring requests for all departments to ensure funds were being allocated appropriately. During the budget process, all departments were asked to search for budget

cuts that would not affect basic service to our citizens and to monitor all expenses through the year to be sure costs were being contained and savings realized. Most of the departments in the General Fund remained flat for FY 12 spending as compared to FY 11 with the exception of labor and its related accounts.

Our street and sign department recognized \$139,310 in a negative budget variance caused almost entirely by higher than anticipated street lighting costs and more street repairs needed than originally planned for in FY 12.

The General Fund enjoyed the lower interest rates for debt service and was able to transfer 1,470,855 less than budgeted for FY 12.

Debt Service Fund

The Debt Service Fund experienced a decrease in fund balance of \$769,439. Principal payments were \$2,596,394 more than in FY 11, a 14.7 percent increase, interest payments were \$290,792 more than in FY 11, a 7.8 percent increase, and debt issuance costs decreased \$7,687 in FY 12, a 7.0 percent decrease.

Financed debt has decreased \$21,689,789 for governmental activities debt, including school debt service from FY 11. The City made scheduled principal payments on all debt. At June 30, 2012, the fixed rate to variable rate loan ratio is 44.0 percent fixed rate compared to 56.0 percent with variable rates. The City obtained two new fixed rate loans totaling \$45,800,000 on October 1, 2012 with the first principal payment due in FY 14 and interest paid on a semi-annual basis. Additionally, the City Schools agreed to accept a second interest free loan through the State of Tennessee for upgrades to the schools to decrease energy costs. After the fiscal 2012 year-end the school energy project was completed and the schools will begin making loan repayments which will continue for 10 years.

In accordance with guidance from the State and the AICPA, the city schools debt service and capital outlay paid for by the City of Murfreesboro is recorded on the schools' department-wide report. On page 29, under Other Governmental Funds, \$2,671,281 is included for debt principal and interest costs, which is for funds paid out by the City of Murfreesboro on debt that was issued by the City of Murfreesboro and used on school buildings and equipment in addition to other city projects. The school report also includes the buildings (which are titled to the City of Murfreesboro) and equipment with their own asset and capital outlay information. The City has deleted these same numbers from its asset and capital outlay information. This information was booked through the use of transfers as seen in the Other Financing Sources (Uses) section of page 29.

Special Revenue Funds

General Purpose School Fund

The General Purpose School Fund budgetary basis fund balance increased \$1,117,174, although it had been budgeted to decrease \$411,740. After adjustments were made to bring the budgetary basis to GAAP basis, including an additional \$1,710,215 in encumbrances, the net change to fund balance was a decrease of \$593,041. Revenues increased in FY 12 as compared to FY 11 by \$1,770,092, of which \$3,530,607 came from additional State program revenues, while Federal program revenue decreased by \$2,523,949. Expenditures decreased

in FY 12 by \$1,350,583 (budgetary basis) primarily due to reductions in regular instruction programs, including support, of \$1,342,367.

State Street Aid Fund

The State Street Aid Fund had expenditures exceeding revenues of \$493,271 for FY 12. While revenues were flat, paving expenditures increased \$887,317 as the City decided to use fund balance to get some paving needs completed. The fund balance in this account is still positive at \$1,089,874.

School Federal and State Program Funds

The School Federal and State program fund had a deficit fund balance of \$677,104 due to the grant funds being received beyond the sixty days used for their period of availability for reporting.

Capital Projects Funds

Capital Improvement and Contingency Fund

Capital Improvement and Contingency Fund had a deficit balance of \$635,780. This is a result of the General Fund fronting two projects through the Capital Improvement and Contingency Fund, the school energy efficiency project and the office building built for a visitor's center and the Chamber of Commerce. When the debt proceeds are received for the school project it will then be used to repay the General Fund. Also as rental proceeds are received from the chamber of commerce they are transferred to the General Fund. Additionally, this year a major economic development project for a Amazon warehouse flowed through this fund. This project involved state funding as well as a match from the company, however no City funds were used for the project.

Gateway Project Fund

The Gateway Project Fund was established to record the development of an area of land purchased by the City to bring new jobs and companies to our area. This has been an overwhelming success as the City has a new hospital that was built in the area and many medical facilities have moved here from both inside our City and from other areas not previously a part of our business community. Both retail and office developments have located in this area as well as new concepts of mixed retail and living space. The City still has land for sell in this area and is being very selective for the types of development we would like to see here. The General Fund is fronting all costs associated with the capital outlay for street development as may be agreed upon with sale contracts and is reimbursed as the property is sold. Currently this fund has a fund balance deficit of \$1,074,380 and management believes the remaining property to be sold is more than adequate to reimburse the General Fund.

TML/Bond Fund

The City has one open TML loan with a remaining balance of \$117,707 to be drawn on a reimbursement basis, from the Tennessee Municipal Bond Fund (TMBF) and the funds are expected to be used to wrap up three projects involving public safety and recreation. In FY 11 a new TML loan issued with the proceeds received in full at the loan date, and the unspent loan proceeds at June 30, 2012 was \$17,074,659. The majority of the FY 12 expenditures were for road projects with a lesser amount of activity in recreation related activities. During

FY 12 the City approved two new loans totaling \$45,800,000 to be issued through the TMBF Bond Pool and they were closed October 15, 2012. Before the fiscal year ended, expenditures were approved by Council for renovations to begin on one of our older schools as well as a major repair to be done at our police headquarters, to be reimbursed through the 2012 loan proceeds.

Internal Service Funds

Insurance Fund

The Insurance Fund recognized an increase in revenue and expenditures of approximately \$1.5 million from FY 11. The City changed providers for its health insurance plan for FY 12. A consultant was hired to assist the City to evaluate the City's opportunities for savings and cost containment within our benefits while still offering employees excellent coverage. Additional changes and enhancements will be implemented in FY 13 as a continuation of not only cost containment, but adding a wellness feature to our plan to keep our employees healthy.

Risk Management Fund

The Risk Management Fund had a \$379,180 decrease in revenue in FY 12 from FY 11 as no premium was charged for the automobile coverage through our self-insurance fund. This decision was considered possible because of the low claims history we had been experiencing in this category. Overall, our expenditures were up in FY 12 over FY 11 by \$1,973,346. Reserves were set for future worker's compensation and general liability claims totaling \$1,119,500 more than the level reserved for FY 11.

Pension Trust Funds

The City's Pension Fund, a defined benefit plan, had an increase of \$1,994,435 in net assets held in trust through June 30, 2012. This is a 2.2 percent increase from the previous year.

The pension committee has been working with third-party consultants and our investment managers to closely monitor the stock market and to mitigate future asset decreases by ensuring the plan is properly diversified and that investment managers are meeting set benchmarks. The City's actuary recommends the advised retirement contribution rate based on the annual actuary report. The City receives this rate after the budget has been set for the following year, so the rate is implemented one year later in the next budget year, causing a timing difference for implementation. If the advised contribution rate increases, this can cause a temporary underfunding of the pension obligation, which can also be affected by the actuarial assumptions and activity within the plan. In FY 12 City management re-evaluated all assumptions of the plan with the actuary and the third-party consultant to be sure the assumptions are reasonable and attainable and to implement changes as advised. The Pension Committee, a seven member board, met with the actuary and third-party consultant in late fall of 2011 to hear recommendations on assumptions and how these changes would affect recommended investment policy decisions to assist in attaining projected earnings.

Additionally, in FY 12 the City changed providers for the insurance premiums paid out of the Pension Fund realizing a \$257,591 savings. In FY 13 these premiums will be moved out of the Pension Fund and into the operating budgets of the various departments where the defined contribution participant insurance premiums are already located.

The defined benefit plan was closed to new participants as of June 30, 2010, and a new defined contribution plan was implemented for new hires beginning July 1, 2010. The defined contribution has a 3 percent mandatory employee contribution with the option of contributing an additional 5 percent for a possible total of 8 percent of employee wages contributed. The City matches 100 percent of employee contributions.

Additional information regarding the pension plans can be found in note I on pages 68 - 74, including the pension plan information for the city schools which is administered by the State of Tennessee and separate defined benefit and defined contribution plans for the Murfreesboro Electric Department.

Proprietary Funds

The City of Murfreesboro's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the Water and Sewer Department at June 30, 2012 were \$287,698,160, which is an increase of \$5,055,065. The Electric Department had net assets of \$122,718,759 at June 30, 2012, which is an increase of \$11,756,039. Net assets for the other proprietary funds at June 30, 2012 were \$7,755,520, which is an increase of \$1,454,261. The Stormwater Fund is responsible for \$1,407,421 of this increase.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

No budget amendments were necessary for the General Fund during the fiscal year ended June 30, 2012.

Overall, budget exceeded general fund revenues by \$1,193,417 and expenditures were less than budget by \$8,812,536. Net transfers were less than anticipated by \$1,498,344, most of which was for less funding needed for debt service transfers. The budget anticipated a \$4,810,909 shortfall to be funded from available fund balance, but instead the actual amount was an increase to fund balance of \$4,306,554.

A portion of the \$8,812,536 savings in budgeted expenditures was realized when an anticipated fueling contract with the County was not completed and fuel for resale budgeted at \$2,913,537 was not purchased. Also, funds budgeted for an addition to the greenway system of \$2,084,417 was not expended in fiscal year 2012. In addition a FEMA hazard mitigation project that was budgeted at \$684,054 was cancelled when the grant revenue was not awarded to the City. The transportation department saved \$644,522 in budgeted addition to fixed assets as the capital projects, some of which will be financed with ARRA funds, were postponed until fiscal year 2013.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Murfreesboro's investment in capital assets for its governmental and business-type activities as of June 30, 2012 amounted to \$1,146,812,268 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, certain infrastructure, and utility distribution systems. The total decrease in the City of Murfreesboro's investment in capital assets for the current fiscal year was 0.01 percent (a 0.10 percent increase for governmental activities and a 0.16 percent decrease for business-type activities).

Governmental activities:

Land additions totaled \$651,499 in FY 12 of which, \$648,968 (99 percent) was for road projects. Land donated for road projects was \$363,820 while land purchased for road projects was \$285,148.

Construction in progress at June 30, 2012 is composed largely of road projects (86.3 percent). The recreation greenway extension, city schools energy efficiency project, a police precinct, wetland improvements, the city hall energy efficiency ARRA project, the Hobgood Elementary School expansion, the airport runway extension and other miscellaneous projects make up the remaining 13.7 percent of total construction in progress.

Government buildings additions totaled \$251,398 as a result of renovations at the fire and rescue department headquarters and a roof replacement at a fire hall being used by a non-profit agency.

Government improvements other than buildings additions totaled \$173,678. The renovations to the Stones River Greenway bridge and public transportation bus transit shelter made up these additions.

Equipment additions totaled \$5,165,559. Of this increase, \$4,072,912 is attributed to school equipment. The remaining equipment purchases were for police vehicles and equipment, fire vehicles, a fire generator, leaf collecting equipment for street vehicles, playground equipment, golf carts, generators and other miscellaneous equipment.

Infrastructure had additions of \$10,748,116 relating to road projects, curb and gutter, sidewalks, traffic signals and landscaping. Depreciation for FY 12 infrastructure was \$7,020,771 and asset retirements net of accumulated depreciation totaled \$3,715, leaving a net increase of \$3,723,630 for the year.

Business-type activities:

As a result of maintained population growth, the utility operations continued modest additions and improvements of the water and sewer facilities and infrastructure and the electric plant. However, depreciation expense exceeded additions to utility plant, resulting in a net decrease of utility assets of \$787,996. Additional electric substations in the Southeast/Joe B. Jackson, MTSU, West/Veteran's Parkway and Gateway areas are

anticipated to begin construction in the next 1-3 years. The water department has hired an engineer to design an expansion to the Sinking Creek Wastewater Treatment Plant as required by new Tennessee Department of Environment and Conservation (TDEC) effluent water disposal requirements. The design is expected to take 15 months and the expansion is expected to begin shortly after the design is approved by TDEC.

Capital Assets Net of Depreciation

	Governme	Governmental Activities Business-type Activities							T	tal	
	2012	_	2011		2012 2011			2012	2012		
Non-Depreciable Assets:											
Land	\$ 245,479,480	\$	244,832,216	\$	22,084,681	\$	22,081,333	\$	267,564,161	\$	266,913,549
Construction in progress	22,266,771		21,628,335		15,958,933		17,561,033		38,225,704		39,189,368
Other Capital Assets:											
Buildings	93,361,689		95,880,739		83,695,333		86,675,844		177,057,022		182,556,583
Improvements other than buildings	37,805,974		40,701,983						37,805,974		40,701,983
Transmission & distribution mains					225,424,810		223,950,253		225,424,810		223,950,253
Electric plants					109,174,653		105,104,415		109,174,653		105,104,415
Equipment	21,225,828		20,055,767		27,590,560		29,344,088		48,816,388		49,399,855
Computer Software	1,384,880		1,503,401						1,384,880		1,503,401
Infrastructure	241,358,676		237,635,046						241,358,676		237,635,046
Total	\$ 662,883,298	\$	662,237,487	\$	483,928,970	\$	484,716,966	\$	1,146,812,268	\$	1,146,954,453

Additional information on the City of Murfreesboro's capital assets can be found in note F on pages 61 - 63 of this report.

Long-term Debt

Total long-term debt for the City of Murfreesboro decreased \$22,054,142 during the year ended June 30, 2012. Debt from governmental activities decreased \$12,856,849 (5.0 percent) and business-type activities debt has decreased \$9,197,293 (6.5 percent).

The City has variable rate debt totaling \$153,874,595, of which 29.2 percent is business-type activities and 70.9 percent is governmental activities. The variable interest rate varies by loan and the rates as of June 30, 2012 ranged from 0.45 percent to .50 percent. The 2008 TML loan is the only active variable rate loan and requires a draw down from a third-party administrator as the money is needed for reimbursement; the undrawn balance at June 30, 2012 was \$117,707.

The 2010 TML loan has \$17,074,659 in unspent funds and street construction and improvements are the dominant governmental uses of this loan in process.

After approving the new Capital Improvement Plan, the City acquired two new fixed rate loans in October 2012 with the assistance of the Tennessee Municipal Bond Fund. \$40,700,000 was borrowed on a 15 year term at a negotiated rate of 2.17 percent and \$5,100,000 was borrowed on a 7 year term at a 1.25 percent rate through Banc of America Public Capital Corp.

The second school energy efficiency project was completed in the fall of 2012 and debt proceeds of \$971,518 at zero percent interest rate for a ten year term was requested from the state to fund these improvements.

The Water and Sewer Department long term debt decreased by \$7,218,979 during FY 12. The Electric Department long term debt decreased \$2,934,014 during FY 12.

The Water and Sewer Board approved a \$67 million capital improvement plan consisting of a new pump station, force main, headworks building, and a wastewater plant capacity expansion during FY 12. In October 2012, the Water and Sewer Department finalized funding from the State Revolving Fund loan program with the State of Tennessee in the amount of \$37 million. These funds represent funding for the pump station, force main, and headworks building projects. Of the \$37 million in funding, \$2.87 million will be forgiven through grants funded by the Environmental Protection Agency (EPA). The interest rate on the remaining \$34.13 million will be 1.07% over 20 years. The three projects funded by these loans are anticipated to be completed and placed in service within 18-24 months.

The Electric Department anticipates additional borrowing of approximately \$15-20 million in the next 1-3 years for construction of the Southeast/Joe B. Jackson, MTSU, West/Veteran's Parkway and Gateway areas.

Additional information on the City of Murfreesboro's long-term liabilities can be found in note G on pages 63 - 67 of this report.

The City has adopted GASB Statement No. 45 regarding post-employment benefits which recognizes the cost of post-employment benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Prior year liabilities are being recognized over a 30 year period and, together with current benefits earned, the liability recognized through June 30, 2012 is \$33,390,286, an increase of \$8,317,613 (33.2 percent) from the previous year. The business-type activities liability was \$6,397,694, an increase of \$1,386,674 or 30.8 percent. The governmental activities are made up of two groups, the school employees and the other City governmental employees. The school liability was \$2,262,614 for an increase of \$1,831,041 or 424.3 percent. The City liability is \$24,729,978, an increase of \$5,099,898 or 25.9 percent. The benefits offered to the governmental and water and sewer employees are on an annual basis, with an option to cancel, modify or reduce benefits by authority of the City Council and are currently funded on current benefits only. As a part of the budget process, the Council decides if they are going to continue to offer this benefit to retirees. The electric department has its own administered plan and only current benefits are being funded under that plan as well. The city schools' plan is administered by the State of Tennessee. Additional information on the City of Murfreesboro's post-employment benefits can be found in note K on pages 75 - 80 of this report.

The following table has comparative information for governmental and business-type activities.

Long-term Debt Outstanding June 30, 2012

		Governmental Activities			Business-ty	e Activities	Total			
		2012		2011	2012		2011	2012		2011
General obligation bonds	\$	37,420,000	\$	45,510,000		\$		\$ 37,420,000	\$	45,510,000
Add: Premium on refunding		4,780,749		5,378,343				4,780,749		5,378,343
Tennessee Municipal Bond Fund loans		154,011,904		167,584,136	\$ 44,878,691		47,378,691	198,890,595		214,962,827
Energy Efficient School Loan		941,669						941,669		
Revenue bonds					41,150,000		46,290,000	41,150,000		46,290,000
Add: Premium on refunding					2,459,013		2,639,014	2,459,013		2,639,014
Matured bonds payable					36,000		36,000	36,000		36,000
Less: Deferred amounts					(77,121)		(98,107)	(77,121)		(98,107)
Capital Lease Obligation		269,262		403,894				269,262		403,894
Capital outlay notes		2,117,350		2,354,350				2,117,350		2,354,350
State revolving loan					32,676,612		35,581,591	32,676,612		35,581,591
Estimated landfill closure costs		1,425,000		1,425,000				1,425,000		1,425,000
Compensated absences		7,699,976		7,067,721	3,337,332		3,094,260	11,037,308		10,161,981
Net pension obligation		181,986		31,740				181,986		31,740
Post-employment benefit obligation		26,992,592		20,061,653	6,397,694		5,011,020	33,390,286		25,072,673
Loans payable - Utility plant acquisition					706,796		829,841	706,796		829,841
Claims and judgements	_	7,103,500		5,984,000				7,103,500		5,984,000
	\$ 2	242,943,988	\$	255,800,837	\$ 131,565,017	\$	140,762,310	\$ 374,509,005	\$	396,563,147

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City of Murfreesboro continues to be one of the fastest growing areas in the State of Tennessee. Murfreesboro is the home of Middle Tennessee State University which is the largest undergraduate school in the state of Tennessee. The City continues to make street improvements leading to and around the University campus. The City is fortunate to have a good working relationship with the leaders of the University and partners with them in many community projects to benefit the welfare of its students and our citizens. Their athletic facilities are used to draw tourism dollars to Murfreesboro when the City hosts high school tournaments through a contract with Tennessee Secondary School Athletic Association and the Chamber of Commerce. These events have a significant impact on the local economy.

With the development of the City's new Information Technology Department, the first major project of this department will be to assist in the replacement of many of our software packages beginning with our General Ledger, Payroll and Human Resources Information System (HRIS), Fixed Assets and Court packages. We feel this software replacement package will give our employees the ability to work more efficiently and provide opportunities for better service delivery. Management will strive to get software that is the best fit for our organization while trying to minimize, to the extent possible, the impact on our budget. As such, a consultant has been hired by both the water and sewer department and the City to aid in the review and selection of the services needed. It is expected that the new software will be selected in FY 13 and implemented in early FY 14.

In the fall of 2012, the City obtained a \$40.7 million loan at 2.17 percent interest over 15 years and \$5.1 million at 1.25 percent over 7 years through the Tennessee Municipal Bond

Fund. These loans will be used to fund various items including road projects, a new elementary school and expansion of an existing elementary school, public safety equipment and vehicles, recreational equipment and facility improvements, as well as various other equipment and miscellaneous projects. The City's Aa2 Moody's rating allowed an opportunity to take advantage of historically low interest rates.

Our engineers have been heavily involved in major road projects in and around the City. Street projects (including land costs associated with the new infrastructure) of \$11,162,280 were completed and capitalized in FY 12. The City is constructing new phases of the road project named Veteran's Parkway Phase 2B from Barfield Road to St. Andrews Drive which, once complete, will connect roads near interstate exits and State Route 840. This loop on the southwest side of Murfreesboro is expected to increase development in this area of Murfreesboro because of the access it will afford to commercial and local traffic. The Joe B. Jackson Parkway is a road project being developed to connect Interstate 24 to Highway 231. Phase 2 of this project is currently being bid and construction is expected to begin in March of 2013. Upon completion, this project should help manage traffic that is causing congestion on Highway 231. The City is also currently purchasing right of ways for the Middle Tennessee Boulevard widening project. This road runs in front of Middle Tennessee State University's campus. The project is expected to help alleviate traffic congestion in the University area. Construction is expected to begin June 2013. This project is expected to take 2.5 years to complete. Additionally, the City engineers are working with staff of the stormwater fund to manage various drainage problems in our city.

In conjunction with federal grants (80 percent funding versus 20 percent match) the City has also continued work on its greenway system. The Greenway Phase 3 opened in the spring of 2011. The Greenway Phase 4 extension to Barfield Crescent Park is expected to be bid in the summer of 2013. Appraisals of right of way acquisitions are currently under review, as well.

The City Manager continues to closely monitor large purchases and projects as well as all hiring decisions. During the first three months of the 2012-2013 fiscal year, our local option sales tax dollars are \$216,642 more than last year for the same time period and \$45,805 less than budgeted. In addition, local beer and liquor taxes have increased by approximately \$64,924 combined for the first three months of the fiscal year compared to FY 12 and by \$24,930 combined as compared to budget. Our position in middle Tennessee has helped insulate our community from many of the problems that those counties that border our state have experienced as a result of residents going across the state-line to buy their goods. In this uncertain economy, many residents continue to be careful with spending their discretionary dollars.

With the hiring of a new collection agency, the City has collected approximately 10 percent of amounts sent to collection since the agency has been hired. It is anticipated that collection of these court fines will continue to improve. Steps are being taken to collect delinquent fines from previous fiscal years while maintaining a better collection of current receivables.

During the year, our previously bid contract for automated red light citations was amended to include the collection of delinquent citations. It is anticipated that this will improve collections of both delinquent and newly issued citations.

While the majority of our American Recovery and Reinvestment Act (ARRA) grants were closed during FY 12, there are a couple of projects expected in FY 13 as a result of these grants. The transportation department expects to spend \$450,000 on bus shelters and ITS/GPS systems for our fleet of buses. These projects will be fully funded by the ARRA grants.

Total building and codes permits increased by approximately 30 percent for July 1, 2012 through November 1, 2012 as compared to the same time period last year. In the fall of 2012, Amazon opened its Murfreesboro fulfillment center. Once fully staffed, it is expected to staff more than 1,000 employees. The addition of Amazon and NHK Seating to Murfreesboro as well as the added infrastructure to the area has also provided an opportunity for further development in this area of Murfreesboro. Two new big-box department stores have been proposed in Murfreesboro. One is on the west end of the City on Church Street and the other is on the north end of the City on Memorial. Further commercial development is anticipated in these areas, as well.

Effective January 1, 2013, the City has redesigned its medical insurance plan to better manage costs. The EPO option has been dropped leaving only the PPO in place. In addition, a Health Reimbursement Account (HRA) option has also been established. Under this option, the City will contribute half of the plan's deductible that can be used at the discretion of the employee on eligible expenses. Insurance premiums are adjusted based on a four tier structure: single, employee + children, employee + spouse and family. Premiums are adjusted again based on the PPO option or the HRA option. In addition, the City will continue to pay 80 percent with the employee responsible for the remaining 20 percent of the premium. These changes reflect the City's proactive approach at mitigating costs while still providing quality benefits to City employees. In FY 13, a wellness provision will be added to the plan.

The City will evaluate and adjust, if necessary, its Defined Benefit Pension Plan assumptions during FY 13 to be effective in FY 14. At this time, the plan continues to be stable and funded at actuarially prescribed rates. The recommended percentage of salary for the plan participants decreased from 12.57 percent to 11.87 percent in FY 13, however the City chose to instead only reduce the contribution rate to 12.10 percent. In addition, the contribution rate no longer includes life insurance and disability insurance in its rate. These items are now paid out of the operating budgets directly. These changes were budgeted and implemented effective July 1, 2012.

The rising costs of replacement for an aging infrastructure as well as increased costs of commodities such as electricity, natural gas and chemicals influence the cost of water and sewer services and, in effect, costs to customers, as well. While rates are projected to remain flat in FY 12, the reduction in minimum bill allowances is expected to continue. This is expected to result in higher revenues with lower consumption.

Based on the 2007 Cost of Service study, the reduction of the minimum bill allowance for FY 13 should result in an increase to sales revenues by \$1,100,000. In addition, management

expects sewer sales to grow while water sales will remain relatively flat. The increased sewer sales will come from Consolidated Utility Department (CUD) customers.

The water department must position itself to be prepared to meet the ever increasing demand for service and water quality. To do so, a cost of service study will be performed every two years to make sure the cost of service is fair and equitable to all classes of customers.

The water department has an aggressive approach to the rehabilitation of the sanitary sewer system to eliminate extraneous water from the system that causes overflows and uses capacity. The US Environmental Protection Agency (EPA) performed a GAP Analysis Report in 1999 in which existing public spending was compared with necessary spending between 2000 and 2019 in order to bring all water and sanitary sewer systems and treatment plants to acceptable standards. This report concludes that nationwide there is a substantial "gap" between necessary funding and existing funding. In order to eliminate the gap, EPA recommended that sewer utilities budget so that 5% of their systems are rehabilitated in a year in order to ensure that the entire system will be rehabilitated in the recommended 20 years. For the City's sewer system, this is unnecessarily aggressive since the system has more new pipe than many systems considered by EPA. However, the department has considered the useful life of piping systems to be 50 years. The goal of the department is to progressively increase rate funded capital budget combined with working capital funds to rehabilitate 2% or 60,700 feet of sewer lines of the system annually over a 50 year period. This is estimated to cost \$3 million per year. In order to achieve this goal, the department increases expenditures for sewer rehabilitation each year.

The electric department is experiencing a slight increase in construction activity in apartment complexes. Additionally the Amazon Fulfillment Distribution Center is expected to be at full capacity in the first half of FY 13. Feeder plants to the automotive industry such as Johnson Controls and NHK Seating are experiencing increased production demands. These activities contribute to a positive outlook of a small increase in electricity sales of one to two percent.

TVA has committed to no rate increase for its FY 13 which begins October 1. However, with the second phase of the wholesale rate redesign beginning October 1, TVA will charge seasonal, time-of-use rates to the Electric Department. The department has not elected to charge time-of-use rates to its retail customers but the retail rates do vary by season. It is expected that the change to the wholesale time-of-use rates will have minimal contribution to any change in margin.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Murfreesboro'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 Office of the Finance Director, P.O. Box 1139, Murfreesboro, TN 37133-1139.

Statement of Net Assets

June 30, 2012

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 68,815,872	\$ 51,996,892	\$ 120,812,764
Certificates of deposit	370,226		370,226
Receivables, net of allowance for uncollectibles	67,516,032	20,186,421	87,702,453
Internal balances	(2,667,415)	2,667,415	
Inventories	563,677	2,700,322	3,263,999
Prepaid pension costs		132,612	132,612
Prepaid items and other assets	98,661	252,735	351,396
Deferred charges	1,098,305	1,229,751	2,328,056
Restricted assets -			
Cash and cash equivalents	20,079,845	22,499,278	42,579,123
Certificate of deposit	500,000		500,000
Investments, at fair value	1,807,071		1,807,071
Capital assets -			
Land and construction in progress	267,746,251	38,043,614	305,789,865
Other capital assets, net of depreciation	395,137,047	445,885,356	841,022,403
Total Assets	\$ 821,065,572	\$ 585,594,396	\$ <u>1,406,659,968</u>
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	\$ 10,090,901	\$ 24,547,477	\$ 34,638,378
Unearned revenue	51,444,335		51,444,335
Deposits held	923,432	6,269,559	7,192,991
Other deposits	42,986	, ,	42,986
Matured bond interest payable	806		806
Other liabilities	72,367	1,735,672	1,808,039
Long-term liabilities -			
Due within one year	26,473,791	11,654,234	38,128,025
Due in more than one year	216,470,197	119,910,783	336,380,980
Total Liabilities	\$ 305,518,815	\$ 164,117,725	\$ 469,636,540
NET ASSETS			
Invested in capital assets, net of related debt Restricted for -	\$ 491,744,484	\$ 359,649,468	\$ 851,393,952
Education	6,155,771		6,155,771
Capital activity and debt service	, , -	22,499,278	22,499,278
Highways and streets	1,781,899	, ,	1,781,899
Law enforcement	379,800		379,800
Other purposes	163,100		163,100
Perpetual care -	,		•
Expendable	249,642		249,642
Nonexpendable	1,754,731		1,754,731
Unrestricted	13,317,330	39,327,925	52,645,255
Total Net Assets	\$ 515,546,757	\$ 421,476,671	\$ 937,023,428

Statement of Activities

Year Ended June 30, 2012

			Program Revenues		Net (Expense)	Revenue and Chang	ges in Net Assets
						Primary Governme	ent
			Operating	Capital		Business-	
		Charges for	Grants and	Grants and	Governmental	type	
Functions/Programs	Expenses	Services	Contributions	Contributions	Activities	Activities	Total
Governmental activities -							
General government \$	13,068,983	\$ 196,940	\$	\$ 693,144	\$ (12,178,899)		\$ (12,178,899)
Police	24,085,661	209,286	448,927	11,225	(23,416,223)		(23,416,223)
Fire protection	14,909,082	825,182	43,760	44,840	(13,995,300)		(13,995,300)
Judicial	401,713	3,377,787			2,976,074		2,976,074
Streets and signs	15,682,905	471,201	3,053,977	2,504,492	(9,653,235)		(9,653,235)
Planning and engineering	1,748,469	22,583	2,453		(1,723,433)		(1,723,433)
Building and codes	1,697,773	2,023,253			325,480		325,480
Solid waste	4,891,907	39,915			(4,851,992)		(4,851,992)
Transportation	2,235,586	123,264	1,133,094	32,039	(947,189)		(947,189)
Urban environmental	944,736	22,050			(922,686)		(922,686)
Public health, education and welfare	1,705,184				(1,705,184)		(1,705,184)
Community services	6,996,360	4,421,094	431,120	78,979	(2,065,167)		(2,065,167)
•	13,127,693	3,353,303	87,570	303,850	(9,382,970)		(9,382,970)
Community/economic development	7,680,151	31,244	7,638,897	104,000	93,990		93,990
*	61,165,887	18,470	54,546,133	101,000	(6,601,284)		(6,601,284)
Food service	3,848,294	1,100,168	2,875,092		126,966		126,966
Interest on long-term debt	4,064,522	1,100,100	2,073,072		(4,064,522)		(4,064,522)
_	78,254,906	\$ 16,235,740	\$ 70,261,023	\$ 3,772,569	\$ (87,985,574)		\$ (87,985,574)
Total governmental activities 5 1	. 70,234,900	\$ 10,233,740	\$ 70,201,023	φ 3,772,309	\$ (87,785,574)		φ <u>(87,783,374)</u>
Business-type activities -							
	33,571,683	\$ 35,165,160		\$ 4,879,811		\$ 6,473,288	\$ 6,473,288
Electric 1	36,911,756	151,523,822				14,612,066	14,612,066
Cemetery	472,475	459,653	\$ 83,165			70,343	70,343
	70,955,914	\$ 187,148,635	\$ 83,165	\$ 4,879,811		\$ 21,155,697	\$ 21,155,697
Total primary government \$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	349,210,820	\$ 203,384,375	\$ 70,344,188	\$ 8,652,380	\$ (87,985,574)	\$ 21,155,697	\$ (66,829,877)
	revenues -						
Taxe	es -						
	roperty taxes				\$ 36,218,774		\$ 36,218,774
	ales taxes				32,675,500		32,675,500
	eer and liquor to				4,098,159		4,098,159
	ross receipts ta	X			2,476,097		2,476,097
Н	lotel/motel tax				894,881		894,881
G	as and cable fra	anchise taxes			2,079,633		2,079,633
Gran	nts and contribu	itions not restricted	to specific program	ıs	10,876,032		10,876,032
Unre	estricted investr	ment earnings			227,584	\$ 315,436	543,020
Miso	cellaneous				218,657		218,657
Contribu	utions to perma	nent funds				79,451	79,451
Transfer	rs				2,921,131	(2,921,131)	
Tota	al general reven	ues, contributions,	and transfers		\$ 92,686,448	\$ (2,526,244)	\$ 90,160,204
C	hange in net ass	sets			\$ 4,700,874	\$ 18,629,453	\$ 23,330,327
Net asse	ets - beginning				510,845,883	402,847,218	913,693,101
Net asse	ets - ending				\$ 515,546,757	\$ 421,476,671	\$ 937,023,428

Balance Sheet Governmental Funds

June 30, 2012

	General	General Purpose School	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents Certificates of deposit Receivables, net of allowance for uncollectibles -	\$ 42,373,462	\$ 5,888,521	\$ 4,030,656	\$ 4,967,598 370,226	\$ 57,260,237 370,226
Taxes	35,842,749				35,842,749
Accounts	20,0.2,7.5			187,919	187,919
Other	2,110,824	18,196		14,626	2,143,646
Due from others	1,915,361	-, -		622,447	2,537,808
Due from other funds	5,405,822	2,474,215		662,128	8,542,165
Due from other governments	10,207,102	11,890,311		4,194,676	26,292,089
Prepaid items and deposits	24,516			17,386	41,902
Inventories	276,743			110,068	386,811
Restricted assets -					
Cash and cash equivalents	1,003,495			19,076,350	20,079,845
Investments, at fair value				1,807,071	1,807,071
Total Assets	\$ 99,160,074	\$ 20,271,243	\$ 4,030,656	\$ 32,030,495	\$ 155,492,468
Accounts payable Accrued liabilities Deposits held	\$ 3,018,989 252,345 923,432	\$ 325,281 3,110,225		\$ 1,119,191 474,768	\$ 4,463,461 3,837,338 923,432
Matured bond interest payable	723,132		\$ 806		806
Due to other funds	597,944	27,655	,	7,295,632	7,921,231
Due to other governments	6,485			96,790	103,275
Due to others				588,656	588,656
Deferred revenue	41,530,024	10,440,883		2,189,622	54,160,529
Other deposits				42,986	42,986
Other liabilities	72,367				72,367
Total Liabilities	\$ 46,401,586	\$ 13,904,044	\$ 806	\$ 11,807,645	\$ 72,114,081
FUND BALANCES					
Nonspendable	\$ 301,259			\$ 1,864,799	\$ 2,166,058
Restricted	949,243			18,576,032	19,525,275
Committed	× .>,= .5	\$ 6,367,199		2,501,143	8,868,342
Assigned	5,737,081	,,	\$ 4,029,850	249,642	10,016,573
Unassigned	45,770,905		, , , = = , = = 0	(2,968,766)	42,802,139
Total Fund Balances	\$ 52,758,488	\$ 6,367,199	\$ 4,029,850	\$ 20,222,850	\$ 83,378,387
Total Liabilities and Fund Balances	\$ 99,160,074	\$ 20,271,243	\$ 4,030,656	\$ 32,030,495	\$ 155,492,468

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities

June 30, 2012

tal Governmental Fund Balances	\$	83,378,387
mounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		662,883,298
Internal service funds are used by management to charge costs of employee health insurance, worker's compensation benefits, liability insurance, and fleet and equipment maintenance to individual funds. The assets and liabilities of the internal service funds		
are included in governmental activities in the statement of net assets.		4,876,792
Charges are made by the general fund to other funds for costs of certain salaries and overhead costs. Internal balances related to charges to business-type funds are		
eliminated in the government-wide statements.		(3,565,720)
Other assets are not available to pay for current-period expenditures and, therefore, are deferred or not reported in the funds.		3,814,488
Long-term liabilities, including bonds and loans payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(235,840,488)
et Assets of Governmental Activities	\$	515,546,757

$\frac{Statement\ of\ Revenues,\ Expenditures,\ and\ Changes\ in\ Fund\ Balances}{Governmental\ Funds}$

Year Ended June 30, 2012

	General Fund	General Purpose School	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues-					
Taxes	\$ 76,518,800				\$ 76,518,800
Intergovernmental	13,830,329	\$ 48,703,620		\$ 16,138,890	78,672,839
Charges for services	5,070,850	18,470		5,045,826	10,135,146
Donations				3,676,689	3,676,689
Interest and investment earnings	58,757		\$ 3,578	280,937	343,272
Licenses and permits	5,311,627				5,311,627
Miscellaneous	3,686,568	390,655		1,867,626	5,944,849
	\$ 104,476,931	\$ 49,112,745	\$ 3,578	\$ 27,009,968	\$ 180,603,222
Expenditures-					
Current -					
General government	\$ 7,753,022				\$ 7,753,022
Police	22,794,678			\$ 186,316	22,980,994
Fire and rescue	14,343,682				14,343,682
Judicial	397,178				397,178
Streets and signs	4,570,444			3,314,108	7,884,552
Planning and engineering	1,695,239				1,695,239
Building and codes	1,615,140				1,615,140
Solid waste	3,998,856				3,998,856
Transportation	2,139,735				2,139,735
Urban environmental	921,753				921,753
Public health, education and welfare	1,602,842				1,602,842
Community services	1,465,468			5,341,112	6,806,580
Recreation	10,110,003				10,110,003
Community/economic development				1,345,646	1,345,646
Education		\$ 53,614,092		4,841,280	58,455,372
Food Service				3,848,294	3,848,294
Capital outlay		843,466		19,160,610	20,004,076
Debt service -				2212112	
Principal			\$ 20,243,230	2,318,412	22,561,642
Interest			4,018,681	411,200	4,429,881
Debt issuance costs and fiscal agent fees	¢ 72.400.040	¢ 54 457 550	101,642	¢ 40.766.079	101,642
	\$ 73,408,040	\$ 54,457,558	\$ 24,363,553	\$ 40,766,978	\$ 192,996,129
Excess of Revenues Over (Under) Expenditures	\$ 31,068,891	\$ (5,344,813)	\$ (24,359,975)	\$ <u>(13,757,010)</u>	\$ (12,392,907)
Other Financing Sources (Uses)-					
Issuance of debt				\$ 1,604,079	\$ 1,604,079
Transfers in	\$ 2,826,981	\$ 4,810,103	\$ 26,320,148	2,816,984	36,774,216
Transfers out	(29,589,318)	(58,331)	(2,729,612)	(1,638,440)	(34,015,701)
	\$ (26,762,337)	\$ 4,751,772	\$ 23,590,536	\$ 2,782,623	\$ 4,362,594
Net change in fund balances	\$ 4,306,554	\$ (593,041)	\$ (769,439)	\$ (10,974,387)	\$ (8,030,313)
Fund Balances at beginning of year	48,451,934	6,960,240	4,799,289	31,197,237	91,408,700
Fund Balance at end of year	\$ 52,758,488	\$ 6,367,199	\$ 4,029,850	\$ 20,222,850	\$ 83,378,387

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, 2012

Net Change in Fund Balances - Total Governmental Funds	\$ (8,030,313)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	276,356
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and contributed assets) is to increase net assets.	369,456
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	373,709
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, 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 net effect of these differences in the treatment of long-term debt and related items.	14,478,011
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 governmental funds.	(632,255)
Internal service funds are used by management to charge costs of employee health insurance, worker's compensation benefits, liability insurance, and fleet and equipment maintenance to individual funds. The net revenue of certain internal service funds is reported with governmental activities.	(1,508,514)
Charges are made by the general fund to other funds for costs of certain salaries and overhead costs. Internal balances related to charges to business-type funds are eliminated in the government-wide statements.	(625,576)
Change in Net Assets of Governmental Activities	\$ 4,700,874

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual

Year Ended June 30, 2012

Other tax equivalents \$41,860 \$43,800 \$66,571 \$4,711 Recovery of taxes deemed uncollectible 200,000 200,000 305,412 105,412 Penalty and interest on taxes 200,000 200,000 305,412 105,412 Other local taxes 30,155,057 30,155,057 32,675,500 \$2,200,438 Beer tax 2,905,266 2,905,266 31,612,068 \$25,800 Liquor tax 753,474 753,374 844,397 90,923 Gross receipts tax 26,000 26,000 27,425 1,425 Liquor privilege tax 60,000 60,000 64,269 4,269 Hoel-moel tax 850,000 890,000 894,881 4,881 Licenses, Permits and Fines- 1 1,000 7,000 5,65,435 4,565 Gas and mechanical licenses 7,000 5,000 5,6435 4,565 Gas and mechanical licenses 7,000 7,000 5,6435 4,565 Gas permits 1,000 1,000 1,000 1,000 <			Original Budget		Final Budget		Actual	Fi	riance with nal Budget Positive Negative)
Property	Revenues -								
Property \$ 34,159,657 \$ 34,159,657 \$ 33,952,988 \$ (206,669) Probrety in lieu of taxes - Public utilities 721,800 721,800 787,341 6.584 Murfreesboro flousing Authority 93,197 93,197 89,345 (3,852) Other tax equivalents 450,000 450,000 546,571 4711 Recovery of taxes deemd uncollectible 450,000 200,000 305,412 105,412 Penalty and interest on taxes 200,000 200,000 305,412 105,412 Other tax equivalents 31,55,057 31,65,068 2,520,433 Beer tax 2,905,266 2,905,266 23,162,068 2,56,802 Liquor tax 753,474 753,474 344,397 90,923 Gross receipts tax 2,050,000 26,000 27,425 14,259 Hotel/motel tax 8,500,000 850,000 394,881 44,881 Hotel/motel tax 8,700,000 7,000 5,65,185 4,455 Electrical licenses 7,0000 7,000 5,618,50 1,450									
Property in lieu of taxes		\$	34,159,657	\$	34,159,657	\$	33,952,988	\$	(206,669)
Public utilities	* *								` ' '
Other tax equivalents \$41,860 \$45,000 \$40,501 \$47,11 Recovery of taxes deemed uncollecible 200,000 200,000 305,412 105,412 Penalty and interest on taxes 200,000 200,000 305,412 105,412 Other food laxes 30,155,057 30,155,057 32,675,500 \$2,204,438 Beer tax 2,905,266 2,905,266 13,162,068 \$25,800 Liquot tax 753,474 753,474 844,397 99,923 Gross receipts tax 2,045,000 2,045,000 2,7425 1,425 Liquot privilege tax 2,000 60,000 60,000 61,269 4,269 Hoel/moel ta 850,000 850,000 894,881 4,881 4,881 Licenses, Permits and Fines- 870,000 7,000 5,65,435 4,565 6 Electrical licenses 7,000 7,000 5,6435 4,565 6 6 1,540 1,540 1,540 1,540 1,540 1,540 1,540 1,540 1,540 1,540<	* *		721,800		721,800		787,341		65,541
Recovery of taxes deemed uncollectible 450,000 450,000 29,506 242,506 Penalty and interest on taxes 200,000 305,412 105,412 Other local taxes - 30,155,057 30,155,057 32,675,500 2,250,443 Beer tax 2,905,266 2,905,266 3,102,068 25,800 Liquor tax 2,945,000 2,045,000 2,476,097 431,097 Beer privilege tax 2,000 2,0500 2,742,59 1,425 Liquor privilege tax 60,000 60,000 64,269 4,259 Hotel/motel tax 850,000 850,000 84,881 4,881 Electrical licenses 7,000 \$70,000 \$6,5435 \$4,555 Gas and mechanical licenses 7,000 \$70,000 \$6,435 \$4,555 Building permits 60,000 90,000 \$10,395 613,905 Plumbing permits 60,000 00,000 87,395 22,236 Electrical permits 60,000 100,000 102,545 22,246 Land disturbance per	Murfreesboro Housing Authority		93,197		93,197		89,345		(3,852)
Penalty and interest on taxes 200,000 200,000 305,412 105,412 Other local taxes - Sales tax 30,155,057 30,155,057 30,155,506 2,520,443 Beer tax 2,905,266 2,905,266 3,162,068 258,802 Liquor tax 753,474 844,397 90,923 Gross receipts tax 2,045,000 2,045,000 2,476,097 431,097 Beer privilege tax 2,000 2,000 26,000 27,425 1,425 Liquor privilege tax 60,000 60,000 894,881 44,881 Licenses, Permits and Fines - 850,000 880,000 894,881 44,881 Electrical licenses \$ 70,000 \$ 70,000 \$ 65,435 \$ 4,555 Gas and mechanical licenses \$ 70,000 \$ 70,000 \$ 5,660 (1,540) Building permits 90,000 70,000 \$ 1,600 (1,540) Plumbing permits 60,000 60,000 102,545 42,254 Electrical permits 170,000 170,000 27,000 46,009 <td>Other tax equivalents</td> <td></td> <td>541,860</td> <td></td> <td>541,860</td> <td></td> <td>546,571</td> <td></td> <td>4,711</td>	Other tax equivalents		541,860		541,860		546,571		4,711
Sales tax 30,155,057 32,675,500 2,250,441	Recovery of taxes deemed uncollectible		450,000		450,000		692,506		242,506
Sales tax 30,155,057 30,155,057 32,075,500 2.520,443 Beer tax 2,905,266 2,905,266 3,162,068 256,802 Liquor tax 753,474 753,474 844,397 90,923 Gross receipts tax 2,045,000 2,945,000 27,425 1,425 Liquor privilege tax 60,000 60,000 64,269 4,269 Hotel/morel tax 850,000 850,000 894,881 4,881 Licenses, Permits and Fines- 850,000 70,000 \$76,518,800 \$3,557,889 Licenses, Permits and Fines- 850,000 70,000 \$65,435 \$ (4,565) Gas and mechanical licenses 7,000 7,000 \$6,545 \$ (4,565) Gas and mechanical licenses 7,000 70,000 \$1,000 \$ (4,565) Building permits 60,000 60,000 \$ (3,352) \$ (4,565) Building permits 60,000 60,000 \$ (3,352) \$ (2,732) Gas permits 170,000 170,000 \$ (3,502) \$ (3,502) \$ (3,502	Penalty and interest on taxes		200,000		200,000		305,412		105,412
Ber tax Lippor tax 2,905,266 2,905,266 3,162,068 25,68,02 Lippor tax 753,474 753,474 844,377 90,923 Gross receipts tax 2,045,000 2,045,000 2,476,097 431,097 Beer privilege tax 60,000 60,000 64,269 4,269 Hotel/motel tax 850,000 850,000 894,881 44,881 Hotel/motel tax 850,000 \$70,001 \$76,518,800 \$355,489 Licenses, Permits and Fines 870,000 \$70,000 \$6,435 \$4,4581 Electrical licenses \$70,000 70,000 \$5,435 \$4,555 Building permits 790,000 70,000 \$5,435 \$4,555 Plumbing permits 600,000 60,000 14,039,95 613,905 Plumbing permits 160,000 60,000 216,590 46,090 Mechanical permits 170,000 170,000 216,590 46,090 Mechanical permits 160,000 60,000 87,329 27,329 Gas permits	Other local taxes -								
Liquor tax 753,474 753,474 844,307 90,923 Gross receipts tax 2,045,000 2,045,000 2,476,007 431,007 Beer privilege tax 26,000 60,000 67,425 1,425 Liquor privilege tax 600,000 850,000 894,881 44,881 I hetel-motel tax 850,000 850,000 894,881 44,881 I hetel-motel tax 850,000 850,000 894,881 44,881 Licenses, Permits and Fines - 850,000 870,000 50,000 5,654,35 \$ (4,565) Gas and mechanical licenses 7,000 70,000 5,66,435 \$ (4,565) Building permits 790,000 790,000 1,403,905 613,905 Building permits 60,000 00,000 10,2545 42,545 Electrical permits 170,000 170,000 216,090 46,090 Mechanical permits 60,000 00,000 87,329 27,329 Gas permits 14,000 14,000 22,000 10,000 10,000	Sales tax		30,155,057		30,155,057		32,675,500		2,520,443
Gross receipts tax 2,045,000 2,045,000 2,476,097 431,097 Beer privilege tax 26,000 60,000 64,269 4,269 Hotel/motel tax 850,000 880,000 894,881 44,881 Licenses, Permits and Fines - 87,961,311 7,261,311 76,518,00 \$3,557,489 Licenses, Permits and Fines - 87,000 \$7,000 \$65,435 \$4,655 Gas and mechanical licenses 7,000 7,000 5,460 (1,540) Building permits 70,000 70,000 1,403,005 613,905 Plumbing permits 60,000 60,000 100,245 42,545 Electrical permits 170,000 170,000 21,609 46,009 Mechanical permits 60,000 60,000 87,329 27,329 Gas permits 11,000 11,000 16,000 6,000 Berriam permits 17,000 11,000 7,500 6,500 Ber application fees 12,000 15,000 68,812 28,455 Plat review fee	Beer tax		2,905,266		2,905,266		3,162,068		
Beer privilege tax 26,000 26,000 27,425 1,425 Liquor privilege tax 66,000 60,000 64,269 4,269 Hotel/morel tax 850,000 880,000 894,881 44,881 Licenses s 72,961,311 \$76,518,800 \$3,557,489 Licenses s 70,000 \$70,000 \$65,435 \$ (4,565) Gas and mechanical licenses \$70,000 \$70,000 \$,460 (1,540) Building permits 600,000 60,000 100,305 \$613,905 Plumbing permits 600,000 60,000 101,254 42,545 Electrical permits 170,000 170,000 170,000 216,090 46,090 Mechanical permits 600,000 60,000 873,229 273,229 Gas permits 14,000 170,000 170,000 16,240 2,240 Land disturbance permits 17,000 17,000 17,000 17,000 17,000 17,000 17,000 17,000 17,000 17,000 17,000	•		753,474		753,474		844,397		90,923
Liquor privilege tax 60,000 850,000 850,000 842,69 42,69 Hotel/motel tax 850,000 850,000 850,000 894,881 44,881 Licenses, Permits and Fines - Telectrical licenses \$70,000 \$70,000 \$65,435 \$4,655 Electrical licenses \$7,000 \$70,000 \$460 (1,540) Building permits 790,000 790,000 \$460 (1,540) Building permits 60,000 60,000 102,545 42,545 Electrical permits 60,000 60,000 102,545 42,545 Electrical permits 60,000 60,000 87,329 27,329 Gas permits 11,000 11,000 12,000 22,050 10,050 Fireworks permits 11,000 11,000 7,500 5,000 Ber application fees 12,000 12,000 13,950 1,950 Burglar alarm permits 54,000 54,000 62,455 8,455 Plat review fee 36,000 36,000 68,812 <td>Gross receipts tax</td> <td></td> <td>2,045,000</td> <td></td> <td>2,045,000</td> <td></td> <td>2,476,097</td> <td></td> <td>431,097</td>	Gross receipts tax		2,045,000		2,045,000		2,476,097		431,097
Hotel/motel tax									
Licenses, Permits and Fines - Electrical licenses \$70,000 \$70,000 \$65,435 \$ (4,565) Gas and mechanical licenses \$70,000 \$70,000 \$3,460 \$1,540 Building permits \$790,000 \$790,000 \$1,403,905 \$613,905 Plumbing permits \$790,000 \$790,000 \$1,403,905 \$613,905 Plumbing permits \$170,000 \$70,000 \$1,2545 \$42,545 Electrical permits \$170,000 \$170,000 \$216,090 \$46,090 Mechanical permits \$60,000 \$60,000 \$87,329 \$27,329 Gas permits \$14,000 \$17,000 \$27,050 \$10,050 Fireworks permits \$17,000 \$17,000 \$27,050 \$10,050 Fireworks permits \$17,000 \$17,000 \$27,050 \$10,050 Fireworks permits \$12,000 \$12,000 \$13,950 \$1,950 Beer application fees \$12,000 \$12,000 \$13,950 \$1,950 Burglar alarm permits \$4,000 \$4,000 \$62,455 \$8,455 Plat review fee \$36,000 \$36,000 \$68,812 \$32,812 Other fees \$1,000 \$1,000 \$1,290 \$290 Attorney tax fees \$1,5000 \$1,500 \$43,106 \$28,106 Court fines \$1,780,000 \$1,780,000 \$2,241,952 \$461,952 Red light cameras \$856,200 \$856,200 \$935,648 \$77,448 Burglar false alarm fees \$1,5000 \$1,500 \$13,840 \$1,160 Other fines and fees \$3,750 \$3,561,950 \$5,311,627 \$1,349,677 Intergovernmental Revenues - Rutherford County \$362,537 \$362,537 \$487,233 \$124,696 State sakes tax allocation \$22,865 \$5,386 \$52,31 State bert ax allocation \$22,895 \$222,950 \$223,260 \$310 State mixed drink tax \$669,500 \$669,500 \$64,996 \$79,996 State excise tax \$34,150 \$24,155 \$44,996 \$79,996 State excise tax \$34,150 \$34,150 \$29,157 \$4,993 State mixed drink tax \$650,000 \$56,000 \$64,996 \$79,996 State excise tax \$34,150 \$34,150 \$29,157 \$4,993 State mintenance of streets \$277,288 \$233,893 \$43,395 State mintenance of streets \$277,288 \$271,288 \$233,893 \$43,395 State mintenance of streets \$277,288 \$271,282 \$23,800 \$									
Licenses, Permits and Fines - Electrical licenses \$70,000 \$70,000 \$65,435 \$ (4,565) Gas and mechanical licenses 7,0000 7,000 5,460 (1,540) Gas and mechanical licenses 7,0000 7,0000 1,403,905 613,905 Plumbing permits 60,000 60,000 102,545 42,545 Electrical permits 170,000 170,000 216,090 46,090 Mechanical permits 60,000 60,000 87,329 27,329 Gas permits 14,000 14,000 16,240 2,240 Land disturbance permits 17,000 17,000 270,550 10,050 Fireworks permits 1,000 1,000 7,500 6,500 Elecar application fees 12,000 12,000 13,950 1,950 1,950 Elecar application fees 12,000 12,000 13,950 1,950 1,950 Elecar application fees 15,000 5,000 68,812 32,812 Other fees 1,000 1,000 1,290 2,90 Attorney tax fees 1,5000 15,000 43,106 28,106 Court fines 1,780,000 1,780,000 2,241,952 461,952 Red light cameras 856,200 836,648 77,448 Burglar false alarm fees 1,5000 15,000 13,840 1,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160 0,160	Hotel/motel tax							. –	
Electrical licenses		\$_	72,961,311	\$_	72,961,311	\$_	76,518,800	\$ _	3,557,489
Electrical licenses	Licenses Permits and Fines -								
Gas and mechanical licenses 7,000 7,000 5,460 (1,540) Building permits 790,000 790,000 1,403,905 613,905 Plumbing permits 60,000 60,000 102,545 42,545 Electrical permits 170,000 170,000 216,090 46,090 Mechanical permits 60,000 60,000 87,329 27,329 Gas permits 14,000 14,000 16,240 2,240 Land disturbance permits 17,000 17,000 27,050 10,050 Fireworks permits 1,000 1,000 7,500 6,500 Beer application fees 12,000 12,000 13,950 1,950 Burglar alarm permits 54,000 54,000 68,812 32,812 Other fees 1,000 1,000 1,290 290 Attorney tax fees 1,500 15,000 43,106 28,106 Court fines 1,780,000 1,780,000 2,241,952 461,952 Red light cameras 856,200 85		\$	70 000	\$	70.000	\$	65 435	\$	(4.565)
Building permits 790,000 790,000 1,403,905 613,905 Plumbing permits 60,000 60,000 102,545 42,545 Electrical permits 170,000 170,000 216,090 46,090 Mechanical permits 60,000 60,000 87,329 27,329 Gas permits 14,000 14,000 16,240 2,240 Land disturbance permits 17,000 17,000 27,050 10,050 Fireworks permits 10,000 12,000 7,500 6,500 Beer application fees 12,000 12,000 13,950 1,950 Burglar alarm permits 54,000 54,000 62,455 8,455 Plat review fee 36,000 36,000 68,812 32,812 Other fees 1,000 1,000 1,290 29 Attorney tax fees 15,000 15,000 43,106 28,106 Court fines 15,000 17,80,000 22,41,952 461,952 Red light cameras 856,200 85,620		Ψ		Ψ		Ψ		Ψ	
Plumbing permits 60,000 60,000 102,545 42,545 Electrical permits 170,000 170,000 216,090 46,090 Mechanical permits 60,000 60,000 87,329 27,329 Gas permits 14,000 14,000 16,240 2,240 Land disturbance permits 17,000 17,000 27,050 10,050 Fireworks permits 19,000 10,000 7,500 6,500 Beer application fees 12,000 12,000 13,950 1,950 Burglar alarm permits 54,000 54,000 62,455 8,455 Plat review fee 36,000 36,000 68,812 32,812 Other fees 1,000 1,500 1,290 290 Attorney tax fees 15,000 1,780,000 2,241,952 461,952 Red light cameras 856,200 856,200 933,648 77,448 Burglar false alarm fees 15,000 15,000 13,840 (1,160) Other fines and fees 3,750									
Electrical permits							, ,		
Mechanical permits 60,000 60,000 87,329 27,329 Gas permits 14,000 14,000 16,240 2,240 Land disturbance permits 17,000 17,000 27,050 10,050 Fireworks permits 1,000 1,000 7,500 6,500 Beer application fees 12,000 12,000 13,950 1,950 Burglar alarm permits 54,000 54,000 62,455 8,455 Plat review fee 36,000 36,000 68,812 32,812 Other fees 1,000 1,000 1,290 290 Attorney tax fees 15,000 15,000 43,106 28,106 Court fines 1,780,000 1,780,000 2,241,952 461,952 Red light cameras 856,200 856,200 933,648 77,448 Burglar false alarm fees 15,000 15,000 13,840 (1,160) Other fines and fees 3,350 3,750 1,020 2,734,967 Intergovernmental Revenues- 8 3,9					,				
Gas permits 14,000 14,000 16,240 2,240 Land disturbance permits 17,000 17,000 27,050 10,050 Fireworks permits 1,000 1,000 7,500 6,500 Beer application fees 12,000 12,000 13,950 1,950 Burglar alarm permits 54,000 54,000 62,455 8,455 Plat review fee 36,000 36,000 68,812 32,812 Other fees 1,000 1,000 1,290 290 Attorney tax fees 15,000 15,000 43,106 28,106 Courf fines 1,780,000 1,780,000 2,241,952 461,952 Red light cameras 856,200 856,200 933,648 77,448 Burglar false alarm fees 15,000 15,000 13,840 (1,160 Other fines and fees 3,750 3,750 1,020 2,730 Rutherford County \$ 362,537 \$ 362,537 \$ 487,233 \$ 124,696 State sales tax allocation 52,865			60,000						
Land disturbance permits 17,000 17,000 27,050 10,050 Fireworks permits 1,000 1,000 7,500 6,500 Beer application fees 12,000 12,000 13,950 1,950 Burglar alarm permits 54,000 54,000 62,455 8,455 Plat review fee 36,000 36,000 68,812 32,812 Other fees 1,000 1,000 1,290 290 Attorney tax fees 15,000 15,000 43,106 28,106 Court fines 1,780,000 1,780,000 2,241,952 461,952 Red light cameras 856,200 856,200 933,648 77,448 Burglar false alarm fees 15,000 15,000 13,840 (1,160) Other fines and fees 3,750 3,750 1,020 (2,730) Rutherford County \$ 362,537 \$ 362,537 \$ 487,233 \$ 124,696 State sales tax allocation 7,039,010 7,3385,832 346,822 State beer tax allocation 52,865			14,000		14,000		16,240		
Beer application fees 12,000 12,000 13,950 1,950 Burglar alarm permits 54,000 54,000 62,455 8,455 Plat review fee 36,000 36,000 68,812 32,812 Other fees 1,000 1,000 1,290 290 Attorney tax fees 15,000 1,5000 43,106 28,106 Court fines 1,780,000 1,780,000 2,241,952 461,952 Red light cameras 856,200 856,200 933,648 77,448 Burglar false alarm fees 15,000 15,000 13,840 (1,160) Other fines and fees 3,750 3,750 1,020 2,730 Tutherford County \$ 362,537 \$ 487,233 \$ 1,349,677 Intergovernmental Revenues - \$ 362,537 \$ 487,233 \$ 124,696 State sales tax allocation 7,039,010 7,385,832 346,822 State beer tax allocation 52,865 52,865 53,886 521 State gasoline tax allocation 222,950 222,950			17,000		17,000		27,050		10,050
Burglar alarm permits 54,000 54,000 62,455 8,455 Plat review fee 36,000 36,000 68,812 32,812 Other fees 1,000 1,000 1,290 290 Attorney tax fees 15,000 15,000 43,106 28,106 Court fines 1,780,000 1,780,000 2,241,952 461,952 Red light cameras 856,200 856,200 933,648 77,448 Burglar false alarm fees 15,000 15,000 13,840 (1,160) Other fines and fees 3,750 3,750 1,020 2,730) \$ 3,961,950 \$ 3,961,950 \$ 5,311,627 \$ 1,349,677 Intergovernmental Revenues - *** Rutherford County** \$ 362,537 \$ 362,537 \$ 487,233 \$ 124,696 State sales tax allocation 7,039,010 7,039,010 7,385,832 346,822 State beer tax allocation 52,865 52,865 53,386 521 State mixed drink tax 669,500 669,500 691,557 22,057	Fireworks permits		1,000		1,000		7,500		6,500
Plat review fee 36,000 36,000 68,812 32,812 Other fees 1,000 1,000 1,290 290 Attorney tax fees 15,000 15,000 43,106 28,106 Court fines 1,780,000 1,780,000 2,241,952 461,952 Red light cameras 856,200 856,200 933,648 77,448 Burglar false alarm fees 15,000 15,000 13,840 (1,160) Other fines and fees 3,750 3,750 1,020 (2,730) State sales tax allocation 3,361,950 \$ 3,961,950 \$ 5,311,627 \$ 1,349,677 Intergovernmental Revenues - Rutherford County \$ 362,537 \$ 362,537 \$ 487,233 \$ 124,696 State sales tax allocation 7,039,010 7,039,010 7,385,832 346,822 State beer tax allocation 52,865 53,386 521 State gasoline tax allocation 222,950 222,950 223,260 310 State gross receipts tax 1,203,920 1,203,920 <t< td=""><td>Beer application fees</td><td></td><td>12,000</td><td></td><td>12,000</td><td></td><td>13,950</td><td></td><td>1,950</td></t<>	Beer application fees		12,000		12,000		13,950		1,950
Other fees 1,000 1,000 1,290 290 Attorney tax fees 15,000 15,000 43,106 28,106 Court fines 1,780,000 1,780,000 2,241,952 461,952 Red light cameras 856,200 856,200 933,648 77,448 Burglar false alarm fees 15,000 15,000 13,840 (1,160) Other fines and fees 3,750 3,750 1,020 (2,730) State sales tax allocation 3,961,950 \$ 3,961,950 \$ 5,311,627 \$ 1,349,677 Intergovernmental Revenues - Rutherford County \$ 362,537 \$ 362,537 \$ 487,233 \$ 124,696 State sales tax allocation 7,039,010 7,039,010 7,385,832 346,822 State beer tax allocation 52,865 52,865 53,386 521 State gasoline tax allocation 222,950 222,950 223,260 310 State gross receipts tax 1,203,920 1,257,441 53,521 State gross receipts tax 1,203,920 1,257,441 53,521	Burglar alarm permits		54,000		54,000		62,455		8,455
Attorney tax fees 15,000 15,000 43,106 28,106 Court fines 1,780,000 1,780,000 2,241,952 461,952 Red light cameras 856,200 856,200 933,648 77,448 Burglar false alarm fees 15,000 15,000 13,840 (1,160) Other fines and fees 3,750 3,750 1,020 (2,730) ** 3,961,950 \$ 3,961,950 \$ 5,311,627 \$ 1,349,677 Intergovernmental Revenues - ** 362,537 \$ 362,537 \$ 487,233 \$ 124,696 State sales tax allocation 7,039,010 7,039,010 7,385,832 346,822 State beer tax allocation 52,865 52,865 53,386 521 State gasoline tax allocation 222,950 222,950 223,260 310 State mixed drink tax 669,500 669,500 691,557 22,057 State gross receipts tax 1,203,920 1,203,920 1,257,441 53,521 State excise tax 34,150 34,150 29,157 (4,993)	Plat review fee		36,000		36,000		68,812		32,812
Court fines 1,780,000 1,780,000 2,241,952 461,952 Red light cameras 856,200 856,200 933,648 77,448 Burglar false alarm fees 15,000 15,000 13,840 (1,160) Other fines and fees 3,750 3,750 1,020 (2,730) Intergovernmental Revenues - \$3,961,950 \$5,311,627 \$1,349,677 Intergovernmental Revenues - Rutherford County \$362,537 \$362,537 \$487,233 \$124,696 State sales tax allocation 7,039,010 7,039,010 7,385,832 346,822 State beer tax allocation 52,865 52,865 53,386 521 State gasoline tax allocation 222,950 222,950 223,260 310 State mixed drink tax 669,500 669,500 691,557 22,057 State gross receipts tax 1,203,920 1,203,920 1,257,441 53,521 State income tax allocation 565,000 565,000 644,996 79,996 State excise tax 34,150 29,157	Other fees		1,000		1,000		1,290		290
Red light cameras 856,200 856,200 933,648 77,448 Burglar false alarm fees 15,000 15,000 13,840 (1,160) Other fines and fees 3,750 3,750 1,020 (2,730) \$ 3,961,950 \$ 3,961,950 \$ 5,311,627 \$ 1,349,677 Intergovernmental Revenues - Rutherford County \$ 362,537 \$ 362,537 \$ 487,233 \$ 124,696 State sales tax allocation 7,039,010 7,039,010 7,385,832 346,822 State beer tax allocation 52,865 52,865 53,386 521 State gasoline tax allocation 222,950 222,950 223,260 310 State mixed drink tax 669,500 669,500 691,557 22,057 State gross receipts tax 1,203,920 1,203,920 1,257,441 53,521 State income tax allocation 565,000 565,000 644,996 79,996 State excise tax 34,150 34,150 29,157 (4,993) State mintenance of streets 277,288	Attorney tax fees		15,000		15,000		43,106		28,106
Burglar false alarm fees 15,000 15,000 13,840 (1,160) Other fines and fees 3,750 3,750 1,020 (2,730) \$ 3,961,950 \$ 3,961,950 \$ 5,311,627 \$ 1,349,677 Intergovernmental Revenues - Rutherford County \$ 362,537 \$ 362,537 \$ 487,233 \$ 124,696 State sales tax allocation 7,039,010 7,039,010 7,385,832 346,822 State beer tax allocation 52,865 52,865 53,386 521 State gasoline tax allocation 222,950 222,950 223,260 310 State mixed drink tax 669,500 669,500 691,557 22,057 State gross receipts tax 1,203,920 1,203,920 1,257,441 53,521 State income tax allocation 565,000 565,000 644,996 79,996 State excise tax 34,150 34,150 29,157 (4,993) State maintenance of streets 277,288 277,288 233,893 (43,395) State funds 630,371 <t< td=""><td>Court fines</td><td></td><td></td><td></td><td>1,780,000</td><td></td><td>2,241,952</td><td></td><td>461,952</td></t<>	Court fines				1,780,000		2,241,952		461,952
Other fines and fees 3,750 3,750 1,020 (2,730) Intergovernmental Revenues - \$3,961,950 \$3,961,950 \$5,311,627 \$1,349,677 Rutherford County \$362,537 \$362,537 \$487,233 \$124,696 State sales tax allocation 7,039,010 7,039,010 7,385,832 346,822 State beer tax allocation 52,865 52,865 53,386 521 State gasoline tax allocation 222,950 222,950 223,260 310 State mixed drink tax 669,500 669,500 691,557 22,057 State gross receipts tax 1,203,920 1,203,920 1,257,441 53,521 State income tax allocation 565,000 565,000 644,996 79,996 State excise tax 34,150 34,150 29,157 (4,993) State maintenance of streets 277,288 277,288 233,893 (43,395) State funds 630,371 630,371 425,054 (205,317) Federal funds 5,629,423 5,629,423 2,398,520									
Sample S									(1,160)
Intergovernmental Revenues - Rutherford County \$ 362,537 \$ 362,537 \$ 487,233 \$ 124,696	Other fines and fees							. –	
Rutherford County \$ 362,537 \$ 362,537 \$ 487,233 \$ 124,696 State sales tax allocation 7,039,010 7,039,010 7,385,832 346,822 State beer tax allocation 52,865 52,865 53,386 521 State gasoline tax allocation 222,950 222,950 223,260 310 State mixed drink tax 669,500 669,500 691,557 22,057 State gross receipts tax 1,203,920 1,203,920 1,257,441 53,521 State income tax allocation 565,000 565,000 644,996 79,996 State excise tax 34,150 34,150 29,157 (4,993) State maintenance of streets 277,288 277,288 233,893 (43,395) State funds 630,371 630,371 425,054 (205,317) Federal funds 5,629,423 5,629,423 2,398,520 (3,230,903)		\$ _	3,961,950	\$ _	3,961,950	\$ _	5,311,627	\$ _	1,349,677
Rutherford County \$ 362,537 \$ 362,537 \$ 487,233 \$ 124,696 State sales tax allocation 7,039,010 7,039,010 7,385,832 346,822 State beer tax allocation 52,865 52,865 53,386 521 State gasoline tax allocation 222,950 222,950 223,260 310 State mixed drink tax 669,500 669,500 691,557 22,057 State gross receipts tax 1,203,920 1,203,920 1,257,441 53,521 State income tax allocation 565,000 565,000 644,996 79,996 State excise tax 34,150 34,150 29,157 (4,993) State maintenance of streets 277,288 277,288 233,893 (43,395) State funds 630,371 630,371 425,054 (205,317) Federal funds 5,629,423 5,629,423 2,398,520 (3,230,903)	Intergovernmental Revenues -								
State sales tax allocation 7,039,010 7,039,010 7,385,832 346,822 State beer tax allocation 52,865 52,865 53,386 521 State gasoline tax allocation 222,950 222,950 223,260 310 State mixed drink tax 669,500 669,500 691,557 22,057 State gross receipts tax 1,203,920 1,203,920 1,257,441 53,521 State income tax allocation 565,000 565,000 644,996 79,996 State excise tax 34,150 34,150 29,157 (4,993) State maintenance of streets 277,288 277,288 233,893 (43,395) State funds 630,371 630,371 425,054 (205,317) Federal funds 5,629,423 5,629,423 2,398,520 (3,230,903)	·	\$	362 537	\$	362 537	\$	487 233	\$	124 696
State beer tax allocation 52,865 52,865 53,386 521 State gasoline tax allocation 222,950 222,950 223,260 310 State mixed drink tax 669,500 669,500 691,557 22,057 State gross receipts tax 1,203,920 1,203,920 1,257,441 53,521 State income tax allocation 565,000 565,000 644,996 79,996 State excise tax 34,150 34,150 29,157 (4,993) State maintenance of streets 277,288 277,288 233,893 (43,395) State funds 630,371 630,371 425,054 (205,317) Federal funds 5,629,423 5,629,423 2,398,520 (3,230,903)	·	Ψ		Ψ		Ψ		Ψ	,
State gasoline tax allocation 222,950 222,950 223,260 310 State mixed drink tax 669,500 669,500 691,557 22,057 State gross receipts tax 1,203,920 1,203,920 1,257,441 53,521 State income tax allocation 565,000 565,000 644,996 79,996 State excise tax 34,150 34,150 29,157 (4,993) State maintenance of streets 277,288 277,288 233,893 (43,395) State funds 630,371 630,371 425,054 (205,317) Federal funds 5,629,423 5,629,423 2,398,520 (3,230,903)									
State mixed drink tax 669,500 669,500 691,557 22,057 State gross receipts tax 1,203,920 1,203,920 1,257,441 53,521 State income tax allocation 565,000 565,000 644,996 79,996 State excise tax 34,150 34,150 29,157 (4,993) State maintenance of streets 277,288 277,288 233,893 (43,395) State funds 630,371 630,371 425,054 (205,317) Federal funds 5,629,423 5,629,423 2,398,520 (3,230,903)									
State gross receipts tax 1,203,920 1,203,920 1,257,441 53,521 State income tax allocation 565,000 565,000 644,996 79,996 State excise tax 34,150 34,150 29,157 (4,993) State maintenance of streets 277,288 277,288 233,893 (43,395) State funds 630,371 630,371 425,054 (205,317) Federal funds 5,629,423 5,629,423 2,398,520 (3,230,903)	-								
State income tax allocation 565,000 565,000 644,996 79,996 State excise tax 34,150 34,150 29,157 (4,993) State maintenance of streets 277,288 277,288 233,893 (43,395) State funds 630,371 630,371 425,054 (205,317) Federal funds 5,629,423 5,629,423 2,398,520 (3,230,903)									
State excise tax 34,150 34,150 29,157 (4,993) State maintenance of streets 277,288 277,288 233,893 (43,395) State funds 630,371 630,371 425,054 (205,317) Federal funds 5,629,423 5,629,423 2,398,520 (3,230,903)									
State maintenance of streets 277,288 277,288 233,893 (43,395) State funds 630,371 630,371 425,054 (205,317) Federal funds 5,629,423 5,629,423 2,398,520 (3,230,903)									(4,993)
State funds 630,371 630,371 425,054 (205,317) Federal funds 5,629,423 5,629,423 2,398,520 (3,230,903)									(43,395)
Federal funds 5,629,423 5,629,423 2,398,520 (3,230,903)									(205,317)
	Federal funds								(3,230,903)
\$ <u>16,687,014</u> \$ <u>16,687,014</u> \$ <u>13,830,329</u> \$ <u>(2,856,685)</u>		\$		\$		\$		\$	(2,856,685)

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (continued) <u>Budget (GAAP Basis) and Actual</u>

Year Ended June 30, 2012

		Original Budget		Final Budget		Actual	Fii	riance with nal Budget Positive Negative)
Charges for services								
Office	\$	300	\$	300	\$	1,052	\$	752
Planning department		36,000		36,000		22,583		(13,417)
Police department		12,000		12,000		15,044		3,044
Fire department		829,820		829,820		825,182		(4,638
Street department		457,290		457,290		471,201		13,911
Building department		24,000		24,000		30,387		6,387
Urban Environmental department		5,000		5,000		22,050		17,050
G.I.S. maintenance		33,000		33,000		33,000		
Sex offender fee						2,986		2,986
Public Transit fares		98,000		98,000		123,264		25,264
Recreation - program income		1,252,387		1,252,387		1,465,254		212,867
Public Golf - program income		1,916,172		1,916,172		1,888,049		(28,123
Senior Citizens - program income		152,000		152,000		130,473		(21,527
Solid Waste department		20,500		20,500		39,915		19,415
Television department		20,300		20,300		410		410
relevision department	\$ -	4,836,469	\$	4,836,469	\$	5,070,850	\$	234,381
	φ_	4,030,409	φ.	4,630,409	Φ_	3,070,830	Φ_	234,361
Miscellaneous Revenues -								
Interest	\$	95,000	\$	95,000	\$	58,757	\$	(36,243
Gas franchise revenue		1,105,000		1,105,000		984,848		(120,152
Cable franchise revenue		1,285,000		1,285,000		1,094,785		(190,215
Contribution - active funds		1,530,458		1,530,458		1,323,916		(206,542
Miscellaneous revenue		180,479		180,479		241,470		60,991
Donations received		9,000		9,000		41,549		32,549
Fuel charges - other entities		3,018,667		3,018,667		,		(3,018,667
	\$	7,223,604	\$	7,223,604	\$	3,745,325	\$	(3,478,279
TOTAL REVENUES	\$	105,670,348	\$	105,670,348		104,476,931	\$	(1,193,417
3								
Expenditures - General Government -								
General and Administrative -								
Labor	\$	1,227,055	\$	1,227,055	\$	1,223,507	\$	3,548
Operation and maintenance	Ψ	891,590	Ψ	891,590	Ψ	781,052	Ψ	110,538
Supplies		95,150		95,150		52,198		42,952
Insurance								
		234,235		234,235		242,663		(8,428
Social Security taxes		92,722		92,722		90,919		1,803
Group insurance		1,063,090		1,063,090		1,048,934		14,156
Retirement		515,313		515,313		437,508		77,805
Unemployment insurance		100,000		100,000		50,898		49,102
Utilities		181,540		181,540		182,510		(970
Travel and subsistence		25,700		25,700		24,495		1,205
Association dues		62,500		62,500		66,066		(3,566
Professional fees		173,400		173,400		175,700		(2,300
Training personnel		15,000		15,000		19,141		(4,141
Additions to fixed assets		16,375		16,375		10,345		6,030
Mixed drink tax allocation		334,750		334,750		344,035		(9,285
Other miscellaneous		175,750		175,750		158,536	_	17,214
	\$	5,204,170	\$	5,204,170	\$	4,908,507	\$	295,663
Other Consent Consentration								
Other General Government -	di di	00 220	dr	00 220	d	96.619	d	1 (02
Civic plaza	\$	88,220	\$	88,220	\$	86,618	\$	1,602
Parking garage		110,875		110,875		110,735		140
Unforeseen miscellaneous and contingencies		500,000		500,000		113,489		386,511
Property tax adjustments		100,000		100,000		167,880		(67,880
Fuel purchases - other entities		2,913,537		2,913,537				2,913,537
1	\$	3,712,632	\$	3,712,632	\$	478,722	\$	3,233,910

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (continued) <u>Budget (GAAP Basis) and Actual</u>

Year Ended June 30, 2012

		Original Budget		Final Budget		Actual	Fin F	ance with al Budget Positive (egative)
General Government (continued) -								
Legal Department -								
Labor	\$	511,932	\$	511,932	\$	511,415	\$	517
Operation and maintenance	*	3,400	-	3,400	-	2,565	-	835
Supplies		26,400		26,400		27,532		(1,132
Insurance		6,424		6,424		6,696		(272
Social Security taxes		39,163		39,163		35,874		3,289
•								
Group insurance		74,446		74,446		73,675		771
Retirement		60,883		60,883		60,842		41
Utilities		1,000		1,000		928		72
Travel and subsistence		200		200		150		50
Association dues		5,250		5,250		5,319		(69
Training personnel		7,500		7,500		6,869		631
Legal expense		21,000		21,000		36,004		(15,004
Additions to fixed assets		2,600		2,600		2,482		118
Other miscellaneous		4,500		4,500		2,180		2,320
Outer imperialization	\$	764,698	\$	764,698	s -	772,531	\$	(7,833
	_		_		_			
Human Resources Department -								
Labor	\$	430,328	\$	430,328	\$	426,470	\$	3,858
Operation and maintenance		28,156		28,156		26,672		1,484
Supplies		15,328		15,328		14,399		929
Advertising		4,700		4,700		4,918		(218
Insurance		28,183		28,183		29,297		(1,114
Social Security taxes		32,920		32,920		30,261		2,659
Group insurance		106,650		106,650		104,942		1,708
Retirement		51,631				52,770		
				51,631				(1,139
Utilities		2,700		2,700		2,261		439
Travel and subsistence		250		250		31		219
Testing		5,500		5,500		9,693		(4,193
Training personnel		11,000		11,000		14,053		(3,053)
Association dues		720		720		912		(192
Drug programs		37,500		37,500		39,335		(1,835
Additions to fixed assets		5,000		5,000		3,599		1,401
Other miscellaneous		4,650		4,650		1,686		2,964
	\$	765,216	\$	765,216	\$	761,299	\$	3,917
Information Technology Department -								
Labor	\$	515,007	\$	515,007	\$	455,797	\$	59,210
Operations and maintenance		161,400		161,400		115,527		45,873
Supplies		10,000		10,000		10,018		(18
Insurance		914		914		1,081		(167
Social Security taxes		39,398		39,398		32,239		7,159
Group insurance		97,981		97,981		86,401		11,580
Retirement		57,002		57,002		54,002		3,000
Utilities		40,000		40,000		22,564		17,436
Travel and subsistence		3,000		3,000		22,304		3,000
						2 602		
Training personnel		8,000		8,000		3,692		4,308
Outside services		75,000		75,000		10.0=:		75,000
Additions to fixed assets		49,200		49,200		18,074		31,126
Interlocal GIS agreement		7,500		7,500		32,159		(24,659
Other miscellaneous expenses	_	3,000	_	3,000	_	409	_	2,591
	\$	1,067,402	\$	1,067,402	\$	831,963	\$	235,439 3,761,096
		11,514,118		11,514,118		7,753,022		

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (continued) <u>Budget (GAAP Basis) and Actual</u>

Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Dalica Department				
Police Department - Labor	\$ 12,588,711	\$ 12,588,711	\$ 12,520,182	\$ 68,529
Operation and maintenance	793,915	793,915	777,472	16,443
Supplies	903,017	903,017	785,728	117,289
Uniforms and cleaning	264,000	264,000	283,878	(19,878
Insurance	1,275,577	1,275,577	1,324,135	(48,558
Social Security taxes	966,504	966,504	949,747	16,757
Group insurance	2,693,528	2,693,528	2,477,893	215,635
Retirement	1,338,783	1,338,783	1,349,651	(10,868
Utilities	445,000	445,000	442,530	
	144,000		136,672	2,470 7,328
Training personnel Jail fees and state cost	220,000	144,000 220,000	262,752	(42,752
	1,500	1,500	1,499	(42,732
Drug programs	10,000		12,079	
D.A.R.E. program Additions to fixed assets	394,620	10,000 394,620	480,455	(2,079 (85,835
	736,000	736,000	671,050	64,950
Red light camera program Other miscellaneous	141,000	141,000	318,955	(177,955
Total Police	\$ 22,916,155	\$ 22,916,155	\$ 22,794,678	\$ 121,477
Total Police	\$ 22,910,133	\$ 22,910,133	\$ 22,194,618	5 121,477
Fire and Rescue Department -				
Labor	\$ 9,176,872	\$ 9,176,872	\$ 9,043,069	\$ 133,803
Operation and maintenance	378,381	378,381	355,404	22,977
Supplies	259,712	259,712	303,586	(43,874
Uniforms and cleaning	176,500	176,500	169,391	7,109
Insurance	194,046	194,046	202,287	(8,241
Social Security taxes	701,809	701,809	684,133	17,676
Group insurance	1,969,778	1,969,778	1,996,029	(26,25)
Retirement	1,043,597	1,043,597	1,086,999	(43,402
Utilities	270,300	270,300	196,819	73,481
Association dues	1,900	1,900	1,615	285
Training personnel	77,000	77,000	62,616	14,384
Internship programs	16,000	16,000	12,171	3,829
Additions to fixed assets	225,000	225,000	218,003	6,997
Other miscellaneous	10,300	10,300	11,560	(1,260
Total Fire and Rescue	\$ 14,501,195	\$ 14,501,195	\$ 14,343,682	\$ 157,513
Judicial Department -				
Labor	\$ 237,421	\$ 237,421	\$ 237,181	\$ 240
Operation and maintenance	5,000	5,000	3,140	1,860
Supplies	20,500	20,500	13,590	6,910
Insurance	498	498	499	(1
Social Security taxes	18,163	18,163	16,904	1,259
Group insurance	63,980	63,980	63,980	
Retirement	29,331	29,331	29,301	30
Utilities	1,600	1,600	1,553	47
Association dues	825	825	610	215
Training personnel	2,500	2,500	862	1,638
Outside services	73,000	73,000	28,130	44,870
Additions to fixed assets	2,000	2,000	1,428	572
Other miscellaneous	500	500	, -	500
Total Judicial	\$ 455,318	\$ 455,318	\$ 397,178	\$ 58,140

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (continued) <u>Budget (GAAP Basis) and Actual</u>

Year Ended June 30, 2012

Streets and Signs Department - Labor Operation and maintenance Materials and supplies Traffic control devices Insurance Social Security taxes Group insurance Retirement Utilities Utility service - street lighting Street improvements and maintenance Travel and subsistence Training personnel Additions to fixed assets Other miscellaneous Total Streets and Signs Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	246,902 282,750 30,000 32,655 85,89 283,938 131,59 40,000 1,550,000 505,290 5,000 2,000 110,755 1,600 4,431,134	<u>-</u> \$	24(283 30 33 83 283 133 44 1,550 503 111 4,433	2,761 5,902 2,750 0,000 2,653 5,891 3,938 1,591 0,000 0,000 5,290 5,000 2,000 2,000 1,134	\$ \$	1,107,074 317,486 238,328 33,722 34,040 81,337 274,699 132,360 26,941 1,728,394 507,075 2,188 76,779 10,021 4,570,444	\$ \$	15,687 (70,584) 44,422 (3,722) (1,387) 4,554 9,239 (769) 13,059 (178,394) (1,785) 2,812 2,000 33,979 (8,421) (139,310)
Labor Operation and maintenance Materials and supplies Traffic control devices Insurance Social Security taxes Group insurance Retirement Utilities Utility service - street lighting Street improvements and maintenance Travel and subsistence Training personnel Additions to fixed assets Other miscellaneous Total Streets and Signs Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	246,902 282,750 30,000 32,652 85,899 283,938 131,599 40,000 1,550,000 505,290 2,000 110,758 1,600 4,431,132 6 1,096,103 7,500 43,400 19,490	<u>-</u> \$	24(283 30 33 83 283 133 44 1,550 503 111 4,433	6,902 2,750 0,000 2,653 5,891 3,938 1,591 0,000 0,000 5,290 5,000 0,758 1,600 1,134	\$ <u></u>	317,486 238,328 33,722 34,040 81,337 274,699 132,360 26,941 1,728,394 507,075 2,188 76,779 10,021 4,570,444	\$ <u></u>	(70,584) 44,422 (3,722) (1,387) 4,554 9,239 (769) 13,059 (178,394) (1,785) 2,812 2,000 33,979 (8,421) (139,310)
Operation and maintenance Materials and supplies Traffic control devices Insurance Social Security taxes Group insurance Retirement Utilities Utility service - street lighting Street improvements and maintenance Travel and subsistence Training personnel Additions to fixed assets Other miscellaneous Total Streets and Signs Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	246,902 282,750 30,000 32,652 85,899 283,938 131,599 40,000 1,550,000 505,290 2,000 110,758 1,600 4,431,132 6 1,096,103 7,500 43,400 19,490	<u>-</u> \$	24(283 30 33 83 283 133 44 1,550 503 111 4,433	6,902 2,750 0,000 2,653 5,891 3,938 1,591 0,000 0,000 5,290 5,000 0,758 1,600 1,134	\$ <u></u>	317,486 238,328 33,722 34,040 81,337 274,699 132,360 26,941 1,728,394 507,075 2,188 76,779 10,021 4,570,444	\$ <u></u>	(70,584) 44,422 (3,722) (1,387) 4,554 9,239 (769) 13,059 (178,394) (1,785) 2,812 2,000 33,979 (8,421) (139,310)
Materials and supplies Traffic control devices Insurance Social Security taxes Group insurance Retirement Utilities Utility service - street lighting Street improvements and maintenance Travel and subsistence Training personnel Additions to fixed assets Other miscellaneous Total Streets and Signs Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	282,750 30,000 32,65: 85,89 283,938 131,59 40,000 1,550,000 505,290 5,000 2,000 110,758 1,600 4,431,132 6 1,096,103 7,500 43,400 19,49	<u>-</u> s	283 30 333 88 283 133 44 1,556 503 111 4,433	2,750 0,000 2,653 5,891 3,938 1,591 0,000 5,000 5,5290 5,500 2,000 0,758 1,600	_	238,328 33,722 34,040 81,337 274,699 132,360 26,941 1,728,394 507,075 2,188 76,779 10,021 4,570,444	\$ <u></u>	44,422 (3,722) (1,387) 4,554 9,239 (769) 13,059 (178,394) (1,785) 2,812 2,000 33,979 (8,421) (139,310)
Traffic control devices Insurance Social Security taxes Group insurance Retirement Utilities Utility service - street lighting Street improvements and maintenance Travel and subsistence Training personnel Additions to fixed assets Other miscellaneous Total Streets and Signs Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	30,000 32,65: 85,89 283,93i 131,59 40,000 1,550,000 505,296 5,000 2,000 110,758 1,600 4,431,132 6 1,096,103 7,500 43,400 19,49	\$ \$	30 32 88 28: 13 40 1,550 500 111 4,433	0,000 2,653 5,891 3,938 1,591 0,000 0,000 5,290 2,000 2,000 0,758 1,600	_	33,722 34,040 81,337 274,699 132,360 26,941 1,728,394 507,075 2,188 76,779 10,021 4,570,444	\$ <u></u>	(3,722) (1,387) 4,554 9,239 (769) 13,059 (178,394) (1,785) 2,812 2,000 33,979 (8,421) (139,310)
Insurance Social Security taxes Group insurance Retirement Utilities Utilities Utility service - street lighting Street improvements and maintenance Travel and subsistence Training personnel Additions to fixed assets Other miscellaneous Total Streets and Signs Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	32,65: 85,89 283,93: 131,59 40,000 1,550,000 505,290 5,000 2,000 110,75: 1,600 4,431,134 6 1,096,102 7,500 43,400 19,49	\$ \$	33 88 283 44 1,556 500 110 4,43	2,653 5,891 3,938 1,591 0,000 0,000 5,290 5,290 2,000 0,758 1,600 1,134	_	34,040 81,337 274,699 132,360 26,941 1,728,394 507,075 2,188 76,779 10,021 4,570,444	\$	(1,387) 4,554 9,239 (769) 13,059 (178,394) (1,785) 2,812 2,000 33,979 (8,421) (139,310)
Social Security taxes Group insurance Retirement Utilities Utility service - street lighting Street improvements and maintenance Travel and subsistence Training personnel Additions to fixed assets Other miscellaneous Total Streets and Signs Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	85,89 283,938 131,59 40,000 1,550,000 505,290 5,000 2,000 110,758 1,600 4,431,134 5 1,096,103 7,500 43,400 19,49	\$	8: 28: 13: 4(1,555 50: 110 4,43:	5,891 3,938 1,591 0,000 0,000 5,290 5,000 2,000 0,758 1,600 1,134	_	81,337 274,699 132,360 26,941 1,728,394 507,075 2,188 76,779 10,021 4,570,444	\$	4,554 9,239 (769) 13,059 (178,394) (1,785) 2,812 2,000 33,979 (8,421) (139,310)
Group insurance Retirement Utilities Utility service - street lighting Street improvements and maintenance Travel and subsistence Training personnel Additions to fixed assets Other miscellaneous Total Streets and Signs Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	283,938 131,59 40,000 1,550,000 505,290 5,000 2,000 110,758 1,600 4,431,134 5 1,096,103 7,500 43,400 19,49	\$	28: 13 40 1,550 50: 110 4,43:	3,938 1,591 0,000 0,000 5,290 5,000 2,000 0,758 1,600 1,134	_	274,699 132,360 26,941 1,728,394 507,075 2,188 76,779 10,021 4,570,444	\$ _	9,239 (769) 13,059 (178,394) (1,785) 2,812 2,000 33,979 (8,421) (139,310)
Retirement Utilities Utility service - street lighting Street improvements and maintenance Travel and subsistence Training personnel Additions to fixed assets Other miscellaneous Total Streets and Signs Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	131,59 40,000 1,550,000 505,290 5,000 2,000 110,758 1,600 4,431,134 5 1,096,103 7,500 43,400 19,490	\$	13 40 1,550 500 110 4,433	1,591 0,000 0,000 5,290 5,000 2,000 0,758 1,600 1,134	_	132,360 26,941 1,728,394 507,075 2,188 76,779 10,021 4,570,444	\$ 	(769) 13,059 (178,394) (1,785) 2,812 2,000 33,979 (8,421) (139,310)
Utilities Utility service - street lighting Street improvements and maintenance Travel and subsistence Training personnel Additions to fixed assets Other miscellaneous Total Streets and Signs Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	40,000 1,550,000 505,290 5,000 2,000 110,753 1,600 4,431,134 5 1,096,103 7,500 43,400 19,490	\$ \$	4(1,550 503 110 4,433	0,000 0,000 5,290 5,000 2,000 0,758 1,600 1,134	_	26,941 1,728,394 507,075 2,188 76,779 10,021 4,570,444	\$	13,059 (178,394) (1,785) 2,812 2,000 33,979 (8,421) (139,310)
Utility service - street lighting Street improvements and maintenance Travel and subsistence Training personnel Additions to fixed assets Other miscellaneous Total Streets and Signs Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	1,550,000 505,290 5,000 2,000 110,755 1,600 4,431,132 5 1,096,103 7,500 43,400 19,49	\$ \$	1,550 503 110 4,433	0,000 5,290 5,000 2,000 0,758 1,600 1,134	_	1,728,394 507,075 2,188 76,779 10,021 4,570,444	\$	(178,394) (1,785) 2,812 2,000 33,979 (8,421) (139,310)
Street improvements and maintenance Travel and subsistence Training personnel Additions to fixed assets Other miscellaneous Total Streets and Signs Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	505,290 5,000 2,000 110,755 1,600 4,431,132 6 1,096,103 7,500 43,400 19,49	\$ \$	4,43	5,290 5,000 2,000 0,758 1,600 1,134	_	507,075 2,188 76,779 10,021 4,570,444	\$	(1,785) 2,812 2,000 33,979 (8,421) (139,310)
Travel and subsistence Training personnel Additions to fixed assets Other miscellaneous Total Streets and Signs Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	5,000 2,000 110,758 1,600 4,431,132 5 1,096,103 7,500 43,400 19,49	\$	4,43	5,000 2,000 0,758 1,600 1,134	_	2,188 76,779 10,021 4,570,444	\$	2,812 2,000 33,979 (8,421) (139,310)
Training personnel Additions to fixed assets Other miscellaneous Total Streets and Signs Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	2,000 110,758 1,600 4,431,132 6 1,096,103 7,500 43,400 19,49	<u>-</u> \$	4,43	2,000 0,758 1,600 1,134	_	76,779 10,021 4,570,444	\$	2,000 33,979 (8,421) (139,310)
Additions to fixed assets Other miscellaneous Total Streets and Signs Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	110,758 1,600 4,431,134 1,096,103 7,500 43,400 19,49	\$ \$	4,433 1,096	0,758 1,600 1,134	_	10,021 4,570,444	\$ <u> </u>	33,979 (8,421) (139,310)
Other miscellaneous Total Streets and Signs Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	1,600 4,431,134 5 1,096,103 7,500 43,400 19,49	<u>. </u>	1,096	1,600 1,134	_	10,021 4,570,444	\$	(8,421) (139,310)
Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	4,431,134 3 1,096,103 7,500 43,400 19,49	<u> </u>	1,096	1,134	_	4,570,444	\$	(139,310)
Planning and Engineering Department - Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	7,500 43,400 19,49	<u> </u>	1,096		_		\$ <u> </u>	
Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	7,500 43,400 19,491	1		5,103	\$	1 071 605	\$	24.400
Labor Operation and maintenance Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	7,500 43,400 19,491	1		5,103	\$	1 071 605	•	24.400
Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	43,400 19,49	١				1,0/1,093	J)	24,408
Supplies Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	43,400 19,49	١		7,500		6,519		981
Insurance Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	19,49			3,400		38,109		5,291
Social Security taxes Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues			10	9,491		19,496		(5)
Group insurance Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues				1,404		78,196		3,208
Retirement Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	171,339			1,339		172,158		(819)
Utilities Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	129,49			9,497		123,949		5,548
Sampling and testing FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	27,000			7,000		11,064		15,936
FEMA hazard mitigation Landfill gas management Travel and subsistence Association dues	50,000			0,000		50,455		(455)
Landfill gas management Travel and subsistence Association dues	684,054			4,054		50,155		684,054
Travel and subsistence Association dues	40,000			0,000		55,720		(15,720)
Association dues	59,000			9,000		46,643		12,357
	6,000			6,000		3,301		2,699
	60,000			0,000		4,130		55,870
Surveys								
Training personnel Additions to fixed assets	8,000			8,000		8,618		(618)
	8,500			8,500		4,424		4,076
Other miscellaneous	5,500			5,500 5,788	<u> </u>	762 1,695,239	<u>-</u>	4,738
Total Planning and Engineering	2,496,788	_	2,490	0,788	\$ _	1,093,239	\$	801,549
Building and Codes Department -								
Labor				5,242	\$	1,052,649	\$	52,593
Operation and maintenance	10,000			0,000		9,356		644
Supplies	27,500			7,500		17,516		9,984
Insurance	7,494			7,494		7,812		(318)
Social Security taxes	84,55			4,551		75,877		8,674
Group insurance	270,654			0,654		241,875		28,779
Retirement	142,728			2,728		121,175		21,553
Utilities	17,600			7,600		9,833		7,767
Travel and subsistence	71,000			1,000		63,830		7,170
Association dues	2,000)	2	2,000		2,026		(26)
Training personnel	8,000)	8	8,000		9,110		(1,110)
Additions to fixed assets	4,000)	4	4,000		3,334		666
Other miscellaneous	1,700	<u>. </u>		1,700		747		953
Total Building and Codes		\$	1,752		\$	1,615,140	\$	137,329

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (continued) <u>Budget (GAAP Basis) and Actual</u>

Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Solid Waste Department -			*	
Labor	\$ 1,517,510	\$ 1,517,510	\$ 1,494,887	\$ 22,623
Operations and maintenance	1,008,797	1,008,797	933,893	74,904
Supplies	530,410	530,410	503,420	26,990
Insurance	233,658	233,658	243,581	(9,923
Social Security taxes	116,090	116,090	106,518	9,572
Group insurance	408,809	408,809	411,344	(2,535
Retirement	178,102	178,102	175,025	3,077
Utilities	59,900	59,900	54,085	5,815
Travel and subsistence	7,200	7,200	6,674	520
Training personnel	3,000	3,000	850	2,150
License fees	4,000	4,000	2,874	1,120
Disposal carts	130,000	130,000	63,209	66,79
Additions to fixed assets	2,000	2,000	504	1,490
Other miscellaneous	8,670	8,670	1,992	6,678
Total Solid Waste	\$ 4,208,146	\$ 4,208,146	\$ 3,998,856	\$ 209,290
Transportation Department -				
Labor	\$ 819,723	\$ 819,723	\$ 805,461	\$ 14,26
Operation and maintenance	420,263	420,263	381,681	38,58
Supplies	156,950	156,950	152,274	4,67
Insurance	45,038	45,038	36,949	8,089
Social Security taxes	63,053	63,053	59,125	3,92
Group insurance	140,481	140,481	146,543	(6,06)
Retirement	83,288	83,288	79,764	3,52
Utilities	16,880	16,880	13,570	3,310
Travel and subsistence	5,200	5,200	5,364	(164
Association and regional dues	23,871	23,871	24,235	(36-
Training and instruction	5,000	5,000	6,819	(1,81
Contract services	298,040	298,040	299,954	(1,91
Additions to fixed assets	680,226	680,226	35,704	644,52
Pass - thru grant expenditures	166,271	166,271	80,410	85,86
Marketing	97,113	97,113	7,116	89,99
Other miscellaneous	2,600	2,600	4,766	(2,160
Total Transportation	\$3,023,997	\$ 3,023,997	\$ 2,139,735	\$ 884,262
Urban Environmental Department -				
Labor	\$ 499,165	\$ 499,165	\$ 469,704	\$ 29,46
Operation and maintenance	62,869	62,869	58,171	4,69
Agricultural materials	39,300	39,300	62,324	(23,024
Supplies	46,440	46,440	38,473	7,96
Insurance	8,030	8,030	8,371	(34
Social Security taxes	38,186	38,186	33,415	4,77
Group insurance	152,215	152,215	145,189	7,020
Retirement	58,295	58,295	53,636	4,659
Utilities	41,300	41,300	45,076	(3,77
Travel and subsistence	1,400	1,400		1,40
Training personnel	1,000	1,000	687	31.
Additions to fixed assets	2,215	2,215	5,075	(2,860
Other miscellaneous	1,150	1,150	1,632	(482
Total Urban Environmental	\$ 951,565	\$ 951,565	\$ 921,753	\$ 29,812

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (continued) <u>Budget (GAAP Basis) and Actual</u>

Year Ended June 30, 2012

		Original Budget		Final Budget		Actual	Variance with Final Budget Positive (Negative)		
Public Health, Education and Welfare Department -									
Linebaugh Public Library	\$	749,692	\$	749,692	\$	749,692			
Rutherford County Chamber of Commerce	Ψ	494,750	Ψ	494,750	Ψ	505,622	\$	(10,872	
Rutherford County Paws		65,000		65,000		65,000	Ψ	(10,072	
Job Vocation Training Center		42,500		42,500		42,500			
Main Street Program		37,500		37,500		37,500			
Center for the Arts		25,000		25,000		25,000			
Discovery House		20,000		20,000		20,000			
Child Advocacy Center		17,390		17,390		13,343		4,047	
Oaklands Association		15,000		15,000		15,000		4,047	
		12,500		12,500		12,500			
Domestic Violence Program Puth or ford County Health Department		11,000		11,000		11,000			
Rutherford County Health Department		10,000				10,000			
Primary Care Clinic				10,000					
Middle Tennessee Symphony		10,000		10,000		10,000			
Special Kids Incorporated		10,000		10,000		10,000			
Meals on Wheels		10,000		10,000		10,000		(105	
Bradley Academy		7,500		7,500		7,685		(185	
Murfreesboro Youth Orchestra		7,500		7,500		7,500			
Exchange Club Center		6,000		6,000		6,000			
Crime Stoppers		5,000		5,000		5,000			
Uncle Dave Macon Days		5,000		5,000		5,000			
CASA of Rutherford County		5,000		5,000		5,000			
Read to Succeed		4,000		4,000		4,000			
Pregnancy Support		3,500		3,500		3,500			
Boys and Girls Club		2,500		2,500		2,500			
Folkfest		2,500		2,500		2,500			
Adult Activity Center		2,500		2,500		2,500			
Generation for Creation		2,500		2,500		2,500			
City Schools Foundation		2,500		2,500		2,500			
Martin Luther King Scholarship		2,000		2,000		2,000			
2nd Harvest Food Bank		2,000		2,000		2,000			
Special Olympics		2,000		2,000		2,000			
Beesley Animal Foundation		2,000		2,000		2,000			
Leadership Rutherford	_	1,500		1,500		1,500			
Total Public Health, Education and Welfare	\$	1,595,832	\$	1,595,832	\$	1,602,842	\$	(7,010	
Community Services -									
Senior Citizens Department -									
Labor	\$	439,624	\$	439,624	\$	387,668	\$	51,956	
Operations and maintenance		42,027		42,027		32,618		9,409	
Supplies		104,150		104,150		84,539		19,611	
Senior trip expense		50,000		50,000		35,689		14,311	
Insurance		22,483		22,483		23,437		(954	
Social Security taxes		33,631		33,631		27,972		5,659	
Group insurance		73,858		73,858		95,423		(21,565	
Retirement		39,564		39,564		36,479		3,085	
Utilities		71,500		71,500		51,081		20,419	
Contractual services		2,500		2,500		2,500			
Travel and subsistance		1,500		1,500		546		954	
		26,500		26,500		25,011		1,489	
Training and instruction								1,293	
Training and instruction Designated contributions		3,000		3,000		1,707			
Designated contributions		3,000 8,550		3,000 8,550					
		3,000 8,550 30,730		3,000 8,550 30,730		7,944 7,421		606	

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (continued) <u>Budget (GAAP Basis) and Actual</u>

Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	
Community Services (continued) -					
Television Department -					
*	¢ 222.246	¢ 222.246	¢ 210.50¢	¢ 10.750	
Labor	\$ 323,346	\$ 323,346	\$ 310,596	\$ 12,750	
Operation and maintenance	33,808	33,808	11,038	22,770	
Supplies	4,000	4,000	2,837	1,163	
Advertising supplies	10,000	10,000	590	9,410	
Audio/video supplies	20,000	20,000	15,427	4,573	
Insurance	3,888	3,888	2,122	1,766	
Social Security taxes	24,200	24,200	22,990	1,210	
Group insurance	47,139	47,139	47,139		
Retirement	35,200	35,200	35,200		
Utilities	5,160	5,160	2,000	3,160	
Travel and subsistence	2,700	2,700	971	1,729	
Association dues	2,000	2,000	1,025	975	
Training personnel	8,000	8,000	813	7,187	
Professional services	6,000	6,000	015	6,000	
Additions to fixed assets	273,100	273,100	167,714	105,386	
Other miscellaneous				· · · · · · · · · · · · · · · · · · ·	
Other miscenaneous	34,000	34,000	24,971	9,029	
m . 10	\$ 832,541	\$ 832,541	\$ 645,433	\$ 187,108	
Total Community Services	\$ 1,782,158	\$ 1,782,158	\$ 1,465,468	\$ 316,690	
Recreation -					
Parks and Recreation Department -					
Labor	\$ 4,064,974	\$ 4,064,974	\$ 3,876,403	\$ 188,571	
Operation and maintenance	611,051	611,051	618,674	(7,623	
Supplies	315,695	315,695	291,867	23,828	
Insurance	269,169	269,169	281,141	(11,972	
		,			
Social Security taxes	320,117	320,117	286,288	33,829	
Group insurance	608,370	608,370	573,748	34,622	
Retirement	303,923	303,923	284,136	19,787	
Utilities	985,620	985,620	1,010,190	(24,570	
Travel and subsistence	24,800	24,800	20,591	4,209	
Arts and humanities	96,250	96,250	85,556	10,694	
Training personnel	11,000	11,000	10,916	84	
Purchases for resale	91,200	91,200	81,906	9,294	
Sales tax	25,000	25,000	28,046	(3,046	
Additions to fixed assets	2,417,410	2,417,410	415,101	2,002,309	
Miscellaneous grant expenditures	200,050	200,050	70,395	129,655	
Other miscellaneous	15,295	15,295	35,583	(20,288	
	\$ 10,359,924	\$ 10,359,924	\$ 7,970,541	\$ 2,389,383	
D.II. C.ICD	_	_	_		
Public Golf Department -	\$ 912,734	\$ 912,734	\$ 864,923	\$ 47,811	
Labor Operations and maintenance	54,013	\$ 912,734 54,013	\$ 864,923 49,756	\$ 47,811 4,257	
Material	98,000	98,000	90,966		
				7,034	
Supplies	77,170	77,170	60,438	16,732	
Insurance	23,328	23,328	26,037	(2,709	
Social Security taxes	69,824	69,824	64,180	5,644	
Group insurance	140,923	140,923	149,041	(8,118	
Retirement	76,493	76,493	80,910	(4,417	
Utilities	72,300	72,300	68,295	4,005	
Travel and subsistence	2,500	2,500	1,799	701	
Items for resale	348,172	348,172	325,829	22,343	
Additions to fixed assets	312,500	312,500	316,497	(3,997	
Other miscellaneous expenses	43,820	43,820	40,791	3,029	
	\$ 2,231,777	\$ 2,231,777	\$ 2,139,462	\$ 92,315	
Total Recreation	\$ 12,591,701	\$ 12,591,701	\$ 10,110,003	\$ 2,481,698	

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (continued) <u>Budget (GAAP Basis) and Actual</u>

Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Excess of Revenues Over (Under) Expenditures	\$ 23,449,772	\$ 23,449,772	\$31,068,891	\$7,619,119
Other Financing Sources (Uses) - Transfers in (out) -				
Murfreesboro Electric Department Community development fund	\$ 2,786,120 6,000	\$ 2,786,120 6,000	\$ 2,820,981 6,000	\$ 34,861
Debt service fund Murfreesboro City School System	(26,162,698) (4,810,103)	(26,162,698) (4,810,103)	(24,691,843) (4,810,103)	1,470,855
Drug fund	\$\frac{(80,000)}{(28,260,681)}	\$\frac{(80,000)}{(28,260,681)}	\$\frac{(87,372)}{(26,762,337)}	\$\frac{(7,372)}{1,498,344}
Net change in fund balance	\$ (4,810,909)	\$ (4,810,909)	\$ 4,306,554	\$ 9,117,463
Fund Balance at beginning of year Fund Balance at end of year			48,451,934 \$ 52,758,488	

General Purpose School Fund

<u>Statement of Revenues, Expenditures, and Changes in Fund Balance</u> <u>Budget and Actual (Budgeting Basis Variance with GAAP)</u>

Year Ended June 30, 2012

		Original Budget		Final Budget		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)		
Davanuas									
Revenues - Local intergovernmental revenues	\$	18,411,000	\$	18,411,000	\$	18,952,321	\$	541,321	
State program revenues	Ψ	28,555,450	Ψ	28,825,828	Ψ	29,624,553	Ψ	798,725	
Federal program revenues		31,403		31,403		126,746		95,343	
Charges for services		21,000		21,000		18,470		(2,530)	
Indigent children revenues		6,000		6,000		5,968		(32)	
Other local revenues		288,600		288,600		384,687		96,087	
outer room revenues	\$	47,313,453	\$	47,583,831	\$	49,112,745	\$	1,528,914	
Expenditures -									
Regular instruction program	\$	31,132,877	\$	31,082,254	\$	31,082,254			
Special education program		3,359,032		3,466,320		3,466,320			
Attendance		82,517		77,834		77,834			
Health services		417,785		431,486		431,486			
Other student support		1,111,999		1,021,366		1,021,366			
Regular instruction program - support		1,342,616		1,571,108		1,571,108			
Special education program - support		756,621		450,580		450,580			
Board of education		1,059,460		1,168,768		1,168,768			
Office of superintendent		291,185		295,848		295,848			
Office of principal		2,552,738		2,795,088		2,795,088			
Fiscal services		510,649		575,327		575,327			
Operation of plant		4,659,099		4,302,566		4,244,235	\$	58,331	
Maintenance of plant		1,313,993		1,344,723		1,344,723	-	2 2,2 2 2	
Transportation		1,573,325		1,447,358		1,447,358			
Information technology		622,671		860,320		860,320			
Community services		274,032		289,414		289,414			
Early childhod education		676,364		514,350		514,350			
Indigent children		6,500		6,864		6,864			
Personnel services		291,833		286,685		286,685			
Capital outlay		500,000		817,415		817,415			
Capital Gaday	\$	52,535,296	\$	52,805,674	\$	52,747,343	\$ 	58,331	
Excess of Revenues Over (Under) Expenditures	\$	(5,221,843)	\$	(5,221,843)	\$	(3,634,598)	\$	1,587,245	
Other Financing Sources and (Uses) -									
Transfers in	\$	4,810,103	\$	4,810,103	\$	4,810,103			
Transfers out	-	,,	-	,,	T	(58,331)	\$	(58,331)	
	\$	4,810,103	\$	4,810,103	\$	4,751,772	\$	(58,331)	
Net change in fund balance	•	· · · · · · · · · · · · · · · · · · ·	-	<u> </u>	-				
(Budgetary basis)	\$	(411,740)	\$	(411,740)	\$	1,117,174	\$	1,528,914	
Adjustment for encumbrances					-	(1,710,215)			
Net change in fund balance (GAAP basis)					\$	(593,041)			
Fund Balance at beginning of year Fund Balance at end of year					\$	6,960,240 6,367,199			

Balance Sheet Proprietary Funds

June 30, 2012

		Business-Ty	pe Activities		Governmental Activities
	Murfreesboro Water and Sewer	Murfreesboro Electric Department	Nonmajor Enterprise Funds	Totals	Internal Service Funds
<u>ASSETS</u>					
Current Assets -					
Cash and cash equivalents	\$ 19,597,112	\$ 32,332,915	\$ 66,865	\$ 51,996,892	\$ 11,555,635
Accounts receivable	1,744,327	16,656,015	142,004	18,542,346	
Due from others	2,191			2,191	511,821
Due from other funds	6,295,374		11,536,268	17,831,642	24,702
Inventories	593,902	2,046,718	59,702	2,700,322	176,866
Prepaid items and other assets	144,639	217,789	22,919	385,347	56,759
Total Current Assets	\$ 28,377,545	\$ 51,253,437	\$ 11,827,758	\$ 91,458,740	\$ 12,325,783
Noncurrent Assets -					
Restricted assets -					
Cash and cash equivalents	\$ 22,499,278			\$ 22,499,278	
Certificates of deposit				4 644 004	\$ 500,000
Conservation loans receivable		\$ 1,641,884		1,641,884	
Deferred charges	500,343	729,408		1,229,751	
Capital assets -	20.007.446	7.040.161	ф. 102.00 7	20.042.614	
Land and construction in progress	30,007,446	7,843,161	\$ 193,007	38,043,614	
Other capital assets, net of depreciation	330,995,526	112,429,036	2,460,794	445,885,356	ф
Total Noncurrent Assets Total Assets	\$ 384,002,593 \$ 412,380,138	\$ 122,643,489 \$ 173,896,926	\$ 2,653,801 \$ 14,481,559	\$ 509,299,883 \$ 600,758,623	\$ 500,000 \$ 12,825,783
Total Assets	\$ 412,360,136	\$ 175,890,920	ā 14,461,339	\$ 000,738,023	\$ 12,823,783
LIABILITIES AND NET ASSETS					
Current Liabilities -					
Accounts payable	\$ 688,438	\$ 23,087,813	\$ 26,173	\$ 23,802,424	\$ 1,098,160
Accrued and withheld liabilities	170,408	569,248	5,397	745,053	
Due to other funds	11,770,186	3,804	6,694,469	18,468,459	8,819
Deposits held	158,068	6,111,491		6,269,559	
Compensated absences	1,024,907			1,024,907	
Claims and judgments payable					2,404,000
Bonds and loans payable	7,538,170	3,091,157		10,629,327	
Total Current Liabilities	\$ 21,350,177	\$ 32,863,513	\$ 6,726,039	\$ 60,939,729	\$ 3,510,979
Noncurrent Liabilities -					<u> </u>
Compensated absences	\$ 870,188	\$ 1,442,237		\$ 2,312,425	
Claims and judgments payable					\$ 4,699,500
Post-employment benefit obligation	4,154,467	2,243,227		6,397,694	
Bonds and loans payable	98,307,146	12,893,518		111,200,664	
Advances on conservation loans		1,676,181		1,676,181	
Other liabilities		59,491		59,491	
Total Noncurrent Liabilities	\$ 103,331,801	\$ 18,314,654		\$ 121,646,455	\$ 4,699,500
Total Liabilities	\$ 124,681,978	\$ 51,178,167	\$ 6,726,039	\$ 182,586,184	\$ 8,210,479
Net Assets -					
Invested in capital assets, net of related debt	\$ 255,157,656	\$ 104,287,522	\$ 204,290	\$ 359,649,468	
Restricted for capital activity	20,605,420			20,605,420	
Restricted for debt service	1,893,858			1,893,858	
Unrestricted	10,041,226	18,431,237	7,551,230	36,023,693	\$ 4,615,304
Total Net Assets	\$ 287,698,160	\$ 122,718,759	\$ 7,755,520	\$ 418,172,439	\$ 4,615,304
Total Liabilities and Net Assets	\$ 412,380,138	\$ 173,896,926	\$ <u>14,481,559</u>	\$ 600,758,623	\$ <u>12,825,783</u>
Total Nat Assats				¢ /12 172 /20	
	oborgos for sal 1	overhand malest 4 to	tampica fund-	\$ 418,172,439	
Adjustment to reflect the elimination of internal				3,168,337	
Total Net Assets Adjustment to reflect the elimination of internal Adjustment to reflect the consolidation of intern Net Assets of Business-Type Activities					

$\frac{Statement\ of\ Revenues, Expenses, and\ Changes\ in\ Net\ Assets}{\underline{Proprietary\ Funds}}$

Year Ended June 30, 2012

Murfreesboro Water and Sewer Department Electric Enterprise Funds Fu		Business-Type Activities										
Charges for services		N	Water and	_	Murfreesboro Electric		Nonmajor Enterprise		Totals		Activities Internal Service Funds	
Charges for services												
Other revenues \$ 32.592,783 \$ 151,523,822 \$ 3.032,030 \$ 187,148,635 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 18.5 \$ \$ 19.00 \$ \$ 19.00 \$ \$ 1.00 \$ 19.00 \$ \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 1.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00 \$ 19.00		ф	22 502 502	ф	151 522 022	ф	2 022 020	ф	107 140 605	ф	10.026.024	
Sacional Series Sacional S		\$	32,592,783	\$	151,523,822	\$	3,032,030	\$	187,148,635	\$	18,026,924	
Depreting Expenses - Power purchases \$ 11,0385,149 \$ 119,385,149 \$ 119,385,149 \$ 119,385,149 \$ 119,385,149 \$ 119,385,149 \$ 119,385,149 \$ 119,385,149 \$ 119,385,149 \$ 17,30,394 \$ 7,810,162 \$ 1,448,505 \$ 26,962,061 \$ 3,0 17,3	revenues	<u>_</u>	32 502 783	<u>_</u>	151 523 822	<u>,</u> –	3 032 030	<u>,</u> –	187 1/18 635	· -	529,199 18,556,123	
Power purchases		Ψ	32,372,763	Ψ	131,323,622	Ψ_	3,032,030	Ψ_	107,140,033	Ψ_	10,550,125	
Other operating expenses \$ 17,703,394												
17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3 17.3	purchases			\$	119,385,149			\$	119,385,149			
Depreciation and amortization Maintenance and repairs 1,065,071 2,558,671 3,623,742 1,145,276 Taxes and tax equivalents 1,105,94,905 1,145,276 Taxes and tax equivalents 1,145,276 Deprating Income (Loss) \$ 29,363,370 \$ 136,635,769 \$ 1,640,672 \$ 167,639,811 \$ 20,3 Soperating Revenues Interest \$ 283,545 \$ 31,454 \$ 437 \$ 315,436 \$ 119,336 \$ 119,336 Loss on disposal of assets 119,336 \$ 33,337,704 \$ 342,487 Contributions and Transfers \$ 4,879,811 Transfers out \$ 4,879,811 Transfers out \$ 4,879,811 Transfers out \$ 4,879,811 \$ (2,820,981) \$ 62,466 \$ 2,121,296 Change in Net Assets Adjustment to reflect the elimination of internal charges for salaries and overhead related to enterprise funds Possible (1,7) 1145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,469 1,144,4		\$	17,703,394		7,810,162	\$	1,448,505		26,962,061	\$	3,049,461 17,323,592	
Maintenance and repairs 1,065,071 2,558,671 3,623,742 1 2 1 2 2 2 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,145,276 1,18 1,18 20,3 1,18 1,18 1,18 1,18 1,18 1,18 1,18 1,18 1,18 1,145,248 1,145,248 1,145,248 1,145,248 1,145,248 1,145,248 1,145,248 1,145,248 1,145,248 1,145,248 1,145,248 1,145,248 1,145,248 1,145,248 1,145,248 </td <td>ciation and amortization</td> <td></td> <td>10.594.905</td> <td></td> <td>5.736.511</td> <td></td> <td>192,167</td> <td></td> <td>16.523.583</td> <td></td> <td>,,</td>	ciation and amortization		10.594.905		5.736.511		192,167		16.523.583		,,	
Taxes and tax equivalents \$ 29,363,370 \$ 136,635,769 \$ 1,640,672 \$ 167,639,811 \$ 20,3												
Sample S			-,,									
Sample S	1	\$	29,363,370	\$		\$	1,640,672	\$		\$	20,373,053	
Nonoperating Expenses -	Income (Loss)	\$		\$	14,888,053	\$	1,391,358	\$	19,508,824	\$	(1,816,930	
Nonoperating Expenses -	ting Davanuas											
Nonoperating Expenses -	e e e e e e e e e e e e e e e e e e e	\$	283 545	\$	31 454	\$	437	\$	315 436	\$	46,928	
Nonoperating Expenses - Interest Loss on disposal of assets \$ 3,218,368 \$ 342,487 \$ 3,560,855 Loss on disposal of assets \$ 119,336 \$ 119,336 \$ 3,337,704 \$ 342,487 \$ 3,680,191 Income (Loss) Before Capital Contributions and Transfers \$ 175,254 \$ 14,577,020 \$ 1,391,795 \$ 16,144,069 \$ (1,7) Capital contributions \$ 4,879,811 \$ (2,820,981) \$ (2,820,981) Fransfers out \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,82	,,							\$-			46,928	
Interest Loss on disposal of assets \$ 3,218,368 \$ 342,487 \$ 3,560,855 \$ 119,336 \$ 3,337,704 \$ 342,487 \$ \$ 3,560,855 \$ 119,336 \$ 3,337,704 \$ 342,487 \$ \$ 3,680,191 \$ 10,0000 (Loss) Before Capital Contributions and Transfers \$ 175,254 \$ 14,577,020 \$ 1,391,795 \$ 16,144,069 \$ (1,7) \$ 1,391,795 \$ 16,144,069 \$ (1,7) \$ 1,391,795 \$ 16,144,069 \$ (1,7) \$ 1,391,795 \$ 16,144,069 \$ (1,7) \$ 1,391,795 \$ 16,144,069 \$ (1,7) \$ 1,391,795 \$ 16,144,069 \$ (1,7) \$ 1,391,795 \$ 16,144,069 \$ (1,7) \$ 1,391,795 \$ 16,144,069 \$ (1,7) \$ 1,391,795 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,		<u> </u>	200,010	<u> </u>	51,101	Ψ_	,	Ψ_	310,.00	Ψ_	.0,720	
Interest Loss on disposal of assets \$ 3,218,368 \$ 342,487 \$ 3,560,855 \$ 119,336 \$ 3,337,704 \$ 342,487 \$ \$ 3,560,855 \$ 119,336 \$ 3,337,704 \$ 342,487 \$ \$ 3,680,191 \$ 10,0000 (Loss) Before Capital Contributions and Transfers \$ 175,254 \$ 14,577,020 \$ 1,391,795 \$ 16,144,069 \$ (1,7) \$ 1,391,795 \$ 16,144,069 \$ (1,7) \$ 1,391,795 \$ 16,144,069 \$ (1,7) \$ 1,391,795 \$ 16,144,069 \$ (1,7) \$ 1,391,795 \$ 16,144,069 \$ (1,7) \$ 1,391,795 \$ 16,144,069 \$ (1,7) \$ 1,391,795 \$ 16,144,069 \$ (1,7) \$ 1,391,795 \$ 16,144,069 \$ (1,7) \$ 1,391,795 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,4879,811 \$ 1,	ting Expenses -											
Loss on disposal of assets \$\frac{119,336}{3,337,704} \\$ \frac{342,487}{342,487} \\$ \frac{119,336}{3,680,191} \\ Income (Loss) Before Capital Contributions and Transfers \$\frac{175,254}{175,254} \\$ \frac{14,577,020}{14,577,020} \\$ \frac{1,391,795}{1,391,795} \\$ \frac{16,144,069}{16,144,069} \\$ \frac{(1,7)}{(1,7)}\$ Capital contributions \$\frac{4,879,811}{4,879,811} \\$ \frac{62,466}{62,466} \\$ \frac{62,466}{62,466} \\$ \frac{62,466}{62,466} \\$ \frac{62,466}{62,466} \\$ \frac{117,756,039}{62,466} \\$ \frac{117,56,039}{62,466} \\$ \frac{117,56,039}{62,576} \\$ \frac{110,962,720}{62,718,759} \\$ \frac{5,301,259}{7,755,520} \\$ \frac{399,907,074}{418,172,439} \\$ \frac{6,301,259}{4,60} \\$ \frac{110,962,720}{62,576} \\$ \frac{5,301,259}{62,576} \\$ 5,301	0 1	\$	3,218,368	\$	342,487			\$	3,560,855			
Income (Loss) Before Capital Contributions and Transfers \$ \frac{175,254}{4,879,811} \times \frac{14,577,020}{5,264} \times \frac{1,391,795}{5,266} \times \frac{16,144,069}{5,2466} \times \frac{1,44,069}{5,2466} \times \frac{1,44,069}{6,2466} \times \frac{1,44,069}{6,2466} \times \frac{1,44,069}{6,2466} \times \frac{1,44,069}{6,2466} \times \frac{1,44,069}{6,2466} \times \frac{1,4879,811}{6,2466} \times \frac{1,2820,981}{6,2466} \times \frac{1,2820,981}{6,2466} \times \frac{1,212,296}{2,121,296} \times \frac{1,4879,811}{6,2466} \times \frac{1,2718,759}{6,301,259} \times \frac{1,454,261}{399,907,074} \times \frac{6,3}{6,301,259} \times \frac{399,907,074}{418,172,439} \times \frac{4,6}{4,600} \times \frac{1,22718,759}{122,718,759} \times \frac{7,755,520}{7,755,520} \times \frac{418,172,439}{418,172,439} \times \frac{4,6}{4,600} \times \frac{1,22718,759}{4,600} \times \frac{1,22718,759}{122,718,759} \times \frac{7,755,520}{7,755,520} \times \frac{418,172,439}{418,172,439} \times \frac{4,6}{4,600} \times \frac{1,22718,759}{4,600} \times \frac{1,22718,759}{122,718,759} \times \frac{7,755,520}{7,755,520} \times \frac{418,172,439}{418,172,439} \times \frac{4,600}{4,600} \times \frac{1,22718,759}{4,600} \times \frac{1,22718,759}{122,718,759} \times \frac{7,755,520}{7,755,520} \times \frac{418,172,439}{418,172,439} \times \frac{4,600}{4,600} \times \frac{1,22718,759}{4,600} \times \frac{1,22718,759}{122,718,759} \times \frac{7,755,520}{7,755,520} \times \frac{418,172,439}{418,172,439} \times \frac{4,600}{4,600} \times \frac{1,22718,759}{418,172,439} \times \frac{4,600}{418,172,439} \times 4,6	on disposal of assets		119,336		,				119,336			
Contributions and Transfers \$ 175,254 \$ 14,577,020 \$ 1,391,795 \$ 16,144,069 \$ (1,7) Capital contributions \$ 4,879,811 \$ \$ 4,879,811 Fransfers in \$ 62,466 \$ 62,466 Fransfers out \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2		\$	3,337,704	\$	342,487			\$	3,680,191			
Contributions and Transfers \$ 175,254 \$ 14,577,020 \$ 1,391,795 \$ 16,144,069 \$ (1,7) Capital contributions \$ 4,879,811 \$ \$ 4,879,811 Fransfers in \$ 62,466 \$ 62,466 Fransfers out \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2	oss) Before Capital											
Fransfers in Fransfers out \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (, 1	\$	175,254	\$	14,577,020	\$	1,391,795	\$	16,144,069	\$	(1,770,002	
Fransfers in Fransfers out \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (2,820,981) \$ (
Fransfers out \$\begin{array}{c ccccccccccccccccccccccccccccccccccc		\$	4,879,811					\$				
\$\frac{4,879,811}{4,879,811} \\$ \frac{(2,820,981)}{(2,820,981)} \\$ \frac{62,466}{62,466} \\$ \frac{2,121,296}{2,121,296}\$ Change in Net Assets \$\$ 5,055,065 \\$ 11,756,039 \\$ 1,454,261 \\$ 18,265,365 \\$ (1,7) Net Assets at beginning of year \$\$ \frac{282,643,095}{287,698,160} \\$ \frac{110,962,720}{122,718,759} \\$ \frac{6,301,259}{7,755,520} \\$ \frac{399,907,074}{418,172,439} \\$ \frac{6,3}{4,6}\$ Change in Net Assets Adjustment to reflect the elimination of internal charges for salaries and overhead related to enterprise funds						\$	62,466		· · · · · · · · · · · · · · · · · · ·			
Change in Net Assets \$ 5,055,065 \$ 11,756,039 \$ 1,454,261 \$ 18,265,365 \$ (1,7) Net Assets at beginning of year \$ 282,643,095 \$ 110,962,720 \$ 6,301,259 \$ 399,907,074 \$ 6,3 Net Assets at end of year \$ 287,698,160 \$ 122,718,759 \$ 7,755,520 \$ 418,172,439 \$ 4,6 Change in Net Assets Adjustment to reflect the elimination of internal charges for salaries and overhead related to enterprise funds \$ 18,265,365 \$ 625,576	out	_						_				
Net Assets at beginning of year $$$$$ \frac{282,643,095}{287,698,160}$$$ $$$$$ \frac{110,962,720}{122,718,759}$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$		\$	4,879,811	\$	(2,820,981)	\$_	62,466	\$_	2,121,296			
Net Assets at end of year $$$$ $$$ $$$ $$$ $$$ $$$ $$$ $$$ $$$ $$$	Net Assets	\$	5,055,065	\$	11,756,039	\$	1,454,261	\$	18,265,365	\$	(1,770,002	
Change in Net Assets Adjustment to reflect the elimination of internal charges for salaries and overhead related to enterprise funds \$ 18,265,365 625,576	s at beginning of year		282,643,095		110,962,720		6,301,259		399,907,074		6,385,306	
Adjustment to reflect the elimination of internal charges for salaries and overhead related to enterprise funds 625,576	s at end of year	\$	287,698,160	\$	122,718,759	\$	7,755,520	\$	418,172,439	\$	4,615,304	
Adjustment to reflect the elimination of internal charges for salaries and overhead related to enterprise funds 625,576									40.000.000			
								\$				
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds Change in Net Assets of Business-Type Activities (261,488) \$ 18,629,453			service fund act	ivities	related to enterp	rise fu	nds	_				

Statement of Cash Flows Proprietary Funds

Year Ended June 30, 2012

	1	Murfreesboro Water and Sewer		Business-Ty Murfreesboro Electric Department]	ctivities Nonmajor Enterprise Funds		Totals	Governmenta Activities Internal Service Funds	
Cash Flows from Operating Activities - Cash received from customers Cash payments to suppliers Cash payments to employees Cash payments to TVA for power Cash payments of property taxes Cash received from interfund services provided Cash payments of claims and administrative expenses Other receipts (payments)	\$	32,539,406 (9,561,352) (6,460,043)	\$	149,918,056 (2,697,110) (6,864,066) (117,856,617) (818,995)	\$	436,014 (182,730) (269,469)	\$	182,893,476 (12,441,192) (13,593,578) (117,856,617) (818,995)	\$	(1,641,396) (806,064) 18,023,850 (16,176,042) (439,459)
Net Cash Provided (Used) by Operating Activities	\$	16,518,011	\$	21,681,268	\$_	(16,185)	\$	38,183,094	\$_	(1,039,111)
Cash Flows from Noncapital Financing Activities - Advances on TVA conservation loans Transfers in Transfers out Net Cash Provided (Used) by Noncapital			\$	160,746 (2,820,981)	\$ _	62,466	\$	160,746 62,466 (2,820,981)		
Financing Activities			\$	(2,660,235)	\$_	62,466	\$	(2,597,769)		
Cash Flows from Capital and Related Financing Activities - Acquisition and construction of capital assets Net removal costs of capital assets Proceeds from sale of assets Proceeds from bonds and loans Principal payment on bonds and loans Bond and debt issuance costs (payments) Interest paid on bonds and loans Net Cash Provided (Used) by Capital and Related Financing Activities	\$	(5,390,081) 21,669 (7,218,979) (132,573) (3,218,368) (15,938,332)	\$ \$	(5,208,797) (372,506) (3,551,082) (347,137) (9,479,522)	\$ - \$_	(6,939)	\$	(10,605,817) (372,506) 21,669 (10,770,061) (132,573) (3,565,505) (25,424,793)		
Cash Flows From Investing Activities - Interest received	\$	283,545	\$	31,454	\$_	437	\$	315,436	\$_	52,599
Net Cash Provided (Used) by Investing Activities	\$	283,545	\$	31,454	\$_	437	\$	315,436	\$_	52,599
Net Increase (Decrease) in cash and cash equivalents Cash and Cash Equivalents at beginning of year Cash and Cash Equivalents at end of year	\$ \$	863,224 41,233,166 42,096,390	\$ \$	9,572,965 22,759,950 32,332,915	\$ - \$ =	39,779 27,086 66,865	\$ \$	10,475,968 64,020,202 74,496,170	\$ - \$_	(986,512) 12,542,147 11,555,635

Statement of Cash Flows (continued) Proprietary Funds

Year Ended June 30, 2012

	Business-Type Activities									Governmental Activities
	N	Aurfreesboro Water and	N	Aurfreesboro Electric]	Nonmajor Enterprise			_	Internal Service
		Sewer]	Department		Funds		Totals	_	Funds
Reconciliation of operating income (loss) to net cash										
provided (used) by operating activities:										
Operating income (loss)	\$	3,229,413	\$	14,888,053	\$	1,391,358	\$	19,508,824	\$	(1,816,930)
Adjustments to reconcile net earnings to net cash		-, -, -		,,		, ,		. , , .		() /
provided (used) by operating activities										
Depreciation and amortization		10,870,081		5,849,572		192,167		16,911,820		
Provision for doubtful accounts		316,140		-,,		,		316,140		
Gain or loss on disposal of assets		119,336						119,336		
Changes in assets and liabilities -		117,000						11>,000		
Accounts receivable		(369,517)		(1,874,130)		(23,639)		(2,267,286)		
Due from other funds		(1,421,869)		(1,07.1,100)		(2,572,377)		(3,994,246)		(2,308)
Due from other governments		117,489				(2,372,377)		117,489		10,157
Inventory		80,444		17,846		(1,659)		96,631		(14,311)
Prepaid items and other assets		(26,123)		53,100		(8,536)		18,441		(420,496)
Conservation loans receivable		(20,123)		(159,184)		(0,550)		(159,184)		(420,470)
Deferred charges and revenue				18,852				18,852		699
Accounts payable		(106,077)		1,842,922		(218,822)		1,518,023		84,289
Claims and judgements payable		(100,077)		1,042,722		(210,022)		1,510,025		1,119,500
Due to other funds		2,722,329		3,804		1,223,844		3,949,977		7,968
Accrued and withheld liabilities		25,190		(6,586)		1,479		20,083		(7,679)
Post-employment benefit obligation		879,029		507,645		1,479		1,386,674		(7,079)
Other liabilities		679,029		(3,062)				(3,062)		
Deposits		(46,038)		427,548				381,510		
Accrued compensated absences		128,184		114,888				243,072		
Net Cash Provided (Used) by Operating Activities	\$	16,518,011	· ·	21,681,268	· -	(16,185)	\$	38,183,094	\$	(1,039,111)
Net Cash Hovided (Osed) by Operating Activities	Ψ	10,510,011	Ψ=	21,001,200	Ψ =	(10,103)	Ψ.	30,103,074	Ψ=	(1,032,111)
Non-Cash Capital and Related Financing Activities -										
Utility acquisition debt incurred			\$	120,073			\$	120,073		
Contributions in aid of construction	\$	4,879,811						4,879,811		
Capital asset transfers and acquisitions from other funds			_		\$_	367,551	_	367,551		
	\$	4,879,811	\$	120,073	\$ _	367,551	\$	5,367,435		
Reconciliation to Cash and Cash Equivalents		_	_	_	_	_	_	_		
Presented in Statement of Net Assets -										
Cash and cash equivalents	\$	19,597,112	\$	32,332,915	\$	66,865	\$	51,996,892	\$	11,555,635
Cash and cash equivalents - restricted		22,499,278	_		_		_	22,499,278	_	
Cash and cash equivalents at end of year	\$	42,096,390	\$ _	32,332,915	\$ _	66,865	\$	74,496,170	\$ =	11,555,635
Reconciliation of Depreciation and Amortization Expense										
per Statement of Revenues, Expenses, and Changes in										
Net Assets to Expense per Statement of Cash Flows -										
Depreciation and amortization expense per Statement										
of Revenues, Expenses, and Changes in Net Assets	\$	10,594,905	\$	5,736,511	\$	192,167	\$	16,523,583		
Depreciation and amortization expense charged	Ψ	10,00 .,000	Ψ	5,750,511	Ψ	1,2,10,	Ψ	10,020,000		
to operations and maintenance expense on										
Statement of Revenues, Expenses, and Changes										
in Net Assets		275,176		113,061				388,237		
Depreciation and amortization expense per		213,110	-	113,001	_		-	300,231		
Statement of Cash Flows	\$	10,870,081	\$	5,849,572	\$	192,167	\$	16,911,820		
Successful of Cush 1 10 WS	Ψ	10,070,001	Ψ=	3,017,312	Ψ =	1,2,101	Ψ	10,711,020		

Statement of Net Assets Fiduciary Funds

June 30, 2012

	Pension Trust Funds	Extended School Program Private Purpose Trust Fund	School Activity Agency Fund
<u>ASSETS</u>			
Cash and cash equivalents Certificates of deposit Investments, at fair value Mutual funds U.S. Government notes and bonds Corporate notes and bonds Common stock Accrued interest receivable Contributions receivable Other receivables Inventory	\$ 2,748,664 50,909,000 10,348,371 21,890,308 21,627,159 67,456 466,511	\$ 2,990 156,631	\$ 533,900 16,716 1,982 8,244
LIABILITIES Due to others NET ASSETS	\$ <u>108,057,469</u>	\$ <u>159,621</u>	\$ 560,842 \$ 560,842 \$ 560,842
Net Assets - Held in trust for pension benefits and other purposes	\$ <u>108,057,469</u>	\$ 159,621	\$

Statement of Changes in Net Assets Fiduciary Funds

Year Ended June 30, 2012

	Pension Trust Funds	Extended School Program Private Purpose Trust Fund
Additions -		
Contributions -		
Employer	\$ 5,660,923	
Investment income-	Ψ	
Net depreciation in fair value of investments	\$ (2,212,147)	
Interest	1,236,869	
Dividends	1,570,955	
Total investment income	\$ 595,677	\$ -0-
Less investment fees	(64,327)	
Net investment income	\$ 531,350	\$ -0-
Total additions	\$ 6,192,273	\$
Deductions -		
Benefits to participants	\$ 3,972,774	
Insurance premiums	259,121	
Miscellaneous		\$132_
Total deductions	\$ 4,231,895	\$ 132
Net Increase (Decrease)	\$ 1,960,378	\$ (132)
Net Assets Held in Trust for Pension Benefits -		
Beginning of year	106,097,091	159,753
End of year	\$ 108,057,469	\$ 159,621

Notes to Financial Statements

June 30, 2012

Note A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Murfreesboro, Tennessee (the "City") was first chartered by the Tennessee General Assembly (State Legislature) in 1811. The present charter was granted in 1931 and has been amended as needed. The City operates under a Council-Manager form of government. The City's major operations include police and fire protection, parks, education, recreation, public works and general administrative services. In addition, the City owns and operates a water and sewer system and an electric utility.

The accounting and reporting policies of the City relating to the funds included in the accompanying combined financial statements conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). In accordance with GASB 20 issued by the Governmental Accounting Standards Board (GASB), the City has elected to apply to its business-type activities and enterprise funds only statements and accounting principles issued by the Financial Accounting Standards Board prior to November 30, 1989 unless they conflict with GASB statements. The GASB periodically updates its codification of the existing Governmental Accounting and Standards, which, along with the subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant accounting policies of the City are described below.

Reporting Entity

The City, for financial purposes, includes all the funds relevant to the operations of the City of Murfreesboro, Tennessee (the primary government). The City is also required to include in its financial statements those separately administered organizations (component units) with which the City has significant operational or financial relationships. The criteria for including organizations as component units within the City's reporting entity include whether the organization is legally separate and whether the City holds the corporate powers, whether the City appoints a majority of the organization's board and is able to impose its will, and the ability of the organization to impose a financial benefit or burden on the City. Based on the foregoing criteria, the City of Murfreesboro has no component units.

Complete financial statements of individual departments, considered part of the primary government, can be obtained from the administrative offices in the following locations:

Murfreesboro City Schools Central Office Evergreen Cemetery 2552 South Church Street 519 Greenland Drive Murfreesboro Murfreesboro

Murfreesboro Electric Department

205 North Maple Street

Murfreesboro

Murfreesboro

Murfreesboro

Murfreesboro

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Notes to Financial Statements (continued)

June 30, 2012

Note A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide and Fund Financial Statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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 fund and the fiduciary fund financial statements (except for agency funds which have no measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 are 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or up to 180 days for grant revenues (with the exception of grants earned by the City Schools which are considered available if they are collected within 60 days of the current fiscal period). Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, state and federal grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Property taxes and accounts receivable are reduced by an allowance for uncollectible accounts.

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classifications within the financial statements.

The City reports the following major governmental funds:

<u>General Fund</u> – The general fund is the primary operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

<u>General Purpose School Fund</u> –The general purpose school fund is a special revenue fund used to account for the local, state, and federal revenue sources that are legally restricted to expenditures for education.

<u>Debt Service Fund</u> – The debt service fund accounts for the accumulation of resources for, and payment of, general long-term obligations.

Notes to Financial Statements (continued)

June 30, 2012

Note A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The City reports the following major proprietary funds:

<u>Murfreesboro Water and Sewer Fund</u> – The Water and Sewer fund accounts for revenues and expenses related to potable water and sanitary sewer services provided to residents of the City.

<u>Murfreesboro Electric Department Fund</u> – The Electric Department fund accounts for the revenue and costs for providing electric utility service for the residential and commercial concerns of the City.

Additionally, the government reports the following fund types:

<u>Internal Service Funds</u> — The internal service funds consist of a *fleet services fund* that accounts for fleet and equipment management to other departments or agencies of the government on a cost reimbursement basis, a *risk management fund* that accounts for revenues and costs associated with the City's self-funded liability and workers' compensation insurance programs, and an *insurance fund* that accounts for revenues and costs associated with the City's self-funded group health insurance plan.

Pension Trust Funds – The pension trust funds account for assets held on behalf of City employees.

<u>Private-purpose Trust Fund</u> – The private-purpose trust fund accounts for funds donated to the Extended School Program. These funds are to be preserved and maintained so as to produce income to be used for tuition grants.

<u>Agency Fund</u> – The agency fund accounts for the assets held by the schools in an agency capacity on behalf of various student, teacher and parent organizations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund and the electric department fund and of the City's internal service funds are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses of the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Notes to Financial Statements (continued)

June 30, 2012

Note A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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

Assets, Liabilities, and Net Assets or Equity

<u>Cash and Cash Equivalents</u> – For purposes of reporting cash flows, cash and cash equivalents include cash on hand, cash in checking accounts, interest-bearing deposits, and highly liquid investments (including restricted assets of the Water and Sewer and Electric departments) with an original maturity of three months or less.

Investments – Investments are stated at fair value for all funds.

<u>Inventories</u> – Inventories held by the Electric Department are stated at average cost on a first-in, first-out basis. Water and Sewer Department and Special Revenue Fund inventories are stated at cost on a first-in, first-out basis. The cost of inventories is recorded as expenditures when consumed. Inventories reported in governmental funds are offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though it is a component of net current assets. Although a reservation of fund balance is not required under the consumption method, this reservation is shown for management purposes only.

<u>Prepaid items</u> – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

<u>Restricted Assets</u> – The City's restricted assets consist of the following:

		Governme	nta	l Activities		Business-Type Activities		
		Other				Murfreesboro		
		General		Governmental		Water and		
	_	Fund		Funds		Sewer		Total
Restricted assets -								
Cash and cash equivalents	\$	1,003,495	\$	19,076,350	\$	22,499,278	\$	42,579,123
Investments				1,807,071				1,807,071
	\$	1,003,495	\$	20,883,421	\$	22,499,278	\$ <u> </u>	44,386,194

Restricted Assets - Governmental Activities -

Certain proceeds from outside sources have been classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by outside sources. The general fund maintains separate bank accounts for the following restricted funds: Equitable sharing, police, 125 plan contributions, and deposits in a local government investment pool for the City's portion of the cost of the construction of a road. The amount of restricted funds in the general fund at June 30, 2012 is \$1,003,495.

Amounts received from outside sources have been classified as restricted assets on the balance sheets of the nonmajor capital projects funds. These amounts are maintained in separate bank accounts and their use is limited by outside sources. Proceeds from the 2010 TML loan are required by the loan agreement to be kept separate and apart from all other funds of the City and to be spent for capital projects as outlined in the loan agreement. The amount of these restricted funds at June 30, 2012 is \$17,861,617.

Notes to Financial Statements (continued)

June 30, 2012

Note A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

At June 30, 2012, \$355,860 is restricted for payments to engineers for the reconstruction of Middle Tennessee Boulevard. Also, amounts required to be set aside in separate bank accounts by the State of Tennessee for certain road projects in the amount of \$717,866 have been classified as restricted at June 30, 2012.

The Cemetery is required by law to contribute twenty percent of lot sale proceeds into a perpetual care fund. The perpetual care fund is to ensure the maintenance of the Cemetery for future years. The Cemetery had \$141,007 in cash on hand and bank accounts, which was restricted in this manner at June 30, 2012. Also, periodically contributions are made in trust to local financial institutions for investments of funds received from the issuance of perpetual care certificates. These contributions held in trust are invested in U.S. Government bonds and other secured investments by the trustee on a continuing basis. The income received from these investments is disbursed by the trustee periodically to the cemetery fund for reimbursement of expenses. During the year ended June 30, 2012, \$62,466 was reimbursed to the cemetery fund for expenses incurred in the maintenance of cemetery grounds. The amount of investments restricted in this manner at June 30, 2012 is \$1,807,071.

Restricted Assets – Business-type Activities –

The Water and Sewer Department has restricted certain funds. At June 30, 2012, Water and Sewer connection fees in the amount of \$17,905,215 are restricted for new development and construction. The funds are to be appropriated at the recommendation of the Water and Sewer Board to the City Council. The reserve sinking fund was required by the U.S. Army Corp of Engineers in the contract for the Water and Sewer Department to pump water from Percy Priest Lake. The total amount restricted for this purpose is \$245,484. The interest income reserve was set up by the Water and Sewer Board to reserve interest earned on non operational funds so it would not be used in the rate structure. The interest income reserve was established to segregate investment earnings from operating cash. This money can be used to fund future construction upon board approval. At June 30, 2012, \$2,454,721 was restricted for this purpose. Certain other amounts have been restricted for future year debt payments. The future debt reserve was established by the Water and Sewer Board. At June 30, 1992, the Board determined that the restricted bond fund was adequately funded and therefore, no additional funding has been made. The amount of reserve for future year debt payments at June 30, 2012 is \$1,893,858.

Restricted Assets - Internal Service Funds -

As a self-insured employer for the City's workers' compensation obligation, the City of Murfreesboro is required to comply with Tennessee Code Annotated 50-6-405(b) and any applicable rules. As of January 1, 2005, all self-insured are required to maintain security in an amount not less than five hundred thousand (\$500,000) pursuant to Tennessee Code Annotated 50-6-405(b)(1). Accordingly at June 30, 2012, the City of Murfreesboro's Risk Management Fund has \$500,000 in a certificate of deposit which is restricted in this manner.

<u>Capital Assets and Depreciation</u> – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The City capitalizes assets using a \$5,000 capitalization threshold.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items acquired or constructed subsequent to July 1, 1979. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs

Notes to Financial Statements (continued)

June 30, 2012

Note A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these capital assets at the estimated fair value of the item at the date of its donation.

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

Depreciation of capital assets is computed and recorded by the straight-line method over the estimated useful lives of the assets. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings and improvements	5-50 years
Improvements other than buildings	20-50 years
Structures and improvements	5-50 years
Transmission and distribution mains	5-50 years
Electric Plant	5-40 years
Equipment	3-25 years
Computer software	3-15 years
Infrastructure	10-50 years

Total depreciation and amortization expense for proprietary funds amounted to \$16,911,820 for the year ended June 30, 2012. Depreciation applicable to transportation equipment is charged to a transportation clearing account and then distributed to utility plant, construction work in progress and operating expenses based on the utilization of the equipment. Depreciation accounted for in this manner results in a difference between depreciation reported in the accompanying statement of cash flows and the amount reported in the statement of revenues, expenses and changes in net assets. A reconciliation of this difference is provided below:

	Total Proprietary Funds
Depreciation and amortization on statement of cash flows	\$ 16,911,820
Depreciation and amortization on statement of revenues,	
expenses, and changes in net assets	<u>16,523,583</u>
Difference (depreciation charged to other operating expense accounts)	\$ <u>388,237</u>

Interest cost incurred by the Murfreesboro Electric Department, during the construction of capital assets is normally expensed due to the short duration of the construction period.

<u>Long-term Debt</u> –In government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt or other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium and discount. Bond and loan issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond and loan 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 expenditures.

Notes to Financial Statements (continued)

June 30, 2012

Note A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

<u>Compensated Absences</u> – City employees accrue personal leave, sick leave, or compensated absences, by prescribed formula based on length of service. The value of accumulated benefits earned by employees, which may be used in subsequent years or paid upon termination or retirement, is recorded as long-term debt in the government-wide statements and in proprietary fund statements. The current portion of this debt is estimated based on historical trends. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Property Taxes – An enforceable legal claim to taxable property arises on January 1 in the year of levy. Taxes are due on October 1 and are collected by the City Recorder. Taxes not paid by December 31 are declared delinquent. A provision for estimated uncollectible taxes is established based on prior collection experience. The government records all property taxes collected within sixty days of year-end as revenue, with the amount not collected within sixty days of year-end as deferred revenue in the fund financial statements. All property taxes receivable are accrued in the government-wide financial statements, including those for which an enforceable claim to taxable property arises on January 1 of the current fiscal year. Deferred revenue is recorded in the government-wide financial statements for the amount of taxes not due until October 1 following the end of the fiscal year.

<u>Allowance for Uncollectible Accounts</u> – The City's allowance for estimated uncollectible receivables at June 30, 2012 is as follows:

		General	Water and		Evergreen
	_	Fund	 Sewer	_	Cemetery
Allowance for -			 _	_	_
Taxes Receivable	\$	2,219,762			
Other		1,800,465			
Accounts Receivable			\$ 100,000	\$	29,994

An allowance for doubtful accounts was not considered necessary for the Murfreesboro Electric Department.

<u>Estimates</u> – Management is required to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

<u>Fund balance</u> – Governmental funds utilitize a fund balance presentation of equity. Fund balance is categorized as nonspendable, restricted, committed, assigned or unassigned.

Nonspendable Fund Balance -

Nonspendable fund balance classification includes amounts that cannot be spent because they are either not in a spendable form (such as inventory or prepaids) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance -

Restricted fund balance classification includes amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation.

Committed Fund Balance -

Committed fund balance classification includes amounts that can be used only for specific purposes imposed by a formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution or ordinance prior to the end of the fiscal year, commit

Notes to Financial Statements (continued)

June 30, 2012

Note A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Committed Fund Balance (continued) -

fund balance. Once adopted, the limitation imposed by the resolution or ordinance remains in place until a similar action is taken (adoption of another resolution or ordinance) to remove or revise the limitation.

Assigned Fund Balance -

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the classification as committed. The City Manager has been granted the ability to assign amounts to a specific purpose in the City's Financial Policy Statements. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned Fund Balance –

Unassigned fund balance represents the residual classification for the general fund or deficit balances in other funds.

Spending Policy -

Revenues earned may be restricted, committed, assigned or unassigned depending on the fund type. If there is no provision in a grantor agreement regarding earnings on grant proceeds reported in the general fund, earnings will be unassigned for use of the general fund. If a grant agreement involves a local match, the match will be considered assigned for the purpose of the grant by the Mayor and Council upon approval of the grant.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance classifications at June 30, 2012 are as follows:

			General					
			Purpose	Debt		Other		Total
	General		School	Service		Governmental		Governmental
	 Fund	_	Fund	 Fund	_	Funds	_	Funds
Summary for Governmental								
Funds Balance Sheet								
Nonspendable	\$ 301,259				\$	1,864,799	\$	2,166,058
Restricted	949,243					18,576,032		19,525,275
Committed		\$	6,367,199			2,501,143		8,868,342
Assigned	5,737,081			\$ 4,029,850		249,642		10,016,573
Unassigned	 45,770,905	_				(2,968,766)		42,802,139
Total fund balances	\$ 52,758,488	\$	6,367,199	\$ 4,029,850	\$	20,222,850	\$_	83,378,387

Notes to Financial Statements (continued)

June 30, 2012

Note A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

		General	P S	deneral urpose chool		Debt Service	Other Governmental		Total Governmental
	_	Fund		Fund		Fund	Funds		Funds
Fund balances:									
Nonspendable	_							_	
Fuel inventory	\$	193,962						\$	193,962
Golf inventory		82,781							82,781
Airport inventory							\$ 39,754		39,754
Cafeteria inventory							70,314		70,314
Prepaids		24,516							24,516
Permanent fund							1,754,731		1,754,731
Restricted									
State road projects		692,025					40-4-4		692,025
Law enforcement		184,349					195,451		379,800
Recreation projects		72,869					4 0=0 000		72,869
State street aid							1,079,903		1,079,903
Capital projects							17,210,447		17,210,447
School cafeteria							90,231		90,231
Committed									
State street aid							9,971		9,971
Law enforcement							181,031		181,031
Airport							369,928		369,928
Community									
development							83		83
Education			\$ 6	,367,199					6,367,199
School cafeteria							1,188,679		1,188,679
Extended school									
program							751,451		751,451
Assigned									
Recreation projects		12,886							12,886
School debt		352,835							352,835
Public golf									
courses		110,906							110,906
Budgetary									
assignment		5,260,454							5,260,454
Debt service					\$	4,029,850			4,029,850
Cemetery operations							249,642		249,642
Unassigned	_	45,770,905			_		(2,968,766)		42,802,139
	\$ _	52,758,488	\$ 6	,367,199	\$	4,029,850	\$ 20,222,850	\$	83,378,387

 $\underline{Reclassifications} - Certain\ reclassifications\ have\ been\ made\ to\ the\ prior\ year\ financial\ statements\ in\ order\ to\ conform\ to\ the\ current\ year\ presentation.$

Notes to Financial Statements (continued)

June 30, 2012

Note B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund balance sheet includes a reconciliation between *fund balance* – *total governmental funds* and *net assets* – *governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds and loans payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this \$235,840,488 difference are as follows:

General Government -

General Obligation refunding bonds	\$ 37,420,000
Add: Unamortized Premium	4,780,749
Capital lease obligation	269,262
Capital outlay note	2,117,350
TML notes payable	154,011,904
Energy Efficient School Loan	941,669
Landfill post-closure costs	1,425,000
Compensated absences	7,699,976
Net pension obligation	181,986
Post-employment benefit obligation	 26,992,592
	\$ 235,840,488

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net assets of governmental activities as reported in the government—wide financial statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period."

The details of this \$276,356 difference are as follows:

Capital outlay	\$ 17,064,934
Depreciation	(16,788,578)
Net adjustment	\$ 276,356

Another element of that reconciliation states that "The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and contributed assets) is to increase net assets." The details of this \$369,456 difference are as follows:

In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.

Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Net adjustment

Sequence 1520,135

1520,135

1520,135

Notes to Financial Statements (continued)

June 30, 2012

Note B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Another element of that reconciliation states that "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$14,478,011 difference are as follows:

Debt issued or incurred	\$ (1,604,079)
Amortization of premium	597,594
Principal repayments	22,561,642
Amortization of loan costs	(130,593)
Payments on capital lease obligations	134,632
Increase in net pension obligation	(150,246)
Increase in OPEB liability	(6,930,939)
Net adjustment	\$ 14,478,011

Note C - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

<u>Budgets and Budgetary Accounting</u> – General governmental revenue and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements, which govern the City's operations.

Budgets have been adopted for the following funds:

General Fund

Debt Service Funds

<u>Special Revenue Funds</u> – State Street Aid Fund, Airport Fund, Drug Enforcement Fund, Community Development Fund, General Purpose School Fund, Extended School Program Fund, School Cafeteria Fund and Federal and State Program Funds.

<u>Capital Projects Funds</u> - Capital Improvement and Contingency Fund, Gateway Project Fund and the TML/Bond Fund.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds with the exception of those funds of the Murfreesboro Board of Education. The budgets of the General Purpose School Fund, School Cafeteria Fund, the Federal and State Program Funds, and the Extended School Program Fund are prepared on a basis consistent with generally accepted accounting principles except that encumbrances are treated as budgeted expenditures in the year of the commitment to purchase. Budgetary comparisons presented in this report for these funds are on this budgetary basis.

Funds without annual budgets are as follows:

Internal Service Funds School Activity Agency Fund Extended School Private Purpose Trust Fund

Pension Trust Funds Permanent Fund

Notes to Financial Statements (continued)

June 30, 2012

Note C – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

The City charter provides that the City Council shall adopt the annual budget prepared by City Management. This budget is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revision that alters the total expenditures of any fund must be approved by the City Council. All unencumbered and unexpended appropriations lapse at the end of the fiscal year. The budget amounts presented in the accompanying required supplemental information reflect the original and final amounts as revised and approved by the City Council.

<u>Encumbrances</u> – Encumbrances represent commitments related to unperformed (executory) contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used by the General Purpose School Fund, the School Cafeteria Fund, the Federal and State Program Funds, and the Extended School Program Fund. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be honored during the subsequent year.

However, encumbrances constitute the equivalent of expenditures for budgetary purposes and, accordingly, the accompanying financial statements present comparisons of actual results to the budgets on the budget basis for the General Purpose School Fund, the School Cafeteria Fund, the Federal and State Program Funds, and the Extended School Program Fund

<u>Budgetary – GAAP Reporting Reconciliation</u> - The accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual for the General Purpose School Fund presents comparisons of the legally adopted budget (described above) with actual data on a budgetary basis. The accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual for the General Fund are presented in accordance with generally accepted accounting principles (GAAP). Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in accordance with GAAP, a reconciliation of resultant basis and timing differences in the excess of revenues and other sources over expenditures and other uses for the year ended June 30, 2012 is presented as follows:

General Purpose

School FundNet change in fund balance (Budgetary Basis)\$ 1,117,174Adjustments:To adjust for net change in encumbrances(1,710,215)Net change in fund balance (GAAP Basis)\$ (593,041)

Note D - RELATED ORGANIZATIONS

The City Council is also responsible for appointing or approving appointments to the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The City appoints or approves appointments to the boards of the Murfreesboro Housing Authority and the Linebaugh Public Library System.

Notes to Financial Statements (continued)

June 30, 2012

Note E – CASH AND INVESTMENTS

Investments – As of June 30, 2012, the City had the following investments and maturities:

		Fair	Fair Investment Maturities in Years						
		Value		<1		1-5		6-10	>10
Employee Pension Plan					_		_	_	
U.S. Treasury Notes	\$	4,291,032	\$	461,198	\$	3,766,322	\$	63,512	
Federal Home Loan Bank		638,599				356,502		282,097	
Federal Home Loan Mortgage Corp.		2,559,169		48,240				\$	2,510,929
Federal National Mortgage Assoc.		1,809,282							1,809,282
Federal Farm Credit Bank		295,995						295,995	
Government National Mortgage Assoc.		275,155							275,155
Corporate Bonds & Notes	_	15,629,984	_	2,451,842	_	8,344,394	_	4,096,248	737,500
Total	\$	25,499,216	\$	2,961,280	\$	12,467,218	\$	4,737,852 \$	5,332,866
	-		_		_				
Electric Department Pension Plan									
Federal Home Loan Bank	\$	353,295			\$	156,353	\$	196,942	
Federal Farm Credit Bank		125,844						125,844	
Corporate Bonds & Notes		6,260,324	\$	775,134		4,268,116		1,217,074	
Total	l \$	6,739,463	\$	775,134	\$	4,424,469	\$	1,539,860	
					= =				
Perpetual Care Cemetery Fund									
Federal Home Loan Bank	\$	132,684			\$	78,078	\$	54,606	
Federal Farm Credit Bank		92,239						92,239	
Corporate Bonds & Notes		1,131,081	\$	77,630		754,933		298,518	
Total	1 \$	1,356,004	\$	77,630	\$	833,011	\$	445,363	

State statutes authorize the City to invest operating funds in bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. Investments held by employee pension plans are limited to those types allowed by plan documents.

<u>Interest rate risk</u> – The City does not have a formal policy to limit exposure to interest rate risk for investments.

<u>Credit risk</u> –The City does not have a formal policy related to credit risk. However, the pension committee has an investment directive for its investments to maintain an overall credit quality of "A" for its portfolio. At June 30, 2012, the City had investments in obligations of U.S. government agencies that are only implicitly guaranteed by the U.S. government. The Moody's rating for these obligations is AAA. At June 30, 2012, the City had investments in corporate bonds rated by Moody's as presented as follows:

Notes to Financial Statements (continued)

June 30, 2012

Note E – CASH AND INVESTMENTS (continued)

Fair Market Value: Corporate Bonds & Notes

Moody's Rating	City's Pension Plan	Electric Department Pension Plan	-	Perpetual Care Cemetery
A1 \$	2,266,220	\$ 578,449	\$	170,166
A2	2,421,283	858,468		183,986
A3	1,861,031	1,101,565		284,666
AA1	141,240			
AA2	202,656			
AA3	1,402,269	606,367		25,764
AAA	482,507	67,139		
BA1	17,409			
BA2	51,324			
BAA1	2,050,252	1,228,597		131,121
BAA2	2,668,326	1,158,745		150,743
BAA3	1,377,086	552,167		184,635
WR	637,815	108,827		
NR	50,566			
\$	15,629,984	\$ 6,260,324	\$	1,131,081

WR=withdrawn

NR=not rated

<u>Custodial credit risk - deposits</u> –In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At June 30, 2012, total demand deposits and certificates of deposit for the City were insured and/or collateralized in one of the following ways. Certain deposits were held in financial institutions, which are members of the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool (the pool) is a multiple financial institution collateral pool in which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to the pool if the value of collateral is inadequate to cover a loss. Other deposits were adequately insured either by collateral securities held by the City's agent in the City's name or Federal Depository Insurance. The City's deposits in financial institutions were entirely insured or collateralized at June 30, 2012.

<u>Custodial credit risk - investments</u> — For an investment, this is the risk that, in the event of the failure of a counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy for custodial credit risk. Of the investment in corporate bonds and notes and municipal bonds and notes, \$15,629,984, \$6,260,324 and \$1,131,081 of the City's Employee Pension Plan, Electric Department Pension Plan and Evergreen Cemetery fund, respectively, are uninsured and unregistered investments for which securities are held by the counterparty or its trust department or agent, but not in the City's name.

Notes to Financial Statements (continued)

June 30, 2012

Note F – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance			Balance
Governmental activities -	July 1, 2011	Increases	Decreases	June 30, 2012
Capital assets, not being depreciated -				
Land	\$ 244,832,216	\$ 651,499	\$ 4,235	\$ 245,479,480
Construction in progress	21,628,335	13,511,944	12,873,508	22,266,771
Subtotal	\$ 266,460,551	\$ 14,163,443	\$ 12,877,743	\$ 267,746,251
Capital assets, being depreciated -				
Buildings	\$ 128,547,462	\$ 251,398	\$ 60,992	\$ 128,737,868
Improvements other than				
buildings	65,750,567	173,678	51,971	65,872,274
Equipment	52,111,182	5,165,559	615,128	56,661,613
Computer software	2,005,458	9,293		2,014,751
Infrastructure	302,536,597	10,748,116	485,662	312,799,051
Subtotal	\$ 550,951,266	\$ 16,348,044	\$ 1,213,753	\$ 566,085,557
Less accumulated depreciation				
Buildings	\$ (32,666,723)	\$ (2,733,549)	\$ 24,093	\$ (35,376,179)
Improvements other than				
buildings	(25,048,584)	(3,032,825)	15,109	(28,066,300)
Equipment	(32,055,415)	(3,873,619)	493,249	(35,435,785)
Computer software	(502,057)	(127,814)		(629,871)
Infrastructure	(64,901,551)	(7,020,771)	481,947	(71,440,375)
Subtotal	\$ (155,174,330)	\$ (16,788,578)	\$ 1,014,398	\$ (170,948,510)
Capital assets, being depreciated, net	\$ 395,776,936	\$ (440,534)	\$ 199,355	\$ 395,137,047
Capital assets, net	\$ 662,237,487	\$ 13,722,909	\$ 13,077,098	\$ 662,883,298

Notes to Financial Statements (continued)

June 30, 2012

Note F - CAPITAL ASSETS (continued)

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

Governmental activities -		
General government	\$	508,034
Police		884,294
Fire protection		628,573
Streets and signs		7,143,618
Planning and engineering		20,706
Building and codes		1,083
Solid waste		788,069
Transportation		109,854
Urban environmental		26,894
Public health, safety and other		102,342
Community services		313,739
Recreation		3,173,519
Education	_	3,087,853
Total governmental activities		
depreciation expense	\$_	16,788,578

Balance Balance July 1, 2011 Increases Decreases June 30, 2012 Business-type activities -Capital assets, not being depreciated Land \$ 22,081,333 \$ 3,348 22,084,681 Construction in progress 17,561,033 10,461,473 12,063,573 15,958,933 Subtotal 39,642,366 10,464,821 12,063,573 38,043,614 Capital assets, being depreciated -Structures and improvements \$ 100,507,554 1,964,598 710 \$ 102,471,442 Transmission and distribution mains 291,784,604 4,103,193 60,076 295,827,721 Electric plant 140,712,773 9,111,802 1,361,227 148,463,348 475,417 Equipment 51,734,908 2,292,881 53,552,372 1,897,430 \$ Subtotal 584,739,839 17,472,474 600,314,883 Less: accumulated depreciation -Structures and improvements \$ (16,122,847) \$ (2,653,347) \$ (85) \$ (18,776,109)Transmission and distribution mains (5,599,259)(32,200)(70,402,911)(64,835,852)Electric plant (1,738,407)(35,608,358)(5,418,744)(39,288,695)Equipment (23,098,182)(3,214,029)(350,399)(25,961,812)(154,429,527) (139,665,239) (16,885,379)(2,121,091)Capital assets, being depreciated, net 445,074,600 587,095 (223,661)445,885,356 484,716,966 Capital assets, net 11,051,916 11,839,912 483,928,970

Notes to Financial Statements (continued)

June 30, 2012

Note F - CAPITAL ASSETS (continued)

The Murfreesboro Electric Department follows the Federal Energy Regulatory Commission's unique system of accounting which is required for TVA distributors. Accordingly, when a plant asset is of a depreciable class the cost of removal shall be charged to the accumulated provision for depreciation applicable to such property. Removal costs charged to accumulated depreciation for the fiscal year ended June 30, 2012 are \$526,471.

Depreciation expense was charged to functions/programs of the business-type activities as follows: Business-type activities:

Water and sewer	\$	10,870,081
Electric		5,823,131
Cemetery		25,851
Stormwater fund	_	166,316
Total business-type activities depreciation expense	\$	16,885,379

Note G - LONG-TERM LIABILITIES

General Obligation Refunding Bonds — During the year ended June 30, 2010, the City of Murfreesboro refinanced five of its Tennessee Municipal Bond Fund Loans by issuing \$65,855,000 in general obligation refunding bonds with a maturity date of June 1, 2020 and bearing fixed rates ranging from 2.00% to 5.00%. Certain bonds are subject to federal arbitrage regulations. The Tennessee Municipal Bond Fund Loans were refinanced to reduce the risk of rising interest rates by converting variable rate debt to fixed rate debt.

Year Ending	_	Governmental Activities			
June 30,	_	Principal		Interest	
2013	\$	7,955,000	\$	1,871,000	
2014		7,800,000		1,473,250	
2015		3,680,000		1,083,250	
2016		3,855,000		899,250	
2017		4,030,000		706,500	
2018-2020	_	10,100,000	_	891,250	
	\$	37,420,000	\$	6,924,500	

Revenue and Tax Refunding Bonds — During the year ended June 30, 2010 the Electric Department and the Water and Sewer Department refinanced several of their Tennessee Municipal Fund Bond Loans by issuing \$15,445,000 and \$40,860,000, respectively, in revenue and tax refunding bonds in conjunction with the City of Murfreesboro with maturity dates the same dates as the original Tennessee Municipal Fund Bonds. The maturities for the revenue and tax bonds for the Electric Department range from 2014-2021 and bear interest at a rates ranging from 2.00% to 3.375%. The maturities for the revenue and tax bonds for the Water and Sewer Department range from 2014-2026 and bear interest at rates ranging from 2.00% to 5.00%. The new bonds are secured by a pledge of net revenues from operations.

Notes to Financial Statements (continued)

June 30, 2012

Note G – LONG-TERM LIABILITIES (continued)

Revenue bonds outstanding at the end of the year are as follows:

<u>Purpose</u>	Interest Rates	<u>Amount</u>
Electric Department – Series 2009	2.00-3.75%	\$ 7,245,000
Water and Sewer Department – Series	2009 2.00-5.00%	33,905,000
		\$ 41,150,000

Maturities of the revenue bonds are as follows:

Year	Endi	nø
1 Cai	பாய	112

I car Ename		
June 30,	Principal	Interest
2013	\$ 4,840,000	\$ 1,605,738
2014	4,930,000	1,500,338
2015	2,440,000	1,314,212
2016	2,525,000	1,222,300
2017	2,595,000	1,138,450
2018-2022	14,430,000	3,751,024
2023-2026	9,390,000	843,000
	\$ 41,150,000	\$ 11,375,062

Tennessee Municipal Bond Fund Loans

The City participated in the Tennessee Municipal Bond Fund Loan program and entered into loan agreements from the Public Building Authority of the City of Clarksville, Tennessee. Tennessee Municipal Loans outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>	
Governmental activities	Variable	\$ 108,995,90)4
Governmental activities	2.89%	45,016,00	00
		\$ 154,011,90)4
Business-type activities	Variable	44,878,69	1
		\$ <u>198,890,59</u>)5

Interest rates are set by the remarketing agent and are based on the market price of the bonds underlying the loans.

Annual debt service requirements to maturity are as follows:

Year Ending	 Governmental A	Activities	Business-type Activities		activities
June 30,	 Principal	Interest		Principal	Interest
2013	\$ 14,503,440 \$	2,003,559	\$	2,611,000 \$	1,778,267
2014	14,879,860	1,844,214		2,726,000	1,678,304
2015	14,005,480	1,681,479		2,847,000	1,573,928
2016	12,795,925	1,522,416		2,973,000	1,464,909
2017	12,139,000	1,368,438		3,104,000	1,351,060
2018-2022	61,223,907	4,452,206		17,706,000	4,866,625
2023-2027	 24,464,292	948,143	_	12,911,691	1,410,353
	\$ 154,011,904 \$	13,820,455	\$_	44,878,691 \$	14,123,446

Notes to Financial Statements (continued)

June 30, 2012

Note G – LONG-TERM LIABILITIES (continued)

<u>Capital Outlay Notes</u> — In December 2006, and July 2007, the City of Murfreesboro issued a \$1,900,000 Taxable Airport Improvement Capital Outlay Note, Series 2006, and a \$1,400,000 Taxable Airport Improvement Capital Outlay Note, Series 2007, respectively, for the purpose of providing funds to finance the cost of the construction and equipping of thangars at the City of Murfreesboro's airport. The remaining balance of the 1.9 million capital outlay note of \$1,675,000 matures on December 1 of each year through 2018, inclusive, and bears interest at a rate of 6.55%, payable semi-annually on June 1 and December 1 of each year. The remaining balance of the 1.4 million capital outlay note of \$1,319,000 matures on August 1 of each year through 2019, inclusive, and bears interest at a rate of 6.49%, payable semi-annually on February 1 and August 1 of each year.

The annual debt service requirements to maturity are as follows:

Year Ending

June 30,	Principal Inter		Interest
2013	\$ 254,000	\$	129,793
2014	270,000		112,693
2015	288,000		94,486
2016	306,000		75,102
2017	326,000		54,479
2018-2022	673,350		53,502
	\$ 2,117,350	\$	520,055

<u>Energy Efficient Schools Loan</u> – The City entered into a \$1,000,000 interest free loan during the fiscal year ended June 30, 2012 which was issued by the State specifically to provide funding for a qualifying capital outlay project to improve the energy efficiency of certain Murfreesboro City Schools. The principal payment of \$8,333 is to be paid monthly through 2022.

Annual debt service requirements to maturity are as follows:

Year Ending

June 30,		Principal
2013	\$	99,996
2014		99,996
2015		99,996
2016		99,996
2017		99,996
2018-2022	_	441,689
	\$	941,669

<u>Loans Payable – Utility Plant Acquisition</u> – The Electric Department has periodically purchased certain customers and utility plant from the Middle Tennessee Electric Membership Corporation (MTEMC). During the year ended June 30, 2012, the Department made a purchase of \$128,794 representing \$5,615 in net plant allocated to specific plant accounts and \$123,179 in lost revenue allocated to plant acquisition adjustments. After paying a down payment on each of the transactions, the remaining balance of \$102,036 is payable annually in equal installments over a ten year period. Currently, the annual payments due on prior purchases total \$148,157 as of June 30, 2012.

Notes to Financial Statements (continued)

June 30, 2012

Note G – LONG-TERM LIABILITIES (continued)

State Revolving Loans – The Water and Sewer Department has three state revolving loans to fund the Wastewater Facilities Project. The original total loan amounts were \$58,000,000, \$900,000 and \$3,700,000. The remaining balances at June 30, 2012 are \$30,970,184, \$394,601 and \$1,311,827, respectively. These loans bear interest at the rates of 4.24%, 4.28% and 3.71% per annum, respectively.

Annual debt service requirements to maturity are as follows:

Year	Ending

June 30,	Principal	Interest
2013	\$ 3,030,168	\$ 1,320,456
2014	3,160,716	1,189,908
2015	3,296,879	1,053,744
2016	3,438,918	911,712
2017	3,587,077	763,548
2018-2022	15,901,822	1,462,188
2023-2024	261,032	10,212
	\$ 32,676,612	\$ 6,711,768

<u>Capital Lease</u> – The Murfreesboro City Schools (MCS) leases certain equipment under an agreement that is classified as a capital lease. The remaining capital lease obligation is \$269,262 at June 30, 2012. Payments due on the lease are approximately \$134,600 due in equal installments in 2013 and 2014. The lease bears no interest and MCS has imputed no interest as the amount is not considered material. The cost of equipment under capital leases is included in the statement of net assets as equipment and was \$538,526 at June 30, 2012. Accumulated amortization of leased equipment at June 30, 2012 was \$255,800. Amortization of assets under the capital lease is included in depreciation expense.

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$7,103,500 of internal service funds claims and judgments are included in the above amounts. For governmental activities, compensated absences, net pension obligations and other postemployment benefit obligations are generally liquidated by the general fund and claims and judgments are liquidated by the risk management fund.

Notes to Financial Statements (continued)

June 30, 2012

Note G – LONG-TERM LIABILITIES (continued)

Long-term liability activity for the year ended June 30, 2012, was as follows:

		Balance July 1, 2011		Additions	Т	Deductions	Balance June 30, 2012		Due Within One Year
Governmental Activities -	-	3diy 1, 2011	-	7 Idditions	-	occuc ii oii s	Julie 30, 2012	-	One rear
General Obligation refunding bonds	\$	45,510,000			\$	8,090,000	\$ 37,420,000	\$	7,955,000
Add: Premium on refunding	_	5,378,343			_	597,594	4,780,749	_	
	\$	50,888,343			\$	8,687,594	\$ 42,200,749	\$	7,955,000
Capital lease obligation		403,894				134,632	269,262		134,600
Capital outlay notes		2,354,350				237,000	2,117,350		254,000
Tennessee Municipal Bond Fund Loans		167,584,136	\$	604,079		14,176,311	154,011,904		14,503,440
Energy Efficient School Loan	-		_	1,000,000	_	58,331	941,669	_	99,996
	\$	221,230,723	\$	1,604,079	\$	23,293,868	\$ 199,540,934	\$	22,947,036
Estimated landfill closure costs		1,425,000					1,425,000		185,000
Compensated absences		7,067,721		2,203,771		1,571,516	7,699,976		937,755
Net pension obligation		31,740		150,246			181,986		
Post-employment benefit obligation		20,061,653		6,930,939			26,992,592		
Claims and judgements		5,984,000		4,521,188		3,401,688	7,103,500		2,404,000
Governmental activity			_		_			_	
Long-term liabilities	s \$	255,800,837	\$_	15,410,223	\$_	28,267,072	\$ 242,943,988	\$_	26,473,791
	-								
Pusitiones and Assisting									
Business-type Activities -									
Revenue Bonds	\$	46,290,000			\$	5,140,000	\$ 41,150,000	\$	4,840,000
Matured bonds payable		36,000					36,000		
Add: premium on refunding		2,639,014				180,001	2,459,013		
Less: deferred amount -									
on refunding		(98,107)				(20,986)	(77,121)		
<u> </u>	\$	48,866,907			\$	5,299,015	\$ 43,567,892	\$	4,840,000
State revolving loans		35,581,591				2,904,979	32,676,612		3,030,170
Compensated absences		3,094,260	\$	530,658		287,586	3,337,332		1,024,907
Post-employment benefit obligation		5,011,020		1,386,674			6,397,694		
Tennessee Municipal Bond Fund Loans		47,378,691		, ,		2,500,000	44,878,691		2,611,000
Loans payable - Utility plant									
acquisition		829,841		102,037		225,082	706,796		148,157
Business-type activity			-		_	, -		-	<i>,</i>
Long-term liabilities		140,762,310	\$_	2,019,369	\$_	11,216,662	\$ 131,565,017	\$	11,654,234
	_								·

Notes to Financial Statements (continued)

June 30, 2012

Note H - CONSERVATION PROGRAMS

The Murfreesboro Electric Department is a fiscal intermediary for the Tennessee Valley Authority's conservation programs. At June 30, 2012, outstanding funds advanced by TVA totaled \$1,676,181 to be used by the customers of the Department in connection with TVA's insulation, water heater, and heat pump conservation programs. At June 30, 2012, the outstanding receivables for loans made from these funds amounted to \$1,641,884.

Note I – EMPLOYEE PENSION PLANS

The City maintains two single employer defined benefit pension plans (the City of Murfreesboro Employees' Pension Plan and the Murfreesboro Electric Department Employee Pension). The City also provides one defined contribution plan (the City of Murfreesboro Employees' Pension Plan – Defined Contribution) and participates in the Tennessee Consolidated Retirement System, an agent, multiple-employer public employee retirement system (PERS). The City of Murfreesboro Employees' Pension Plan and the Murfreesboro Electric Department Employee Pension are included in the accompanying financial statements as pension trust funds.

The following is a summary of each of these plans:

City of Murfreesboro Administered Pension Plans - Plan Descriptions and Provisions

<u>City of Murfreesboro Employees' Pension Plan – Defined Benefit</u> – The defined benefit pension plan covers all City employees except those employees of the school system, the Evergreen Cemetery Commission and electric department. All other departments of the City, including the water and sewer department, are covered by the plan. The funds of the retirement plan are invested in trust funds managed by SunTrust Bank, Nashville, N.A. and Pinnacle National Financial who serve as co-trustees for the plan. Employees hired after June 30, 2010 are not eligible to participate in this plan.

In accordance with the City Code, subject to approval by the City Council, pension plan provisions may be established or amended by the pension committee. Contribution rates are recommended by the pension committee based on the annual actuarial valuation report, and must also be approved by City Council.

Employees who were regularly employed for at least 30 hours per week for at least six months of the year became eligible to participate upon completion of ninety days of employment. The plan provides for a basic monthly pension beginning at normal retirement age, a disability benefit, and a death benefit prior to retirement, all of which are based upon the monthly compensation of the participant. The plan was amended on July 1, 1988 to make the plan noncontributory whereby the employer contributes the entire amount necessary to fund the system. The current funding policy is to contribute 12.10% of covered salary. Over the years the actual contributions have exceeded the Annual Required Contributions developed under GASB 25/27 resulting in a cumulative negative Net Pension Obligation (NPO) at June 30, 2010 in the amount of \$537,975. For the fiscal years ending 2011 and 2012, the amount funded was less than the required amount resulting in a cumulative positive NPO of \$181,986.

The normal retirement benefit, one twelfth of which is payable monthly for life, with the first 60 payments guaranteed, is equal to 2% of average earnings, multiplied by the total years of employment not in excess of 30 years. "Average earnings" is the average annual basic earnings of a member for the five consecutive years of employment which produce the highest average.

The plan was also amended on July 1, 1988 concerning age of retirement. In past years, the plan provided for a basic monthly pension beginning at normal retirement age. The plan as amended provides for a basic monthly pension beginning at age 55, instead of 65, provided the participant has at least 30 years of service. The normal retirement age for a fire fighter or police officer is the member's 55th birthday. Actuarial assumptions have been revised periodically to reflect actual plan experience and expectations regarding future events. The most recent assumption revision was effective July 1, 2007 and changed the mortality assumption from the 1983 Group Annuity Mortality Table to the RP 2000 Combined Mortality Table.

Notes to Financial Statements (continued)

June 30, 2012

Note I – EMPLOYEE PENSION PLANS (continued)

The City has the right to further amend or terminate the plan.

The City uses the accrual basis of accounting for the plan. Investment income is recognized when it is earned and expenses are recognized when they are incurred. Contributions are recognized when due. Benefits and refunds are recognized when due and payable under the terms of the plan.

The plan does not issue a separate financial report, but is included in the accompanying financial statements as a pension trust fund.

There are no investments in any one issuer that represents 5% or more of total investments.

The costs of administering the plan are financed by the City of Murfreesboro's general fund. There are no related party transactions involving the pension trust.

Murfreesboro Electric Department Employee Pension - The Murfreesboro Electric Department provides a single-employer defined benefit pension plan with contributions made to a separate fund named the Murfreesboro Electric Department Pension Trust. The plan covers all full-time employees upon the completion of one year of service and attainment of age 25. The plan does not cover employees that have attained age 60 on the date of hire. Employees hired after April 1, 2012 are not eligible to participate the plan. For those employees the Department has established a new defined contribution plan. This plan requires those employees to contribute a minimum of 4% of their gross pay and the Department will contribute another 6%. The plan did not have any new participants from April 2012 to June 2012.

The Plan, which was originally established August 1, 1956, has been amended several times since then, the last amendment being effective July 1, 2010. The Board of Directors of the Murfreesboro Electric Department acts as the Pension Committee with the responsibility to oversee the operation of the plan. Effective, January 1, 1994, the Employer entered into an agreement with Pinnacle Financial Partners, whereby, Pinnacle holds and manages the Plan's assets as Successor Trustee. Pension plan provisions may be established or amended by the Board of Trustees under the authority of the pension trust document. The Board approves contribution rates based on recommendations included in the annual actuarial valuation report.

Employees with ten (10) or more years of credited service are entitled to monthly pension benefits upon attainment of early retirement age fifty five (55). The Plan's normal retirement age is sixty (60). The monthly benefit is 2% of the highest five years of average monthly compensation multiplied by years of employment up to thirty (30) years. Participants are fully vested after five years of credited service. The basic form of the retirement payments is a life annuity for single and a joint survivor annuity for married participants. Subject to the application plan conditions, a participant may select an optional method of benefit payments which is actuarially equivalent to the basic benefit payment. In the event an employee becomes entitled to benefits under the Plan and the value of the benefit is less than \$10,000, the employee may receive a lump-sum distribution at the discretion of the Retirement Committee. Benefit payments to participants are recorded upon distribution.

The Plan is non-contributory and cost is borne by actuarially determined contributions made by the Employer. Expenses of the Plan may be paid by the Employer or the Plan.

The Plan has received and maintains a favorable determination letter from the Internal Revenue Service concerning its tax-exempt status.

Notes to Financial Statements (continued)

June 30, 2012

Note I – EMPLOYEE PENSION PLANS (continued)

The plan issues a publicly available financial report that includes financial statements and required supplementary information for the plan. This report may be obtained by writing or calling the plan at:

Murfreesboro Electric Department P.O. Box 9 Murfreesboro, Tennessee 37133 615-893-5514

There are no investments in any one issuer that represents 5% or more of total investments.

Contributions, Membership and Funding Requirements -

Current membership in each of these plans was comprised of the following as of the actuarial valuation date:

	Murfreesboro	City of
	Electric	Murfreesboro
	Department	Employees'
	Pension	Pension
Retired Participants and		
Terminated Participants with		
Deferred Vested Benefits	41	368
Active Participants	76_	826
	117	1,194

The net pension obligation has been calculated for the City of Murfreesboro Employees' Pension plan as follows:

705,717
2,301
(2,785)
705,233
554,987)
150,246
31,740
181,986
7

Funding Policy and Annual Pension Cost – The annual pension cost for the current year and related information for each plan is as follows:

Notes to Financial Statements (continued)

June 30, 2012

Note I – EMPLOYEE PENSION PLANS (continued)

	_	Murfre Elec Depar Pens	tric tment	City of Murfreesboro Employees' Pension			
Annual pension cost	\$	797,	797	\$	4,705,233		
Contributions made	\$	930,	409	\$	4,554,987		
Actuarial valuation date	July 1, 2012 July 1, 20				July 1, 2012		
Actuarial cost method	Entry Age Normal			Entry Age Normal			
Amortization method	Level dollar			Level dollar			
Amortization period - open	30 years			30 years			
Remaining amortization period	14 years				25 years		
Asset valuation method Actuarial assumptions:	Market Five-year		ve-year Smooth	year Smoothing			
Investment rate of return			7.0%	7.3%			
Projected salary increases			4.5%		4.0%		
Inflation rate			N/A		N/A		
	Three-Y	ear Trend	<u>Information</u>				
			Annual	Percei	ntage	Net Pension	
	Year		Pension	of A		Obligation	
	Ended		Cost (APC)	Contri	<u>buted</u>	(Benefit)	
Murfreesboro Electric	06/30/10	\$	1,145,337	100.0	00% \$	-0-	
Department Pension	06/30/11	\$	930,409	100.0		-0-	
	06/30/12	\$	797,797	116.0	00% \$	(132,612)	
City of Murfreesboro	07/01/10	\$	5,007,182	88.8	4% \$	(537,975)	
Employee's Pension	07/01/11	\$	5,130,945	88.9		31,740	
- •	07/01/12	\$	4,705,233	96.8		181,986	

Notes to Financial Statements (continued)

June 30, 2012

Note I – EMPLO	YEE PENSION PLA	NS (continued)
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			`	Schedule	of F	unding Progress	<u>3</u>			
				Actuarial						UAAL as a
		Actuarial		Accrued		Unfunded			Annual	Percentage of
Actuarial		Value of		Liability		AAL	Funded		Covered	Covered
Valuation		Plan Assets		(AAL)		(UAAL)	Ratio		Payroll	Payroll
Date		(a)	_	(b)	_	(b-a)	(a/b)	_	(c)	(b-a)/(c)
Murfreesboro	Elect	ric Departmen	ıt Peı	nsion:						
07/01/10	\$	12,205,440	\$	13,378,372	\$	1,172,932	91.2%	\$	4,146,459	28.3%
07/01/11	\$	14,979,684	\$	16,476,417	\$	1,496,733	90.9%	\$	4,744,690	31.5%
07/01/12	\$	14,945,627	\$	16,215,583	\$	1,269,956	92.2%	\$	4,690,597	27.1%
City of Murfreesboro Employees' Pension										
07/01/10	\$	83,658,491	\$	105,022,974	\$	21,364,483	79.7%	\$	39,994,629	53.4%
07/01/11	\$	89,430,262	\$	104,868,389	\$	15,438,127	85.3%	\$	37,539,589	41.1%
07/01/12	\$	94,073,099	\$	111,167,776	\$	17,094,677	84.6%	\$	37,391,398	45.7%

City of Murfreesboro Employees' Pension Plan – Defined Contribution – Effective July 1, 2010, a defined contribution plan has been implemented by the City. In accordance with the City code, subject to approval by the City Council, pension plan provisions (including contribution requirements) may be established or amended by the pension committee. The defined contribution plan covers all full-time City employees, except those employees of the school system, Evergreen Cemetery Commission and the electric department, hired on or after July 1, 2010. The provisions of this plan require a three percent mandatory employee contribution, with a maximum employee contribution set at eight percent. The City matches 100% of the employee contributions up to eight percent. Employees become 100% vested in the plan after five years of full-time employment. Both the member contribution and the employer contribution for the year ended June 30, 2012 is \$119,665.

Tennessee Consolidated Retirement System

<u>Plan Description</u> – Employees of the Murfreesboro City School System are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with 5 (five) years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who became disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty.

Members joining the system after July 1, 1979 become vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the Murfreesboro City School System participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Notes to Financial Statements (continued)

June 30, 2012

Note I – EMPLOYEE PENSION PLANS (continued)

<u>Funding Policy</u> – The Murfreesboro City School System has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to 5.0 percent of annual covered payroll.

The Murfreesboro City School System is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012 was 12.82% of annual covered payroll. The contribution requirement by plan members is set by state statute. The contribution requirement for the Murfreesboro City School System is established and may be amended by the TCRS Board of Trustees.

<u>Annual Pension Cost</u> – For the year ended June 30, 2012, the Murfreesboro City School System's annual pension cost of \$965,871 to TCRS was equal to the Murfreesboro City School System's required and actual contributions.

The required contribution was determined as a part of the July 1, 2009 actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected 3.0 percent annual inflation rate (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The Murfreesboro City School System's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009 was six years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Fiscal	Annual	Percentage	Net
Year	Pension	of APC	Pension
Ending	Cost (APC)	_Contributed_	Obligation
06/30/10	\$ 826,790	100.00%	\$ -0-
06/30/11	\$ 932,148	100.00%	\$ -0-
06/30/12	\$ 965,871	100.00%	\$ -0-

As of July 1, 2011, the most recent actuarial valuation date, the plan was 97.66% funded. The actuarial accrued liability for benefits was \$18.59 million, and the actuarial value of assets was \$18.15 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.44 million. The covered payroll (annual payroll of active employees covered by the plan) was \$7.22 million, and the ratio of the UAAL to the covered payroll was 6.03%.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities (AALs) for benefits.

The annual required contribution (ARC) was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

Notes to Financial Statements (continued)

June 30, 2012

Note I – EMPLOYEE PENSION PLANS (continued)

		Actuarial		Actuarial	Unfunded			UAAL as a
Actuarial		Value of		Accrued	AAL	Funded	Covered	Percentage of
Valuation		Plan Assets]	Liability (AAL)	(UAAL)	Ratio	Payroll	Covered Payroll
Date	_	(a)		(b)	(b)-(a)	(a/b)	 (c)	(b-a)/(c)
07/01/11	\$	18,152,000	\$	18,587,000	\$ 436,000	97.66%	\$ 7,217,000	6.03%
07/01/09	\$	14,666,000	\$	14,666,000	\$ -0-	100.00%	\$ 6,839,000	0.00%
07/01/07	\$	13,412,000	\$	13.412.000	\$ -0-	100.00%	\$ 6.156.000	0.00%

Teachers' Plan

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

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

<u>Funding Policy</u> – Most teachers are required by state statutes to contribute five percent of salary to the plan. The employer contribution rate for Murfreesboro City Schools is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2012 was 9.05% of annual covered payroll. The employer contribution requirement for Murfreesboro City Schools is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2012, 2011, and 2010 were, \$2,603,317, \$2,400.700, and \$1,773,939, respectively, and were equal to the required contributions for each year.

Note J – DEFERRED COMPENSATION PLANS

The City of Murfreesboro and the Murfreesboro Electric Department offer employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City and Department employees, permit them to defer a portion of their salary until future years.

As of July 1, 1998, the City and the Murfreesboro Electric Department implemented a new standard requiring changes to the accounting and financial reporting for the deferred compensation plans created in accordance with Internal Revenue Code 457. The plans are administered by an independent plan administrator. The City's administrative involvement is limited to transmitting amounts withheld from payroll to the plan administrator who performs investing functions.

Notes to Financial Statements (continued)

June 30, 2012

Note J – DEFERRED COMPENSATION PLANS (continued)

Amendments to the laws governing Section 457 plans require that plan assets are held in trust for the benefit of the plan participants and their beneficiaries. The assets will not be diverted to any other purpose. Therefore, the financial activity of these plans is no longer reported in the City's financial statements.

Note K - POST-EMPLOYMENT BENEFITS

From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2008, the City recognizes the cost of post-employment benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years which commenced with the 2008 liability.

The City offers benefits under two separate arrangements within the City and the Murfreesboro Electric Department. The City, including Water and Sewer, offers retirees post-employment healthcare benefits on an annual basis with the option to cancel, modify, or reduce benefits by authority of the Mayor and City Council.

The following is a summary of each of these plans:

City of Murfreesboro Administered Benefits

In addition to pension benefits described in Note I, the City provides certain healthcare benefits for retired employees. Plan benefits and any amendments are under the authority of City Council. The current retiree's share of premiums is 20%. Police and Firefighters are eligible to retire at age 55 without regard to years of service. General employees are eligible to retire at age 55 with 30 years of service, or at age 62 with twenty or more years of service with an actuarially reduced retirement benefit, or age 65 without regard to years of service. If an employee has met one of these standards and retired, and has 15 years of continuous service with the City with 5 years of continuous coverage in a City health insurance plan, the retired employee is currently eligible to continue such health insurance coverage until the retired employee is eligible for Medicare. As of June 30, 2012, there were 164 participants receiving these benefits.

Murfreesboro Electric Department Administered Plan

Plan Description

In addition to the pension benefits described in Note I, the Murfreesboro Electric Department provides certain healthcare and life insurance benefits for retired employees. The current retiree's share of the premiums is 10%. Substantially all of the Department's employees may become eligible for those benefits if they reach normal retirement age (65) or reach age 55 and have 10 years of service. Currently, 23 retirees are receiving benefits.

The number of participants of the City Administered Plan as of July 1, 2011 and the Murfreesboro Electric Department plan as of July 1, 2012, the effective dates of the biannual OPEB valuations for each plan, respectively, follows.

	City Admin	Murfreesboro	
	Water &		Electric
	Sewer	Other	Department
Actives	134	702	77
Retirees/Beneficiaries	30	106	23
Total	164	808	100

Notes to Financial Statements (continued)

June 30, 2012

Note K – POST-EMPLOYMENT BENEFITS (continued)

<u>Funding Policy and Annual OPEB Cost</u> – Contribution requirements of the City and plan members are determined by the City Council under the City administered plan and by the Board of Directors of the Murfreesboro Electric Department for the Murfreesboro Electric Department's plan. Currently, only current benefits payable are being funded under the plans.

Both plans' other post-employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a funding level that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The components of the annual required contribution and the net OPEB obligation are as follows:

						Murfreesboro
	_	City Administered Plan			_	Electric
		Water & Sewer		City		Department
Normal Cost	\$	629,580	\$	3,426,067	\$	414,361
Amortization of Unfunded Accrued Liability		413,008		2,090,554		298,224
Interest		23,200		122,758		15,857
Annual Required Contribution	\$	1,065,788	\$	5,639,379	\$	728,442
	=				-	
Contribution as a percentage of projected pay		16.98%		17.43%		15.63%

The following table shows the City's annual OPEB cost for the year, and the amount actually contributed:

						Murfreesboro
	_	City Admir	nis	tered Plan		Electric
	_	Water & Sewer	_	City		Department
Annual required contribution	\$	1,065,788	\$	5,639,379	\$	728,442
Interest on net OPEB obligation		169,343		883,354		78,101
Adjustment to annual required contribution	_	(104,726)		(623,634)	_	(132,017)
Annual OPEB cost	\$	1,130,405	\$	5,899,099	\$	674,526
Contributions made	_	(251,376)	_	(799,201)		(166,881)
Increase in net OPEB obligation	\$	879,029	\$	5,099,898	\$	507,645
Net OPEB obligation at beginning of year	_	3,275,438	_	19,630,080		1,735,582
Net OPEB obligation at end of year	\$	4,154,467	\$	24,729,978	\$	2,243,227
			•		_	

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the current year and preceding two years is as follows:

Notes to Financial Statements (continued)

June 30, 2012

Note K – POST-EMPLOYMENT BENEFITS (continued)

			Annual			Net OPEB	
			Annual	OPEB Cost		Obligation	
Year End	Plan	_	OPEB Cost	Contributed	_	at Year-end	
06/30/10	Water & Sewer	\$	1,053,981	18.7%	\$	2,396,766	
06/30/11	Water & Sewer	\$	1,137,982	22.8%	\$	3,275,438	
06/30/12	Water & Sewer	\$	1,130,405	22.2%	\$	4,154,467	
06/30/10	City	\$	5,572,709	11.0%	\$	14,330,784	
06/30/11	City	\$	6,002,628	11.7%		19,630,080	
06/30/12	City	\$	5,899,099	13.6%		24,729,978	
06/30/10	Electric Department	\$	626,309	25.4%	\$	1,227,937	
06/30/11	Electric Department	\$	679,220	25.3%	\$	1,735,582	
06/30/12	Electric Department	\$	674,526	24.7%	\$	2,243,227	

As of July 1, 2011 and July 1, 2012, the effective dates of the biannual OPEB valuations for the City Administered Plan and the Murfreesboro Electric Department, respectively, the plan was 0% funded. The actuarial accrued unfunded liability (UAAL) for benefit at June 30, 2012, as well as actuarial methods and assumptions for both plans was as follows:

	City Administered Plan				Murfreesboro		
		Water & Sewer		City		Electric Department	
Unfunded Actuarial Accrued Liability (UAAL)	\$	13,289,514	\$	67,268,504	\$	7,409,294	
Covered payroll	\$	6,278,128	\$	32,362,816	\$	4,660,810	
Ratio of UAAL to covered payroll	212%		208%			159%	
Actuarial Valuation Method	Entry Age Normal Actuarial Cost Method		Entry Age Normal Actuarial Cost Method		Entry Age Normal Actuarial Cost Method		
Amortization Period - open	30 yrs		30 yrs		30 yrs		
Actuarial assumptions:							
Discount rate		4.50%		4.50%		4.50%	
Projected salary increases		5.00%	5.00%			4.00%	
Inflation rate	2.50%			2.50%		2.50%	

Notes to Financial Statements (continued)

June 30, 2012

Note K – POST-EMPLOYMENT BENEFITS (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the employer and included the types of benefits provided at the time of each valuation and on the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities.

The OPEB was set at \$-0- at the transition to GASB 45 for both plans. The actuarial method used was the entry age normal actuarial cost method. The plans were assumed to be unfunded. Health care cost trend rates are assumed to increase 9% in the first year of valuation and future increases are assumed to grade uniformly to 5% over an eight year period. Claims were adjusted downward 3% each year for aging until age 55, while claims were increased 3% per year until age 75 for the City. Claims were adjusted downward 3% from attained age 55 to 65, while claims were increased 3% each year from 65 to 75 for the Electric Department.

Murfreesboro City Schools

Plan Description

Murfreesboro City Schools participates in the state-administered Teacher Group Insurance Plan, a state-administered plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Tennessee Code Annotated (TCA) 8-27-302. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare supplement plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at http://tennessee.gov/finance/act/cafr.html.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial premium subsidy to pre-65 teachers. For plan members electing family coverage, plan members contribute on average 40% of premiums and Murfreesboro City Schools contributes on average 60% of premiums. For plan members electing single coverage, Murfreesboro City Schools contributes 100% of premiums.

Notes to Financial Statements (continued)

June 30, 2012

Note K – POST-EMPLOYMENT BENEFITS (continued)

Annual OPEB cost and	l Net OPEB Obligati	<u>on</u>				Teacher Group Plan		
ARC					\$	2,203,000		
Interest on t	he net OPEB obligat	ion				17,263		
	to the ARC					(18,324)		
Annual OPI					\$	2,201,939		
	contribution					(370,898)		
	ecrease) in net OPEF				\$	1,831,041		
	obligation - beginning obligation - end of ye		ear		¢	431,573 2,262,614		
Net OPED (\$	2,202,014						
				Percentage of				
				Annual		Net OPEB		
			Annual	OPEB Cost		Obligation		
Year End	Plan	_	OPEB Cost	Contributed	_	at Year-end		
06/30/10	Teachers Group	\$	509,000	93.0%	\$	523,914		
06/30/11	Teachers Group	\$	381,000	124.2%	\$	431,573		
06/30/12	Teachers Group	\$	2,201,939	16.8%	\$	2,262,614		
Funded Status and Funding Progress The funded status of the Teachers Group Insurance Plan was as follows: Teacher								
						Group Plan		
					_	Group I ian		
Actuarial	valuation date					July 1, 2011		
Actuarial		512,743,000						
	value of plan assets					-0-		
	actuarial accrued lia	bility	(UAAL)		9	512,743,000		
	Value of Assets as a	•	,			0.00%		
Covered p	payroll (active plan n	nembe	ers)		\$	840,876,000		

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

31.17%

UAAL as a percentage of covered payroll

Notes to Financial Statements (continued)

June 30, 2012

Note K – POST-EMPLOYMENT BENEFITS (continued)

Actuarial Methods and Assumptions

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

In the July 1, 2011, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.25 percent for fiscal year 2012. The trend will decrease to 8.75 percent in fiscal year 2013 and then will be reduced by decrements to an ultimate rate of 5.00 percent by fiscal year 2021. The annual healthcare cost trend for the Local Government plan was 10.00 percent for fiscal year 2011. The trend will decrease to 9.50 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of 5.00 percent by fiscal year 2021. The rate includes a 2.50 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

Note L - INFORMATION ON INDIVIDUAL PENSION PLAN

Fiduciary funds as reported in the basic financial statements include a single column for the City's two pension trust funds. A separately issued report is available for the Murfreesboro Electric Department Pension Trust. Separate financial information related to the Murfreesboro Employees' Pension Plan is presented below:

STATEMENT OF NET ASSETS

Assets -		
Cash and cash equivalents	\$	2,584,500
Investments, at fair value		90,060,831
Contributions receivable		466,511
	\$	93,111,842
Net Assets -		
Held in trust for pension benefits	\$ _	93,111,842
STATEMENT OF CHANGES IN NET ASSETS		
Additions -		
Employer contributions	\$	4,730,514
Investment income		813,218
	\$	5,543,732
Deductions -		
Benefits to participants	\$	3,290,176
Insurance premiums	Ψ	259,121
insurance premiums	\$	
NY	· -	3,549,297
Net increase	\$	1,994,435
Net Assets Held in Trust for Pension Benefits -		
Beginning of year	. –	91,117,407
End of year	\$ _	93,111,842

Notes to Financial Statements (continued)

June 30, 2012

Note M - COMMITMENTS AND CONTINGENCIES

<u>Landfill Closure</u> — The City has been notified by the State of Tennessee that certain tests and closure are necessary in connection with a landfill that was operated by the City during the period of 1968 through 1974. The City has also been notified that another site used as a waste dump by the City between 1940 and 1965 has been investigated by the Tennessee Superfund and was found to contain toxic waste. The City is currently performing required cleanup operations on these sites.

Additionally, there was no change in this estimated liability from the previous year. The City's engineer estimates that additional costs required will approximate \$1,425,000. Accordingly, this amount has been accrued as a liability on the government-wide statement of net assets. A Contract in Lieu of Performance Bonds, dated January 12, 2012, was entered into between the City and the State of Tennessee in the amount of \$1,544,075. In the event the City fails to perform operation and maintenance of the closed dump site as part of the cleanup of the site, after giving the City notice and opportunity to cure the violation, the Commissioner of the Department of Environment and Conservation may collect any amount up to the total penal sum from any funds that would otherwise be disbursed from the State of Tennessee to the City and will be assigned any such forfeited funds from the City to the Tennessee Department of Environment and Conservation.

<u>Construction</u> – The City has entered into agreements for construction as follows:

	Project			Expended		Remaining
	Authorization		_	To Date		Commitment
Energy Efficient School Initiative	\$	922,925	\$	520,300	\$	402,625
Hobgood School Expansion		637,200		434,161		203,039
Veterans Parkway Phase 2A		5,069,059		3,627,569		1,441,490
Corporate Woods (Amazon)	_	7,484,950	_	6,886,520	_	598,430
	\$	14,114,134	\$	11,468,550	\$	2,645,584

Also, the Murfreesboro City School System has contracted a janitorial service company to provide the custodial services for certain school facilities. Total commitments for the fiscal year ending June 30, 2012 approximate \$875,000. In the event of non-performance under the contract, the School System is only liable for the amount of services rendered.

Eminent Domain – The City has pending multiple lawsuits involving the acquisition of real property. Interests being acquired include temporary construction easements, permanent easements, fee simple title to portions of improved and unimproved land, and fee simple title to entire parcels of improved and unimproved land. Land is being acquired for current and future projects. In each case the City has tendered into Court the amount it reasonably believes the interest in land being acquired is worth and for which it can reasonably determine a value. Payments of additional material amounts may result from negotiated settlements or the award of additional amounts. While the City intends to vigorously litigate these cases, management believes there is a possibility that the City may pay an estimated additional amount of \$1,636,325.

<u>Grantor Agencies</u> – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

<u>Pending Lawsuits</u> – The City is a party to various lawsuits claiming damages for personal injury and property damage in automobile and general liability cases, as well as miscellaneous other litigation. Some amounts in these matters are substantial. In the opinion of the City attorney, the City should prevail in most of the litigation that is not fully insured or barred by the statute of limitations. In any event, the likelihood that the City would incur aggregate liability arising from such litigation in an amount that would be material in relation to its financial position is remote.

Notes to Financial Statements (continued)

June 30, 2012

Note N - LEASES

The City receives rental income principally for real property from various agencies. Future minimum rental commitments under these leases are insignificant except for the lease of the Rutherford County Chamber of Commerce building as outlined below. Rental income from these sources totaled approximately \$616,420 for the year ended June 30, 2012.

In September 2009, the City of Murfreesboro entered into an agreement with the Rutherford County Chamber of Commerce, (the "Chamber") in which the Chamber would operate a Visitor's Center and lease the land after the building and the parking area had been constructed (the "Leased Premises"). The cost and carrying amount of the leased premises was \$5,889,948 and \$5,592,637, respectively. Accumulated deprecation at June 30, 2012 was \$297,311. The Chamber moved into the building in December 2010. The final completion date was January 31, 2011. Upon the completion of construction of the Leased Premises or occupancy by the Chamber, the Chamber was obligated to pay the City rent. This rent was based on the final cost to the City of the facility in excess of funds received from grants not to exceed \$1,500,000. The Chamber made a lump sum initial payment of \$400,000 in January 2011. In addition to the lump sum payment, the Chamber is to pay the City \$5,764 per month for fifteen years. The \$400,000 lump sum amount received has been deferred and is being amortized as lease income over the same 15 year period.

The future minimum lease receipts are as follows:

Year Ending	
June 30:	 Total
2013	\$ 69,166
2014	69,166
2015	69,166
2016	69,166
2017	69,166
2018-2025	 587,914
	\$ 933,744

Following the full amount of the payments above by the Chamber over fifteen years, the Chamber is required to pay annual rental of \$100 until the transfer of land or the expiration of the Agreement, whichever occurs first. If after full payment the Chamber has fully complied with all of the other terms and conditions of the lease agreement, it may request that the City transfer title of the land and the Leased premises to the Chamber. Any transfer would be subject to certain clauses and requirements of the grant and the operation of the Visitor's Center. The Agreement is for twenty eight years from the signing of the Agreement unless terminated sooner due to the transfer of the Leased Premises.

Note O - INTERFUND TRANSACTIONS

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources primarily to provide services. The governmental and proprietary fund financial statements generally reflect such transactions as transfers.

Notes to Financial Statements (continued)

June 30, 2012

Note O – INTERFUND TRANSACTIONS (continued)

Interfund receivable and payable balances at June 30, 2012, arising from these transactions were as follows:

General Fund \$ 253,044 Electric Department fund 3,804 General purpose school fund 7,216 \$ 413,762 Nonmajor governmental funds 4,739,603 151,106 Nonmajor enterprise funds 401,131 32,412 Internal service funds 1,024 664 General Purpose School Fund \$ 5,405,822 \$ 597,944 General fund \$ 413,762 \$ 7,216 Nonmajor governmental funds 2,060,453 20,439 Nonmajor Governmental Funds \$ 2,474,215 \$ 27,655 Nonmajor Governmental Funds \$ 151,106 \$ 4,739,603 General fund \$ 151,106 \$ 4,739,603 General purpose school fund 20,439 2,060,453 Nonmajor governmental funds 490,583 490,583 Internal service funds \$ 62,2128 \$ 7,295,632 Water and Sewer Fund \$ 6293,338 11,503,856 General fund \$ 6,293,338 11,503,856 Nonmajor enterprise funds \$ 6,293,338 11,503,856 Internal service funds \$ 6,295,374
Electric Department fund 3,804 General purpose school fund 7,216 \$ 413,762 Nonnmajor governmental funds 4,739,603 151,106 Nonnmajor enterprise funds 401,131 32,412 Internal service funds 1,024 664 \$ 5,405,822 \$ 597,944 General Purpose School Fund \$ 413,762 \$ 7,216 Nonmajor governmental funds 2,060,453 20,439 Nonmajor Governmental Funds \$ 2,474,215 \$ 27,655 Nonmajor Governmental Funds \$ 151,106 \$ 4,739,603 General fund \$ 151,106 \$ 4,739,603 General purpose school fund \$ 20,439 2,060,453 Nonmajor governmental funds 490,583 490,583 Internal service funds \$ 662,128 \$ 7,295,632 Water and Sewer Fund \$ 662,128 \$ 7,295,632 Water and Sewer Fund \$ 6,293,338 11,503,856 Internal service funds \$ 6,293,338 11,503,856 Internal service funds \$ 6,295,374 \$ 11,770,186
General purpose school fund Nonmajor governmental funds 7,216 \$ 413,762 Nonmajor governmental funds 4,739,603 151,106 Nonmajor enterprise funds 401,131 32,412 Internal service funds 1,024 664 \$ 5,405,822 \$ 597,944 General Purpose School Fund \$ 413,762 \$ 7,216 Nonmajor governmental funds 2,060,453 20,439 Nonmajor Governmental Funds \$ 2,474,215 \$ 27,655 Nonmajor Governmental Funds \$ 151,106 \$ 4,739,603 General purpose school fund 20,439 2,060,453 Nonmajor governmental funds 490,583 490,583 Internal service funds \$ 662,128 \$ 7,295,632 Water and Sewer Fund \$ 662,128 \$ 7,295,632 Water and Sewer Fund \$ 6,293,338 11,503,856 Internal service funds \$ 6,293,338 11,503,856 Internal service funds \$ 6,295,374 \$ 11,770,186
Nonmajor governmental funds 4,739,603 151,106 Nonmajor enterprise funds 401,131 32,412 Internal service funds 1,024 664 \$ 5,405,822 \$ 597,944 General Purpose School Fund \$ 413,762 \$ 7,216 Nonmajor governmental funds 2,060,453 20,439 Nonmajor Governmental Funds \$ 2,474,215 \$ 27,655 Nonmajor Governmental Funds \$ 151,106 \$ 4,739,603 General purpose school fund 20,439 2,060,453 Nonmajor governmental funds 490,583 490,583 Internal service funds 490,583 490,583 Water and Sewer Fund \$ 662,128 7,295,632 Water and Sewer Fund \$ 6,293,338 11,503,856 Internal service funds \$ 6,293,338 11,503,856 Internal service funds 2,036 13,286 Murfreesboro Electric Department \$ 11,770,186
Nonmajor enterprise funds 401,131 32,412 Internal service funds 1,024 664 \$ 5,405,822 \$ 597,944 General Purpose School Fund \$ 413,762 \$ 7,216 General fund \$ 2,060,453 20,439 Nonmajor Governmental Funds \$ 2,474,215 \$ 27,655 Nonmajor Governmental Funds \$ 151,106 \$ 4,739,603 General purpose school fund 20,439 2,060,453 Nonmajor governmental funds 490,583 490,583 Internal service funds \$ 662,128 \$ 7,295,632 Water and Sewer Fund \$ 662,128 \$ 7,295,632 Water and sewer Fund \$ 6,293,338 11,503,856 Internal service funds \$ 6,293,338 11,503,856 Internal service funds \$ 6,293,338 11,503,856 Murfreesboro Electric Department \$ 13,286
Internal service funds 1,024 664 \$ 5,405,822 \$ 597,944 General Purpose School Fund \$ 413,762 \$ 7,216 Nonmajor governmental funds 2,060,453 20,439 Nonmajor Governmental Funds \$ 2,474,215 \$ 27,655 Nonmajor Governmental Funds \$ 151,106 \$ 4,739,603 General fund 20,439 2,060,453 Nonmajor governmental funds 490,583 490,583 Internal service funds 490,583 490,583 Water and Sewer Fund \$ 662,128 7,295,632 Water and Sewer Fund \$ 6,293,338 11,503,856 Internal service funds \$ 6,293,338 11,503,856 Internal service funds 2,036 13,286 Murfreesboro Electric Department \$ 6,295,374 \$ 11,770,186
\$ 5,405,822 \$ 597,944 General Purpose School Fund \$ 413,762 \$ 7,216 Nonmajor governmental funds 2,060,453 20,439 Nonmajor Governmental Funds \$ 2,474,215 \$ 27,655 Nonmajor Governmental Funds \$ 151,106 \$ 4,739,603 General purpose school fund 20,439 2,060,453 Nonmajor governmental funds 490,583 490,583 Internal service funds \$ 662,128 \$ 7,295,632 Water and Sewer Fund \$ 662,128 \$ 7,295,632 Water and Sewer Funds \$ 6,293,338 11,503,856 Internal service funds \$ 6,293,338 11,503,856 Internal service funds 2,036 13,286 Murfreesboro Electric Department \$ 6,295,374 \$ 11,770,186
General Purpose School Fund \$ 413,762 \$ 7,216 Nonmajor governmental funds 2,060,453 20,439 Nonmajor Governmental Funds \$ 2,474,215 \$ 27,655 Nonmajor Governmental Funds \$ 151,106 \$ 4,739,603 General fund 20,439 2,060,453 Nonmajor governmental funds 490,583 490,583 Internal service funds 4,993 4,993 Water and Sewer Fund \$ 662,128 \$ 7,295,632 Water and Sewer Funds \$ 6,293,338 11,503,856 Internal service funds \$ 6,293,338 11,503,856 Internal service funds 2,036 13,286 Murfreesboro Electric Department \$ 6,295,374 \$ 11,770,186
General fund \$ 413,762 \$ 7,216 Nonmajor governmental funds 2,060,453 20,439 \$ 2,474,215 \$ 27,655 Nonmajor Governmental Funds \$ 151,106 \$ 4,739,603 General fund 20,439 2,060,453 Nonmajor governmental funds 490,583 490,583 Internal service funds 490,583 490,583 Water and Sewer Fund \$ 662,128 \$ 7,295,632 Water and Sewer Fund \$ 6,293,338 11,503,856 Internal service funds \$ 6,293,338 11,503,856 Internal service funds 2,036 13,286 Murfreesboro Electric Department \$ 6,295,374 \$ 11,770,186
Nonmajor governmental funds 2,060,453 20,439 \$ 2,474,215 \$ 27,655 Nonmajor Governmental Funds \$ 151,106 \$ 4,739,603 General fund 20,439 2,060,453 General purpose school fund 20,439 2,060,453 Nonmajor governmental funds 490,583 490,583 Internal service funds \$ 662,128 \$ 7,295,632 Water and Sewer Fund \$ 6,293,338 11,503,856 Internal service funds \$ 6,293,338 11,503,856 Internal service funds 2,036 13,286 Murfreesboro Electric Department \$ 6,295,374 \$ 11,770,186
Nonmajor Governmental Funds \$ 2,474,215 \$ 27,655 General fund \$ 151,106 \$ 4,739,603 General purpose school fund 20,439 2,060,453 Nonmajor governmental funds 490,583 490,583 Internal service funds \$ 662,128 \$ 7,295,632 Water and Sewer Fund \$ 6,293,338 11,503,856 Internal service funds \$ 6,293,338 11,503,856 Internal service funds \$ 2,036 13,286 Murfreesboro Electric Department \$ 6,295,374 \$ 11,770,186
Nonmajor Governmental Funds 4,739,603 General fund \$ 151,106 \$ 4,739,603 General purpose school fund 20,439 2,060,453 Nonmajor governmental funds 490,583 490,583 Internal service funds \$ 662,128 \$ 7,295,632 Water and Sewer Fund \$ 6,293,338 11,503,856 Internal service funds \$ 6,293,338 11,503,856 Internal service funds 2,036 13,286 Murfreesboro Electric Department \$ 6,295,374 \$ 11,770,186
General fund \$ 151,106 \$ 4,739,603 General purpose school fund 20,439 2,060,453 Nonmajor governmental funds 490,583 490,583 Internal service funds \$ 662,128 7,295,632 Water and Sewer Fund \$ 6,293,338 11,503,856 Internal service funds \$ 6,293,338 11,503,856 Internal service funds 2,036 13,286 Murfreesboro Electric Department \$ 6,295,374 \$ 11,770,186
General purpose school fund 20,439 2,060,453 Nonmajor governmental funds 490,583 490,583 Internal service funds \$ 662,128 7,295,632 Water and Sewer Fund \$ 253,044 Nonmajor enterprise funds \$ 6,293,338 11,503,856 Internal service funds 2,036 13,286 Murfreesboro Electric Department \$ 6,295,374 \$ 11,770,186
Nonmajor governmental funds 490,583 490,583 Internal service funds \$ 662,128 \$ 7,295,632 Water and Sewer Fund \$ 253,044 General fund \$ 6,293,338 11,503,856 Internal service funds \$ 2,036 13,286 Murfreesboro Electric Department \$ 6,295,374 \$ 11,770,186
Internal service funds 4,993 \$ 662,128 \$ 7,295,632 Water and Sewer Fund \$ 253,044 Nonmajor enterprise funds \$ 6,293,338 11,503,856 Internal service funds 2,036 13,286 Murfreesboro Electric Department \$ 6,295,374 \$ 11,770,186
Water and Sewer Fund \$ 662,128 7,295,632 General fund \$ 253,044 Nonmajor enterprise funds \$ 6,293,338 11,503,856 Internal service funds 2,036 13,286 Murfreesboro Electric Department \$ 6,295,374 \$ 11,770,186
Water and Sewer Fund \$ 253,044 General fund \$ 6,293,338 11,503,856 Nonmajor enterprise funds \$ 6,293,338 13,286 Internal service funds 2,036 13,286 \$ 6,295,374 \$ 11,770,186 Murfreesboro Electric Department
General fund \$ 253,044 Nonmajor enterprise funds \$ 6,293,338 11,503,856 Internal service funds 2,036 13,286 \$ 6,295,374 \$ 11,770,186 Murfreesboro Electric Department \$ 253,044
Nonmajor enterprise funds \$ 6,293,338 11,503,856 Internal service funds 2,036 13,286 \$ 6,295,374 \$ 11,770,186 Murfreesboro Electric Department \$ 2,036 \$ 11,770,186
Internal service funds 2,036 13,286 \$ 6,295,374 \$ 11,770,186 Murfreesboro Electric Department
\$ 6,295,374 \$ 11,770,186 Murfreesboro Electric Department
Murfreesboro Electric Department
-
General fund \$ <u>3,804</u>
Nonmajor Enterprise Funds
General fund \$ 32,412 \$ 401,131
Water and Sewer fund 11,503,856 6,293,338
\$ <u>11,536,268</u> \$ <u>6,694,469</u>
Internal Service Funds
General fund \$ 664 \$ 1,024
Water and Sewer fund 13,286 2,036
Nonmajor governmental funds 4,993
Internal service funds 5,759 5,759
\$ 24,702 \$ 8,819
\$ <u>26,398,509</u> \$ <u>26,398,509</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) the payments between funds are made. These balances also include the amount of working capital loans made to internal service funds that the general fund expects to collect in the subsequent year.

Notes to Financial Statements (continued)

June 30, 2012

Note O – INTERFUND TRANSACTIONS (continued)

Interfund transfers during the year ended June 30, 2012 were as follows:

	Total
\$	2,885,312
	4,810,103
	26,261,817
	2,816,984
_	62,466
\$	36,836,682
	\$\frac{1}{2} \\$ \\$ \\ \frac{2}{2} \\$ \\$ \\ \frac{2}{3} \\$ \\ \frac{1}{3} \\$ \\ \frac

Transfers among funds are provided for as part of the annual budget process. Transfers are used to move revenues from the fund required to collect the revenue to the fund required or authorized to expend them. All interfund transfers for the fiscal year were routine in nature.

Note P - RISK MANAGEMENT PROGRAM

General, Workers' Compensation, and Auto Liability – The City established a self-insurance program for general liability and workers' compensation during the fiscal year ended June 30, 1986. The automobile liability was added to the self-insurance program during the fiscal year ended June 30, 1988. Premiums are paid into the Risk Management Fund by all City funds requiring insurance and the public library and are available to pay claims, claim reserves, and administrative costs of the program. As of July 1, 2008, the City no longer provided workers' compensation coverage for Murfreesboro Electric Department. Claims for the fiscal year ended June 30, 2012 were \$4,521,188. Specific claims for workers' compensation in excess of \$500,000 up to \$1,000,000 are covered under an excess insurance policy effective April 1, 2012. Claims for fire and extended coverage in excess of \$100,000 are covered through commercial insurance. Claims for law enforcement are covered by commercial insurance with a \$25,000 deductible. There are no other excess coverage insurance policies. Amounts reserved in the fund are designated for future claims not yet made and not accrued.

Group Health – The City provides medical insurance through a group self- insurance program plan. HealthScope Benefits, Inc. acts as the administrator of the plan. Insurance premiums are paid into the Insurance Fund from various City funds and the Water and Sewer Department. In addition, employees and retired employees pay for a portion of the total premiums paid into the fund. Claims are paid HealthScope Benefits, Inc. from the Insurance Fund up to a maximum of \$125,000 for each medical claim. Administrative costs and claims for the fiscal year ended June 30, 2012 were \$12,628,613.

As of February 1, 1998, the City no longer provided medical coverage for employees of the City School System. The City is responsible for any City Schools' claims dated prior to February 1, 1998.

Notes to Financial Statements (continued)

June 30, 2012

Note P - RISK MANAGEMENT PROGRAM (continued)

<u>Claims Liability</u> –The claims liability reported in the Insurance Fund and the Risk Management Fund at June 30, 2012 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Claim liabilities do not include nonincremental claims adjustment expenses. Changes in the Funds' claims liability amounts during the year ended June 30, 2012 were as follows:

<u>Fiscal Y</u>	<u>ear</u>	_	Liability at Beginning		Current Year Claims and Change in Estimate	ar Claims d Change Claim		. <u> </u>	Liability at End	
Risk Management l	Fund -									
	2011 2012	\$ \$	5,879,000 5,984,000	\$ \$	2,543,595 4,521,188	\$ \$	2,438,595 3,401,688	\$ \$	5,984,000 7,103,500	
Insurance Fund -		*	2,2 2 1,2 2 2	,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	7	2,122,000	Ť	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
	2011 2012	\$ \$	759,735 762,661	\$ \$	11,102,051 12,628,613	\$ \$	11,099,125 12,581,745	\$ \$	762,661 809,529	

The City had no significant reductions in insurance coverage from coverage in the prior year. Settled claims have not exceeded commercial insurance coverage in any of the past three years.

Note Q – DEFICIT FUND BALANCES

Various nonmajor capital projects funds and one nonmajor special revenue fund had deficit fund balances at June 30, 2012. The Capital Improvement and Contingency fund had a deficit balance of \$635,780. The Capital Improvement and Contingency fund incurred expenditures related to the Rutherford County Chamber of Commerce Building in prior years. This project was funded by the General Fund and is to be reimbursed by the Capital Improvement and Contingency Fund upon the receipt of rental income from the Rutherford County Chamber of Commerce. Also, certain expenditures were incurred for a school energy efficiency project which will be reimbursed by State Energy Efficient Loan. The Gateway Project fund had a deficit fund balance of \$1,074,380 as of June 30, 2012. The Gateway Project fund incurred expenditures related to the development of the Gateway Project, specifically, streets such as Medical Center Parkway and the Manson Pike Interchange. The monies have currently been funded by the General Fund to be reimbursed by the Gateway Project Fund upon the sale of land acquired by the fund. In addition, School Federal and State Program fund had a deficit fund balance of \$677,104 due to not receiving grant funds within its period of availability (60 days after year end for school system funds).

Notes to Financial Statements (continued)

June 30, 2012

Note R – FAIR VALUE MEASUREMENTS

The fair values of assets measured on a recurring basis at June 30, 2012 are as follows:

	Quoted Prices			
	in .	Active Markets		
	for	Identical Assets		
	(I	Level 1 inputs)		
Employee Pension Plan				
Mututal funds	\$	42,934,456		
U.S. Government notes and bonds		9,869,232		
Corporate notes and bonds		15,629,984		
Common/preferred stock		21,627,159		
	\$	90,060,831		
Electric Department Pension Plan				
Mututal funds	\$	7,974,544		
U.S. Government notes and bonds		479,139		
Corporate notes and bonds		6,260,324		
	\$	14,714,007		
Perpetual Care Cemetery Fund				
Mututal funds	\$	451,067		
U.S. Government notes and bonds		224,923		
Corporate notes and bonds		1,131,081		
-	\$	1,807,071		

Note S – SUBSEQUENT EVENTS

Subsequent to June 30, 2012, the City entered into an agreement with Banc of America Public Capital Corporation relating to Local Government Loan Program Bonds, Series 2012A and Series 2012B in the amount of \$45,872,000 for funding of certain capital projects of the City. The Local Government Loan Program Bond, Series 2012A in the amount of \$5,021,000 will bear interest at 1.25% with a maturity date of October 1, 2019. The Local Government Loan Program Bond, Series 2012B in the amount of \$40,851,000 will bear interest at 2.17% with a maturity date of October 1, 2027.

During June 30, 2012, the Murfreesboro Water and Sewer Board approved a \$67,000,000 capital improvement plan consisting of a new pump station, force main, headworks building, and a wastewater plant capacity expansion. In October 2012, the Department finalized funding from the State Revolving Fund loan program with the State of Tennessee in the amount of \$37,000,000. Those funds represent funding for the pump station, force main, and headworks building projects. Of the \$37,000,000, \$2,870,000 will be forgiven through grants funded by the EPA. The interest rate on the remaining \$34,130,000 in loans will be 1.07%. The loans are to be amortized over 20 years. The three projects are anticipated to be completed and placed in service in eighteen to twenty-four months.

Required Supplementary Information Pension Trust Funds

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
City of Murfr	eesboro Employees	' Pension Plan -				
07/01/03 \$ 07/01/04 07/01/05 07/01/06 07/01/07 07/01/08 07/01/09 07/01/10 07/01/11 07/01/12	51,498,359 54,574,289 58,134,958 62,774,796 69,675,720 76,160,860 80,040,594 83,658,491 89,430,262 94,073,099	\$ 57,550,714 62,648,615 69,207,197 75,869,525 84,477,610 91,281,997 99,166,582 105,022,974 104,868,389 111,167,776	8,074,326 11,072,239 13,094,729 14,801,890 15,121,137 19,125,988 21,364,483 15,438,127 17,094,677	89.5 % 87.1 84.0 82.7 82.5 83.4 80.7 79.7 85.3 84.6	27,312,169 29,361,363 31,949,042 33,533,397 35,467,822 37,555,620 40,384,320 39,994,629 37,539,589 37,391,398	22.2 % 27.5 34.7 39.0 41.7 40.3 47.4 53.4 41.1 45.7
Murfreesboro 08/01/03 08/01/04 08/01/05 08/01/06 08/01/07 08/01/08 08/01/09 07/01/10 07/01/11	\$ 8,549,258 9,343,486 10,275,202 10,711,935 11,731,118 11,565,801 10,265,822 12,205,440 14,979,684 14,945,626	\$ 9,032,554 9,814,993 10,735,207 11,529,863 13,038,280 12,834,516 11,482,378 13,378,372 16,476,417 16,215,583	\$ 483,296 471,507 460,005 817,928 1,307,162 1,268,715 1,216,556	94.6 % 95.2 95.7 92.9 90.0 90.1 89.4 91.2 90.9 92.2	\$ 2,861,365 3,126,722 3,337,003 3,314,820 3,400,782 3,618,857 4,080,267 4,146,459 4,744,680 4,690,597	16.9 % 15.1 13.8 24.7 38.4 35.1 29.8 28.3 31.5 27.1

Required Supplementary Information Pension Trust Funds

Schedule of Employer Contributions

	Murfreesboro En	nployees' Pension	Electric Department Pension			
	Annual		Annual	Percentage Contributed		
Fiscal	Required	Percentage	Required			
Year	Contribution	Contributed	Contribution			
2003	\$ 2,424,202	107.0 %	\$ 493,679	100.0 %		
2004	2,721,331	98.0	485,027	100.0		
2005	3,045,036	97.0	551,578	100.0		
2006	3,531,820	93.0	550,390	100.0		
2007	3,852,817	97.0	608,688	100.0		
2008	4,265,880	95.0	637,785	100.0		
2009	4,441,232	101.2	793,813	100.0		
2010	4,993,579	89.0	1,145,337	100.0		
2011	5,123,682	89.0	930,409	100.0		
2012	4,705,717	97.0	797,797	116.0		

<u>Required Supplementary Information</u> <u>Post-Employment Benefits</u>

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
City of Murfi	reesboro (excludi	ng Water and Sewer	r employees)			
07/01/08	\$ -0-	\$ 58,897,953	\$ 58,897,953	0.0 %	\$ 27,109,758	217.3 %
07/01/09	-0-	58,233,849	58,233,849	0.0	30,404,899	191.5
07/01/11	-0-	67,268,504	67,268,504	0.0	32,362,816	207.9
Murfreesboro	Water and Sewe	r Department				
07/01/08	-0-	\$ 11,514,086	\$ 11,514,086	0.0 %	\$ 5,188,601	221.9 %
07/01/09	-0-	11,913,264	11,913,264	0.0	5,569,115	213.9
07/01/11	-0-	13,289,514	13,289,514	0.0	6,278,128	211.7
Murfreesboro	Electric Departm	nent				
07/01/08	\$ -0-	\$ 6,308,938	\$ 6,308,938	0.0 %	\$ 3,954,739	159.5 %
07/01/10	-0-	6,713,346	6,713,346	0.0	4,696,177	143.0
07/01/12	-0-	7,409,294	7,409,294	0.0	4,660,810	159.0
Murfreesboro	City Schools					
07/01/09	\$ -0-	\$ 3,511,000	\$ 3,511,000	0.0 %	\$ 37,384,000	9.4 %
07/01/10	-0-	2,570,000	2,570,000	0.0	40,603,000	6.3
07/01/11	-0-	12,743,000	12,743,000	0.0	40,876,000	31.2

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes and special purpose funds established by the City Council.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition or construction of capital projects, other than those financed by Enterprise Funds or Internal Service Funds. Revenues are derived primarily from the sale of general obligation bonds and notes, intergovernmental revenues, lease of City property, and earnings on investments.

SCHOOL DEBT SERVICE FUND

The *School Debt Service Fund* accounts for the accumulation of resources for, and payment of, general long-term obligations specifically related to the financing for the Murfreesboro City Schools.

PERMANENT FUND

Permanent Funds are used to account for funds that are legally restricted to the extent that only earnings (and not principal) may be used for purposes that support the City or its citizenry.

The *Perpetual Care Cemetery Fund* accounts for the portion of cemetery lot sale proceeds required by law to be deposited into a perpetual care fund. Earnings on the funds may be used for the maintenance of the Evergreen Cemetery grounds.

<u>Combining Balance Sheet</u> <u>Nonmajor Governmental Funds</u>

	Total Special Revenue Funds	Total Capital Projects Funds	Permanent Fund Perpetual Care Cemetery Fund	Total Nonmajor Governmental Funds	
<u>ASSETS</u>					
Cash and cash equivalents Certificates of deposit Due from other funds	\$ 3,921,445 370,226 662,128	\$ 1,046,153		\$ 4,967,598 370,226 662,128	
Due from other governments Accounts receivable, net Due from others Other accounts receivable	3,597,740 146,250	596,936 622,447	\$ 41,669 14,626	4,194,676 187,919 622,447 14,626	
Prepaid items and deposits Inventory Restricted assets -	17,386 110,068			17,386 110,068	
Cash and cash equivalents Investments, at fair value	\$ 8,825,243	18,935,343 \$ <u>21,200,879</u>	141,007 1,807,071 \$ 2,004,373	19,076,350 1,807,071 \$ 32,030,495	
LIABILITIES AND FUND BALANCES					
Liabilities-		407.700			
Accounts payable Accrued liabilities	\$ 711,453 474,768	\$ 407,738		\$ 1,119,191 474,768	
Due to other funds Due to other governments Due to others	2,733,406 96,790	4,562,226 588,656		7,295,632 96,790 588,656	
Deferred revenue Other deposits	1,466,148 42,986	723,474		2,189,622 42,986	
	\$ 5,525,551	\$ 6,282,094		\$ 11,807,645	
Fund Balances- Nonspendable Restricted Committed	\$ 110,068 1,365,585 2,501,143	\$ 17,210,447	\$ 1,754,731	\$ 1,864,799 18,576,032 2,501,143	
Assigned Unassigned	\$\frac{(677,104)}{3,299,692}\$\$\frac{8,825,243}{10,200}\$\$	(2,291,662) \$ 14,918,785 \$ 21,200,879	249,642 \$ 2,004,373 \$ 2,004,373	249,642 (2,968,766) \$ 20,222,850 \$ 32,030,495	

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds

Year Ended June 30, 2012

	Total Special Revenue Funds	Total Capital Projects Funds	School Debt Service Fund	Permanent Fund Perpetual Care Cemetery Fund	Total Nonmajor Governmental Funds
Revenues-					
Intergovernmental	\$ 12,811,411	\$ 3,327,479			\$ 16,138,890
Charges for services	5,045,826	ψ 0,027,.77			5,045,826
Donations	2,0.2,020	3,676,689			3,676,689
Interest and investment earnings	3,165	115,156		\$ 162,616	280,937
Miscellaneous	355,354	1,512,272		+,	1,867,626
	\$ 18,215,756	\$ 8,631,596		\$ 162,616	\$ 27,009,968
Expenditures -	+,,	+		+	+
Current-					
Police	\$ 186,316				\$ 186,316
Streets	3,314,108				3,314,108
Community services	5,341,112				5,341,112
Community development	1,345,646				1,345,646
Education	4,841,280				4,841,280
Food service	3,848,294				3,848,294
Capital outlay	107,636	\$ 19,052,974			19,160,610
Debt service -					
Principal			\$ 2,318,412		2,318,412
Interest			411,200		411,200
	\$ 18,984,392	\$ 19,052,974	\$ 2,729,612		\$ 40,766,978
Excess of Revenues Over (Under)					
Expenditures	\$ (768,636)	\$ <u>(10,421,378)</u>	\$ (2,729,612)	\$ 162,616	\$ <u>(13,757,010)</u>
Other Sources (Uses) -					
Issuance of debt		\$ 1,604,079			\$ 1,604,079
Transfers in	\$ 87,372		\$ 2,729,612		2,816,984
Transfers out	(196,725)	(1,379,249)		\$ (62,466)	(1,638,440)
	\$ (109,353)	\$ 224,830	\$ 2,729,612	\$ (62,466)	\$ 2,782,623
Net change in fund balances	\$ (877,989)	\$ (10,196,548)	\$ -0-	\$ 100,150	\$ (10,974,387)
Fund Balances at beginning of year	4,177,681	25,115,333	-0-	1,904,223	31,197,237
Fund Balances at end of year	\$ 3,299,692	\$ 14,918,785	\$0-	\$ 2,004,373	\$ 20,222,850

NONMAJOR SPECIAL REVENUE FUNDS

State Street Aid Fund accounts for revenues and expenditures of the City's share of state gasoline taxes. State law requires that gasoline taxes be used to maintain streets.

Airport Fund accounts for revenues and expenditures related to the operation of the municipal airport.

Drug Enforcement Fund accounts for revenue from drug fines and confiscated property and the use of those funds in the City's drug enforcement and education programs.

Community Development Fund accounts for Community Development Block grants and state grants received and the improvements and expenditures related to the programs.

Extended School Program Fund accounts for revenues and expenditures associated with the operation of the School System's before and after school program.

School Cafeteria Fund accounts for the revenues and expenditures of the cafeteria operations for all of the schools.

School Federal and State Programs Fund accounts for revenues and expenditures associated with state and federally financed school programs.

<u>Combining Balance Sheet</u> <u>Nonmajor Special Revenue Funds</u>

	State Street Aid	Airport	Drug Enforcement	Community Development	Extended School Program	School Cafeteria	School Federal and State Programs	Total Nonmajor Special Revenue Funds
<u>ASSETS</u>								
Cash and cash equivalents Certificates of deposit	\$ 1,087,749	\$ 279,205	\$ 417,509	\$ 83	\$ 661,599 350,226	\$ 1,299,037 20,000	\$ 176,263	\$ 3,921,445 370,226
Due from other funds Due from other governments Accounts receivable, net Prepaid items and deposits	74,533 533,619	66,737 33,155 92,643 17,386	9,368 20,610	234,244	476,014 31,700 53,607	35,008 90,231	468 2,654,181	662,128 3,597,740 146,250 17,386
Inventory	\$ 1,695,901	39,754 \$ 528,880	\$ 447,487	\$ 234,327	\$ 1,573,146	\$\frac{70,314}{1,514,590}	\$ 2,830,912	\$\frac{110,068}{8,825,243}\$
LIABILITIES AND FUND BALANCE	<u>SS</u>							
Liabilities- Accounts payable Accrued liabilities Due to other funds Due to other governments	\$ 606,027	\$ 73,446 2,481 285	\$ 1,541 18,848	\$ 900 225,982	\$ 6,599 90,417 1,032 95,292	\$ 21,499 45,488 18,410	\$ 2,341 335,482 2,468,849 1,498	\$ 711,453 474,768 2,733,406 96,790
Deferred revenue Deposits	\$ 606,027	42,986 \$ 119,198	\$ 71,005	7,362 \$ 234,244	628,355 \$ 821,695	79,969 \$ 165,366	699,846 \$ 3,508,016	1,466,148 42,986 \$ 5,525,551
Fund Balances- Nonspendable Restricted Committed	\$ 1,079,903 9,971	\$ 39,754 369,928	\$ 195,451 181,031	\$ 83	\$ 751,451	\$ 70,314 90,231 1,188,679		\$ 110,068 1,365,585 2,501,143
Unassigned	\$ 1,089,874 \$ 1,695,901	\$ 409,682 \$ 528,880	\$ 376,482 \$ 447,487	\$ 83 \$ 234,327	\$ 751,451 \$ 1,573,146	\$ 1,349,224 \$ 1,514,590	\$ (677,104) \$ (677,104) \$ 2,830,912	\$\frac{(677,104)}{3,299,692}\$\$\frac{8,825,243}{}

<u>Combining Statement of Revenues, Expenditures, and Changes in Fund Balances</u> <u>Nonmajor Special Revenue Funds</u>

	State Street Aid	Airport	Drug Enforcement	Community Development	3		School Federal and State Programs	Total Nonmajor Special Revenue Funds
Revenues- Intergovernmental	\$ 2,820,084	\$ 97,008		\$ 1,203,023	\$ 53,263	\$ 2,875,092	\$ 5,762,941	\$ 12,811,411
Charges for services Interest	753	1,486,281 1,479	\$ 933		2,459,377	1,100,168		5,045,826 3,165
Miscellaneous	\$ 2,820,837	3,157 \$ 1,587,925	\$ 191,256 \$ 192,189	\$\frac{148,623}{1,351,646}	\$\frac{12,318}{2,524,958}	\$ 3,975,260	\$ 5,762,941	355,354 \$ 18,215,756
Expenditures- Education							\$ 4,841,280	\$ 4,841,280
Streets Police	\$ 3,314,108		\$ 186,316					3,314,108 186,316
Community services Community development		\$ 1,237,111	,	\$ 1,345,646	\$ 2,505,236		1,598,765	5,341,112 1,345,646
Food service				ф 1,545,040		\$ 3,848,294		3,848,294
Capital outlay	\$ 3,314,108	\$\frac{102,093}{1,339,204}	\$ 5,543	\$ 1,345,646	\$ 2,505,236	\$ 3,848,294	\$ 6,440,045	\$\frac{107,636}{18,984,392}
Excess of Revenues Over (Under) Expenditures	\$ (493,271)	\$ 248,721	\$ 330	\$ 6,000	\$ 19,722	\$ 126,966	\$ (677,104)	\$ (768,636)
Other Sources (Uses)-			Ф 07.272					\$ 87.372
Transfers in Transfers out		\$ (190,725)	\$ 87,372	\$ (6,000)				(196,725)
		\$ (190,725)	\$ 87,372	\$ (6,000)				\$ (109,353)
Net change in fund balances	\$ (493,271)	\$ 57,996	\$ 87,702	\$ -0-	\$ 19,722	\$ 126,966	\$ (677,104)	\$ (877,989)
Fund Balances at beginning of year Fund Balances at end of year	\$\frac{1,583,145}{1,089,874}	\$\frac{351,686}{409,682}	\$\frac{288,780}{376,482}	\$ 83 83	\$\frac{731,729}{751,451}	\$\frac{1,222,258}{1,349,224}	-0- \$ (677,104)	\$\frac{4,177,681}{3,299,692}

State Street Aid Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual

		Original Budget		Final Budget	Actual		Variance with Final Budge Positive (Negative)	
Revenues-								
Tennessee state gasoline tax								
apportionment	\$	2,693,005	\$	2,820,084	\$	2,820,084		
Interest	Ψ	750	Ψ	753	Ψ	753		
2.00.000	\$	2,693,755	\$	2,820,837	\$	2,820,837	\$	-0-
Expenditures-								
Traffic signals	\$	100,000	\$	100,000	\$	63,470	\$	36,530
Curbs and gutters		140,000		140,000		140,491		(491)
Sidewalks		50,000		50,000		47,903		2,097
Rights-of-way		100,000		100,000		72,972		27,028
Street paving		1,725,005		2,345,358		2,520,526		(175,168)
Street markings		180,000		180,000		161,947		18,053
Storm drainage		140,000		140,000		115,481		24,519
Intersections		50,000		50,000		16,132		33,868
Traffic signal lighting		78,750		78,750		78,987		(237)
Street construction		50,000		50,000		46,630		3,370
Surveys and engineering		80,000		80,000		41,610		38,390
Other miscellaneous						7,959		(7,959)
	\$	2,693,755	\$	3,314,108	\$	3,314,108	\$	-0-
Excess of Revenues Over (Under) Expenditures	\$ _	-0-	\$ _	(493,271)	\$	(493,271)	\$	-0-
Fund Balance at beginning of year Fund Balance at end of year					_{\$} -	1,583,145 1,089,874		

Airport Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual

		Original Budget		Final Budget		Actual	Fin I	iance with al Budget Positive Jegative)
Revenues -								
Federal funds					\$	69,769	\$	69,769
State funds	\$	417,240	\$	417,240	Ψ	27,239	Ψ	(390,001)
Interest	Ψ	1,000	Ψ	1,000		1,479		479
Rental income		391,066		391,066		448,745		57,679
Fuel sales		741,584		741,584		1,037,536		295,952
Miscellaneous		750		750		3,157		2,407
Wilderfulleous	\$	1,551,640	<u> </u>	1,551,640	<u> </u>	1,587,925	\$	36,285
Expenditures -	Ψ_	1,001,0.0	Ψ_	1,001,0.0	Ψ_	1,007,520	<u> </u>	20,202
Labor	\$	135,095	\$	135,095	\$	134,355	\$	740
Operations and maintenance		87,600		87,600		61,596		26,004
Supplies		8,770		8,770		14,760		(5,990)
Insurance		14,610		14,610		13,964		646
Social Security taxes		9,968		9,968		10,045		(77)
Group insurance		12,867		12,867		13,854		(987)
Retirement		9,074		9,074		9,074		` ,
Utilities		44,210		44,210		39,558		4,652
Travel and subsistence		3,770		3,770		2,351		1,419
Purchases for resale		613,965		613,965		886,588		(272,623)
Fuel rebates		38,000		38,000		27,346		10,654
Surveys and studies		320,000		320,000		7,858		312,142
Other miscellaneous		10,500		10,500		15,762		(5,262)
Capital outlay		90,500		90,500		102,093		(11,593)
	\$	1,398,929	\$	1,398,929	\$	1,339,204	\$	59,725
Excess of Revenues Over (Under) Expenditures	\$_	152,711	\$_	152,711	\$_	248,721	\$	96,010
Other Financing Sources and (Uses) -								
Transfers out	_	(190,725)	_	(190,725)	_	(190,725)		
Net change in fund balance	\$ _	(38,014)	\$ _	(38,014)	\$	57,996	\$	96,010
Fund Balance at beginning of year						351,686		
Fund Balance at end of year					\$	409,682		

Drug Enforcement Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual

		Original Budget		Final Budget		Actual		iance with al Budget Positive [legative]
Revenues -								
Court fines	\$	100,000	\$	100,000	\$	87,372	\$	(12,628)
Seizure awards		51,000		51,000	·	85,506	·	34,506
Interest		1,200		1,200		933		(267)
Miscellaneous		27,542		27,542		18,378		(9,164)
	\$	179,742	\$	179,742	\$	192,189	\$	12,447
Expenditures -						·		
Labor	\$	90,000	\$	90,000	\$	105,827	\$	(15,827)
Operations and maintenance		22,317		22,317		20,572		1,745
Supplies		6,025		6,025		3,511		2,514
Utilities		36,400		36,400		19,529		16,871
Undercover operations		80,000		80,000		27,500		52,500
Other miscellaneous		22,500		22,500		9,377		13,123
Capital outlay		2,500		2,500		5,543		(3,043)
	\$	259,742	\$	259,742	\$	191,859	\$	67,883
Excess of Revenues Over (Under) Expenditures	\$	(80,000)	\$	(80,000)	\$	330	\$	80,330
Other Financing Sources -								
Transfers in	_	80,000		80,000		87,372		7,372
Net change in fund balance	\$ _	-0-	\$	-0-	\$	87,702	\$	87,702
Fund Balance at beginning of year						288,780		
Fund Balance at end of year					\$	376,482		

Community Development Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual

	Original Budget			Final Budget		Actual	Variance with Final Budget Positive (Negative)		
Revenues-									
Revenue from federal government	\$	898,000	\$	1,203,023	\$	1,203,023			
Program income	Ψ	20,000	Ψ	148,623	Ψ	148,623			
	\$	918,000	\$	1,351,646	\$	1,351,646	\$	-0-	
Expenditures-									
Administration	\$	117,600	\$	111,331	\$	111,331			
Housing rehabilitation		386,310		438,896		438,896			
Housing assistance		157,513		197,960		197,960			
Neighborhood stabilization program				117,379		117,379			
Emergency shelter grant				106,185		106,185			
Homeless prevention				64,166		64,166			
Public facilities improvement				104,000		104,000			
Economic development		130,000		95,600		95,600			
Property acquisition		26,000		15,898		15,898			
Other		100,577		94,231	_	94,231			
	\$	918,000	\$	1,345,646	\$ _	1,345,646	\$	-0-	
Excess of Revenues Over (Under) Expenditures	\$	-0-	\$	6,000	\$	6,000	\$	-0-	
Other Financing Sources (Uses)									
Transfers out	_		_	(6,000)	_	(6,000)	_		
Net change in fund balance	\$ _	-0-	\$ _	-0-	\$	-0-	\$	-0-	
Fund Balance at beginning of year Fund Balance at end of year					\$ _	83 83			

Extended School Program Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Budgeting Basis Variance with GAAP)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues -				
Federal program revenues	\$ 45,500	\$ 45,500	\$ 53,263	\$ 7,763
Charges for services	2,750,416	2,750,416	2,459,377	(291,039)
Other local revenues	11,400	11,400	12,318	918
	\$ 2,807,316	\$ 2,807,316	\$ 2,524,958	\$ (282,358)
Expenditures -				
Community services	\$ 2,723,494	\$ 2,723,494	\$ 2,505,236	\$ 218,258
Excess of Revenues Over (Under)				
Expenditures (Budgetary basis)	\$ 83,822	\$ 83,822	\$ 19,722	\$ (64,100)
Adjustment for encumbrances			-0-	
Excess of Revenues Over (Under) Expenditures (GAAP basis)			\$ 19,722	
Fund Balance at beginning of year Fund Balance at end of year			\$ \frac{731,729}{751,451}	

School Cafeteria Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Budgeting Basis Variance with GAAP)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues -				
Federal program revenues	\$ 1,893,046	\$ 2,351,921	\$ 2,864,992	\$ 513,071
State program revenues	50,000	50,000	10,100	(39,900)
Charges for services	1,596,912	1,596,912	1,100,168	(496,744)
	\$ 3,539,958	\$ 3,998,833	\$ 3,975,260	\$ (23,573)
Expenditures -				
Food service	\$ 3,389,419	\$ 3,848,294	\$ 3,848,294	\$
Excess of Revenues Over (Under)				
Expenditures (Budgetary basis)	\$ 150,539	\$ 150,539	\$ 126,966	\$ (23,573)
Adjustment for encumbrances			-0-	
Excess of Revenues Over (Under)				
Expenditures (GAAP basis)			\$ 126,966	
Fund Balance at beginning of year			1,222,258	
Fund Balance at end of year			\$ 1,349,224	

School Federal and State Program Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Budgeting Basis Variance with GAAP)

	Origin Budge		Final Budget		Actual on Budgetary Basis		riance with nal Budget Positive Negative)
2							
Revenues -	Ф 4.40	3 600	5.006.074	ф	4 211 420	ф	(975 526)
Federal program revenues		2,608 \$	5,086,974	\$	4,211,438	\$	(875,536)
State program revenues		3,071	1,353,071	ф -	1,551,503	e	198,432
	\$ 5,84	5,679 \$	6,440,045	\$ _	5,762,941	\$ _	(677,104)
Expenditures -							
Regular instruction program	\$ 2,66	5,525 \$	2,909,897	\$	2,909,897		
Special education program	1,17	0,324	1,499,631		1,499,631		
Health services	10	0,000	113,831		113,831		
Special education program - support	42	9,497	305,452		305,452		
Early intervening services	1	5,360	12,469		12,469		
Community services	1,46	4,973	1,598,765		1,598,765		
·		5,679 \$	6,440,045	\$	6,440,045	\$ _	-0-
Excess of Revenues Over (Under)							
Expenditures (Budgetary basis)	\$	<u> </u>	-0-	\$	(677,104)	\$ _	(677,104)
Adjustment for encumbrances				-	-0-		
Excess of Revenues Over (Under)							
Expenditures (GAAP basis)				\$	(677,104)		
Fund Balance at beginning of year					-0-		
Fund Balance at end of year				\$	(677,104)		

NONMAJOR CAPITAL PROJECTS FUNDS

Capital Improvement and Contingency Fund accounts for revenues and expenditures associated with the acquisition or construction of various capital projects for general government activities.

Gateway Project Fund accounts for the City's development of land to be used in future projects.

TML/Bond Fund accounts for the proceeds of loans through the Tennessee Municipal Bond Fund and the expenditures related to various projects funded by the loans.

<u>Combining Balance Sheet</u> <u>Nonmajor Capital Project Funds</u>

June 30, 2012

<u>-</u>	Capital Improvement and Contingency Fund		Gateway Project Fund		I	TML/ Bond Fund	Total Nonmajor Capital Projects Funds		
<u>ASSETS</u>									
Cash and cash equivalents Due from other governments Due from others Restricted cash	\$ \$ =	1,046,153 596,936 621,927 355,860 2,620,876			\$ \$ <u></u>	520 18,579,483 18,580,003	\$ \$	1,046,153 596,936 622,447 18,935,343 21,200,879	
LIABILITIES AND FUND BALANCES									
Liabilities-									
Accounts payable	\$	100,850			\$	306,888	\$	407,738	
Due to other funds		1,843,676	\$	1,074,380		1,644,170		4,562,226	
Due to others		588,656						588,656	
Deferred revenue	_	723,474						723,474	
	\$ <u> </u>	3,256,656	\$ <u>_</u>	1,074,380	\$_	1,951,058	\$ _	6,282,094	
Fund Balances-									
Restricted					\$	17,210,447	\$	17,210,447	
Unassigned	\$	(635,780)	\$	(1,074,380)	,	(581,502)	_	(2,291,662)	
	\$	(635,780)	\$	(1,074,380)	\$	16,628,945	\$	14,918,785	
	\$	2,620,876	\$	-0-	\$	18,580,003	\$	21,200,879	

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Capital Project Funds

	Capital Improvement and Contingency Fund	Gateway Project Fund	TML/ Bond Fund	Total Nonmajor Capital Projects Funds
Revenues-				
Intergovernmental	\$ 3,327,479			\$ 3,327,479
Donations	3,676,689			3,676,689
Interest income	793		\$ 114,363	115,156
Rental income	95,833		4 44 4 400	95,833
Miscellaneous	ф 7 100 7 0 1		1,416,439	1,416,439
	\$7,100,794		\$1,530,802	\$ 8,631,596
Expenditures-				
Capital outlay -				
Street construction and drainage	\$ 105,891	\$	\$ 10,101,915	\$ 10,207,806
Other projects and costs	8,019,247	400	825,521	8,845,168
	\$ 8,125,138	\$ 400	\$ 10,927,436	\$ 19,052,974
Excess of Revenues Over				
(Under) Expenditures	\$ (1,024,344)	\$ (400)	\$ (9,396,634)	\$ (10,421,378)
Other Financing Sources (Uses)-				
Issuance of debt	\$ 1,000,000		\$ 604,079	\$ 1,604,079
Transfers out	, ,,,,,,,,,		(1,379,249)	(1,379,249)
	\$ 1,000,000		\$ (775,170)	\$ 224,830
Net change in fund balances	\$ (24,344)	\$ (400)	\$ (10,171,804)	\$ (10,196,548)
Fund Balances at beginning of year Fund Balances at end of year	\$\frac{(611,436)}{(635,780)}	(1,073,980) \$ (1,074,380)	26,800,749 \$ 16,628,945	25,115,333 \$ 14,918,785

Capital Improvement and Contingency Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual

		Original Budget		Final Budget		Actual	Fin	riance with nal Budget Positive Negative)
Revenues-								
Interest income	\$	400	\$	793	\$	793		
Federal funds	Ψ	840,000	Ψ	106,734	Ψ	106,734		
State funds		040,000		3,220,745		3,220,745		
Rental income				95,833		95,833		
Donations received		200,000		3,676,689		3,676,689		
	\$	1,040,400	\$	7,100,794	\$	7,100,794	\$	-0-
Expenditures-								
Street construction			\$	105,891	\$	105,891		
Capital outlay and other projects	\$	1,050,000	_	8,019,247	_	8,019,247		
	\$	1,050,000	\$	8,125,138	\$	8,125,138	\$	-0-
Excess of Revenues Over (Under) Expenditures	\$_	(9,600)	\$_	(1,024,344)	\$_	(1,024,344)	\$	-0-
Other Financing Sources (Uses)-								
Issuance of debt			\$	1,000,000	\$	1,000,000		
			\$	1,000,000	\$	1,000,000	\$	-0-
Net change in fund balance	\$ =	(9,600)	\$ _	(24,344)	\$	(24,344)	\$	-0-
Fund Balance at beginning of year						(611,436)		
Fund Balance at end of year					\$	(635,780)		

Gateway Project

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual

		Original Budget		Final Budget		Actual	Fin I	iance with al Budget Positive Negative)
Revenues-								
Interest income	\$	-0-	\$	-0-	\$	-0-	\$	-0-
Expenditures-								
Capital outlay and other projects	_	30,000		30,000		400		29,600
Excess of Revenues Over (Under) Expenditures	\$ _	(30,000)	\$ _	(30,000)	\$	(400)	\$	29,600
Fund Balance at beginning of year Fund Balance at end of year					\$	(1,073,980) (1,074,380)		

TML/Bond Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual

	Original Budget	 Final Budget		Actual	F	fariance with Final Budget Positive (Negative)
Revenues-						
Interest income	\$ 54,263	\$ 54,263	\$	114,363	\$	60,100
Miscellaneous income			_	1,416,439		1,416,439
	\$ 54,263	\$ 54,263	\$ _	1,530,802	\$ _	1,476,539
Expenditures-						
Capital outlay and other projects	\$ 28,766,485	\$ 28,766,485	\$_	10,927,436	\$	17,839,049
Excess of Revenues Over (Under) Expenditures	\$ (28,712,222)	\$ (28,712,222)	\$_	(9,396,634)	\$	19,315,588
Other Financing Sources (Uses)-						
Issuance of debt	\$ 626,590	\$ 626,590	\$	604,079	\$	(22,511)
Transfers out	(23,000)	(23,000)		(1,379,249)	_	(1,356,249)
	\$ 603,590	\$ 603,590	\$	(775,170)	\$	(1,378,760)
Net change in fund balance	\$ (28,108,632)	\$ (28,108,632)	\$	(10,171,804)	\$	17,936,828
Fund Balance at beginning of year			_	26,800,749		
Fund Balance at end of year			\$	16,628,945		

MAJOR DEBT SERVICE FUND

The *Debt Service Fund* accounts for the accumulation of resources for, and payment of, general long-term obligations (with the exception of general long-term obligations related to the Murfreesboro City Schools).

Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues -				
Interest earned	\$	\$	\$ 3,578	\$3,578
Expenditures -				
Principal retirement	\$ 20,243,230	\$ 20,243,230	\$ 20,243,230	
Interest	6,069,131	6,069,131	4,018,681	\$ 2,050,450
Fiscal agent fees	120,000	120,000	101,642	18,358
	\$ 26,432,361	\$ 26,432,361	\$ 24,363,553	\$ 2,068,808
Excess of Revenues Over (Under) Expenditures	\$ (26,432,361)	\$ (26,432,361)	\$ (24,359,975)	\$2,072,386_
Other Financing Sources (Uses) -				
Transfers in	\$ 26,451,420	\$ 26,451,420	\$ 26,320,148	\$ (131,272)
Transfers out	(3,019,059)	(3,019,059)	(2,729,612)	289,447
	\$ 23,432,361	\$ 23,432,361	\$ 23,590,536	\$ 158,175
Net change in fund balance	\$ (3,000,000)	\$ (3,000,000)	\$ (769,439)	\$ 2,230,561
Fund Balance at beginning of year			4,799,289	
Fund Balance at end of year			\$ 4,029,850	

NONMAJOR DEBT SERVICE FUND

The *School Debt Service Fund* accounts for the accumulation of resources for, and payment of, general long-term obligations specifically related to the financing for the Murfreesboro City Schools.

School Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues -	Φ	Φ	Φ	Φ
Interest earned	\$	\$	\$	\$
Expenditures -				
Principal retirement		\$ 2,318,412	\$ 2,318,412	
Interest		411,200	411,200	
	\$	\$ 2,729,612	\$ 2,729,612	\$
Excess of Revenues Over (Under) Expenditures	\$	\$ (2,729,612)	\$ (2,729,612)	\$
Other Financing Sources (Uses) -				
Transfers in		\$ 2,729,612	\$ 2,729,612	
	\$ -0-	\$ 2,729,612	\$ 2,729,612	\$ -0-
Net change in fund balance	\$	\$	\$ -0-	\$
Fund Balance at beginning of year Fund Balance at end of year			\$ <u>-0-</u>	

NONMAJOR ENTERPRISE FUNDS

Enterprise Funds are used to account for the operation of self-sustaining agencies rendering services to the general public on a user-charge basis. Activities necessary to provide these services are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises.

Stormwater Fund accounts for the study and management of stormwater runoff in the City of Murfreesboro in accordance with federal mandates. Revenues are derived from charges to the Water and Sewer customer base.

Industrial Building Funds account for land and buildings owned by the City, which were formerly leased to Foremost Dairies, Inc. and Alton Box Board Company. These funds are generally inactive.

Evergreen Cemetery Fund accounts for the operation and maintenance of the Evergreen Cemetery. Revenues are derived primarily from sales of lots, charges for services, and investment earnings.

Combining Balance Sheet Nonmajor Enterprise Funds

June 30, 2012

	Murfressboro Stormwater Fund	Foremost Dairies, Inc. Plant	Alton Box Board Co. Plant	Evergreen Cemetery	Totals
<u>ASSETS</u>					
Current Assets - Cash and cash equivalents Accounts receivable Due from other funds Inventories Prepaid items Total Current Assets Noncurrent Assets - Land and construction in progress Other capital assets, net of depreciation Total Noncurrent Assets Total Assets LIABILITIES AND NET ASSETS	\$ 11,503,856	\$ 21,910 \$ 21,910 \$ 12,492 \$ 12,492 \$ 34,402	\$ 10,502 \$ 10,502 \$ 11,000 \$ 21,502	\$ 66,865 142,004 59,702 4,473 \$ 273,044 \$ 935 179,863 \$ 180,798 \$ 453,842	\$ 66,865 142,004 11,536,268 59,702 22,919 \$ 11,827,758 \$ 193,007 2,460,794 \$ 2,653,801 \$ 14,481,559
Current Liabilities - Accounts payable Accrued and withheld liabilities Due to other funds Total Current Liabilities Net Assets - Invested in capital assets Unrestricted Total Net Assets Total Liabilities and Net Assets	\$ 20,396 2,537 6,694,469 \$ 6,717,402 \$ 7,254,411 \$ 7,254,411 \$ 13,971,813	\$ 12,492 21,910 \$ 34,402 \$ 34,402	\$ 11,000 10,502 \$ 21,502 \$ 21,502	\$ 5,777 2,860 \$ 8,637 \$ 180,798 264,407 \$ 445,205 \$ 453,842	\$ 26,173 5,397 6,694,469 \$ 6,726,039 \$ 204,290 7,551,230 \$ 7,755,520 \$ 14,481,559

Combining Statement of Revenues, Expenses, and Changes in Net Assets Nonmajor Enterprise Funds

	Murfreesboro Stormwater Fund	Foremost Dairies, Inc. Plant	Alton Box Board Co. Plant	Evergreen Cemetery	Totals
Operating Revenues -					
Charges for services	\$ 2,572,377			\$ 459,653	\$ 3,032,030
Operating Expenses -					
Operating expenses	\$ 998,640			\$ 449,865	\$ 1,448,505
Depreciation and amortization expense	166,316			25,851	192,167
	\$ 1,164,956			\$ 475,716	\$ 1,640,672
Operating Income (Loss)	\$ 1,407,421			\$ (16,063)	\$ 1,391,358
Nonoperating Revenues - Interest				437	437
Income (Loss) Before Transfers	\$ 1,407,421			\$ (15,626)	\$ 1,391,795
Transfers in				62,466	62,466
Change in Net Assets	\$ 1,407,421			\$ 46,840	\$ 1,454,261
Net Assets at beginning of year Net Assets at end of year	5,846,990 \$ 7,254,411	\$ 34,402 \$ 34,402	\$ 21,502 \$ 21,502	398,365 \$ 445,205	\$\frac{6,301,259}{7,755,520}

Combining Statement of Cash Flows Nonmajor Enterprise Funds

	Murfreesboro Stormwater Fund	Foremost Dairies, Inc. Plant	Alton Box Board Co. Plant	Evergreen Cemetery	Totals
Cash Flows from Operating Activities - Cash received from customers Cash payments to suppliers Cash payments to employees Net Cash Used by Operating Activities				\$ 436,014 (182,730) (269,469) \$ (16,185)	\$ 436,014 (182,730) (269,469) \$ (16,185)
Cash Flows from Noncapital Financing Activities - Transfers in Net Cash Provided by Noncapital Financing Activities				\$ 62,466 \$ 62,466	\$ 62,466 \$ 62,466
Cash Flows From Capital and Related Financing Activities - Acquisition and construction of capital assets Net Cash Used by Capital and Related Financing Activities				\$ <u>(6,939)</u> \$ <u>(6,939)</u>	\$ <u>(6,939)</u> \$ <u>(6,939)</u>
Cash Flows From Investing Activities - Interest received Net Cash Provided (Used) by Investing Activities				\$ <u>437</u> \$ <u>437</u>	\$ <u>437</u> \$ <u>437</u>
Net Increase in Cash and Cash Equivalents Cash and Cash Equivalents at beginning of year Cash and Cash Equivalents at end of year	\$ -0- \$	\$ -0-	\$ -0-	\$ 39,779 27,086 \$ 66,865	\$ 39,779 27,086 \$ 66,865
Reconciliation of operating income (loss) to net cash provided by operating activities: Operating income (loss) Adjustments to reconcile operating income to net cash provided by operating activities -	\$ 1,407,421			\$ (16,063)	\$ 1,391,358
Depreciation Changes in assets and liabilities - Accounts receivable Inventory	166,316			25,851 (23,639) (1,659)	192,167 (23,639) (1,659)
Prepaid expenses Due from other funds Accounts payable Accrued and withheld liabilities Due to other funds Net Cash Used by Operating Activities	(8,538) (2,572,377) (218,501) 1,835 1,223,844 \$			(321) (356) \$ (16,185)	(1,039) (8,536) (2,572,377) (218,822) 1,479 1,223,844 \$ (16,185)
Non-Cash Capital and Related Financing Activities - Capital assets acquired with due to other fund	\$ 367,551 \$ 367,551				\$ 367,551 \$ 367,551

INTERNAL SERVICE FUNDS

Internal Service Funds are used to provide goods and services to other governmental operating units such as departments or agencies on a cost reimbursement basis.

Insurance Fund accounts for revenues and costs associated with the City's self-funded group health insurance plan. Revenues are derived from premiums collected from the various City departments. Costs include medical claims and administrative expenses.

Risk Management Fund accounts for revenues and costs associated with the City's self-funded liability and workers' compensation insurance programs.

Fleet Services Fund accounts for fleet and equipment management to other departments or agencies of the City on a cost reimbursement basis.

Combining Balance Sheet Internal Service Funds

June 30, 2012

	Insurance	Risk Management	Fleet Services	Totals
<u>ASSETS</u>				
Current Assets -				
Cash and cash equivalents	\$ 3,249,300	\$ 8,306,335		\$ 11,555,635
Accrued interest receivable		3,644		3,644
Due from other funds		609	\$ 24,093	24,702
Due from others	500,165	8,012		508,177
Prepaid items	56,759			56,759
Inventory			176,866	176,866
Total Current Assets	\$ 3,806,224	\$ 8,318,600	\$ 200,959	\$ 12,325,783
Noncurrent Asset -				
Restricted certificates of deposit		500,000		500,000
Total Assets	\$ 3,806,224	\$ 8,818,600	\$ 200,959	\$ 12,825,783
LIABILITIES AND NET ASSI	<u>ETS</u>			
Current Liabilities -				
Accounts payable	\$ 810,228	\$ 287,932		\$ 1,098,160
Due to other funds		8,819		8,819
Claims and judgments payable		2,404,000		2,404,000
Total Current Liabilities	\$ 810,228	\$ 2,700,751		\$ 3,510,979
Noncurrent Liabilities -				
Claims and judgments payable		4,699,500		4,699,500
Total Liabilities	\$ 810,228	\$ 7,400,251		\$ 8,210,479
Net Assets -				
Unrestricted	\$ 2,995,996	\$ 1,418,349	\$ 200,959	\$ 4,615,304
Total Net Assets	\$ 2,995,996	\$ 1,418,349	\$ 200,959	\$ 4,615,304
Total Liabilities and Net Assets	\$ 3,806,224	\$ 8,818,600	\$ 200,959	\$ 12,825,783

<u>Combining Statement of Revenues, Expenses, and Changes in Net Assets</u> <u>Internal Service Funds</u>

	Insurance	Risk Management	Fleet Services	Totals
Operating Revenues -				
Premiums from City departments	\$ 10,431,720	\$ 3,196,253		\$ 13,627,973
Premiums from others	2,155,426	1,465		2,156,891
Charges for services			\$ 2,242,060	2,242,060
Miscellaneous	529,199			529,199
	\$ 13,116,345	\$ 3,197,718	\$ 2,242,060	\$ 18,556,123
Operating Expenses -				
Claims and administrative expense	\$ 12,666,259	\$ 4,657,333		\$ 17,323,592
Administrative support		546,698		546,698
Labor expense		208,415	\$ 589,970	798,385
Parts and lubricants			1,198,255	1,198,255
Operation and maintenance		225	12,058	12,283
Supplies		7,058	25,751	32,809
Insurance			74,218	74,218
Social Security taxes		15,575	43,484	59,059
Group insurance		17,041	131,992	149,033
Retirement		25,994	70,959	96,953
Utilities		1,013	56,921	57,934
Travel		1,003		1,003
Training personnel		862	244	1,106
Professional fees		4,750		4,750
Miscellaneous		2,220	7,386	9,606
Capital outlay		1,552	5,817	7,369
	\$ 12,666,259	\$ 5,489,739	\$ 2,217,055	\$ 20,373,053
Operating Income (Loss)	\$ 450,086	\$ (2,292,021)	\$ 25,005	\$ (1,816,930)
Nonoperating Revenue -				
Interest earned	1,999	44,929	-0-	46,928
Net Income (Loss)	\$ 452,085	\$ (2,247,092)	\$ 25,005	\$ (1,770,002)
Net Assets at beginning of year	2,543,911	3,665,441	175,954	6,385,306
Net Assets at end of year	\$ 2,995,996	\$ 1,418,349	\$ 200,959	\$ 4,615,304

Combining Statement of Cash Flows Internal Service Funds

Cash payments to suppliers (1,641,396) (1,641,396) (1,641,396) (1,641,396) (1,641,396) (1,641,396) (1,641,396) (1,641,396) (806,066) (806,066) (806,066) (806,066) (16,176,044) (16,176,044) (16,176,044) (16,176,044) (16,176,044) (16,176,044) (16,176,044) (16,176,044) (16,176,044) (16,176,044) (16,176,044) (16,176,044) (16,176,044) (17,176,044) (17,176,044) (17,176,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,178,044) (17,1	Risk Fleet Management Services Totals	 	_1	Insurance	
Other receipts 149,086 26,795 175,88 Other payments (615,340) (615,34 Net Cash Provided (Used) by Operating Activities \$ 62,607 \$ (1,101,718) \$ -0- \$ (1,039,11) Cash Flows From Investing Activities- Interest received \$ 1,999 \$ 50,600 \$ 52,59 Net Cash Provided by Investing Activities \$ 1,999 \$ 50,600 \$ 52,59 Net Increase (Decrease) in Cash and Cash Equivalents \$ 64,606 \$ (1,051,118) \$ -0- \$ (986,51) Cash and Cash Equivalents at beginning of year 3,184,694 9,357,453 12,542,14	(1,641,396) (1,641,39	\$	\$	12,589,151	\$ Cash received from interfund services provided Cash payments to suppliers
Net Cash Provided (Used) by Operating Activities \$ 62,607 \$ (1,101,718) \$ -0- \$ (1,039,11) Cash Flows From Investing Activities- \$ 1,999 \$ 50,600 \$ 52,59 Net Cash Provided by Investing Activities \$ 1,999 \$ 50,600 \$ 52,59 Net Increase (Decrease) in Cash and Cash Equivalents \$ 64,606 \$ (1,051,118) \$ -0- \$ (986,51) Cash and Cash Equivalents at beginning of year \$ 3,184,694 9,357,453 12,542,14	26,795 175,88	26,795		. , , , ,	Other receipts
Interest received \$ 1,999 \$ 50,600 \$ 52,59 Net Cash Provided by Investing Activities \$ 1,999 \$ 50,600 \$ 52,59 Net Increase (Decrease) in Cash and Cash Equivalents \$ 64,606 \$ (1,051,118) \$ -0- \$ (986,51) Cash and Cash Equivalents at beginning of year 3,184,694 9,357,453 12,542,14		\$	\$	62,607	\$
Net Cash Provided by Investing Activities \$ 1,999 \$ 50,600 \$ 52,59 Net Increase (Decrease) in Cash and Cash Equivalents \$ 64,606 \$ (1,051,118) \$ -0- \$ (986,51) Cash and Cash Equivalents at beginning of year 3,184,694 9,357,453 12,542,14		7 0.400		4.000	
Cash and Cash Equivalents at beginning of year 3,184,694 9,357,453 12,542,14					
		\$	\$,	\$
		\$	\$		\$
Reconciliation of operating income (loss) to net cash provided					Reconciliation of operating income (loss) to net cash provided
(used) by operating activities:					(used) by operating activities:
Operating income (loss) \$ 450,086 \$ (2,292,021) \$ 25,005 \$ (1,816,93) Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities Changes in assets and liabilities -	\$ (2,292,021) \$ 25,005 \$ (1,816,93)	\$ (2,292,021)	\$	450,086	\$ Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities
	(599) (3,015) (2,30	(599)		1,306	
Due from others (380,113) 15,856 (364,25	15,856 (364,25)	15,856		(380,113)	Due from others
Due from other governments 9,474 683 10,15	9,474 683 10,15	9,474			Due from other governments
Prepaid items (56,239) (56,239)	(56,23)			(56,239)	Prepaid items
				46,868	
		1,119,500			
		0.651			· · · · · · · · · · · · · · · · · · ·
	8,651 (683) 7,96 69	8,651		600	
		\$ (1,101,718)	\$		\$

PENSION TRUST FUNDS

Pension Trust Funds account for assets held in trust on behalf of City employees. The funds are accounted for in the same manner as proprietary funds.

Employees' Pension Trust Fund accounts for revenues and expenses associated with the City's defined benefit employee pension plan. Revenues are derived primarily from contributions made by the City, employees, and earnings on investments.

Electric Department Employee Pension Fund accounts for revenues and expenses associated with the administration of the pension plan on behalf of the employees of the Murfreesboro Electric Department. Revenues are derived primarily from contributions made by the employer, employees, and investment earnings.

AGENCY FUND

The *Agency Fund* accounts for the assets held by the schools in an agency capacity on behalf of various student, teacher and parent organizations.

Combining Statement of Fiduciary Net Assets Pension Trust Funds

June 30, 2012

	1	Employees' Pension	 Electric Department Pension	 Totals
<u>ASSETS</u>				
Cash and cash equivalents	\$	2,584,500	\$ 164,164	\$ 2,748,664
Investments, at fair value				
Mutual funds		42,934,456	7,974,544	50,909,000
U.S. Government notes and bonds		9,869,232	479,139	10,348,371
Corporate notes and bonds		15,629,984	6,260,324	21,890,308
Common/preferred stock		21,627,159		21,627,159
Accrued interest receivable			67,456	67,456
Contributions receivable		466,511		466,511
	\$	93,111,842	\$ 14,945,627	\$ 108,057,469
NET ASSETS				
Net Assets -				
Held in trust for pension benefits	\$ _	93,111,842	\$ 14,945,627	\$ 108,057,469

Combining Statement of Changes in Fiduciary Net Assets Pension Trust Funds

	Employees' Pension	Electric Department Pension	Totals
Additions -			
Contributions -			
Employer	\$ 4,730,514	\$ 930,409	\$ 5,660,923
Investment income-	,		
Net depreciation in fair value of investments	\$ (1,591,211)	\$ (620,936)	\$ (2,212,147)
Interest	988,884	247,985	1,236,869
Dividends	1,415,545	155,410	1,570,955
Total investment income	\$ 813,218	\$ (217,541)	\$ 595,677
Less investment fees		(64,327)	(64,327)
Net investment income	\$ 813,218	\$ (281,868)	\$ 531,350
Total additions	\$ 5,543,732	\$ 648,541	\$ 6,192,273
Deductions -			
Benefits to participants	\$ 3,290,176	\$ 682,598	\$ 3,972,774
Insurance premiums	259,121		259,121
Total deductions	\$ 3,549,297	\$ 682,598	\$ 4,231,895
Net Increase (Decrease)	\$ 1,994,435	\$ (34,057)	\$ 1,960,378
Net Assets Held in Trust for Pension Benefits -			
Beginning of year	91,117,407	14,979,684	106,097,091
End of year	\$ 93,111,842	\$ 14,945,627	\$ 108,057,469

Statement of Changes in Assets and Liabilities School Activity Agency Fund

	Balance ly 1, 2011		Additions		Deductions	Balance ne 30, 2012
<u>ASSETS</u>						
Cash and cash equivalents	\$ 467,317	\$	1,396,186	\$	1,329,603	\$ 533,900
Certificates of deposit	80,925				64,209	16,716
Other receivables	5,428		1,982		5,428	1,982
Inventory	 10,900	_	8,244	_	10,900	 8,244
Total Assets	\$ 564,570	\$	1,406,412	\$	1,410,140	\$ 560,842
<u>LIABILITIES</u>						
Due to others	\$ 564,570	\$	1,406,865	\$	1,410,593	\$ 560,842
Total Liabilities	\$ 564,570	\$	1,406,865	\$	1,410,593	\$ 560,842

FINANCIAL SCHEDULES

Financial Schedules are presented to demonstrate finance related legal and contractual compliance,	provide details of
data summarized in the financial statements, and present other information deemed useful.	

Schedule of Certificates of Deposit by Fund

June 30, 2012

	Interest Rate	Maturity Date	Amount
Governmental Funds -			
Extended School Program Fund			
Pinnacle National Bank	0.30 %	03/03/2013	\$ 100,000
Pinnacle National Bank	0.25	09/20/2012	125,113
Pinnacle National Bank	0.25	09/20/2012	125,113
			\$ 350,226
School Cafeteria Fund			
Pinnacle National Bank	0.30 %	11/04/2012	\$ 20,000
Enterprise Funds -			
Evergreen Cemetery Commission -			
Ally Bank	2.00 %	09/30/2016	\$ 65,000
Internal Service Funds -			
Risk Management Fund -			
Midsouth Bank, Murfreesboro	0.95 %	09/23/2013	\$ 500,000
Fiduciary Funds -			
Extended School Program Private Purpose Trust Fund			
Pinnacle National Bank	0.30 %	03/03/13	\$ 156,631
School Activity Agency Fund			
Midsouth Bank	0.75 %	12/14/12	\$ 6,716
Pinnacle National Bank	0.30	03/22/13	10,000
			\$ 16,716
Total Certificates of Deposit			\$1,108,573

Schedule of Investments by Fund

June 30, 2012

	Interest Rate	Maturity Date	Fair Value
Employees' Pension Trust Fund - United States Treasury Notes	1.250 %	10/31/2015	\$ 14,34
United States Treasury Notes United States Treasury Notes	0.375	08/31/2012	\$ 14,34 461,19
United States Treasury Notes United States Treasury Notes	1.750	05/31/2016	1,761,88
United States Treasury Notes United States Treasury Notes	0.500	10/15/2014	289,01
United States Treasury Notes United States Treasury Notes	1.000	03/31/2017	1,701,07
United States Treasury Notes United States Treasury Notes	1.750	05/15/2022	63,51
Federal Farm Credit Bank Bds	4.500	01/05/2018	295,99
Federal Home Loan Bank Bds	2.200	08/10/2015	250,43
Federal Home Loan Bank Bds	4.125	12/13/2019	206,98
Federal Home Loan Bank Bds	2.750	03/13/2015	106,06
Federal Home Loan Bank Bds	2.640	03/07/2022	75,10
Federal Home Loan Mortgage Corp	5.000	10/01/2035	64,00
Federal Home Loan Mortgage Corp	5.000	07/01/2035	167,03
Federal Home Loan Mortgage Corp	5.500	05/01/2036	146,15
Federal Home Loan Mortgage Corp	5.500	07/01/2036	60,59
Federal Home Loan Mortgage Corp	2.500	05/01/2027	170,22
Federal Home Loan Mortgage Corp	5.500	12/01/2036	15,65
Federal Home Loan Mortgage Corp	5.500	04/01/2038	31,69
Federal Home Loan Mortgage Corp	5.000	01/01/2037	167,3
Federal Home Loan Mortgage Corp	5.000	10/01/2033	11,5
Federal Home Loan Mortgage Corp	5.500	05/01/2037	76,65
Federal Home Loan Mortgage Corp	6.000	07/01/2039	36,86
Federal Home Loan Mortgage Corp	3.000	05/01/2027	81,38
Federal Home Loan Mortgage Corp	2.500	06/01/2027	198,46
Federal Home Loan Mortgage Corp	Var	09/01/2041	54,30
Federal Home Loan Mortgage Corp	5.000	04/01/2035	23,55
Federal Home Loan Mortgage Corp	5.000	08/01/2033	19,58
Federal Home Loan Mortgage Corp	Var	06/01/2041	48,24
Federal Home Loan Mortgage Corp	6.000	08/01/2036	26,0
Federal Home Loan Mortgage Corp	3.500	06/15/2026	32,6
Federal Home Loan Mortgage Corp	3.000	12/15/2026	41,6
Federal Home Loan Mortgage Corp	3.500	12/15/2025	49,19
Federal Home Loan Mortgage Corp	3.500	12/15/2025	44,68
Federal Home Loan Mortgage Corp	3.500	02/15/2026	144,83
Federal Home Loan Mortgage Corp	3.500	02/15/2026	140,04
Federal Home Loan Mortgage Corp	3.500	03/15/2026	29,5
Federal Home Loan Mortgage Corp	3.500	03/15/2026	72,0
Federal Home Loan Mortgage Corp	3.500	04/15/2026	162,63
Federal Home Loan Mortgage Corp	3.000	05/25/2026	238,15
Federal Home Loan Mortgage Corp	3.000	05/25/2026	108,70
Federal Home Loan Mortgage Corp	3.000	12/15/2025	95,5′
Government National Mortgage Assn.	3.500	01/20/2025	97,49
Federal National Mortgage Assn	5.500	11/01/2035	73,32
Federal National Mortgage Assn	6.000	06/01/2036	261,51

Schedule of Investments by Fund (continued)

June 30, 2012

	Interest Rate	Maturity Date	Fair Value
			-
Employees' Pension Trust Fund (continued) -			
Federal National Mortgage Assn	6.000 %	06/01/2035	\$ 65,0
Federal National Mortgage Assn	5.500	05/01/2035	32,5
Federal National Mortgage Assn	5.500	01/01/2036	199,4
Federal National Mortgage Assn	5.000	05/01/2035	21,0
Federal National Mortgage Assn	5.000	10/01/2035	148,2
Federal National Mortgage Assn	6.000	03/01/2038	167,4
Federal National Mortgage Assn	5.500	08/01/2037	70,4
Federal National Mortgage Assn	6.000	04/01/2039	137,2
Federal National Mortgage Assn	6.000	07/01/2039	33,1
Federal National Mortgage Assn	5.500	12/01/2035	325,1
Government National Mortgage Assn	4.743	01/20/2061	177,6
Federal National Mortgage Assn	3.500	09/25/2026	106,7
Federal National Mortgage Assn	3.500	06/25/2026	122,3
Federal National Mortgage Assn	3.500	03/25/2027	45,5
AFLAC Inc.	3.450	08/15/2015	133,0
Abbot Labs	5.125	04/01/2019	416,9
Allstate Corp.	7.500	06/15/2013	74,6
American Express Bk Fsb Medium Term Bk Nts Tranche	5.500	04/16/2013	518,6
Appalachian Pwr Co. Sr Nt K	5.000	06/01/2017	113,0
Atmos Energy Corp. Sr Nt	4.950	10/15/2014	324,0
Author Energy Corp. St Nt Autozone Inc. Sr Nt	5.750	01/15/2015	220,3
Autozone Inc. 31 Nt Autozone Inc.	4.000	11/15/2020	106,8
BB&T Corp. Sr Nt	3.950	04/29/2016	326,5
BP Capital Markets PLC	3.875	03/10/2015	80,3
-	5.125	11/15/2014	
Bank Amer Corp. Sr Global Nt			156,4
Bank of America Corp. Bank of America Senior	4.875	01/15/2013	386,2
	5.650	05/01/2018	106,9
Bank New York Inc Medium Term Sr Nts	4.500	04/01/2013	257,6
Bellsouth Corp. Nt	5.200	09/15/2014	380,8
Best Buy Company	3.750	03/15/2016	244,0
Capital One Financial	2.125	07/15/2014	75,6
Caterpillar Finl Svcs Corp Medium	4.900	08/15/2013	313,7
Citigroup Inc. Sub Nt	5.000	09/15/2014	205,0
Citigroup Inc.	4.450	01/10/2017	157,2
Clorox Co.	3.550	11/01/2015	557,0
Comcast Corp. New Nt	4.950	06/15/2016	168,3
Dell Inc. Nt	2.300	09/10/2015	154,6
Express Scripts	3.125	05/15/2016	182,2
General Elec Co. Nt	5.250	12/06/2017	583,8
General Elec Cap Corp Medium Term Nt Tranche	5.625	05/01/2018	287,3
General Electric Capital	2.950	05/09/2016	103,1
Goldman Sachs Senior	6.000	06/15/2020	106,7
Goldman Sachs Group Inc. Nt	3.625	02/07/2016	125,0
Goldman Sachs Group Inc. Sr Nt	6.250	09/01/2017	434,9

Schedule of Investments by Fund (continued)

June 30, 2012

	Interest Rate	Maturity Date	Fair Value
			<u> </u>
Employees' Pension Trust Fund (continued) -			
Hewlett Packard Co. Global Nt	4.750 %	06/02/2014	\$ 634
IBM Intl Group Cap Llc Nt	5.050	10/22/2012	253
Kinder Morgan Energy Partners	3.500	03/01/2016	317
Kraft Foods	4.125	02/09/2016	185
McDonalds Corp. Medium Term Nts Tranche	4.300	03/01/2013	256
Merrill Lynch & Co. Sub Nt	6.050	05/16/2016	258
Morgan Stanley Nt	5.450	01/09/2017	353
Morgan Stanley Step-up Sr Mtn	4.000	07/20/2020	194
Nabors Industries	4.625	09/15/2021	129
National Rural Util Coop Fin Corp.	7.200	10/01/2015	293
NationsBank Corp. Sub Nt	7.750	08/15/2015	272
Oracle Corp. / Ozark Holding Inc. Nt	5.250	01/15/2016	401
Rebublic Services	3.800	05/15/2018	320
Unitedhealth Group	6.000	11/15/2017	91
Verizon Virginia Inc.	4.625	03/15/2013	256
Wells Fargo & Co. New Nt	5.250	10/23/2012	101
Wells Fargo Bk Natl Assn Sub Bk Nt	4.750	02/09/2015	321
AT&T Inc	3.875	08/15/2021	27
Abbott Labs	5.600	11/30/2017	89
Air Products & Chemicals	4.150	02/01/2013	16
Alabama Power Co.	5.800	11/15/2013	28
American Express Credit Co.	2.375	03/14/2017	22
Analog Devices, Inc.	3.000	04/15/2016	7
Becton Dickinson	3.250	11/12/2020	11
Berkshire Hathaway Fin	4.600	05/15/2013	31
Berkshire Hathaway Inc.	3.200	02/11/2015	57
Biomed Realty LP	3.850	04/15/2016	18
Boeing Co.	5.125	02/15/2013	32
CME Group Inc.	5.400	08/01/2013	27
CME Group Inc.	5.750	02/15/2014	37
Cisco Systems Inc.	5.500	02/22/2016	44
Comcast Corp. New	4.950	06/15/2016	28
Comeast Corp.	3.125	07/15/2022	24
-	3.900	06/23/2021	
Danaher Corp. Deere & Co.	2.600		21 45
		06/08/2022	
John Deere Capital Corp.	1.250	12/02/2014	23
Digital Realty Tr Lp	5.875	02/01/2110	8
Dominion Res Inc.	1.950	08/15/2016	13
Dupont Ei De Nemours & Co.	5.000	07/15/2013	31
Dupont Ei De Nemours & Co. Sr. Unsecured	4.250	04/01/2021	21
Duke Energy Carolinas	4.300	06/15/2020	12
El Paso Nat Gas Co.	5.950	04/15/2017	12
El Paso Pipeline	6.500	04/01/2020	17
Energy Transfer Partners Lp Sr. Unsecured	6.700	07/01/2018	42

Schedule of Investments by Fund (continued)

June 30, 2012

	Interest Rate	Maturity Date	Fair Value
Employees' Pension Trust Fund (continued) -			
Energy Transfer Partners Lp Sr. Unsecured GBL	4.650 %	06/01/2021	\$ 24,
Enterprise Prods Oper Lp	5.600	10/15/2014	81,
Exelon Generation Co. Llc	6.200	10/01/2017	40,
Fiserv Inc.	4.750	06/15/2021	26,
General Elec. Co.	5.000	02/01/2013	22,
General Elec. Co.	5.250	12/06/2017	29,
Georgia Power Co.	6.000	11/01/2013	13,
Glaxosmithkline Cap. Inc.	5.650	05/15/2018	45,
Hewlett-Packard Co.	4.500	03/01/2013	13,
Hewlett-Packard Co.	4.375	09/15/2021	43,
Intel Corp.	1.950	10/01/2016	19,
IBM Corp.	1.250	02/06/2017	100,
Juniper Networks Inc. Sr. Unsecured	3.100	03/15/2016	14,
Kellogg Co.	4.250	03/06/2013	24,
Kraft Foods Inc.	5.375	02/10/2020	47.
Kroger Co.	7.500	01/15/2014	15.
Lazard Group Llc	7.125	05/15/2015	51,
Life Tech Corp.	5.000	01/15/2021	8.
MidAmerican Energy Hldgs. Co.	5.000	02/15/2014	61.
Nasdaq Omx Group	5.550	01/15/2020	31.
NBCUniversal Media LLC	4.375	04/01/2021	62,
Newmont Mining Corp.	3.500	03/15/2022	46,
Northern Trust Co.	5.200	11/09/2012	37.
Northern Trust Corp.	4.625	05/01/2014	7.
OneBeacon U.S. Hldgs. Inc.	5.875	05/15/2013	22.
Oracle Corp.	5.750	04/15/2018	83.
Paccar Finl Corp.	1.550	09/29/2014	37.
Praxair Inc. Sr. Unsecured	4.625	03/30/2015	46.
Praxair Inc.	1.750	11/15/2012	58,
Raytheon Co.	1.400	12/15/2014	27.
SBC Communications Inc.	5.100	09/15/2014	62,
Schering Plough	6.000	09/15/2017	53,
Southern Calif Edison Co.	5.750	03/15/2014	40,
Stryker Corp.	2.000	09/30/2016	17.
TC Pipelines LP	4.650	06/15/2021	26,
Teva Pharmaceutical Fin. LLC	5.550	02/01/2016	28,
Thermo Fisher Scientific	2.250	08/15/2016	10,
3M Co.	1.375	09/29/2016	16,
Time Warner Inc.	4.875	03/15/2020	7,
Time Warner Cable Inc.	5.850	05/01/2017	108,
Time Warner Cable Inc.	8.250	02/14/2014	42,
Toyota Motor Credit Corp.	3.200	06/17/2015	
Transcontinental Gas Pipe Corp.	6.050	06/17/2013	16, 8,
United Parcel Service Inc.	3.125	01/15/2021	19,

Schedule of Investments by Fund (continued)

June 30, 2012

	Interest Rate	Maturity Date	Fair Value
		Bute	, arac
Employees' Pension Trust Fund (continued) -			
United Technologies Corp.	6.125 %	02/01/2019	\$ 85
United Technologies Corp.	3.100	06/01/2022	8
Verizon Communications Inc.	5.250	04/15/2013	21
Wal Mart Stores Inc.	1.625	04/15/2014	9
Wal Mart Stores Inc. Sr. Unsecured	4.250	04/15/2021	88
Walgreen Co.	4.875	08/01/2013	22
Wells Fargo & Co.	1.250	02/13/2015	40
Williams Partners LP	4.125	11/15/2020	31
Xerox Corp.	6.350	05/15/2018	36
Ameriquest Mtg. Secs Inc.	Variable	07/25/2035	54
Banc Amer Coml Mtg. Inc.	5.090	07/10/2043	51
Banc Amer Coml Mtg. Inc.	Variable	09/10/2047	78
Household Home Equity Ln Tr	Variable	01/20/2034	27
Household Home Equity Ln Tr	Variable	03/20/2034	62
JP Morgan Chase Coml Mtg Secs Corp.	4.996	08/15/2042	144
LB-UBS Commercial Mtg Tr	5.217	02/15/2031	50
Wachovia Bank Commercial Mtg Tr	5.179	07/15/2042	113
Wachovia Bank Commercial Mtg Tr	Variable	10/15/2044	145
BHP Billiton Fin Usa Ltd.	1.125	11/21/2014	24
BP Capital Markets PLC	2.248	11/01/2016	30
Barrick Australia Finance	4.950	01/15/2020	49
Covidien Intl.	6.000	10/15/2017	48
Diageo Capital Plc	5.200	01/30/2013	19
Ensco Plc	4.700	03/15/2021	11
Rogers Wireless Inc.	7.500	03/15/2015	18
Thomson Reuters Corp.	5.950	07/15/2013	14
-	3.800		
Trans-Canada Pipelines	6.125	10/01/2020 N/A	35
Pro Finl Svc Group Inc.	5.625	N/A N/A	27
Public Storage			11
SCE Trust I	5.625	N/A	27
US Bankcorp	6.000	N/A	39
Caterpillar Inc. Del Com	N/A	N/A	318
Fluor Corp. New Com	N/A	N/A	320
General Elec Co. Com	N/A	N/A	333
Goodrich Corp. Com	N/A	N/A	253
Honeywell Intl. Inc. Com	N/A	N/A	614
Quanta Services Inc. Com	N/A	N/A	240
Sigma-Aldrich Corp. Com	N/A	N/A	332
Union Pacific Corp. Com	N/A	N/A	536
Amazon.com Inc. Com	N/A	N/A	685
Disney Walt Co. Com	N/A	N/A	533
Home Depot Inc. Com	N/A	N/A	529
McDonalds Corp. Com	N/A	N/A	442
Nike Inc. Cl B	N/A	N/A	263

Schedule of Investments by Fund (continued)

June 30, 2012

	Interest Rate	Maturity Date	Fair Value
Employees' Pension Trust Fund (continued) -	27/4	37/1	400.04
Verizon Communications Inc. Com	N/A	N/A	\$ 488,840
Yum Brands Inc. Com	N/A	N/A	386,520
American Express Co. Com	N/A	N/A	391,462
American Tower Reit Inc.	N/A	N/A	559,280
Apache Corp. Com	N/A	N/A	395,50
Apple, Inc. Com	N/A	N/A	671,600
Chesapeake Energy Corp. Com	N/A	N/A	167,400
Chubb Corp. Com	N/A	N/A	254,870
Cisco Systems Inc. Com	N/A	N/A	377,740
Corning Inc. Com	N/A	N/A	297,39
E M C Corp. Mass Com	N/A	N/A	563,860
Exxon Mobil Corp Com	N/A	N/A	470,63
Google Inc. Cl A	N/A	N/A	348,04
Intel Corp Com	N/A	N/A	799,50
International Business Machs Corp Com	N/A	N/A	195,58
JP Morgan Chase & Company Com	N/A	N/A	446,62
Linn Energy LLC	N/A	N/A	41,91
Marathon Oil Com	N/A	N/A	178,99
National Oilwell Varco Inc. Com	N/A	N/A	386,64
Oracle Corporation Com	N/A	N/A	653,40
Prudental Financial Inc. Com	N/A	N/A	387,44
Qualcomm Inc. Com	N/A	N/A	679,29
Schlumberger Ltd Com	N/A	N/A	454,37
Southern Co. Com	N/A	N/A	277,80
Wells Fargo & Company New Com	N/A	N/A	434,72
Costco Whsl Corp. New Com	N/A	N/A	190,00
Kimberly Clark Corp. Com	N/A	N/A	335,08
Kraft Foods Inc. Cl A	N/A	N/A	386,20
Lauder Estee Cos Inc. Cl A	N/A	N/A	405,90
Pepsico Inc. Com	N/A	N/A	706,60
Phillip Morris International Com.	N/A	N/A	610,82
Ishares Tr S&P Midcap Value Index	N/A	N/A	326,48
Amgen Inc. Com	N/A	N/A	328,09
Bristol Myers Squibb Co. Com	N/A	N/A	287,60
Express Scripts Inc. Com	N/A	N/A	558,30
HCA Holdings, Inc.	N/A	N/A	398,63
Johnson & Johnson Com	N/A N/A	N/A N/A	371,58
Medtronic Inc. Com	N/A N/A	N/A N/A	
Merck & Co. Inc. New Com	N/A N/A		251,74
		N/A	334,00
Teva Pharmaceutical-Sp Adr	N/A	N/A	315,52
Vangrd Sml-Cap Growth	N/A	N/A	3,515,15

Schedule of Investments by Fund (continued)

June 30, 2012

	Interest Rate	Maturity Date		Fair Value
Employees' Pension Trust Fund (continued) -				
Ridgeworth Fd-Smallcap Val Equity I Shs #RGD6	N/A	N/A	\$	3,346,539
Ridgeworth Fd-Seix Fltg Rt High Incm I Shs #RGCJ	N/A	N/A	Ψ	1,444,131
Blackrock Global Resources Port Fund Instl #368	N/A	N/A		1,817,193
Legg Mason Global Opp Bond Fund	N/A	N/A		7,165,445
PIMCO Global Bond Fund US Dollar FD #249	N/A	N/A		6,772,642
Amer. Funds - Cap. World Growth and Inc. FD #2633	N/A	N/A		4,467,396
Dodge & Cox International Stock Fund #1048	N/A	N/A		9,003,175
Janus Global Research Fund #1175	N/A	N/A		3,424,755
Van Eck Global Hard Assets Fund	N/A	N/A		1,978,023
Van Dek Groom Hard Assets Fund	11/11	14/21	\$	90,060,831
Electric Department Employee Pension Fund -			Ψ_	70,000,031
Federal Farm Credit Bank	5.500 %	10/22/2018	\$	125,844
Federal Home Loan Bank	5.000	08/24/2016		50,287
Federal Home Loan Bank	2.750	03/13/2015		106,067
Federal Home Loan Bank	2.640	03/07/2022		75,110
Federal Home Loan Bank	3.125	12/08/2017		121,832
Fifth Third Bancorp	3.625	01/25/2016		52,737
General Electric Capital Corporation	5.625	05/01/2018		114,954
General Electric Capital Corporation	2.250	11/09/2015		153,044
General Electric Company	5.250	12/06/2017		350,322
General Electric Sr	3.350	10/17/2016		105,341
Goldman Sachs	3.625	02/07/2016		150,016
Goldman Sachs	3.700	08/01/2015		121,061
Goldman Sachs	6.250	09/01/2017		157,654
Hewlett Packard Company	4.750	06/02/2014		121,588
Hewlett Packard Company	3.000	09/15/2016		154,288
IBM International Group	5.050	10/22/2012		101,463
Kinder Morgan Energy Partners	3.500	03/01/2016		105,728
Lowe's Company	2.125	04/05/2016		206,804
McKesson Corp.	5.700	03/01/2017		87,818
Morgan Stanley	5.450	01/09/2017		151,483
Morgan Stanley	4.000	07/20/2020		48,741
Morgan Stanley	4.000	07/24/2015		198,838
Morgan Stanley	6.000	03/30/2017		73,125
Oracle Corporation	5.250	01/15/2016		85,990
Prudential Financial	4.750	06/13/2015		118,088
Republic Services	3.800	05/15/2018		267,455
Unitedhealth Group	6.000	11/15/2017		30,513
University of Notre Dame	4.141	09/01/2013		67,139
Wells Fargo Corporation	4.375	01/31/2013		102,193
Abbott Laboratories	5.125	04/01/2019		119,120

Schedule of Investments by Fund (continued)

June 30, 2012

	Interest Rate			3			Fair Value
Electric Department Employee Pension Fund (continued) -							
AFLAC Inc.		%	08/15/2015	\$	159,6		
American Express Bank	5.500		04/16/2013		259,3		
Atmos Energy Corporation	4.950		10/15/2014		270,0		
Bank of America	5.125		11/15/2014		104,3		
Bank of New York Mellon	4.500		04/01/2013		154,		
Bank of America	4.875		01/15/2013		157,		
Bank of America	4.750		05/15/2016		268,2		
Bank of America	5.650		05/01/2018		128,3		
BB&T	3.950		04/29/2016		108,8		
Bellsouth Corp. Nt	5.200		09/15/2014		108,8		
Capital One Financial Co.	6.150		09/01/2016		83,8		
Caterpillar Financial Services	4.900		08/15/2013		104,5		
Citigroup	5.000		09/15/2014		102,5		
Citigroup	4.450		01/10/2017		104,8		
Clorox Co.	3.550		11/01/2015		265,2		
Comcast Corporation	4.950		06/15/2016		168,3		
Dell Inc. Nt	2.300		09/10/2015		283,		
Express Scripts	3.125		05/15/2016		182,2		
DFA U.S. Vector Equity Portfolio	N/A		N/A		2,021,8		
DFA U.S. Core Equity 2 Portfolio	N/A		N/A		1,219,6		
DFA Emerging Markets Value Fund	N/A		N/A		220,3		
DFA Emerging Markets Small Cap	N/A		N/A		306,9		
DFA International Small Company Portfolio	N/A		N/A		369,0		
DFA International Small Cap Value	N/A		N/A		370,9		
DFA Emerging Markets Portfolio	N/A		N/A		217,		
DFA U.S. Large Cap Value Portfolio	N/A		N/A		1,622,7		
DFA International Value Portfolio	N/A		N/A		721,		
DFA Real Estate Securities Portfolio	N/A		N/A		904,		
				\$	14,714,0		
Evergreen Cemetery Commission - Federal Farm Credit Bank	3.400	%	06/04/2018	\$	56,7		
Federal Farm Credit Bank	4.500	/0	01/05/2018	Ψ	35,		
Federal Home Loan Bank	2.200		08/10/2015		25,0		
Federal Home Loan Bank	2.640		03/07/2022		25,0		
Federal Home Loan Bank	4.125		12/13/2019		29,5		
Federal Home Loan Bank Federal Home Loan Bank	2.750		03/13/2015		53,0		
AFLAC Inc.	3.450		08/15/2015		26,0		
Abbott Laboratories	5.125		04/01/2019		20,0		
American Express Bank	5.500		04/16/2013 11/15/2020		51,3		
Autozone Inc.	4.000				26,		
BB&T Corp. Bank of America Corp. St. Note.	3.950		04/29/2016		54,4		
Bank of America Corp Sr Note	4.750 5.750		05/15/2016		48,7		
Bank of America	5.750		08/15/2016		25,9		
Bank of New York Inc.	4.500		04/01/2013		25,7		

Schedule of Investments by Fund (continued)

June 30, 2012

	Interest Rate			Fair Value
Evergreen Cemetery Commission (continued) -				
Best Buy Company	3.750 %	03/15/2016	\$	48,816
Caterpillar Financial Services	4.900	08/15/2013		26,147
Citigroup Inc.	5.000	09/15/2014		25,627
Dell Inc.	2.300	09/10/2015		51,546
Express Scripts	3.125	05/15/2016		26,029
Fifth Third Bancorp	3.625	01/25/2016		26,369
General Electric Capital Corporation	5.625	05/01/2018		86,215
General Electric Capital Corporation	2.250	11/09/2015		25,507
Goldman Sachs Group Incorporated	3.700	08/01/2015		50,442
Goldman Sachs Group Incorporated	5.150	01/15/2014		25,981
Hewlett-Packard Company	3.000	09/15/2016		51,429
Hewlett-Packard Company	3.300	12/09/2016		26,131
JP Morgan Chase & Company Global Notes	5.125	09/15/2014		26,560
Kinder Morgan Energy Partners	3.500	03/01/2016		26,432
Morgan Stanley	4.000	07/24/2015		49,710
Morgan Stanley Note	5.375	10/15/2015		30,667
Morgan Stanley Bond	6.000	03/30/2017		24,375
Oracle Corp/Ozark Hldg Inc. Note	5.250	01/15/2016		28,664
Rebublic Services	3.800	05/15/2018		106,982
Unitedhealth Group	6.000	11/15/2017		48,820
Verizon Communications Inc. Note	5.550	02/15/2016		28,697
Ishares Tr Msci Emerging Mkts	N/A	N/A		3,913
Ishares Tr Msci EAFE Index	N/A	N/A		32,474
Vanguard Total Stock Market Index	N/A	N/A		383,350
Federated Prime Obligation Fund	N/A	N/A		31,330
Total Investments			\$	1,807,07 106,581,908

Schedule of Debt Service Requirements by Fiscal Year

June 30, 2012

Fiscal Year Ended June 30,	Issue	Interest Rate		Principal		Interest	P	Total Principal and Interest
General Long-Te	erm Debt -							
2013	2009 General Obligation Refunding	2.00-5.00 %	\$	7,955,000	\$	1,871,000	\$	9,826,000
2014	Bonds			7,800,000		1,473,250		9,273,250
2015				3,680,000		1,083,250		4,763,250
2016				3,855,000		899,250		4,754,250
2017				4,030,000		706,500		4,736,500
2018				4,215,000		505,000		4,720,000
2019				4,045,000		294,250		4,339,250
2020				1,840,000		92,000		1,932,000
			\$	37,420,000	\$	6,924,500	\$	44,344,500
2013	Tennessee Municipal Bond Fund		\$	2,531,440	\$	54,500	\$	2,585,940
2014	Loan (1)			2,632,440		38,753		2,671,193
2015				2,737,480		22,378		2,759,858
2016				1,099,925		6,251		1,106,176
			\$	9,001,285	\$	121,882	\$	9,123,16
2013	Tennessee Municipal Bond Fund		\$	462,000	\$	5,640	\$	467,640
2014	Loan (2)			290,420		2,103		292,523
			\$	752,420	\$	7,743	\$	760,163
2013	Tennessee Municipal Bond Fund		\$	4,545,000	\$	368,165	\$	4,913,16
2014	Loan (2)			4,704,000		332,155		5,036,15
2015				4,869,000		294,885		5,163,88
2016				5,040,000		256,307		5,296,30
2017				5,216,000		216,375		5,432,37
2018				5,398,000		175,049		5,573,04
2019				5,587,000		132,280		5,719,280
2020				5,783,000		88,014		5,871,01
2021			_	5,839,906	_	42,291	_	5,882,19
			\$_	46,981,906	\$	1,905,521	\$_	48,887,42
2013	Tennessee Municipal Bond Fund		\$	309,000	\$	25,598	\$	334,59
2014	Loan (2)			321,000		23,149		344,149
2015				334,000		20,605		354,603
2016				347,000		17,957		364,95
2017				361,000		15,207		376,20
2018				375,000		12,346		387,34
2019				391,000		9,373		400,373
2020				406,000		6,274		412,274
2021			. —	422,000	. —	3,056	. —	425,050
			\$	3,266,000	\$	133,565	\$	3,399,565

Schedule of Debt Service Requirements by Fiscal Year (continued)

June 30, 2012

Fiscal Year Ended June 30,	Issue	Interest Rate	<u>Principal</u>	Interest	Total Principal and Interest
General Long-	-Term Debt (continued) -				
2013 2014 2015 2016 2017 2018 2019 2020	Tennessee Municipal Bond Fund Loan (3)		\$ 3,998,000 4,198,000 3,253,000 3,416,000 3,586,000 3,766,000 4,152,000	\$ 287,101 263,414 239,111 219,838 199,600 178,354 156,042 132,616	\$ 4,285,101 4,461,414 3,492,111 3,635,838 3,785,600 3,944,354 4,110,042 4,284,616
2021 2022 2023 2024	T. W ID IE I	2.00. 0	4,359,000 4,577,000 4,806,000 4,929,293 \$ 48,994,293	108,017 82,192 55,075 26,659 \$ 1,948,019	4,467,017 4,659,192 4,861,075 4,955,952 \$ 50,942,312
2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026	Tennessee Municipal Bond Fund Loan	2.89 %	\$ 2,658,000 2,734,000 2,812,000 2,893,000 2,976,000 3,062,000 3,150,000 3,240,000 3,333,000 3,429,000 3,527,000 3,629,000 3,733,000 3,840,000 45,016,000	\$ 1,262,555 1,184,640 1,104,500 1,022,063 937,256 850,007 760,243 667,908 572,928 475,217 374,703 271,299 164,918 55,488 \$ 9,703,725	\$ 3,920,555 3,918,640 3,916,500 3,915,063 3,913,256 3,912,007 3,910,243 3,907,908 3,905,928 3,904,217 3,901,703 3,900,299 3,897,918 3,895,488 \$ 54,719,725
2013 2014 2015 2016 2017 2018 2019	Capital Outlay Note	6.55 %	\$ 150,000 160,000 170,000 181,000 193,000 206,000 13,350 \$ 1,073,350	\$ 65,392 55,239 44,432 32,936 20,688 7,621 437 \$ 226,745	\$ 215,392 215,239 214,432 213,936 213,688 213,621 13,787 \$ 1,300,095
2013 2014 2015 2016 2017 2018 2019 2020	Capital Outlay Note	6.49	\$ 104,000 110,000 118,000 125,000 133,000 142,000 151,000 161,000 \$ 1,044,000	\$ 64,401 57,454 50,053 42,166 33,791 24,864 15,354 5,226 \$ 293,309	\$ 168,401 167,454 168,053 167,166 166,791 166,864 166,354 166,226 \$ 1,337,309

Schedule of Debt Service Requirements by Fiscal Year (continued)

June 30, 2012

Fiscal Year Ended June 30,	Issue	Interest Rate	Principal	Interest	Total Principal and Interest
General Long-	-Term Debt (continued) -				
2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 Total General	Energy Efficient School Loan Long-Term Debt	0 %	\$ 99,996 99,996 99,996 99,996 99,996 99,996 99,996 41,705 \$ 941,669 \$ 194,490,923	- \$ <u>21,265,009</u>	\$ 99,996 99,996 99,996 99,996 99,996 99,996 99,996 99,996 41,705 \$ 941,669 \$ 215,755,932
Murfreesboro Wa	ater and Sewer -				
2013 2014 2015 2016 2017	Tennessee Municipal Bond Fund (4)		\$ 402,000 415,000 428,000 442,000 456,000	\$ 153,056 141,238 129,037 116,453 103,459	\$ 555,056 556,238 557,037 558,453 559,459
2018 2019 2020 2021			471,000 486,000 502,000 518,000	90,052 76,205 61,916 47,158	561,052 562,205 563,916 565,158
2022 2023			534,000 552,000 \$ 5,206,000	31,928 16,228 \$ 966,730	565,928 568,228 \$ 6,172,730
2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027	Tennessee Municipal Bond Fund (4)		\$ 1,646,000 1,720,000 1,798,000 1,879,000 1,963,000 2,051,000 2,144,000 2,240,000 2,341,000 2,446,000 2,556,000 2,671,000 2,792,000 2,917,000 505,691 \$ 31,669,691	\$ 1,425,136 1,351,066 1,273,666 1,192,756 1,108,201 1,019,866 927,571 831,091 730,291 624,946 514,876 399,857 279,662 154,023 22,758 \$ 11,855,766	\$ 3,071,136 3,071,066 3,071,666 3,071,756 3,071,201 3,070,866 3,071,571 3,071,091 3,071,291 3,070,876 3,070,876 3,070,857 3,071,662 3,071,023 528,449 \$ 43,525,457
2013 2014 2015 2016 2017 2018 2019	State Revolving Loan	4.28 %	\$ 53,810 56,158 58,610 61,169 63,838 66,625 34,391 \$ 394,601	\$ 15,840 13,488 11,040 8,484 5,808 3,024 432 \$ 58,116	\$ 69,650 69,646 69,650 69,653 69,646 69,649 34,823 \$ 452,717

Schedule of Debt Service Requirements by Fiscal Year (continued)

June 30, 2012

Fiscal Year Ended June 30,	Issue	Interest Rate		Principal		Interest	P	Total rincipal and Interest
Murfreesboro Wa	ater and Sewer (continued) -							
2013	State Revolving Loan	4.24 %	\$	2,887,916	\$	1,257,444	\$	4,145,36
2014				3,012,772		1,132,584		4,145,35
2015				3,143,024		1,002,336		4,145,36
2016				3,278,910		866,448		4,145,35
2017				3,420,669		724,692		4,145,36
2018				3,568,558		576,804		4,145,36
2019				3,722,840		422,520		4,145,36
2020				3,883,792		261,564		4,145,35
2021			_	4,051,703	_	93,660		4,145,36
			\$	30,970,184	\$_	6,338,052	\$	37,308,23
2013	State Revolving Loan	3.71 %	\$	88,444	\$	47,172	\$	135,61
2014				91,785		43,836		135,62
2015				95,245		40,368		135,61
2016				98,839		36,780		135,61
2017				102,570		33,048		135,61
2018				106,440		29,184		135,62
2019				110,457		25,164		135,62
2020				114,626		20,988		135,61
2021				118,951		16,668		135,61
2022				123,439		12,180		135,61
2023				128,099		7,524		135,62
2024				132,932		2,688		135,62
			\$	1,311,827	\$	315,600	\$	1,627,42
2013	2009 Tax and Revenue Refunding Bonds	2.00-5.00	6 \$	2,460,000	\$	1,425,550	\$	3,885,55
2014				2,515,000		1,367,750		3,882,75
2015				2,115,000		1,242,000		3,357,00
2016				2,195,000		1,157,400		3,352,40
2017				2,260,000		1,081,800		3,341,80
2018				2,370,000		968,800		3,338,80
2019				2,475,000		850,300		3,325,30
2020				2,595,000		726,550		3,321,55
2021				2,715,000		596,800		3,311,80
2022				2,815,000		488,200		3,303,20
2023				2,915,000		375,600		3,290,60
2024				3,025,000		259,000		3,284,00
2025				1,690,000		138,000		1,828,00
2026			_	1,760,000	_	70,400	_	1,830,40
			\$	33,905,000	\$	10,748,150	\$	44,653,15
otal Muufuaaha	oro Water and Sewer		\$	103,457,303	\$	30,282,414	\$	133,739,71

Schedule of Debt Service Requirements by Fiscal Year (continued)

June 30, 2012

Fiscal Year Ended June 30,	Issue	Interest Rate		Principal		Interest	P	Total rincipal and Interest
Murfreesboro Ele	ectric Department -							
2013	2009 Tax and Revenue Refunding Bonds	2.00-3.375 %	\$	2,380,000	\$	180,188	\$	2,560,188
2014	<u> </u>			2,415,000		132,588		2,547,588
2015				325,000		72,212		397,212
2016				330,000		64,900		394,900
2017				335,000		56,650		391,650
2018				350,000		46,600		396,600
2019				360,000		36,100		396,100
2020				370,000		24,850		394,850
2021				380,000		12,824		392,824
			\$	7,245,000	\$	626,912	\$	7,871,912
2013	Tennessee Municipal Bond Fund (5)		\$	563,000	\$	200,075	\$	763,075
2014				591,000		186,000		777,000
2015				621,000		171,225		792,225
2016				652,000		155,700		807,700
2017				685,000		139,400		824,400
2018				719,000		122,275		841,275
2019				755,000		104,300		859,300
2020				793,000		85,425		878,425
2021				832,000		65,600		897,600
2022				874,000		48,000		922,000
2023				918,000		22,950	_	940,950
			\$	8,003,000	\$	1,300,950	\$	9,303,950
Total Murfreesbo	oro Electric Department		\$	15,248,000	\$	1,927,862	\$	17,175,862
Total Indebted	lness		\$_	313,196,226	\$_	53,475,285	\$	366,671,511

⁽¹⁾ Interest payments are subject to fluctuation since interest is accrued based on an adjustable rate. For purposes of this schedule, an interest rate of .62% was used which was the rate in effect at June 30, 2012.

⁽²⁾ Interest payments are subject to fluctuation since interest is accrued based on an adjustable rate. For purposes of this schedule, an interest rate of .79% was used which was the rate in effect at June 30, 2012.

⁽³⁾ Interest payments are subject to fluctuation since interest is accrued based on an adjustable rate. For purposes of this schedule, an interest rate of .59% was used which was the rate in effect at June 30, 2012.

⁽⁴⁾ Interest payments are subject to fluctuation since interest is accrued based on an adjustable rate. For purposes of this schedule, an interest rate of 5.00% was used.

⁽⁵⁾ Interest payments are subject to fluctuation since interest is accrued based on an adjustable rate. For purposes of this schedule, an interest rate of 2.5% was used.

Solid Waste Supplemental Schedule of Activities and Balances (as required by Tennessee Code Annotated)

Year Ended June 30, 2012

Charges for services		\$	10,491
Miscellaneous		Ψ	36,495
		\$	46,986
Expenditures -			
Labor		\$	1,494,887
Operations and maintenance			933,893
Supplies			503,420
Insurance			243,581
Social Security taxes			106,518
Group insurance			411,344
Retirement			175,025
Utilities			54,085
Travel and subsistence			6,674
Training personnel			850
License fees			2,874
Disposal carts			63,209
Other miscellaneous		_	2,496
		\$	3,998,856
	Amount funded with general governmental revenues	\$	(3,951,870

NOTE The above supplemental schedule has been presented to reflect solid waste activities and balances to demonstrate compliance with Tennessee Code Annotated (TCA). The solid waste "fund" is operated and maintained separately by the City of Murfreesboro in compliance with TCA. However, the activities and balances shown above have been reported in the General Fund of the basic financial statements in accordance with GASB 54.

Senior Citizens

Supplemental Schedule of Activities

Year Ended June 30, 2012

Revenues - Interest		\$	324
County funds		Ψ	155,000
State funds			10,753
Federal funds			25,674
Revenue from other agencies			52,408
Program income			130,473
Donations received			1,864
Miscellaneous			1,00
1.113001.111.1001.11		\$	376,50
Expenditures -			
Labor		\$	387,668
Operations and maintenance			32,618
Supplies			84,539
Senior trip expense			35,689
Insurance			23,474
Social Security taxes			27,972
Group insurance			95,386
Retirement			36,479
Utilities			51,081
Contractual services			2,500
Travel and subsistance			546
Training and instruction			25,011
Designated contributions			1,707
Other miscellaneous			7,421
Capital outlay			7,944
		\$	820,035
Excess of Revenues Over (Under) Expenditure	s	\$	(443,534
Other Financing Sources -			
Transfers in			6,000
	Amount funded with general governmental revenues	\$	(437,534

NOTE: The above schedule has been presented to reflect the activities of the Senior Citizens Center as a supplement for the Summary of Financial Activities of a Charitable Organization for the State of Tennessee Division of Charitable Solicitations and Gaming. The activities of the Senior Citizens Department have been reported in the General Fund.

STATISTICAL SECTION (UNAUDITED)

This part of the City of Murfreesboro's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time.	134
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	142
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.	146
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.	151
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.	153
Utility Services Information These schedules contain information regarding the utility services provided by the City including its rate structure.	156

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

Net Assets by Component

Last Ten Fiscal Years (accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities	¢ 102.027.574	Ф. 120.051.207	ф. 175 400 452	Ф. 200 452 0 <i>c</i> 5. *	* # 426.242.200	ф. 441.657.450	ф. 447.51.6.415	th 460 146 222	ф. 470 000 201	r 401.744.404
Invested in capital assets, net of related debt Restricted	\$ 103,037,574 22,481,893	\$ 130,951,307 25,137,765	\$ 175,428,453 24,322,534	\$ 380,452,965 * 27,177,051	* \$ 426,343,309 24,216,623	\$ 441,657,459 25,620,279	\$ 447,516,415 28,342,279	\$ 469,146,233 27,475,344	\$ 478,989,381 17,316,349	\$ 491,744,484 10,484,943
Unrestricted	45,734,887	45,201,963	2,820,969 *	14,128,705	1,179,169	1,728,536	15,846,721	9,598,086	14,540,153	13,317,330
Total governmental activities net assets	\$ 171,254,354	\$ 201,291,035	\$ 202,571,956	\$ 421,758,721	\$ 451,739,101	\$ 469,006,274	\$ 491,705,415	\$ 506,219,663	\$ 510,845,883	\$ 515,546,757
Business-type activities										
Invested in capital assets, net of related debt	\$ 195,102,675	\$ 215,897,440	\$ 236,151,787	\$ 253,510,019	\$ 278,420,182	\$ 305,980,547	\$ 326,924,482	\$ 342,586,135	\$ 349,921,094	\$ 359,649,468
Restricted	14,906,523	11,293,939	12,339,799	20,608,993	23,549,545	27,152,115	23,665,932	24,480,313	25,118,563	22,499,278
Unrestricted	7,352,672	4,657,462	5,286,813	7,268,772	7,354,573	7,536,734	10,989,579	13,678,297	27,807,561	39,327,925
Total business-type activities net assets	\$ 217,361,870	\$ 231,848,841	\$ 253,778,399	\$ 281,387,784	\$ 309,324,300	\$ 340,669,396	\$ 361,579,993	\$ 380,744,745	\$ 402,847,218	\$ 421,476,671
Primary Government										
Invested in capital assets, net of related debt	\$ 298,140,249	\$ 346,848,747	\$ 411,580,240	\$ 633,962,984	\$ 704,763,491	\$ 747,638,006	\$ 774,440,897	\$ 811,732,368	\$ 828,910,475	\$ 851,393,952
Restricted	37,388,416	36,431,704	36,662,333	47,786,044	47,766,168	52,772,394	52,008,211	51,955,657	42,434,912	32,984,221
Unrestricted	53,087,559	49,859,425	8,107,782	21,397,477	8,533,742	9,265,270	26,836,300	23,276,383	42,347,714	52,645,255
Total primary government net assets	\$ 388,616,224	\$ 433,139,876	\$ 456,350,355	\$ 703,146,505	\$ 761,063,401	\$ 809,675,670	\$ 853,285,408	\$ 886,964,408	\$ 913,693,101	\$ 937,023,428

^{*} The large decrease in unrestricted net assets in 2005 is due to a prior period adjustment for property tax revenue in the amount of \$33,281,708.

** The large increase in invested in capital assets, net of related debt for governmental activities is due to the retroactive reporting of infrastructure in 2006.

Changes in Net Assets

<u>Last Ten Fiscal Years</u> (accrual basis of accounting)

	2003		2004	_	2005	_	2006	_	2007	_	2008	_	2009	_	2010	_	2011	_	2012
Expenses																			
Governmental activities:																			
General government	\$ 9,740,9	38 \$	10,480,078	\$	3,441,920	\$	4,160,902	\$	11,609,689	\$	9,827,713	\$	11,649,426	\$	11,036,656	\$	11,856,868	\$	13,068,983
Police	10,135,1	70	10,567,162		15,569,351		16,893,470		17,663,308		19,406,692		22,692,847		21,357,988		22,201,545		24,085,661
Fire protection	7,311,9	50	7,579,266		11,560,354		13,165,975		12,588,799		13,810,394		14,331,112		13,879,753		14,608,541		14,909,082
Judicial	265,19	94	265,559		383,250		470,194		413,187		428,682		435,877		392,199		362,930		401,713
Legal (3)	384,2	52	396,578		470,674		605,026		656,445		760,004		770,951		708,421		727,927		
Human resources (3)	344,50)7	385,962		540,178		667,777		667,665		699,440		641,827		691,601		765,914		
Streets and signs	4,828,10)4	7,307,752		5,129,327		10,617,678		11,044,955		10,974,387		13,538,620		13,146,938		13,617,876		15,682,905
Planning and engineering	1,550,3	35	1,591,616		2,147,854		2,577,020		2,719,203		2,838,546		2,626,364		1,710,957		1,811,333		1,748,469
Building and codes	792,6	27	848,527		1,309,877		1,516,166		1,720,215		1,698,151		1,725,111		1,712,753		1,651,344		1,697,773
Solid waste	2,885,0	37	2,960,831		3,657,530		4,232,561		4,321,738		5,551,848		6,135,988		4,657,751		4,905,651		4,891,907
Transportation (1)															3,264,921		2,339,168		2,235,586
Urban environmental	360,2	13	401,802		690,795		746,291		653,438		812,456		902,288		964,579		939,172		944,736
Public health, education and welfare	1,235,5	39	1,304,758		1,413,132		1,572,061		1,576,043		1,608,823		2,124,575		1,664,492		1,782,425		1,705,184
Community services	4,199,8	35	4,398,285		3,633,490		5,862,872		5,216,227		9,926,107		8,213,989		6,288,522		6,374,845		6,996,360
Recreation	6,622,2	59	8,797,250		9,116,288		10,889,653		11,038,185		11,507,834		12,161,486		11,255,539		12,184,112		13,127,693
Community/economic development	702,0	14	834,883		825,139		855,376		443,375		1,640,426		1,113,234		2,325,940		1,541,107		7,680,151
Education	38,878,10)1	42,437,962		46,031,454		50,508,912		52,820,118		54,783,363		56,067,967		55,979,544		58,805,049		61,165,887
Food service	2,026,10)4	2,083,432		2,261,382		2,604,851		2,969,999		3,387,963		3,424,389		3,263,223		3,399,774		3,848,294
Interest on long-term debt	2,214,0	72	1,716,071		2,498,568		4,518,117		6,503,457		6,100,927		3,620,010		2,956,845		4,189,688		4,064,522
Total governmental activities expenses	\$ 94,476,43	31 \$	104,357,774	\$	110,680,563	\$	132,464,902	\$	144,626,046	\$	155,763,756	\$	162,176,061	\$	157,258,622	\$	164,065,269	\$	178,254,906
Business-type activities:																			
Water, sewer and stormwater (2)	\$ 18,491,4	14 \$	19,669,239	\$	20,702,532	\$	22,755,496	\$	24,550,818	\$	28,583,063	\$	28,206,394	\$	28,950,257	\$	29,964,693	\$	33,571,683
Electric	70,820,63	33	76,598,655		80,608,817		95,002,383		102,920,871		113,398,349		134,543,111		123,401,884		145,950,961		136,911,756
Cemetery	312,59	99	344,372		377,487		415,208		409,601		470,903		446,550		592,384		484,801		472,475
Total business-type activities expenses	\$ 89,624,64	16 \$	96,612,266	\$	101,688,836	\$	118,173,087	\$	127,881,290	\$	142,452,315	\$	163,196,055	\$	152,944,525	\$	176,400,455	\$	170,955,914
Total primary government expenses	\$ 184,101,0	77 \$	200,970,040	\$	212,369,399	\$	250,637,989	\$	272,507,336	\$	298,216,071	\$	325,372,116	\$	310,203,147	\$	340,465,724	\$	349,210,820

Changes in Net Assets (continued)

<u>Last Ten Fiscal Years</u> (accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 276,038	\$ 219,347	\$ 154,249	\$ 203,514	\$ 187,806	\$ 227,562	\$ 232,252	\$ 238,822	\$ 100,743	\$ 196,940
Police	301,597	293,093	251,479	201,209	206,978	268,899	336,801	217,038	177,723	209,286
Fire protection	373,627	366,113	372,120	385,833	389,146	430,312	621,785	767,033	795,622	825,182
Judicial	1,786,322	1,746,298	1,594,058	1,659,996	1,640,284	2,793,451	4,829,049	2,167,575	1,615,803	3,377,787
Streets and signs	14,382	25,666	12,726	20,508	42,776	18,525	43,846	38,813	39,724	471,201
Planning and engineering	26,781	27,074	69,549	59,094	72,543	43,769	31,327	29,778	29,246	22,583
Building and codes	1,914,342	2,680,715	2,920,015	3,342,738	3,513,589	2,318,682	2,699,656	1,817,128	1,348,831	2,023,253
Solid waste	47,209	49,441	41,568	28,502	45,011	31,988	70,379	35,058	11,428	39,915
Transportation (1)								86,498	101,016	123,264
Urban environmental					4,635	733	3,939	3,335		22,050
Community services	1,258,406	1,763,362	1,591,030	1,953,102	2,127,197	2,591,282	2,699,471	5,243,992	4,076,701	4,421,094
Recreation	1,921,342	2,026,364	2,694,653	2,719,500	2,824,577	2,984,452	2,912,708	2,863,486	3,187,006	3,353,303
Community/economic development	96,044	63,593	102,094	91,528	91,879	34,178	38,436	35,199	168,749	31,244
Education	1,660,386	2,013,851	2,160,500	2,157,619	2,497,306	2,740,414	2,467,801	22,425	11,762	18,470
Food service	1,073,184	1,118,259	1,156,877	1,225,607	1,342,876	1,240,116	1,271,818	1,209,432	1,147,656	1,100,168
Interest on long-term debt	32,110	36,053	28,161	23,416	3,818	4,667	3,818			
Operating grants and contributions	38,795,216	41,163,018	42,948,523	46,551,338	49,527,119	57,771,476	67,462,074	63,622,478	62,827,946	70,261,023
Capital grants and contributions	19,385,562	14,642,477	22,108,525	17,774,729	30,178,990	17,451,108	15,863,275	9,795,709	4,603,937	3,772,569
Total governmental activities program revenues	\$ 68,962,548	\$ 68,234,724	\$ 78,206,127	\$ 78,398,233	\$ 94,696,530	\$ 90,951,614	\$ 101,588,435	\$ 88,193,799	\$ 80,243,893	\$ 90,269,332
Business-type activities:										
Charges for services:										
Water, sewer and stormwater (2)	\$ 17,875,337	\$ 18,501,861	\$ 20,913,599	\$ 23,164,912	\$ 24,845,239	\$ 27,857,208	\$ 30,226,096	\$ 31,867,204	\$ 33,940,432	\$ 35,165,160
Electric	72,951,488	80,121,947	83,693,947	99,549,498	110,253,090	124,542,827	144,887,286	133,956,469	160,004,748	151,523,822
Cemetery	312,331	332,604	377,258	354,435	319,566	324,331	386,470	384,919	421,315	459,653
Operating grants and contributions	68,341	14,931	43,458	15,413	76,203	69,514	68,994	146,238	311,112	83,165
Capital grants and contributions	7,726,149	11,866,450	18,274,459	21,864,924	18,831,734	19,826,819	8,119,244	8,042,948	5,533,215	4,879,811
Total business-type activities program revenues	\$ 98,933,646	\$ 110,837,793	\$ 123,302,721	\$ 144,949,182	\$ 154,325,832	\$ 172,620,699	\$ 183,688,090	\$ 174,397,778	\$ 200,210,822	\$ 192,111,611
Total primary government program revenues	\$ 167,896,194	\$ 179,072,517	\$ 201,508,848	\$ 223,347,415	\$ 249,022,362	\$ 263,572,313	\$ 285,276,525	\$ 262,591,577	\$ 280,454,715	\$ 282,380,943
Net (expense)/revenue										
Governmental activities	\$ (25,513,883)	\$ (36,123,050)	\$ (32,474,436)	\$ (54,066,669)	\$ (49,929,516)	\$ (64,812,142)	\$ (60,587,626)	\$ (69,064,823)	\$ (83,821,376)	\$ (87,985,574)
Business-type activities	9,309,000	14,225,527	21,613,885	26,776,095	26,444,542	30,168,384	20,492,035	21,453,253	23,810,367	21,155,697
Total primary government net expense	\$ (16,204,883)	\$ (21,897,523)	\$ (10,860,551)	\$ (27,290,574)	\$ (23,484,974)	\$ (34,643,758)	\$ (40,095,591)	\$ (47,611,570)	\$ (60,011,009)	\$ (66,829,877)

Changes in Net Assets (continued)

<u>Last Ten Fiscal Years</u> (accrual basis of accounting)

<u>. </u>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 27,185,759	\$ 27,636,039	\$ 28,344,042	\$ 30,642,673	\$ 31,059,681	\$ 33,141,050	\$ 35,334,174	\$ 35,205,314	\$ 35,703,069	\$ 36,218,774
Sales taxes	17,620,360	20,456,883	21,550,526	24,094,087	26,265,473	30,356,728	28,370,349	27,903,293	29,732,214	32,675,500
Other taxes	5,098,675	5,825,859	6,172,046	6,926,688	7,196,182	7,613,113	7,617,089	7,272,347	9,204,463	9,548,770
Grants and contributions not restricted to										
to specific programs	6,720,868	7,746,526	7,373,394	8,256,056	8,625,079	8,870,859	9,503,830	9,024,361	9,981,203	10,876,032
Unrestricted investment earnings	514,639	425,609	702,202	1,826,865	2,486,355	1,880,203	505,331	261,512	305,592	227,584
Miscellaneous	282,589	340,537	75,353	232,735	70,211	164,203	124,835	112,948	621,495	218,657
Gain on sale of assets	4,378,279	274,956	2,214,818	8,946,150	4,210,874	79,559	1,775,902			
Reduction in estimated landfill										
post-closure programs	565,000	802,000	80,000							
Transfers	63,552	17,370	75,933	23,747	78,953	(26,400)	55,257	2,725,496	2,899,560	2,921,131
Total governmental activities	\$ 62,429,721	\$ 63,525,779	\$ 66,588,314	\$ 80,949,001	\$ 79,992,808	\$ 82,079,315	\$ 83,286,767	\$ 82,505,271	\$ 88,447,596	\$ 92,686,448
Business-type activities:										
Unrestricted investment earnings	\$ 732,573	\$ 227,051	\$ 310,815	\$ 792,812	\$ 1,514,229	\$ 1,099,560	\$ 404,669	\$ 371,857	\$ 387,778	\$ 315,436
Miscellaneous										
Contributions to permanent funds	52,825	51,763	80,791	64,225	56,698	50,752	69,150	65,138	66,961	79,451
Transfers	(63,552)	(17,370	(75,933)	(23,747)	(78,953)	26,400	(55,257)	(2,725,496)	(2,899,560)	(2,921,131)
Total business-type activities	\$ 721,846	\$ 261,444	\$ 315,673	\$ 833,290	\$ 1,491,974	\$ 1,176,712	\$ 418,562	\$ (2,288,501)	\$ (2,444,821)	\$ (2,526,244)
Total primary government	\$ 63,151,567	\$ 63,787,223	\$ 66,903,987	\$ 81,782,291	\$ 81,484,782	\$ 83,256,027	\$ 83,705,329	\$ 80,216,770	\$ 86,002,775	\$ 90,160,204
Change in Net Assets										
Governmental activities	\$ 36,915,838	\$ 27,402,729	\$ 34.113.878	\$ 26,882,332	\$ 30,063,292	\$ 17.267.173	\$ 22,699,141	\$ 13,440,448	\$ 4,626,220	\$ 4,700,874
Business-type activities	10.030.846	14,486,971	21,929,558	27,609,385	27,936,516	31,345,096	20,910,597	19,164,752	21,365,546	18,629,453
Total primary government	\$ 46,946,684	\$ 41,889,700	\$ 56,043,436	\$ 54,491,717	\$ 57,999,808	\$ 48,612,269	\$ 43,609,738	\$ 32,605,200	\$ 25,991,766	\$ 23,330,327

⁽¹⁾ In 2010, the City established a transportation department to account for its traffic and public transportation services. In previous years, these services have been reflected in community services.

⁽²⁾ In 2008, the Stormwater Fund was formed to account for the study and management of stormwater runoff in the City of Murfreesboro in accordance with federal mandates.

Governmental Activities Tax Revenue By Source

<u>Last Ten Fiscal Years</u> (accrual basis of accounting)

Fiscal Year Ended June 30,	 Property Taxes	 Sales Taxes	 Other Taxes	 Total
2003	\$ 27,185,759	\$ 17,620,360	\$ 5,098,675	\$ 49,904,794
2004	27,636,039	20,456,883	5,825,859	53,918,781
2005	28,344,042	21,550,526	6,172,046	56,066,614
2006	30,642,673	24,094,087	6,926,688	61,663,448
2007	31,059,681	26,265,473	7,196,182	64,521,336
2008	33,141,050	30,356,728	7,613,113	71,110,891
2009	35,334,174	28,370,349	7,617,089	71,321,612
2010	35,205,314	27,903,293	7,272,347	70,380,954
2011	35,703,069	29,732,214	9,204,463	74,639,746
2012	36,218,774	32,675,500	9,548,770	78,443,044

Fund Balances of Governmental Funds

Last Ten Fiscal Years (modified accrual basis of accounting)

		2003		2004		2005	_	2006	_	2007		2008		2009		2010		2011		2012
General fund																				
Reserved	\$	104,570	\$	141,536	\$	264,004	\$	2,866,482	\$	2,251,222	\$	1,089,753	\$	540,669	\$	486,661				
Unreserved		22,086,973	27	,379,072		30,912,311		32,596,314		28,461,940		33,424,938		38,052,920		39,408,819				
Nonspendable																	\$	280,823	\$	301,259
Restricted																		545,005		949,243
Committed																				
Assigned																		5,395,693		5,737,081
Unassigned	_								_		_		_		_		_	42,230,413	_	45,770,905
Total general fund	\$	22,191,543	\$ <u>27</u>	,520,608	\$	31,176,315	\$_	35,462,796	\$_	30,713,162	\$_	34,514,691	\$_	38,593,589	\$_	39,895,480	\$_	48,451,934	\$_	52,758,488
All other governmental funds																				
Reserved	\$	2,643,769	\$ 3	,145,398	\$	2,901,392	\$	1,940,854	\$	2,355,315	\$	1,762,700	\$	1,905,955	\$	2,213,917				
Unreserved, reported in:																				
Special revenue funds		8,914,132	10	,108,544		10,797,880		8,696,080		7,911,903		10,835,989		13,122,871		16,326,009				
Debt service fund		3,101,068	2	,538,936		2,573,675		3,604,560		3,805,487		3,893,462		4,245,654		4,790,767				
Capital projects funds		3,043,521	(5	,469,262)	(15,072,098)		(165,292)		(7,590,144)		(3,758,551)		6,278,857		(7,086,468)				
Permanent funds		148,419		114,026		109,169		68,691		90,946		13,795		18,660		102,466				
Nonspendable																	\$	1,825,529	\$	1,864,799
Restricted																		29,286,886		18,576,032
Committed																		9,144,022		8,868,342
Assigned																		5,028,232		4,279,492
Unassigned	_						_		_		_		_				_	(2,327,903)	_	(2,968,766)
Total all other governmental funds	\$	17,850,909	\$ 10	,437,642	\$	1,310,018	\$	14,144,893	\$	6,573,507	\$	12,747,395	\$	25,571,997	\$	16,346,691	\$	42,956,766	\$	30,619,899

Note: The City implemented GASB 54 in fiscal year 2011.

Changes in Fund Balances of Governmental Funds

<u>Last Ten Fiscal Years</u> (modified accrual basis of accounting)

_	2003	_	2004	_	2005		2006	_	2007		2008	_	2009	_	2010	_	2011	 2012
Revenues -																		
Taxes \$	47,724,128	\$	53,270,607	\$	55,756,343	\$	60,863,834	\$	64,556,511	\$	70,890,458	\$	71,160,024	\$	70,292,556	\$	72,505,644	\$ 76,518,800
Intergovernmental	44,206,914		48,507,093		55,825,684		58,780,055	Ċ	58,715,084	·	71,729,397	·	82,202,742		75,896,666	·	74,954,915	78,790,218
Charges for services	5,397,770		5,907,855		6,842,495		6,966,806		7,587,841		8,134,453		8,081,553		8,243,478		9,430,596	10,135,146
Donations											483,125		477,339		1,941,617		128,331	3,676,689
Interest and investment earnings	587,604		446,717		741,017		1,710,245		2,380,139		1,775,554		558,217		439,174		504,249	343,272
Licenses and permits	3,887,346		4,599,889		4,631,835		5,155,404		5,289,916		5,280,673		5,634,636		4,407,336		3,430,795	5,311,627
Miscellaneous	4,072,410		7,836,385		6,099,685		6,131,933		4,969,123		6,346,050		5,628,082		4,636,379		6,027,165	5,827,470
\$	105,876,172	\$	120,568,546	\$	129,897,059	\$	139,608,277	\$	143,498,614	\$	164,639,710	\$	173,742,593	\$	165,857,206	\$	166,981,695	\$ 180,603,222
Expenditures -																		
General government \$	10,101,354	\$	10,492,519	\$	3,021,553	* \$	3,332,008	\$	11,414,689	\$	4,595,923	\$	6,847,627	\$	5,547,009	\$	5,872,815	\$ 7,753,022
Police	9,539,903		9,700,595		15,596,243		15,568,305		17,755,914		18,412,254		21,026,722		20,553,607		22,096,832	22,980,994
Fire protection	6,983,588		7,260,949		11,236,417		11,953,554		12,604,596		13,403,457		13,831,170		13,316,531		14,023,025	14,343,682
Judicial	253,961		265,283		377,283		424,378		412,307		477,728		452,758		351,734		365,072	397,178
Legal ***	381,265		392,291		477,862		594,253		649,162		754,962		760,019		681,668		750,236	
Human resources ***	350,039		377,661		527,178		574,204		643,941		711,621		732,321		646,870		858,324	
Streets and signs	4,052,180		5,189,850		4,170,663		6,443,037		6,168,437		6,216,345		6,060,873		6,838,460		7,102,496	7,884,552
Planning and engineering	1,522,269		1,589,272		2,133,009		2,575,185		2,712,370		2,795,308		2,657,470		1,705,063		1,735,966	1,695,239
Building and codes	789,533		856,370		1,290,743		1,513,775		1,705,737		1,740,183		1,717,686		1,700,106		1,666,961	1,615,140
Solid waste	2,773,945		2,688,687		3,324,471		3,743,192		3,832,817		4,448,056		4,474,894		4,289,255		4,191,427	3,998,856
Transportation **															3,135,125		3,271,637	2,139,735
Urban environmental	337,918		398,062		666,182		771,954		645,641		780,410		868,624		909,214		926,237	921,753
Public health, education and welfare	1,062,603		1,179,909		1,308,056		1,469,631		1,473,700		1,506,480		1,532,308		1,528,240		1,502,385	1,602,842
Community services	3,950,816		4,302,808		3,339,475		5,230,313		4,701,071		9,346,329		7,498,113		5,799,104		6,088,043	6,806,580
Recreation	5,902,100		6,684,636		7,601,274		8,138,001		8,691,484		9,152,060		9,277,740		8,399,731		9,442,486	10,110,003
Community/economic development	700,350		852,389		866,010		885,812		441,826		1,638,989		1,128,258		2,322,141		1,538,719	1,345,646
Education	37,854,844		40,827,158		44,139,617		49,680,734		51,587,295		51,009,243		52,770,358		53,552,719		57,304,421	58,455,372
Food service	2,026,104		2,083,432		2,261,382		2,604,851		2,969,999		3,387,963		3,424,389		3,263,223		3,399,774	3,848,294
Capital outlay	21,495,444		30,714,965		53,632,139		38,176,379		57,442,265		40,274,705		32,996,360		24,945,791		19,660,427	20,004,076
Debt service																		
Principal	16,402,262		20,167,365		12,555,106		14,316,952		15,066,722		20,842,164		21,118,405		21,671,925		20,699,775	22,561,642
Interest	2,092,591		1,607,220		2,384,025		4,361,936		6,265,007		5,847,716		3,345,873		3,159,943		4,243,000	4,429,881
Debt issuance cost	121,481		163,453		106,543		128,064		178,981		603,242		194,668		625,583		413,689	101,642
Total expenditures \$	128,694,550	\$	147,794,874	\$	171,015,231	\$	172,486,518	\$	207,363,961	\$	197,945,138	\$	192,716,636	\$	184,943,042	\$	187,153,747	\$ 192,996,129
Excess of revenues																		
over (under) expenditures \$	(22,818,378)	\$	(27,226,328)	\$	(41,118,172)	\$	(32,878,241)	\$	(63,865,347)	\$	(33,305,428)	\$	(18,974,043)	\$	(19,085,836)	\$	(20,172,052)	\$ (12,392,907

Changes in Fund Balances of Governmental Funds (continued)

<u>Last Ten Fiscal Years</u> (modified accrual basis of accounting)

	_	2003	 2004		2005		2006		2007	 2008		2009		2010		2011	 2012
Other financing sources (uses) - Issuance of debt Payments on refunded debt	\$	14,888,135	\$ 23,705,100	\$	32,993,275	\$	39,412,060	\$	46,803,601	\$ 42,499,715	\$	33,455,368	\$	79,501,144 (70,852,843)	\$	52,474,806	\$ 1,604,079
Proceeds from sale of land Transfers in Transfers out	s <u> </u>	7,929,389 31,024,120 (31,081,734) 22,759,910	\$ 1,104,250 28,037,773 (28,087,097) 24,760,026	\$ <u></u>	2,817,980 30,110,222 (30,158,538) 35,762,939	\$_	10,643,428 34,590,206 (34,646,097) 49,999,597	\$_	4,877,586 38,462,043 (38,515,991) 51,627,239	\$ 927,796 46,098,673 (46,245,339) 43,280,845	\$_	2,505,060 41,826,247 (41,909,134) 35,877,541	<u> </u>	47,926,468 (45,412,348) 11,162,421	\$_	219,699 36,236,848 (33,592,772) 55,338,581	\$ 36,774,216 (34,015,701) 4,362,594
Net change in fund balances	\$	(58,468)	\$ (2,466,302)	\$	(5,355,233)	\$	17,121,356	\$_	(12,238,108)	\$ 9,975,417	\$_	16,903,498	\$	(7,923,415)	\$	35,166,529	\$ (8,030,313)
Debt service as a percentage of nonce expenditures	apital	17.25%	18.22%		12.84%		13.81%		14.36%	16.79%		14.97%		15.66%		15.25%	15.34%

^{*} In 2005, the City began allocating employee benefits to other departments. Prior to this date, all employee benefits were included in administrative and general.

General Governmental Tax Revenues By Source

<u>Last Ten Fiscal Years</u> (modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Beer Tax	Liquor Tax	Gross Receipts Tax	Alcohol Privilege Taxes	Hotel/Motel Tax	Total Tax Revenue
2003 \$	25,478,328 \$	17.620,360 \$	1.806.197 \$	412.543	\$ 1.221.734 \$	56.887 \$	487.494 \$	47,083,543
2003 \$	27.076.804	20.456.883	2,063,053	486,880	1,481,835	56,061	544,874 \$	52,166,390
	.,,	-,,	, , ,	/		/	,	
2005	28,503,582	21,550,526	2,293,265	528,073	1,426,313	56,014	537,141	54,894,914
2006	30,434,528	24,094,087	2,434,181	585,620	1,745,143	56,360	584,877	59,934,796
2007	31,302,662	26,265,473	2,612,015	640,231	1,917,224	66,799	652,641	63,457,045
2008	33,073,516	30,356,728	2,708,850	712,160	2,027,972	72,331	743,601	69,695,158
2009	35,254,735	28,370,349	2,808,781	736,010	1,926,166	77,252	730,976	69,904,269
2010	33,305,297	27,903,293	2,770,148	735,816	1,734,418	87,766	747,523	67,284,261
2011	35,727,238	29,732,214	2,912,207	793,004	2,430,274	88,321	822,386	72,505,644
2012	36,374,163	32,675,500	3,162,068	844,397	2,476,097	91,694	894,881	76,518,800

^{**} In 2010, the City established a transportation department to account for its traffic and public transportation services. In previous years, these services have been reflected in community services.

^{***} In 2012, the City began combining legal and human resource expenses with general government.

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

			Assessed Valuatio	n		Ratio of
Year Ended June 30,	Tax Rate (1)	Property	Public Utilities	Total	Total Estimated Actual Value	Assessed Value to Estimated Actual Value
2003	\$ 1.720	\$ 1,322,192,474	\$ 40,258,926	\$ 1,362,451,400	\$ 4,385,931,670	31.1%
2004	1.720	1,386,515,720	37,606,092	1,424,121,812	4,577,797,298	31.1%
2005	1.720	1,466,352,090	38,743,254	1,505,095,344	4,889,014,858	30.8%
2006	1.720	1,562,310,570	41,092,628	1,603,403,198	5,241,331,422	30.6%
2007	1.407	1,951,335,404	46,340,126	1,997,675,530	6,561,383,347	30.4%
2008	1.407	2,103,646,717	51,677,754	2,155,324,471	7,525,143,602	28.6%
2009	1.407	2,245,292,941	51,277,914	2,296,570,855	8,035,107,314	28.6%
2010	1.407	2,372,884,999	52,823,715	2,425,708,714	8,520,678,432	28.5%
2011	1.270	2,675,851,829	56,821,961	2,732,673,790	9,371,255,513	29.2%
2012	1.270	2,729,003,512	61,980,996	2,790,984,508	9,514,981,962	29.3%

(1) Per \$100 of assessed value.

Source: City of Murfreesboro Tax Department

Property Tax Rates and Levies - Direct and Overlapping Governments

Last Ten Fiscal Years

Ei1	 Diment						Per \$100.											Tax Levies		
Fiscal Year Ended June 30,	Direct Rate City	General	S	olid Waste	<u> </u>	Ambulance	 Highway/ Roads	County E	ducation	Education Capital projects	D	General ebt Service	_	Total County	 Total	_	City	 County	Total	_
2003	\$ 1.720	\$ 0.530	\$	0.030				\$	1.300		\$	0.650	\$	2.510	\$ 4.230	\$	23,434,512	\$ 34,197,530	\$ 57,632,04	12
2004	1.720	0.625		0.030			\$ 0.015		1.460			0.670		2.800	4.520		24,495,265	39,875,411	64,370,67	6
2005	1.720	0.595		0.030			0.015		1.440			0.720		2.800	4.520		25,888,134	42,142,670	68,030,80	14
2006	1.720	0.595		0.030			0.015		1.440			0.720		2.800	4.520		27,579,046	44,895,290	72,474,33	6
2007	1.407	0.470					0.010		1.290			0.670		2.440	3.847		28,107,445	48,743,283	76,850,72	:8
2008	1.407	0.500					0.010		1.190	\$ 0.050		0.690		2.440	3.847		30,325,680	52,589,917	82,915,59	17
2009	1.407	0.530					0.010		1.230	0.050		0.740		2.560	3.967		32,313,095	58,792,214	91,105,30	19
2010	1.407	0.572			\$	0.098	0.010		1.265	0.050		0.740		2.735	4.142		34,129,964	66,343,133	100,473,09	7
2011	1.270	0.554				0.088	0.009		1.143	0.045		0.626		2.465	3.735		34,709,599	67,365,874	102,075,47	3
2012	1.270	0.584				0.083	0.014		1.143	0.045		0.596		2.465	3.735		35,454,208	68,803,350	104,257,55	8

Source: City of Murfreesboro Tax Department

Note: The direct rate is a single rate with no components.

Principal Taxpayers

June 30, 2012

Taxpayer	_	2011 Assessed Valuation	Rank	% of Total Assessed Valuation	_	2002 Assessed Valuation	Rank	% of Total Assessed Valuation
General Mills / Pillsbury Company	\$	43,275,098	1	1.55 %	\$	24,126,720	1	1.77 %
CF Murfreesboro Associates	-	30,906,440	2	1.11	Ψ	21,120,720	•	1.77 /0
Transwestern Stones River		23,399,640	3	0.84				
Middle TN Electric Membership		18,945,521	4	0.68		10,016,052	5	0.74
Mahle Filter Systems/Tennex Industries		17,844,249	5	0.64		8,940,334	6	0.66
Gatton C.M. Trustee		17,639,750	6	0.63		, ,		
Adams Place LLC		14,129,690	7	0.51				
Stoneridge Farms at Hillwood		13,614,200	8	0.49				
State Farm Insurance Company		13,128,389	9	0.47		10,187,413	4	0.75
Alridge Property LLC		10,823,760	10	0.39				
Bellsouth Tellecommunications						14,231,614	2	1.04
Stones River Real Estate						11,445,240	3	0.84
Buford C. Throneberry						8,788,135	7	0.65
Boston Capital University						7,409,520	8	0.54
NHR/OP LP						7,047,560	9	0.52
Chelsea Place Limited Partnership						6,657,120	10	0.49
•	\$ 2	03,706,737		7.31 %	\$	108,849,708		8.00 %

Source: City of Murfreesboro tax department.

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended June 30,		Total Tax Levy	Γax the Fiscal		Percent of Levy Collected				ollections in ubsequent Years		Total Collections To Date	Total Collections as Percent of Current Levy
2003	\$	23.434.512	\$	22.591.740		96.40	%	\$	818,667	\$	23.410.407	99.90 %
2004	Ψ.	24,495,262	Ψ	23.783.417		97.09	, 0	Ψ	684,696	Ψ.	24.468.113	99.89
2005		25,888,134		25,199,793		97.34			653,992		25,853,785	99.87
2006		27,579,046		26,659,470		96.67			886,584		27,546,054	99.88
2007		28,107,445		27,444,825		97.64			617,718		28,062,543	99.84
2008		30,325,680		29,565,591		97.49			690,485		30,256,076	99.77
2009		32,313,095		31,353,518		97.03			874,601		32,228,119	99.74
2010		34,129,964		32,987,635		96.65			1,052,899		34,040,534	99.74
2011		34,709,599		33,574,880		96.73			744,158		34,319,038	98.87
2012		35,454,208		34,433,223		97.12			•		34,433,223	97.12

Source: City of Murfreesboro Tax Department

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

		Governmenta	l Activities				Business-Type Activ	vities				
Fiscal Year Ended June 30,	General Obligation Bonds (1)	TML Loans	State and Other Loans (2)	Capital Leases	General Obligation Bonds	Matured Bonds	TML Loans	Revenue Bonds (1)	State and Other Loans (3)	Total Primary Government	Percentage of Personal Income (4)	Per Capita (4)
2003	\$ 12,670,000	\$ 75,671,405			\$ 1,340,000	\$ 36,002	\$ 9,629,310	\$ 6,602,426	\$ 53,583,628	\$ 159,532,771	7.97 % \$	\$ 2,125
2004	8,960,338	82,926,540			1,101,066	36,000	19,310,256	5,804,518	53,647,160	171,785,878	7.44	2,045
2005	5,922,754	106,394,709			805,000	36,000	32,719,429	4,966,610	51,417,220	202,261,722	8.67	2,485
2006	3,860,170	133,544,818		\$ 921,969	500,000	36,000	50,076,719	4,093,702	49,072,989	242,106,367	9.39	2,789
2007	2,592,586	164,641,697	\$ 1,900,000	473,400	335,000	36,000	69,035,189	3,180,794	46,717,955	288,912,621	10.27	3,121
2008	1,305,000	186,288,248	3,191,000		165,000	36,000	94,056,075	2,606,958	44,157,910	331,806,191	10.54	3,299
2009		200,127,211	2,994,000			36,000	96,728,807	1,997,584	41,845,666	343,729,268	10.69	3,378
2010	61,190,937	125,880,105	2,578,350		363,125	36,000	42,903,203	54,044,216	39,330,084	326,326,020	9.87	3,001
2011	50,888,343	167,584,136	2,354,350	403,894		36,000	47,378,691	48,830,907	36,411,432	353,887,753	10.25	3,217
2012	42,200,749	154,011,904	3,059,019	269,262		36,000	44,878,691	43,531,892	33,383,408	321,370,925	8.88	2,887

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) Presented net of original issue discounts and premiums
- (2) Governmental Activities-State and Other Loans includes capital outlay notes and the Energy Efficient School Loan beginning in the fiscal year ending 2012
- (3) Business-Type Activities-State and Other Loans includes state revolving loans and utility plan acquisition loans
- (4) See the Schedule of Demographic and Economic Statistics on page 151 for personal income and population data.

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Estimated Population (1)	Total Estimated Actual Value		General Bonded Debt	Percentage of Estimated Actual Value of Property	Net Bonded Debt Per Capita
2003	75,083	\$ 4,385,931,670	\$	88,341,405	2.01 %	1,176.58
2004	84,000	4,577,797,298	Ψ	91,886,878	2.01 70	1,093.89
2005	81,393	4,889,014,858		112,317,463	2.30	1,379.94
2006	86,793	5,241,331,422		137,404,988	2.62	1,583.13
2007	92,559	6,561,383,347		167,234,283	2.55	1,806.79
2008	100,575	7,525,143,602		187,593,248	2.49	1,865.21
2009	101,753	8,035,107,314		200,127,211	2.49	1,966.79
2010	108,755	8,520,678,432		187,071,042	2.20	1,720.11
2011	110,000	9,371,255,513		218,472,479	2.33	1,986.11
2012	111,327	9,514,981,962		196,212,653	2.06	1,762.49

Note:

⁽¹⁾ Special Census conducted 2003, 2005, and 2008 and federal census conducted 2010, others are estimated.

Direct and Overlapping Governmental Activities Debt

June 30, 2012

Taxing Jurisdiction	Debt Outstanding (1)	Estimated Percentage Applicable (5)	Direct and Overlapping Debt
City of Murfreesboro direct debt			\$ 199,540,934
Rutherford County (2)	\$ 379,345,000	41.40%	157,048,830
Total direct and overlapping debt			\$_356,589,764
Ratio of direct and estimated overlapping debt to 2011 assessed value (3)			12.78%
Per capita direct and estimated overlapping debt (4)			\$3,203_

- (1) As of June 30, 2012.
- (2) Source: Rutherford County Comprehensive Annual Financial Report, June 30, 2012 Table 12.
- (3) Based upon 2011 Taxable Assessed Valuation of \$2,790,984,508
- (4) Based upon estimated population of 111,327
- (5) The percentage of overlapping debt applicable is estimated using the city's population as a percentage of the county's population.

Legal Debt Margin Information

Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 204,367,710	\$ 213,618,272	\$ 225,764,302	\$ 240,510,480	\$ 292,700,311	\$ 323,298,671	\$ 344,485,628	\$ 363,856,307	\$ 409,901,069 \$	418,647,676
Total net debt applicable to limit	85,240,337	89,317,604	109,721,035	134,707,227	165,794,609	186,890,786	198,875,557	178,882,688	211,053,091	190,730,336
Legal debt margin	\$ 119,127,373	\$ 124,300,668	\$ 116,043,267	\$ 105,803,253	\$ 126,905,702	\$ 136,407,885	\$ 145,610,071	\$ 184,973,619	\$ 198,847,978 \$	227,917,340
Total net debt applicable to the lin as a percentage of the debt lin		41.81%	48.60%	56.01%	56.64%	57.81%	57.73%	49.16%	51.49%	45.56%

Legal Debt Margin Calculation for Fiscal Year 2012

\$	2,790,984,508
\$_	418,647,676
\$	37,420,000
	269,262
	2,117,350
	941,669
	154,011,905
_	(4,029,850)
\$	190,730,336
\$	227,917,340
	\$_ \$_ \$_

Note: Under the City of Murfreesboro's charter, the City's general obligation debt should not exceed 15% of total assessed property value.

Revenue Bond Coverage

Last Ten Fiscal Years

	C	Net	Net Revenues	Divis	. (2)	T :
Year Ended	Gross	Operating	Available for		Service (3)	Times
June 30,	Revenues (1)	Expenses (2)	Debt Service	Principal	Interest	Coverage
Water and Sewer	-					
2003	\$ 18,421,275	\$ 10,901,787	\$ 7,519,488	\$ 245,000	\$ 85,061	22.78
2004	18,619,918	11,743,101	6,876,817	260,000	70,370	20.82
2005	21,220,250	12,219,404	9,000,846	290,000	30,556	28.08
2006	23,969,200	13,430,712	10,538,488	305,000	17,816	32.65
2007	26,101,023	14,550,503	11,550,520	165,000	9,600	66.15
2008	27,290,810	16,045,581	11,245,229	170,000	6,038	63.88
2009	27,999,011	16,901,018	11,097,993			
2010	29,554,367	16,311,214	13,243,153	2,365,000	1,027,156	3.90
2011	31,790,418	17,342,539	14,447,879	2,240,000	1,655,050	3.71
2012	32,876,328	18,768,465	14,107,863	2,350,000	1,543,000	3.62
	5			0.000		
	wer Department did not	have any revenue bonds	outstanding at June 3	0, 2009.		
	•	have any revenue bonds \$ 67,912,598	s outstanding at June 30 \$ 5,223,632	0, 2009. \$ 775,000	\$ 363,770	4.59
Electric Departme	ent -	·	Ü		\$ 363,770 327,770	4.59 5.91
Electric Departme	ent - \$ 73,136,230	\$ 67,912,598	\$ 5,223,632	\$ 775,000		
Electric Departme 2003 2004	ent - \$ 73,136,230 80,229,784	\$ 67,912,598 73,500,606	\$ 5,223,632 6,729,178	\$ 775,000 810,000	327,770	5.91
Electric Departme 2003 2004 2005	\$ 73,136,230 \$0,229,784 \$3,838,324	\$ 67,912,598 73,500,606 76,804,735	\$ 5,223,632 6,729,178 7,033,589	\$ 775,000 810,000 850,000	327,770 289,760	5.91 6.17
Electric Departme 2003 2004 2005 2006	\$ 73,136,230 \$0,229,784 83,838,324 99,782,994	\$ 67,912,598 73,500,606 76,804,735 90,957,776	\$ 5,223,632 6,729,178 7,033,589 8,825,218	\$ 775,000 810,000 850,000 885,000	327,770 289,760 249,636	5.91 6.17 7.78
Electric Departme 2003 2004 2005 2006 2007	**************************************	\$ 67,912,598 73,500,606 76,804,735 90,957,776 98,281,799	\$ 5,223,632 6,729,178 7,033,589 8,825,218 12,234,406	\$ 775,000 810,000 850,000 885,000 925,000	327,770 289,760 249,636 208,443	5.91 6.17 7.78 10.79
Electric Departme 2003 2004 2005 2006 2007 2008	\$ 73,136,230 \$0,229,784 \$3,838,324 99,782,994 110,516,205 124,723,858	\$ 67,912,598 73,500,606 76,804,735 90,957,776 98,281,799 108,589,583	\$ 5,223,632 6,729,178 7,033,589 8,825,218 12,234,406 16,134,275	\$ 775,000 810,000 850,000 885,000 925,000 580,000	327,770 289,760 249,636 208,443 164,368	5.91 6.17 7.78 10.79 21.68
Electric Departme 2003 2004 2005 2006 2007 2008 2009	\$ 73,136,230 \$0,229,784 \$3,838,324 99,782,994 110,516,205 124,723,858 144,953,670	\$ 67,912,598 73,500,606 76,804,735 90,957,776 98,281,799 108,589,583 129,407,626	\$ 5,223,632 6,729,178 7,033,589 8,825,218 12,234,406 16,134,275 15,546,044	\$ 775,000 810,000 850,000 885,000 925,000 580,000 615,000	327,770 289,760 249,636 208,443 164,368 135,033	5.91 6.17 7.78 10.79 21.68 20.73

Source: Current year and prior years combined financial statements.

Notes:

⁽¹⁾ Includes operating and nonoperating revenues.

⁽²⁾ Includes operating expenses minus depreciation and amortization.

⁽³⁾ Includes principal and interest of revenue bonds only.

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population (1)	Personal Income	er Capita	Median Age (3)	City School Enrollment	Unemployment Rate (2)
2003	75,083	\$ 2,002,238,361	\$ 26,667	31.2	5,850	4.40 %
2004	84,000	2,308,656,000	27,484	31.2	6,062	4.50
2005	81,393	2,331,990,843	28,651	31.2	6,260	4.40
2006	86,793	2,577,752,100	29,700	31.2	6,600	4.20
2007	92,559	2,813,793,600	30,400	31.2	6,720	3.70
2008	100,575	3,147,997,500	31,300	31.2	6,842	4.40
2009	101,753	3,215,394,800	31,600	31.2	6,900	7.90
2010	108,755	3,306,152,000	30,400	31.2	6,900	8.90
2011	110,000	3,454,000,000	31,400	32.1	6,881	8.40
2012	111,327	3,618,127,500	32,500	32.1	7,034	7.20

Notes:

- (1) Special Census conducted 2003, 2005, and 2008, and Federal Census conducted 2010, others are estimated.
- (2) Source: University of Tennessee, Center for Business & Economic Research, Tennessee Department of Education, Bureau of Economic Analysis and Business and Economic Research Center. These figures represent the entire County of which Murfreesboro is a part.
- (3) The Census Bureau determines the median age for local areas each decade. The last determination was during the 2010 census and will be determined again after the 2020 census. These figures represent the entire County of which Murfreesboro is a part.

Principal Employers

June 30, 2012

		2012			2003	
Employer	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Nissan Motor Manufacturing Corp. USA	6,050	1	4.58 %	6,300	1	6.32 %
Rutherford County Government and Board	.,			.,		
of Education	5,665	2	4.29	3,183	2	3.19
Middle Tennessee State University	2,225	3	1.68	1,335	7	1.34
City of Murfreesboro and Board of Education	1,913	4	1.45	1,324	8	1.33
State Farm Insurance	1,662	5	1.26			
Alvin C. York Veterans Administration Medical Center	1,461	6	1.11	1,500	5	1.50
Verizon	1,079	7	0.82			
Asurion	1,050	8	0.79			
Amazon	1,050	9	0.79			
Bridgestone/Firestone, Inc.	900	10	0.68	1,800	4	1.80
Ingram Book Company				2,200	3	2.21
Middle Tennessee Medical Center				1,100	9	1.10
Whirlpool Corporation				1,500	6	1.50
Cumberland Swann				1,000	10	1.00
			17.45 %			21.29 %

Note: The above information is for Rutherford County of which the City of Murfreesboro is a part.

Source: Rutherford County Comprehensive Annual Financial Report, June 30, 2012, Table 14

Full-time Equivalent City Government Employees by Function

Last Ten Fiscal Years

F	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function/Program										
General government -										
Administrative and General	21	21	20	20	21	23	24	28	28	20
Civic Plaza	1	1	1	1	1	1	1	1	1	1
Police -										
Officers	161	161	163	182	187	203	239	240	220	229
Civilians	41	41	42	48	48	53	58	57	53	53
Fire Protection -										
Firefighters and Officers	165	167	176	176	188	187	202	202	184	184
Civilians	3	3	3	3	3	3	3	3	3	3
Information Technologies										10
Judicial	6	6	6	6	6	6	6	6	6	6
Legal and Risk Management	9	9	9	9	10	10	10	10	10	10
Human Resources	7	7	8	8	9	10	9	9	9	9
Streets and Signs	25	25	27	28	28	29	29	29	28	28
Planning and Engineering	22	22	26	27	29	31	30	23	20	18
Building and Codes	17	19	20	23	26	26	25	27	25	21
Solid Waste	45	45	57	58	58	57	57	57	55	42
Urban Environmental	9	10	12	13	13	16	16	16	15	15
Community Services -										
Fleet Services	11	11	11	11	12	13	13	13	13	13
Senior Citizens	9	9	9	9	9	9	9	9	9	9
Airport	1	1	1	1	1	1	1	1	1	1
Cable Television	4	4	4	4	4	4	4	4	4	6
Mass Transit	-	-	-	1	12	12	12	18	16	16
Recreation and Golf	80	78	78	81	84	84	88	88	87	84
Community Development	3	3	3	3	3	2	2	2	2	2
Education	696	684	715	775	801	859	881	864	920	861
Food Service	31	29	29	25	25	27	28	25	24	24
Water and Sewer	128	130	127	135	143	149	151	147	147	156
Electric	73	74	73	73	73	76	79	87	83	83
Cemetery	6	6	7	7	8	8	9	9	9	9
Total	1,574	1,566	1,627	1,727	1,802	1,899	1,986	1,975	1,972	1,913

Sources: Various city departments

Operating Indicators by Function

Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function/Program									· <u></u>	
Police -										
Arrests	7,562	7,213	7,553	7,741	11,613	8,641	9,111	8,530	7,944	8,804
911 calls	22,737	31,197	33,509	25,922	35,785	37,185	38,664	37,824	39,195	41,797
Traffic violations	20,043	17,002	16,242	13,424	23,360	25,120	26,095	13,059	13,930	19,370
Fire Protection -										
Emergency responses (c)	2,300	5,535	5,577	6,104	8,035	8,241	8,983	10,354	11,192	11,974
Fire safety inspections (a)	4,770	5,484	5,012	4,555	5,486	5,028	5,391	4,844	4,239	3,972
Fire training hours (a)	61,993	60,184	62,578	63,627	64,107	69,771	73,059	65,895	60,366	70,812
Human Resources -	. ,	, .	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,.	, , , ,	,	,	,	,	, .
Full time positions/applications	NA	56 / 2,285	NA	80 /3,277	83/3,879	68/3,460	44/2,564	27/2,096	48/2,633	75/3.583
Part time positions/applications	NA	115 /1,881	NA	102 / 1,590	113/1,604	117/2,489	64/1,594	147/1,954	146/1,674	153/2,908
Streets and Signs (a) -						,	,	,		
Street repaying (lane miles)	114	64	43	54	58	20	31	42	61	24
Planning and Engineering (b) -		0.	.5		50	20	51		01	-
Preliminary plats reviewed	48	83	73	57	55	27	13	8	11	10
Final plats reviewed	89	133	156	128	144	128	75	60	56	50
Site plans reviewed	111	139	134	131	161	184	157	97	105	13
Annexations studied	22	30	35	20	19	10	9	2	1	10
Building and Codes -								_	_	
Single family home permits issued	1,514	1,689	1,814	1,922	1,391	711	430	425	329	486
Total building permits issued	2,149	2,398	2,582	2,511	2,707	1,824	1,433	1,357	1,277	1,390
Substandard and property	2,1.7	2,570	2,002	2,011	2,707	1,02.	1,.55	1,557	1,277	1,000
maintenance complaint notices (d)	1.131	1.405	2,113	2,102	3,458	3,697	8,425	8,334	10,360	8,444
Solid Waste (a) -	1,131	1,103	2,113	2,102	3,130	3,077	0,123	0,551	10,500	0,11
Refuse collected (tons per year)	32,247	31,087	32,265	34.321	36,892	35,227	33,900	33,284	33,673	33,120
Community services -	32,217	31,007	32,203	31,321	30,072	33,227	33,700	33,201	33,073	33,120
Airport										
Gallons of fuel sold (Avgas and Jet A)	155,895	195,512	208,875	195,244	182,641	184,423	191,152	187,749	191,986	200,559
Education -	155,075	175,512	200,073	175,211	102,011	101,123	171,132	107,745	171,700	200,555
K-6 Enrollment	5,850	6,062	6,260	6,600	6,720	6,842	6,902	6,876	6,881	7,060
Water and Sewer -	3,030	0,002	0,200	0,000	0,720	0,012	0,702	0,070	0,001	7,000
Water and Sewer - Water sold annually in 100 cubic feet	3,350,118	3,333,846	3,411,762	3,690,312	4,338,296	4.427.024	3,702,460	3,538,776	3,424,017	3,530,353
Sewer sold annually in 100 cubic feet	3,175,410	3,265,520	3,431,040	3,685,630	4,771,612	4,177,764	3,809,040	3,733,376	3,722,554	3,794,902
Electric -	3,173,710	3,203,320	3,731,070	3,003,030	7,771,012	7,177,704	3,007,040	3,733,370	3,122,334	3,777,902
Number of customers	38,604	40,298	43,525	46,985	47,858	49,960	50,556	52,001	52,148	53,31
Kilowatt hours sold (in thousands)	1,236,829	1,282,229	1,321,732	1,455,524	1,485,484	1,576,120	1,541,000	1,559,000	1,646,877	1,525,730
Knowait nours sold (in thousands)	1,230,829	1,202,229	1,341,734	1,433,324	1,403,404	1,370,120	1,341,000	1,339,000	1,040,6//	1,323,730

Sources: Various city departments

Note: Operating indicators are not available for Administrative and General, Judicial, Legal (& Risk Management), Urban Environmental, Other operations (Civic Plaza, Fleet Services, Senior Citizens, and Cable Television), Transportation, Recreation, Community Development, Food Service, and Cemetery Functions.

⁽a) Calendar year information

⁽b) Calendar year information through 2006/ Fiscal Information 2007 through 2011

⁽c) Fiscal information through 2006/Calendar Information 2007 through 2011

⁽d) Information is for notices through 2008/Inspections information 2009 through 2011

NA Information is not available

Capital Asset Statistics by Function

Last Ten Fiscal Years

_											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Function/Program											
Police -											
Patrol Units	112	113	119	124	125	141	137	135	139	137	
Fire Protection -	112	113	11)	124	123	141	137	133	137	137	
Fire engines	15	15	15	15	15	18	18	18	19	19	
Rescue vehicles	2	2	3	3	3	3	3	3	3	3	
Rescue boat	_	_	5	3	3	3	5	5	3	1	
Fire stations	9	9	9	9	9	9	9	10	10	10	
Streets and Signs -			,	,	,		,	10	10	10	
Streets (miles)	429	458	467	485	503	513	522	528	531	534	
Traffic signals	97	103	106	106	110	119	123	127	131	134	
Solid Waste -	,,	103	100	100	110	117	123	127	131	151	
Collection trucks	28	27	34	36	36	36	36	34	33	30	
Community Services -	20		٥.	50	30	20	20	٥.	33	20	
Airport											
Tie-downs	66	66	85	85	80	80	80	80	80	80	
Hangers	59	59	59	59	59	106	106	106	106	106	
Public Transportation -											
Buses					9	9	9	9	9	9	
Recreation -											
Park acreage	1,059.11	1,059.11	1,075.07	1,202.31	1,202.31	1,202.31	1,225.90	1,225.90	1,225.90	1,225.96	
Greenway trails (miles)	4.5	4.5	4.5	5.1	5.1	5.1	7.1	10.1	11.6	11.6	
Education -											
Elementary schools	10	10	11	11	11	12	12	12	12	12	
Water and Sewer -											
Water pipe (miles)	NA	402	406	414	422	426	428	430	432	433	
Water storage capacity (millions of gallons)	10.5	10.5	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	
Water treatment capacity (millions of											
gallons per day)	15.7	15.7	15.7	15.7	15.7	15.7	22.0	22.0	22.0	22.0	
Sewer pipe (miles)	NA	456.0	469.0	494.0	524.0	550.0	565.0	569.0	573.0	575.0	
Wastewater treatment capacity (millions											
of gallons per day)	16	16	16	16	16	16	16	16	16	16	
Sewage pumping stations	35	35	35	38	42	45	43	44	44	45	
Public fire hydrants	2,660	2,751	2,948	3,037	3,122	3,205	3,246	3,286	3,264	3,262	
CUD Public fire hydrants in City	NA	2,033	2,068								
Electric -											
Overhead and underground primary and											
secondary cable (miles)	510.99	514.47	534.17	572.92	611.67	626.95	649.88	655.27	662.23	671.91	
Poles	11,425	11,814	12,079	13,054	13,693	14,221	14,857	15,179	15,289	15,448	
Transformers	10,205	10,804	11,320	11,954	12,594	13,226	13,330	13,627	13,726	13,828	
Substations	8	9	9	10	10	10	10	10	10	10	

Sources: Various city departments

Note: Capital asset statistics are not available for Administrative and General, Judicial, Legal (& Risk Management), Personnel, Planning and Engineering, Building Inspections, Urban Environmental, Other Operations (Civic Plaza, Fleet Services, Senior Citizens, and Cable Television), Community Development, Food Service, and Cemetery Functions.

NA Information is not available

Schedule of Customers and Rate Structure

Year Ended June 30, 2012

Murfreesboro Water and Sewer Department

As of June 30, 2012, Murfreesboro Water and Sewer Department serves approximately 25,159 water customers and 38,739 sewer customers of which 13,580 are in the Consolidated Utility District ("CUD") water service area. The following rate structure was in place during 2011/2012 fiscal year:

Water:

Section 33-1 Water rate and minimum bill. The water rate is \$2.74 per 100 cubic feet (\$0.0274 per cubic foot) of consumption over the stated allowances per meter size. The minimum monthly bills applicable to all customers are based upon the following table:

Meter Size	<u>Charge</u>	Allowance		
5/8"	\$ 8.22	100 cubic feet		
1"	19.18	400 cubic feet		
1.5"	41.10	1,200 cubic feet		
2"	65.76	2,100 cubic feet		
3"	164.40	5,700 cubic feet		
4"	328.80	11,700 cubic feet		
6"	685.00	24,700 cubic feet		

Sewer:

Section 33-1(G) Sewer Rates. Each customer served by or having access to sanitary sewer service shall be charged sanitary sewer service and operation and maintenance fees. Section 33-1 (G) 1. The sewer rate shall be \$3.34 per 100 cubic feet of metered water consumption (\$0.0334 per cubic foot) over stated allowance per meter size. In addition to the sanitary sewer service charge, each customer will be charged an operation and maintenance fee equal to ninety cents (\$0.90) per one hundred cubic feet of all metered water usage.

The minimum monthly bills applicable to all customers are based upon the following table:

Meter Size	Charge*	Allowance		
5/8"	\$ 9.22	100 cubic feet		
1"	27.98	400 cubic feet		
1.5"	61.90	1,200 cubic feet		
2"	100.06	2,100 cubic feet		
3"	252.70	5,700 cubic feet		
4"	507.10	11,700 cubic feet		
6"	1,058.30	24,700 cubic feet		

One Cubic Foot equals seven and one-half gallons

^{*} Not including O&M charge

Schedule of Customers and Rate Structure (continued)

Year Ended June 30, 2012

Murfreesboro Water and Sewer Department (continued)

Rates for service outside the City Limits are 50% higher than the above inside City Limit rates. Effective on bills printed July 1, 2011.

Murfreesboro Electric Department

As of June 30, 2012, Murfreesboro Electric Department serves approximately 53,311 customers and had the following rate structure in place:

Residential:

Customer Charge - \$11.76 per month (also minimum bill)

Energy Charge - \$.06565 per KWH

Fuel Cost Adjustment (FCA) - \$.02458 per KWH

Commercial:

General Power (GSA)

(1) Not more than 50 KWD (KWH not over 15,000)

Customer Charge \$24.86

Energy Charge \$.07539 per KWH Fuel Cost Adjustment \$.02437 per KWH

(2) Greater than 50 KWD but not more than 1,000 KWD or less than 50 KWD with KWH over 15,000

Customer Charge \$49.00

Energy Charge

1st 15,000 \$.07648 per KWH FCA is \$.02437 per KWH over 15,000 \$.03679 per KWH FCA is \$.02413 per KWH

Demand Charge

1st 50 No Charge

over 50 \$11.71 per KWH

(3) Greater than 1,000 KWD but not more than 5,000 KWD

Customer Charge \$122.00

Energy Charge \$.03958 per KWH FCA charge \$.02413 per KWH

Demand Charge

1st 1,000 KWD \$10.78 per KW over 1,000 KWH \$10.74 per KW

Schedule of Customers and Rate Structure (continued)

Year Ended June 30, 2012

Murfreesboro Electric Department (continued)

General Power (GSB)

Greater than 5,000 KWD but not more than 15,000 KWD

Customer Charge	\$1,500.00
Admin charge	\$ 350.00

Energy Charge \$.02476 per KWH
FCA charge \$.02437 per KWH
Demand Charge \$21.03 per KWH

General Power (MSC)

Greater than 15,001 KW but not more than 25,000 KW

Customer Charge	\$1,500.0		
Admin charge	\$	350.00	
Demand Charge	\$	17.71	

Energy Charge \$.01703 per KWH FCA charge \$.02437 per KWH

General Power (MSD)

Customer Charge	\$1	,500.00
Admin charge	\$	350.00
Demand Charge	\$	18.22

Energy Charge \$.01733 per KWH FCA per KWH \$.02437 per KWH

For time of use rates, please contact the Murfreesboro Electric Department.

Since April 2011 rates change based upon the seasons; summer, winter and transitional months.

Fuel cost adjustments (FCA) vary monthly and apply to energy charges only.

Schedule of Unaccounted for Water

June 30, 2012

	(All amounts in gallons)		
A	Water Treated and Purchased:		
В	Water Pumped (potable)	3,887,651,448	
C	Water Purchased	0	
D	Total Water Treated and Purchased		3,887,651,448
	(Sum Lines B and C)		
E	Accounted for Water:		
F	Water sold	2,231,783	
G	Metered for Consumption	2,716,571,516	
H	Fire Department(s) Usage	3,063,365	
I	Flushing	23,012,191	
J	Tank Cleaning/Filling	0	
K	Street Cleaning	44,700	
L	Bulk Sales	187,227,000	
M	Water Bill Adjustments	0	
N	Other (explain)	0	
0	Total Accounted for Water		2,932,150,555
	(Sum Lines F Thru N)		
P	Unaccounted for Water		955,500,893
	(Line D minus Line O)		'
Q	Percent Unaccounted for Water		24.6%
	(Line P divided by Line D times 100)		
R	Cost per 1,000 gallons of water		\$3.10
\mathbf{S}	Cost of Unaccounted for Water		
	(Line P divided by 1000, times Line R)		\$2,962,052.77

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2012

Program Name	CFDA Number	Balance June 30, 2011 Contract/Grant (Receivable)/ Number Deferred Revenue Receipts Expenditures Adjus				June 30, 2011 A Contract/Grant (Receivable)/				Adjustments	Balance June 30, 2012 (Receivable)/ Deferred Revenue
DEPARTMENT OF HOUSING AND URBAN DEVELO	PMENT										
Community Development Block Grant	14.218	B-10-MC-47-0009	\$ (110,986)	\$ 519,386	\$ 408,400						
Community Development Block Grant	14.218	B-11-MC-47-0009		271,394	480,812		\$ (209,418)				
Total CDBG - Entitlement Grants Cluster			\$ (110,986)	\$ 790,780	\$ 889,212		\$ (209,418)				
Passed through the Tennessee Housing											
Development Agency -											
Emergency Shelter Grant	14.231	ESG-10-31	\$ (24,445)	\$ 24,530	\$ 85						
Emergency Shelter Grant	14.231	ESG-11-31		81,540	106,100		\$ (24,560)				
Total CFDA #14.231			\$ (24,445)	\$106,070	\$ 106,185		\$ (24,560)				
HOME Program	14.239	HM1036-002	\$ (87,176)	\$\$230,372	\$143,461_		\$ (265)				
ARRA - Homeless Prevention and Rapid											
Re-housing Program	14.257	HPRP-09-07	\$ (26,635)	\$ 90,801	\$ 64,166						
Passed through the Murfreesboro Housing Authority -											
Capital Fund Program	14.872	TN43P02050106		\$ 44,853	\$ 44,853						
Total Department of Housing and Urban Development			\$ (249,242)	\$1,262,876_	\$ 1,247,877		\$ (234,243)				
DEPARTMENT OF JUSTICE											
Bulletproof Vest Program	16.607	N/A	\$ (4,237)	\$ 7,217	\$						
Total CFDA #16.607			\$(4,237)	\$	\$ 2,980						
Edward Byrne Memorial Justice Assistance Grant	16.738	2008-DJ-BX-0279	\$ 10,546		\$ 10,546						
Edward Byrne Memorial Justice Assistance Grant	16.738	2009-DJ-BX-1321	1,828		1,828						
Edward Byrne Memorial Justice Assistance Grant	16.738	2010-DJ-BX-0751	46,525				\$ 46,525				
Edward Byrne Memorial Justice Assistance Grant	16.738	2011-DJ-BX-2987		\$ 37,932			37,932				
Passed through the Murfreesboro Housing Authority -											
Edward Byrne Memorial Justice Assistance Grant	16.738	10899	(22,695)	232,693	256,667		(46,669)				
Total CFDA #16.738			\$ 36,204	\$ 270,625	\$ 269,041		\$37,788				
Total Department of Justice			\$31,967_	\$ 277,842	\$ 272,021		\$ 37,788				

(Continued)

Schedule of Expenditures of Federal Awards (continued)

Year Ended June 30, 2012

Program Name	CFDA Number	Contract/Grant Number	Balance June 30, 2011 (Receivable)/ Deferred Revenue		Receipts	Expenditures Adjust		Adjustments		Jui (R	Balance ne 30, 2012 neceivable)/ rred Revenue
DEPARTMENT OF TRANSPORTATION											
Passed through the Tennessee Department of Transport											
Airport Improvement Program Total CFDA #20.106	20.106	3-47-SBGP-27	\$ (5,117) \$ (5,117)	\$ \$	78,318 78,318	\$ \$	69,769 69,769	\$ \$	(8,320) (1) (8,320)	\$ <u> </u>	(4,888) (4,888)
Highway Planning and Construction	20.205	HPP-9311 (9)	\$ (93,310)	\$	183,682	\$	130,286			\$	(39,914)
Highway Planning and Construction	20.205	HPP/STP EN 7500 (11)					(2,975)	\$	(2,975) (2)		
Highway Planning and Construction	20.205	HPP-9311 (19)	(21,348)		119,802		104,781				(6,327)
Highway Planning and Construction	20.205	STP-M-99 (35)					1,954				(1,954)
ARRA - Highway Planning and Construction	20.205	ARRA/CM-9311(20)	(154,347)		172,080		17,733				
ARRA - Highway Planning and Construction	20.205	ARRA-STP-M-9311 (20)			12,894		12,894				
Total CFDA #20.205		, ,	\$ (269,005)	\$	488,458	\$	264,673	\$	(2,975)	\$	(48,195)
Section 5303 Metro Planning	20.505	TN-80-X002-00	\$ (61,818)	\$	65,452	\$	3,834	\$	200 (3)		
Section 5303 Metro Planning	20.505	TN-80-X004-00					7,476			\$	(7,476)
Total CFDA #20.505			\$ (61,818)	\$	65,452	\$	11,310	\$	200	\$	(7,476)
Passed through the Tennessee Department of Environm						_					
Recreational Trails Program	20.219	GG-11-33669	\$ (49,192)			\$	24,009			\$	(73,201)
Section 5307 Urbanized Area Formula - FY07	20.507	TN-90-X291-00	\$ (73,715)	\$	74,761	\$	1,046				
Section 5307 Urbanized Area Formula - FY08	20.507	TN-90-X332-00	(53,925)		53,925						
Section 5307 Urbanized Area Formula - FY08	20.507	TN-90-X332-01					210			\$	(210)
Section 5307 Urbanized Area Formula - FY09	20.507	TN-90-X315-00	(564,328)		696,292		131,964				
Section 5307 Urbanized Area Formula - FY09	20.507	TN-90-X315-01			74,691		156,056				(81,365)
Section 5307 Urbanized Area Formula - FY10	20.507	TN-90-X344-00					499,558				(499,558)
ARRA - Section 5307 Urbanized Area Formula	20.507	TN-96-X010-00	(153,188)		233,598		80,410				
Total CFDA #20.507			\$ (845,156)	\$	1,133,267	\$	869,244			\$	(581,133)
Total Department of Transportation			\$ (1,230,288)	\$	1,765,495	\$	1,239,005	\$	(11,095)	\$	(714,893)
DEPARTMENT OF ENERGY											
ARRA - Energy Efficiency and Conservation Block											
Grant Program	81.128	DE-SC0002702	\$ (139,723)	\$	736,860	\$	693,144			\$	(96,007)
Total Department of Energy			\$ (139,723)	\$	736,860	\$	693,144			\$	(96,007)
DEPARTMENT OF HEALTH AND HUMAN SERVIC Passed through the Greater Nashville Regional Council											
Aging Services - Title IIID	93.043	2012-23		\$	2,500	\$	2,500				
				Ψ	<u> </u>	Ψ	· · · · · · · · · · · · · · · · · · ·				
Aging Services - Title IIIB	93.044	2012-23		\$	22,000	\$	22,000				

(Continued)

Schedule of Expenditures of Federal Awards (continued)

Year Ended June 30, 2012

Program Name	CFDA Number	Contract/Grant Number	Balance June 30, 2011 (Receivable)/ Deferred Revenue	Receipts Expendit		Receipts Expenditures Adjustmen		justments	Balance fune 30, 2012 (Receivable)/ ferred Revenue	
DEPARTMENT OF HEALTH AND HUMAN SERVIC	ES (continued	1)								
Passed through Middle Tennesee State University -										
The F.U.N.N. Project	93.945	C11-1112		\$	11,925	\$	11,925			
The F.U.N.N. Project Phase 2	93.945	C12-0842				_	20,793			\$ (20,793)
Total CFDA #93.945				\$	11,925	\$	32,718			\$ (20,793)
Total Department of Health and Human Services				\$	36,425	\$_	57,218			\$ (20,793)
DEPARTMENT OF HOMELAND SECURITY										
Passed through the Tennessee Emergency										
Management Agency -										
Public Assistant Grant	97.036	34101-01210	\$ (803,751)	\$	805,854			\$	(2,103) (2)	
Public Assistant Grant	97.036	34101-18911	(160,770)		160,770					
Total CFDA #97.036			\$ (964,521)	\$	966,624			\$	(2,103)	
Assistance to Firefighters Grant Program	97.044	EMW-2010-FP-01212		\$	43,760	\$	43,760			
Assistance to Firefighters Grant Program	97.044	EMW-2010-FO-07613			44,840		44,840			
Total CFDA #97.044				\$	88,600	\$	88,600			
Total Department of Homeland Security			\$ (964,521)	\$	1,055,224	\$	88,600	\$	(2,103)	
TOTAL FEDERAL AWARDS			\$ (2,551,807)	\$	5,134,722	\$	3,597,865	\$	(13,198)	\$ (1,028,148)
					, ,	-	, ,			<u> </u>

Notes -

⁽¹⁾ To adjust for 10% deposit to the State made by the City to meet the match requirements for the grant.

⁽²⁾ To adjust for prior year underaccrual/ overaccrual.

⁽³⁾ To adjust for immaterial difference in prior year receivable.

Schedule of Expenditures of State Awards

Year Ended June 30, 2012

Program Name	Contract/Grant Number	Jur (Re	Balance ne 30, 2011 eceivable)/ rred Revenue	 Receipts	Ex	penditures	A	Adjustments_	Jun (Re	Balance ne 30, 2012 eceivable)/ rred Revenue
TENNESSEE COMMISSION ON AGING										
Passed through the Greater Nashville Regional Council -										
Aging Services	GG-12-35588-00			\$ 10,600	\$	10,600				
TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNIT	Y DEVELOPMENT									
Fasttrack Infrastructure Development	GG-11-34683-00	\$	(216,760)	\$ 218,984	\$	2,224				
Fasttrack Infrastructure Development	GG-12-38071-00			2,629,865		3,218,521			\$	(588,656)
•		\$	(216,760)	\$ 2,848,849	\$	3,220,745			\$	(588,656)
TENNESSEE DEPARTMENT OF TRANSPORTATION										
Airport Maintenance	99-555-1206-4	\$	(13,000)	\$ 13,000						
Airport Maintenance	99-555-1217-4				\$	13,000			\$	(13,000)
Airport Taxi and Ramp Overlay	75-555-1707-4					9,210	\$	(1,023) (1	1)	(10,233)
Airport Layout Plan	Z-08-20-0794-00		(20,064)	20,060		5,033		4 (2	2)	(5,033)
State Match - Section 5303 Metro Planning	GG-07-26349-00		(7,702)	8,182		479		(1) (3	3)	
State Match - Section 5303 Metro Planning	GG-11-36243-00					935				(935)
State Match - Section 5307 Urbanized Area Formula - FY07	GG-10-29565-02		(9,391)	9,522		131				
State Match - Section 5307 Urbanized Area Formula - FY08	GG-08-31735-00		(23,256)	23,256						
State Match - Section 5307 Urbanized Area Formula - FY08	GG-10-39362-00					26				(26)
State Match - Section 5307 Urbanized Area Formula - FY09	GG-09-36885-00		(250,569)	300,948		50,379				
State Match - Section 5307 Urbanized Area Formula - FY10	GG-12-39758-00			182,495		182,495				
State Match - Section 5307 Urbanized Area Formula - FY09	GG-12-37665-00			 9,336		19,507				(10,171)
		\$	(323,982)	\$ 566,799	\$	281,195	\$	(1,020)	\$	(39,398)
TENNESSEE EMERGENCY MANAGEMENT AGENCY										
Public Assistance Grant Award	34101-01210	\$	(486,335)	\$ 485,849			\$	486 (3	3)	
Public Assistance Grant Award	34101-18911		(18,291)	 						(18,291)
		\$	(504,626)	\$ 485,849			\$	486	\$	(18,291)
TOTAL STATE AWARDS		\$	(1,045,368)	\$ 3,912,097	\$	3,512,540	\$	(534)	\$	(646,345)

Notes -

- (1) To adjust for 10% deposit to the State made by the City to meet the match requirements for the grant.
- (2) To adjust for prior year overaccrual
- (3) Adjust for rounding.

Information in this schedule is presented on the accrual basis of accounting.

JOBE, HASTINGS & ASSOCIATES



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Donna K. Hastings, CPA, CSEP James R. Jobe, CPA Joel H. Jobe (1944 – 2006)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and City Council City of Murfreesboro, Tennessee

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Murfreesboro, Tennessee, as of and for the year ended June 30, 2012 which collectively comprise the City of Murfreesboro, Tennessee's basic financial statements and have issued our report thereon dated December 17, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Murfreesboro City Schools, the Murfreesboro Electric Department, the Murfreesboro Water and Sewer Department, the Murfreesboro Stormwater Fund, the Murfreesboro Electric Department Pension Plan, and the Evergreen Cemetery Commission as described in our report on the City of Murfreesboro's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

Management of the City of Murfreesboro, Tennessee, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Murfreesboro, Tennessee's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Murfreesboro, Tennessee's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Murfreesboro, Tennessee's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We and the other auditors did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we and the other auditors identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (2012-1, 2012-2 and 2012-3). 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.

Honorable Mayor and City Council City of Murfreesboro, Tennessee Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Murfreesboro, Tennessee's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests and those of the other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, City Council, others within the entity, the State of Tennessee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Jobe, Hastings & Associates

Certified Public Accountants

Murfreesboro, Tennessee December 17, 2012

HP CPA'S

JOBE, HASTINGS & ASSOCIATES

Certified Public Accountants

745 SOUTH CHURCH STREET – BELMONT PARK P.O. BOX 1175 MURFREESBORO, TN 37133-1175 (615) 893-7777 FAX: (615) 896-5990 www.jobehastings.com Donna K. Hastings, CPA, CSEP James R. Jobe, CPA Joel H. Jobe (1944 – 2006)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Mayor and City Council City of Murfreesboro, Tennessee

Compliance

We have audited the City of Murfreesboro, Tennessee's compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Murfreesboro, Tennessee's major federal programs for the year ended June 30, 2012. The City of Murfreesboro, Tennessee's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Murfreesboro, Tennessee's management. Our responsibility is to express an opinion on the City of Murfreesboro, Tennessee's compliance based on our audit.

The City of Murfreesboro, Tennessee's basic financial statements include the operations of the Murfreesboro City Schools, which received \$7,608,906 in federal awards which is not included in the schedule during the year ended June 30, 2012. Our audit, described below, did not include the operations of the Murfreesboro City Schools because this department engaged other auditors to perform an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Murfreesboro, Tennessee's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Murfreesboro, Tennessee's compliance with those requirements.

In our opinion, the City of Murfreesboro, Tennessee 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, 2012.

Internal Control Over Compliance

Management of the City of Murfreesboro, Tennessee is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Murfreesboro, Tennessee's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Murfreesboro, Tennessee's internal control over compliance.

Honorable Mayor and City Council City of Murfreesboro, Tennessee Page 2

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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, City Council, others within the entity, the State of Tennessee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Certified Public Accountants

Jobe, Hastings + Associates

Murfreesboro, Tennessee December 17, 2012

Schedule of Findings and Questioned Costs

Year Ended June 30, 2012

A. SUMMARY OF AUDITOR'S RESULTS

- 1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Murfreesboro, Tennessee.
- 2. Three significant deficiencies disclosed during the audit of the financial statements are reported in the *Independent Auditor's Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards*. None of the conditions are reported as material weaknesses.
- 3. No instances of noncompliance material to the financial statements of the City of Murfreesboro, Tennessee, which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
- 4. No significant deficiencies in internal control over major federal award programs are reported in the Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
- The auditor's report on compliance for the major federal award programs for the City of Murfreesboro, Tennessee expresses an unqualified opinion on all major federal programs.
- 6. No audit findings required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
- 7. The programs tested as major programs include:

Federal Program Name	<u>CFDA Numbers</u>
Edward Byrne Memorial Justice Assistance Grant	16.738
Section 5307 Urbanized Area Formula	20.507
ARRA – Section 5307 Urbanized Area Formula	20.507
ARRA – Energy Efficiency and Conservation Block	
Grant Program	81.128

- 8. The threshold used for distinguishing between Types A and B programs as defined by *OMB Circular A-133* was \$300,000.
- 9. The City of Murfreesboro, Tennessee did not qualify as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2012-1. Evergreen Cemetery Commission – Separation of Duties

Condition: One employee is currently responsible for executing, recording and controlling all cash transactions.

Criteria: Proper separation of duties requires that no one employee be responsible for an entire transaction cycle from beginning to end.

Schedule of Findings and Questioned Costs (continued)

Year Ended June 30, 2012

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (continued)

2012-1. Evergreen Cemetery Commission – Separation of Duties (continued)

Effect: An unauthorized cash transaction could be executed and not be promptly discovered by the Commission's internal control structure.

Recommendation: To the extent possible, management should separate the duties of executing, recording and controlling cash transactions.

Views of Responsible Officials and Planned Corrective Actions: Management believes the cost of maintaining this control would exceed its benefits.

2012-2. Evergreen Cemetery Commission – Detailed Inventory

Condition: The Cemetery's inventory is currently not subject to periodic inventory observations. Some of the inventory is maintained on maps with colored lots representing lots sold, which could result in errors in the available lots which make up the Cemetery's inventory.

Criteria: Periodic physical inventory observations should be performed to ensure the accuracy of the available lots which make up the Cemetery's inventory.

Effect: Cemetery inventory could be misstated due to lack of controls in this area.

Recommendation: Periodic physical inventory observations should be performed.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with the finding and is in the process of implementing a new software system that was purchased during the 2007 fiscal year to track the Cemetery's inventory. All inventory has not yet been entered into this system. The software package is expected to be fully operational for the year ended June 30, 2013.

2012-3. Evergreen Cemetery Commission – Notes Receivable Transactions

Condition: The Cemetery's notes receivable from lots sales are maintained in a separate accounting system and are not currently reconciled on a routine basis. During the current year, it was noted that several items were not properly accounted for and were not identified by existing controls.

Criteria: Notes receivable maintained in a separate accounting system should be reconciled on a routine basis to ensure the accuracy of the balances.

Effect: Notes receivable could be misstated due to no routine reconciliations being performed.

Recommendation: Management should reconcile notes receivable from lots sales that are maintained in a separate accounting system on a routine basis.

Views of Responsible Officials and Planned Corrective Actions: Management has, throughout 2012, initiated an integration of information systems that should be designed to eliminate the need for a reconciliation of the separate accounting system.