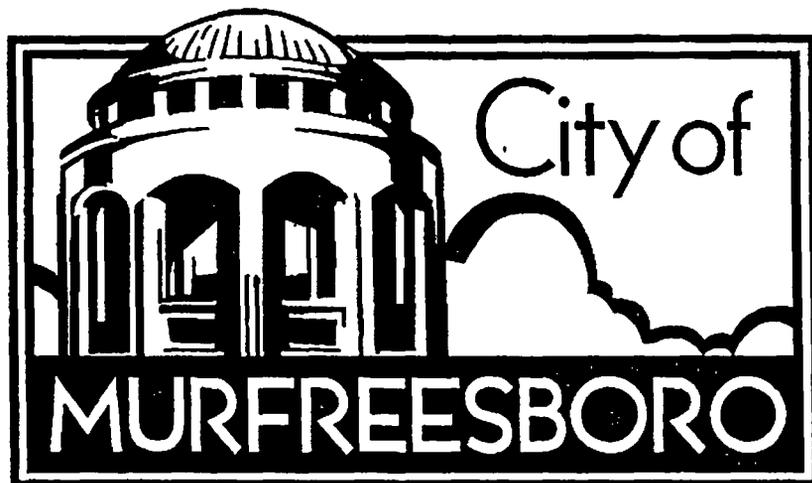


CITY OF MURFREESBORO, TENNESSEE  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2009

**CITY OF MURFREESBORO, TENNESSEE**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2009**

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



T E N N E S S E E

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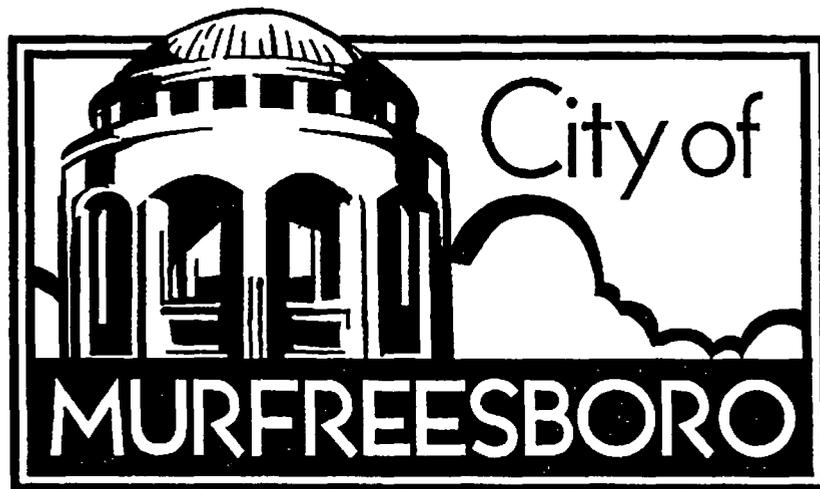
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T E N N E S S E E



*... creating a better quality of life*

December 30, 2009

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, 2009, 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, 2009.

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, 2009. 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. MD&A complement 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 seven 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.

#### LOCAL ECONOMY

The City of Murfreesboro, county seat of Rutherford County, is located at the geographic center of the State of Tennessee approximately 35 miles southeast of Nashville, the state capitol. The City’s corporate boundary encompasses 54.8 square miles. A special census in 2008 certified a population of 100,525.

The City’s strong economy attracts a growing population, with in-migration at twice the national average. Rutherford County ranks as the 20<sup>th</sup> fastest growing county in the United States by the U. S. Census Bureau. Business Week magazine named Murfreesboro one of the best places in the country to raise kids. Income levels have also risen steadily over that period with average household income of \$68,000 per year. Murfreesboro was also named first in Tennessee and fifth nationally by Business Week in affordable cities in which to raise a family for 2009.

#### Administration Department

111 West Vine Street \* P. O. Box 1139 \* Murfreesboro, Tennessee 37133-1139 Phone 615 849 2629 \* Fax 615 849 2679  
TDD 615 849 2689 [www.murfreesborotn.gov](http://www.murfreesborotn.gov)

Murfreesboro and Middle Tennessee have experienced the economic slowdown in a similar fashion to the rest of the nation. The unemployment rate rose from a low of 5.7 percent in July of 2008 to 11.1 percent at June 30, 2009. This figure is well below the state average, but slightly higher than the national rates. The local option sales tax makes up nearly 33 percent of the General Fund budget. Tennessee cities rely on sales tax, as does Murfreesboro, due to the absence of state or local income taxes. The falling economy caused sales tax collections to steadily drop throughout the fiscal year. Although total collections increased by nearly \$450,000 or 1.4% over the prior year, the City had an overall budget shortfall of \$1,565,000 or -5.1%.

The City has a diversified employment base, which includes office, industrial, educational and retail employment. Murfreesboro is home to Middle Tennessee State University with a student enrollment of over 24,000. The City's Gateway Project has created opportunities for Class A office and retail. The Embassy Suites and its adjacent conference center were completed at the end of the fiscal year. The conferences and training opportunities provided at this facility continue to enhance the image of the Gateway as a premier destination for jobs, retail and office use in Middle Tennessee.

#### LONG-TERM FINANCIAL PLANNING

The City's continued strong financial position has enabled it to provide services at the level and quality required for our residents. The City has met and expanded service levels in a prolonged period of growth without the need for property tax increases.

The City's general fund, undesignated fund balance is \$38,052,920 million, which is equal to 41.3 percent of general fund revenue. The City's fund balance has been available to fund some projects without borrowing and provides a healthy reserve for future needs and projects.

The Finance Department's accounting systems and city management have provided strong oversight. The City Council's outstanding stewardship of the City's dollars has enabled the aggressive funding of capital projects to serve the rapidly growing population of the City and region without needing to increase the property tax rate.

#### ACCOMPLISHMENTS

The City continued to be a statewide leader in the delivery of municipal services. The City was struck by an EF-4 tornado on Good Friday that was 23-1/2 miles long and 1/2 mile wide at its widest point. The tornado resulted in two fatalities, 81 homes destroyed and over 100 million in damages. The City employees immediately responded and did an amazing job at helping the community respond and recover. Power to over 18,000 customers was restored within 3 days. The Solid Waste Department collected over 16 million pounds of yard waste and 21 million pounds of building debris. The response of the Police and Fire Departments was immediate, effective and demonstrated the professionalism of our emergency responders. The City's efforts were greatly supplemented by community volunteers, Rutherford County, neighboring communities, private contractors and neighbors. The tornado was the defining event of 2009 and in the face of tragedy, it brought out the best in our community. The City incurred approximately \$3.6 million in additional costs, much of which will be recovered through federal and state emergency management agencies.

FY 2008-2009 saw the opening of a 283 room Embassy Suites with an attached 80,000 square foot conference center at the intersection of Medical Center Parkway and Interstate 24. The hotel and meeting space are another private investment stemming from the City's Gateway Initiative to create new retail, hospitality, medical and office development along a new northern entrance corridor from Interstate 24 to the center of Murfreesboro.

The Gateway Island Trailhead includes a 3-mile extension of the Stones River Greenway around the north side of Medical Center Parkway. The island includes a gazebo and reception center, a pond with waterfalls and a lighted walking/jogging trail. There are picnic tables and benches strategically placed in the park for our citizens and visitors to use. Phase II of the Stones River Greenway extension (Old Fort Park to Highway 99) was completed in August 2009. Planning continues on the North Murfreesboro Greenway, and the extension of the Stones River Greenway to Barfield Crescent Park and for a master plan to renovate and improve the Walter Hill Park that the City acquired in 2005.

The planning process began and an architect was hired for the new Rutherford County Chamber of Commerce and Visitor's Center, a joint City/Chamber project. This new 33,744 square foot center is estimated to cost \$6.9 million to construct. It will house both the visitor's center and the Rutherford County Chamber of Commerce. Land for the project in the Gateway area was donated at an estimated value of \$2.35 million. Federal grants of \$3.36 million and a \$2 million donation from the Christy-Houston Foundation will finance the majority of the project. The City of Murfreesboro has agreed to finance the remaining costs of construction with the Chamber of Commerce repaying the note over a 25 year lease. The visitor's center is expected to bring an increase in tourism revenues to the area.

City Council approved partnering with Middle Tennessee State University for improvements on Middle Tennessee Boulevard from East Main Street to Greenland Drive. A joint agreement between Rutherford County and the City of Murfreesboro was signed to construct 16 tennis courts at Old Fort Park. Construction began in March 2009 and the courts will be available for county school use during their tennis season and for public use during other times of the year. The City's contribution to the project was approximately \$750,000.

Roger G. Haley was named City Manager of the Year for 2009 by the Tennessee City Management Association. Mr. Haley has since retired. Several employees moved into department head positions: Gary Whitaker, Building & Codes Director; Lanny Goodwin, Parks & Recreation Director; Cumbey Gaines, Murfreesboro Fire Chief and Robert J. Lyons was named City Manager.

In response to the changing financial environment, City Council voted to close the existing defined benefit retirement plan to new hires so that all full-time employees hired after July 1, 2010 will be enrolled in a new defined contribution plan.

The City continued its aggressive road building and widening program. Projects completed included widening South Rutherford Boulevard from CSX to Broad Street, DeJarnette Lane, Rutherford Boulevard at Greenland Drive, Greenland Drive, Veteran's Parkway Phase I, Robert Rose Extension, Pitts Lane, Old Lascassas Road, Battleground Drive, AgriPark Drive, and River Rock Boulevard. The City is also partnering with Rutherford County in the reconstruction of Halls Hill Pike and Florence Road. Projects under construction include Veterans Parkway phases 3A and 3B and North Spring Street.

Among projects under design are Rucker Lane, Wilkinson Pike, Veterans Parkway Phases 2 and 3C, and the realignment of Manson Pike, Gresham Lane, and Fortress Boulevard into a new intersection.

The Murfreesboro Police Department added eighteen (18) new patrol positions, four (4) new full-time civilian positions, including two (2) Dispatchers, one (1) Secretary in VICE and one (1) Technical Support Specialist in Administration. Seven new vehicles were purchased in conjunction with the hiring of an additional 18 patrol officers.

The City's use of an automated traffic signal camera system on six intersections saw almost 20,000 citations for red light violations issued. The use of automated technology in the police department and other agencies continues to be a tool for maintaining high levels of government service without increased costs.

One fire engine with equipment was purchased and put in service by the Murfreesboro Fire Department. Voice amplifiers for all firefighting personnel were purchased, a ten ton HVAC unit at fire administration was replaced, employees repaired the hose tower and ladder system at headquarters, an air fill station was purchased to refill individual SCBA bottles and kitchens at Stations 7 and 8 were remodeled.

After careful consideration, the City chose not to open Fire Station 10 or hire its staff of fifteen firefighters on the western edge of the City. Construction of the station was in response to anticipated residential growth in the area. With the downturn of the economy, a substantial portion of that growth has not currently materialized. The station is ready and will be slated for opening at the time sufficient development occurs.

The City's public transportation service, Rover, provides services city-wide along 8 routes. The total ridership during the FY09 fiscal year climbed from 118,659 passengers to 169,377, an increase of 42.7%.

The Solid Waste Department collected and processed 24,000 tons of yard waste (tonnage from the Good Friday tornado is not included in this total) at the public works facility from July 1, 2008 thru June 30, 2009. The agreement between the City and BFI for free disposal saved the City of Murfreesboro \$1,731,350 in disposal fees for the fiscal year.

To provide better communications with the public, the Cable Television department implemented a web streaming service to offer archived video, RSS feeds and podcasts for one year's City Council, Planning Commission and all other televised committees, plus the programming for Channel 3 produced by City staff.

The Stones River Water Treatment Plant is currently being expanded to 20 million gallons per day capacity. In addition to capacity, the most recent membrane technology and granular activated carbon filters have been added to the treatment process to meet present and future water quality regulations. Other additions include replacing gaseous chlorine for disinfection to on site chlorine generation, auxiliary emergency power and an additional 1 million gallon clearwell. The membrane portion of the process was completed and placed into use, as well as other major components of the chemical feed systems.

During the April 10, 2009 tornado, the water plant was without power for 30 hours. The auxiliary emergency power generator, which was placed into service in January 2009, kept the plant operational during the outage.

The City continued to expand the use of wastewater effluent. Approximately 3 million gallons per day of the wastewater effluent is being recycled for beneficial use at the Old Fort Golf course, Siegel Soccer Complex, The Avenue retail center and in the landscaped median of Medical Center Parkway.

The expansion of the biosolids treatment process at the wastewater treatment plant was completed, doubling biosolids treatment capacity. Variable speed drives were added to the oxidation ditch aerator motors providing better control and power conservation. Odor control was also added on the biosolids holding tanks by moving the gaseous chlorine scrubber unit no longer needed at the water plant and replacing the media for odor control at the wastewater plant.

The Murfreesboro City School System is known for providing children with small class sizes (average size = 20) taught by extremely talented and dedicated teachers in an environment of beautiful, well-maintained school facilities. The school system has been a leader in preschool education since the early seventies, offers an after-school program for all children, and for twenty years has been a leader in augmenting instruction through state-of-the-art technology. The system is a leader in supplementing public funds through private giving by establishing The City Schools Foundation to enhance education programs for children. In 2008, the City Schools earned system-wide accreditation (as opposed to building-by-building) by the Southern Association of Colleges and Schools making Murfreesboro City Schools one of the few systems in the region to earn such accreditation. On the 2008 State Report Card, Murfreesboro City School students exceeded state averages in all subjects on academic achievement earning A's in math, reading, and writing and B's in social studies and science.

#### AWARDS AND ACKNOWLEDGEMENTS

The City received several awards or recognitions, including Fastest Growing County in Tennessee by United State Census Bureau. Nashville-Davidson-Murfreesboro MSA was ranked 5th in U.S. markets for 'Economic Strength' by Policom and Murfreesboro was named one of 'The Best Places to Raise Your Kids.' by Business Week.

Additionally, the Government Finance Officers Association (GFOA) awarded a certificate of Achievement for Excellence in Financial Reporting to the City of Murfreesboro for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. This is the eleventh consecutive year the City of Murfreesboro has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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.

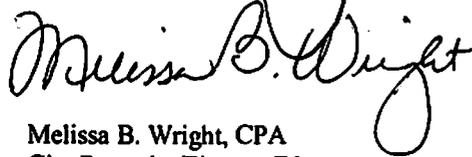
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the finance and administration department. Appreciation is expressed to City employees throughout the organization, especially those who were instrumental in the successful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

We 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,



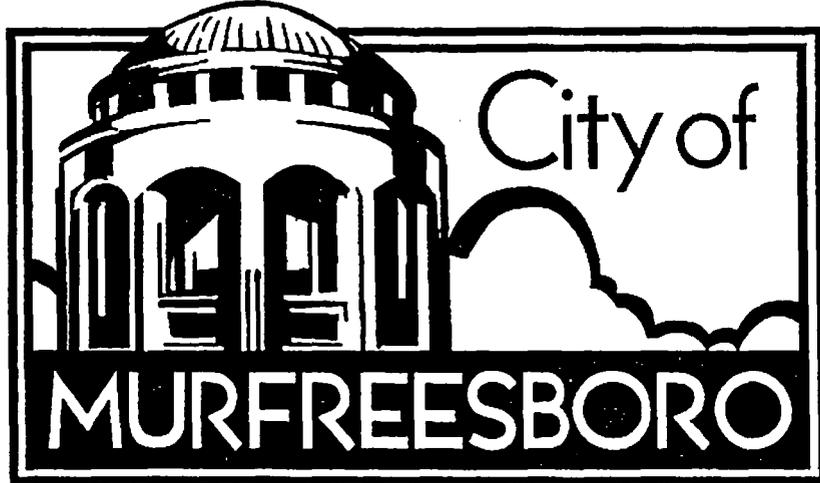
Robert J. Lyons  
City Manager



Melissa B. Wright, CPA  
City Recorder/Finance Director



Erin E. Tucker, CPA  
Assistant City Recorder/Chief Accountant



T E N N E S S E E

**CITY OF MURFREESBORO, TENNESSEE  
CITY OFFICIALS  
JUNE 30, 2009**

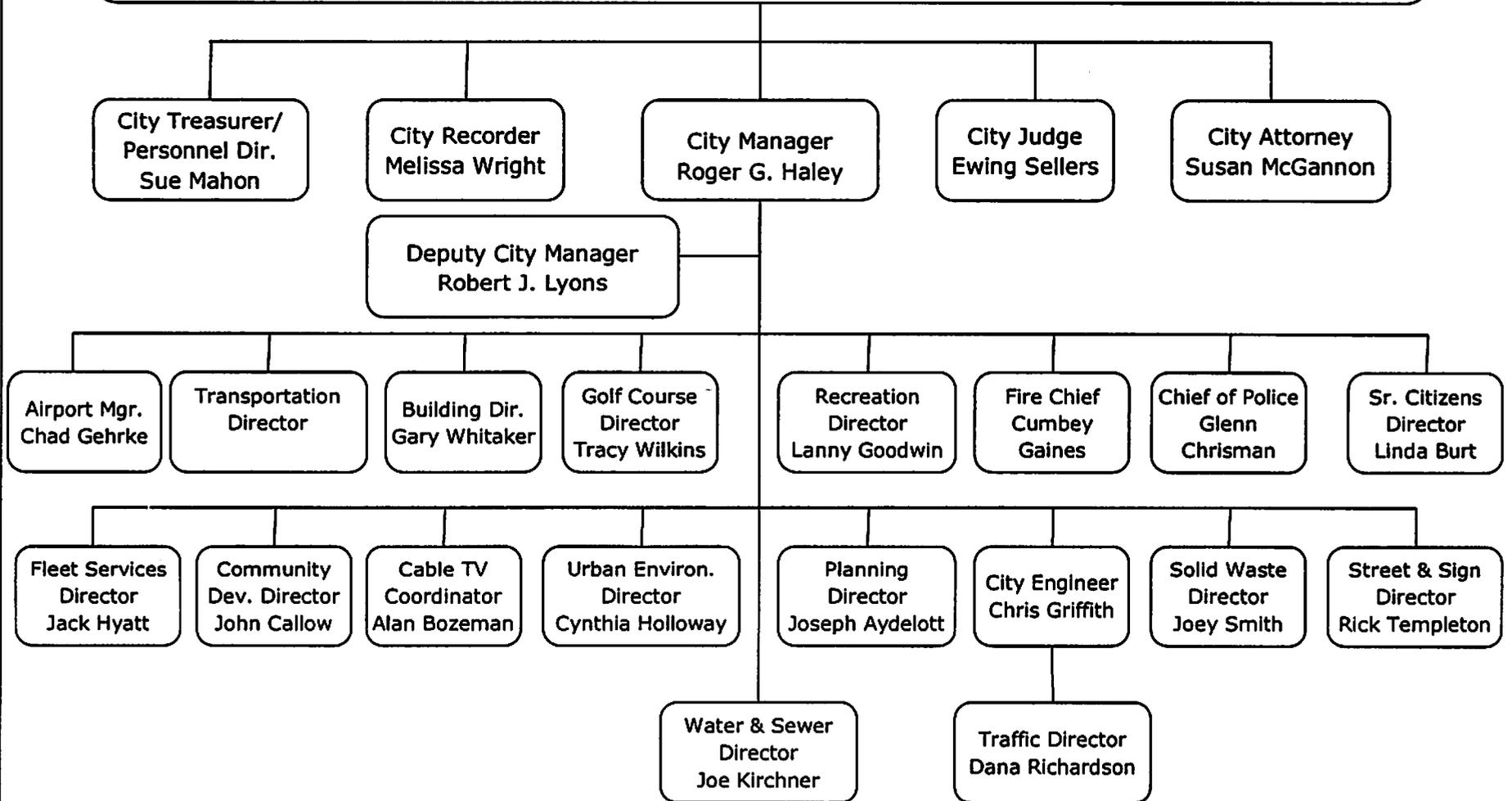
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MAYOR	Tommy Bragg
CITY COUNCIL	Chris Bratcher Doug Young David Edwards Tolbert Gilley, III Ronald Washington Shane McFarland
CITY MANAGER (retired August 3, 2009)	Roger G. Haley
DEPUTY CITY MANAGER (appointed City Manager August 4, 2009)	Robert J. Lyons
CITY RECORDER/FINANCE DIRECTOR	Melissa B. Wright
CITY ATTORNEY	Susan McGannon
CITY TREASURER/PERSONNEL DIRECTOR	Sue Mahon
SUPERINTENDENT OF SCHOOLS	Marilyn Mathis
PLANNING DIRECTOR	Joseph Aydelott
DIRECTOR OF BUILDING DEPARTMENT	Gary Whitaker
CHIEF, POLICE DEPARTMENT	Glenn Chrisman
RECREATION DIRECTOR	Lanny Goodwin
GOLF COURSE GENERAL MANAGER	Tracy Wilkins
CITY ENGINEER	Chris Griffith
COMMUNITY DEVELOPMENT COORDINATOR	John Callow
CHIEF, FIRE DEPARTMENT	Cumbey Gaines, Jr.
SUPERINTENDENT, SOLID WASTE DEPARTMENT	Joey Smith
WATER AND SEWER DIRECTOR	Joe Kirchner
ELECTRIC DEPARTMENT DIRECTOR	Steve Sax
DIRECTOR, SENIOR CITIZENS CENTER	Linda Burt
CITY HORTICULTURIST/LANDSCAPE DESIGNER	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

# City of Murfreesboro—Organization Chart

## Legislative Body

Tommy Bragg, Mayor; Chris Bratcher, Vice Mayor; David Edwards, Toby Gilley,  
Shane McFarland, Ron Washington, Doug Young



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Murfreesboro  
Tennessee

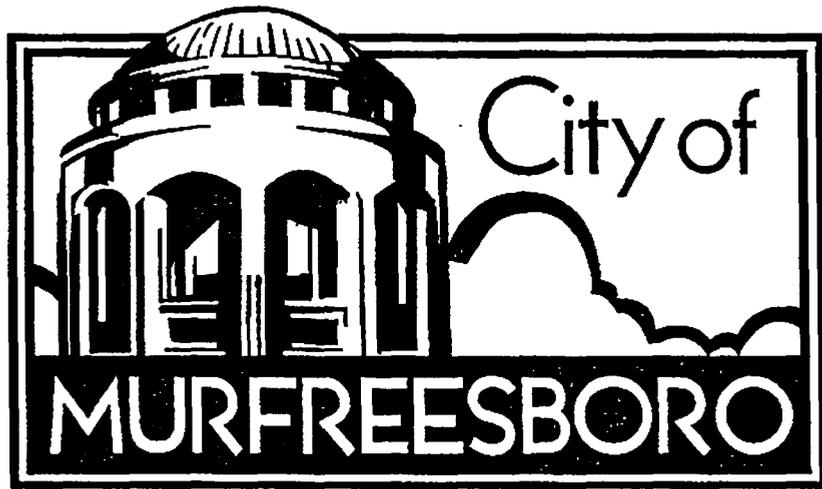
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

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.



President

Executive Director



T E N N E S S E E



# **JOB, 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)

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## **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, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents except for the financial statements of certain departments of the City whose statements were audited by other auditors as listed in this paragraph below. We also have audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service and fiduciary funds presented as supplementary information in the accompanying combining statements and individual fund statements and schedules as of and for the year ended June 30, 2009 as listed in the table of contents, except for the statements and schedules audited by other auditors as listed below which include the Extended School Program Fund, School Cafeteria Fund, Federal and State Program Funds, School Activity Fund, Evergreen Cemetery, the Stormwater Fund and the Murfreesboro Electric Department Pension Plan. 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 \$82,323,019, \$130,583,123, \$394,714,663, \$4,637,325, \$10,265,821, and \$2,019,836 respectively, and total revenues of \$56,577,196, \$144,953,670, \$27,999,011, \$2,565,368, \$(773,554), and \$524,616 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 upon 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the 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 and the respective budgetary comparisons for the General Fund and the Major Special Revenue Fund of the City of Murfreesboro, Tennessee, as of June 30, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in

our opinion, based upon 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 each nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds, of the City of Murfreesboro, Tennessee as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparisons as listed in the supplemental section of the table of contents 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 30, 2009 on our consideration of the City'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, pension trend data, and post-employment benefit data, on pages three (3) through nineteen (19) and seventy-eight (79) through eighty-one (81) are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Murfreesboro's basic financial statements. Other information listed in the introductory section, the financial schedules listed in the supplemental section and the statistical section in the table of contents is presented for additional analysis and is not a required part of the basic 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 basic financial statements of the City of Murfreesboro, Tennessee. The financial schedules as listed in the supplemental section and the schedules of expenditures of federal and state awards have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section 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 express no opinion on them.

  
Certified Public Accountants

Murfreesboro, Tennessee  
December 30, 2009

## **CITY OF MURFREESBORO**

### **Management's Discussion and Analysis**

**June 30, 2009**

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, 2009. 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 – v of this report.

#### **FINANCIAL HIGHLIGHTS**

- The assets of the City of Murfreesboro exceeded its liabilities at June 30, 2009 by \$853,285,408. Of this amount \$26,836,300 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 \$43,609,738 (5.4 percent) during the year. The governmental net assets increased by \$22,699,141 (4.8 percent) and the business-type net assets increased by \$20,910,597 (6.1 percent).
- As of June 30, 2009 the City's governmental funds reported combined fund balances of \$63,984,145, an increase of \$16,722,059 (35.4 percent) in comparison with the prior year. Savings were realized across the board as a hiring freeze was put into effect for open positions with a few exceptions such as those affecting public safety. Additionally, the 2008 TML fund balance realized a change of \$8,886,661 from the prior year due to loan proceeds that were recognized in FY 2009 that covered FY 08 expenses. The unreserved, undesignated portion of the governmental fund combined fund balance is \$61,128,936 and is available for spending at the City's discretion.
- At the end of the year the unreserved, undesignated fund balance for the general fund was \$38,052,920, or 70.2 percent of the total general fund expenditures.
- The City of Murfreesboro's total debt increased by \$26,178,377 (7.57 percent) during the year ended June 30, 2009. Although the growth rate has slowed, the general government and both utilities issued debt to continue infrastructure projects needed to meet the needs of our City.

#### **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, legal, personnel, streets, planning and engineering, building inspections, sanitation, 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 20-22 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 twenty-nine (29) individual governmental funds. Information is presented separately in the governmental fund statements for the general fund, the general purpose school fund, debt service fund, and 2008 TML fund which are considered

to be major funds. Data from the other twenty-five (25) 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 23 - 27 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 38 – 41 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 38 - 41 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 42 - 43 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 44 - 78 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 79 - 80 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 81 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 immediately following the required supplementary information on pensions and certain budgetary comparison schedules as supplementary information. Combining statements and individual fund schedules can be found on pages 82 - 127 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 \$853,285,408 at June 30, 2009. The largest part of the City of Murfreesboro's net assets (90.8 percent) reflects its investment in capital assets (land, buildings and improvements, and equipment) 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. Another significant change in the governmental activities is the decrease in year-end payables on the 2008 TML Fund which creates a deficit in net assets for that fund.

The largest change in business-type activities net assets is the portion invested in business-type activities capital assets, net of related debt. The electric department added \$8,256,903 in net capital assets, which included new station equipment and land and distribution system expansion and improvements. The water and sewer department added \$12,683,290 in net capital assets. The majority of this growth was in additions or improvements to transmission and distribution mains. The following table focuses on the net assets of the City's governmental and business-type activities:

### NET ASSETS June 30, 2009

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
		(Restated)				(Restated)
Current and other assets	\$ 138,607,199	\$ 124,202,287	\$ 57,780,935	\$ 55,979,860	\$ 196,388,134	\$ 180,182,147
Capital assets	639,827,842	617,438,155	488,096,070	447,028,344	1,107,923,912	1,064,464,499
Total assets	778,435,041	741,640,442	525,877,005	503,008,204	1,304,312,046	1,244,646,646
Long-term liabilities outstanding	228,290,439	207,085,603	145,688,617	144,720,178	371,979,056	351,805,779
Other liabilities	60,439,187	65,548,585	18,608,395	17,616,832	79,047,582	83,165,197
Total liabilities	288,729,626	272,634,188	164,297,012	162,336,808	451,026,838	434,970,976
Net assets:						
Invested in capital assets, net of related debt	447,516,415	441,657,459	326,924,482	305,980,547	774,440,897	747,638,006
Restricted	28,342,279	25,620,279	23,665,932	27,152,115	52,008,211	52,772,394
Unrestricted	15,846,721	1,728,536	10,989,579	7,536,734	26,836,300	9,265,270
Total net assets	\$ 491,705,415	\$ 469,006,274	\$ 381,579,993	\$ 340,669,396	\$ 853,285,408	\$ 809,675,670

6.1 percent of the City's net assets are subject to restrictions on how they may be used. Debt service funds and capital project activity comprise \$37,728,921 or 72.5 percent of the total restricted net assets. Unrestricted net assets of \$26,836,300 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 \$15,846,721 for governmental activities unrestricted net assets. This is an increase of \$14,118,185 from the prior year due to issuance of debt in the 2008 TML Fund to cover expenditures. All categories for governmental activities as well as all categories for business-type activities report a positive balance.

### **Governmental Activities**

Governmental activities increased the City of Murfreesboro's net assets by \$22,699,141 thereby accounting for 52.1 percent of the total growth in the net assets. Key elements of this increase are displayed on the Changes in Net Assets table.

Governmental charges for services increased \$2,534,056 from the previous fiscal year, of which \$2,035,598 is charges collected through our city court. Approximately 41 percent of the judicial increase was due to a recently implemented automated red light camera system. Our police department recommended this system in an attempt to provide an additional safety factor at selected intersection trouble spots. Operating grants and contributions revenue has an increase of \$9,690,598 from the prior year. Of this amount, \$6,337,806 is from Rutherford County for educational use in the City of Murfreesboro as a result of debt issuance for County schools and shared with the City on an average daily attendance formula. These funds were used to pay on existing debt service for City schools. Additionally, operating grants and contributions have increased because of \$3,136,083 in FEMA/TEMA reimbursements due to the City of Murfreesboro relating to an F-4 tornado emergency response. Capital grants and contributions for the governmental activities of the City was \$15,863,275 which is a decrease of \$1,442,747 from the previous year. The decrease relates to a land donation valued at \$2,350,000 for a visitor's center and office building which was recognized in the community/economic development category in fiscal year 2008 and \$2,129,596 in funds we received from Rutherford County to be used for city school capital projects in the education category. We also recognized an increase in federal grant revenue for the construction of an addition to our greenway system. The City's property tax base continued to grow with an increase of \$2,193,124 in property tax revenue from the fiscal year ended June 30, 2008. Due to the decline in interest rates, unrestricted governmental investment earnings have decreased 73 percent from the prior year and accounts for most of the change in the other revenue category.

In April 2009 an F-4 tornado touched down and left damage for approximately 20 miles through Rutherford County and Murfreesboro. The city experienced direct costs to third parties of \$2,213,423 through June 30, 2009 for debris clean-up and emergency response assistance. Several departments also experienced an increased labor cost over the previous year due largely to overtime pay for the emergency response of approximately \$1.4 million.

Another new expense related to the new red light camera system added an additional \$589,630 in operating expenses for the police department. Our street expenses increased

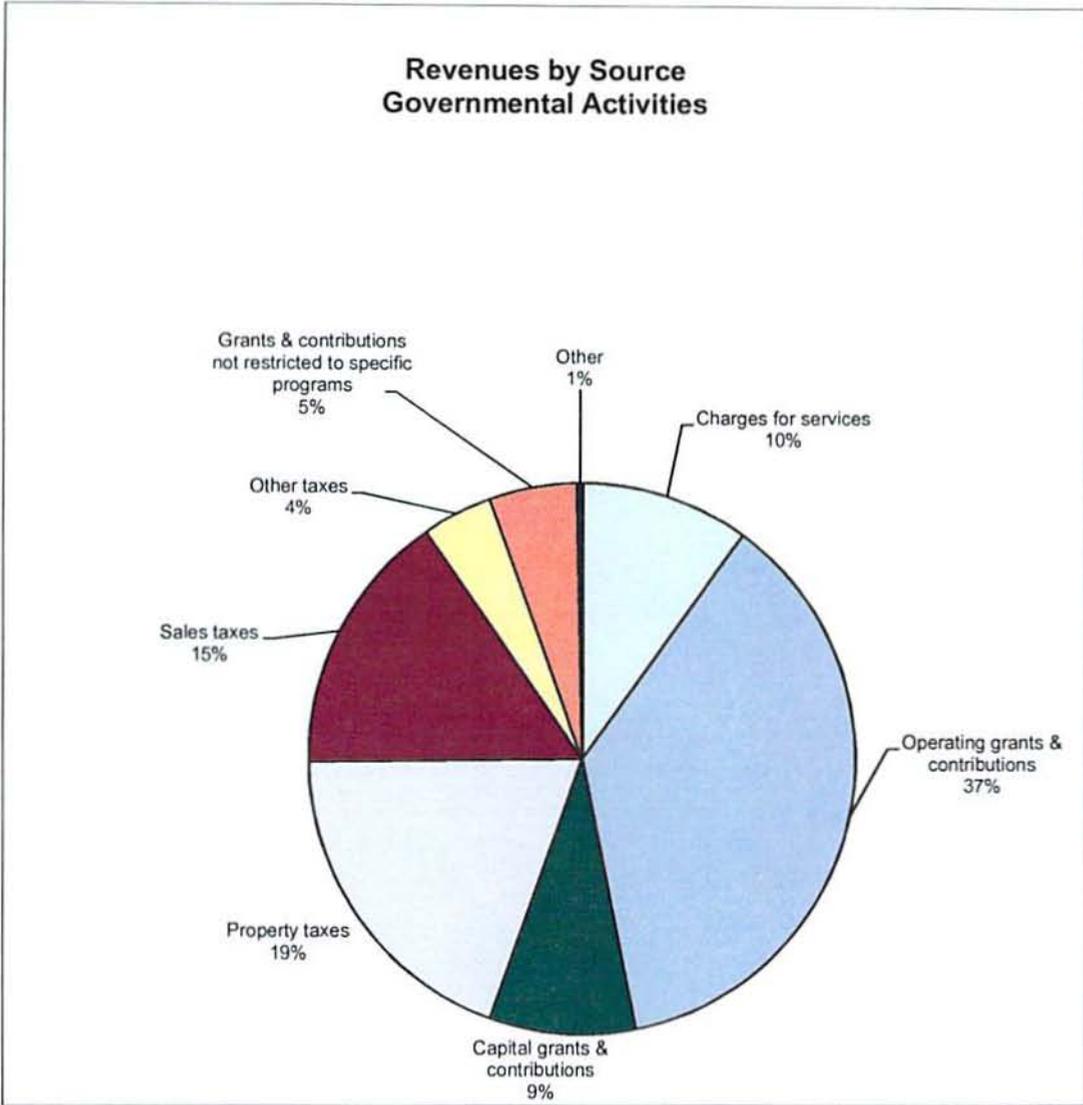
\$2,564,233 from the previous year as we have continued to be involved with several large road projects.

## CHANGES IN NET ASSETS

June 30, 2009

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 18,263,086	\$ 15,729,030	\$ 175,499,852	\$ 162,724,366	\$ 193,762,938	\$ 168,453,396
Operating grants & contributions	67,482,074	57,771,478	68,694	69,514	67,531,068	57,840,990
Capital grants & contributions	15,863,275	17,308,022	8,119,244	19,826,819	23,982,519	37,132,841
<b>General revenues:</b>						
Property taxes	35,334,174	33,141,050			35,334,174	33,141,050
Other taxes	35,987,438	35,533,747			35,987,438	35,533,747
Grants & contributions not restricted to specific programs	9,503,830	8,870,859			9,503,830	8,870,859
Other	630,166	2,044,408	404,669	1,099,560	1,034,835	3,143,966
<b>Total revenues</b>	<b>\$ 183,044,043</b>	<b>\$ 170,396,690</b>	<b>\$ 184,092,759</b>	<b>\$ 173,720,259</b>	<b>\$ 367,136,602</b>	<b>\$ 344,116,649</b>
<b>Expenses:</b>						
General government	\$ 11,649,426	\$ 9,827,713			\$ 11,649,426	\$ 9,827,713
Police	22,692,847	19,406,692			22,692,847	19,406,692
Fire protection	14,331,112	13,810,394			14,331,112	13,810,394
Judicial	435,877	428,682			435,877	428,682
Legal	770,951	760,004			770,951	760,004
Personnel	641,827	699,440			641,827	699,440
Streets	13,638,620	10,974,387			13,638,620	10,974,387
Planning and engineering	2,826,364	2,838,546			2,826,364	2,838,546
Building inspections	1,725,111	1,698,151			1,725,111	1,698,151
Sanitation	6,135,988	5,551,848			6,135,988	5,551,848
Urban environmental	902,288	812,456			902,288	812,456
Public health, educ. and welfare	2,124,575	1,608,823			2,124,575	1,608,823
Community services	8,213,989	9,926,107			8,213,989	9,926,107
Recreation	12,161,486	11,507,834			12,161,486	11,507,834
Community/economic develop.	1,113,234	1,640,426			1,113,234	1,640,426
Education	58,067,967	54,783,363			58,067,967	54,783,363
Food service	3,424,389	3,387,963			3,424,389	3,387,963
Interest on long-term debt	3,620,010	6,100,927			3,620,010	6,100,927
Water and sewer			\$ 28,206,394	\$ 28,583,063	28,206,394	28,583,063
Electric			134,543,111	113,398,349	134,543,111	113,398,349
Cemetery			446,550	470,903	446,550	470,903
<b>Total expenses</b>	<b>\$ 162,176,061</b>	<b>\$ 155,763,756</b>	<b>\$ 163,196,055</b>	<b>\$ 142,452,315</b>	<b>\$ 325,372,116</b>	<b>\$ 298,216,071</b>
Increase in net assets before contributions and transfers	\$ 20,867,982	\$ 14,632,834	\$ 20,896,704	\$ 31,267,944	\$ 41,764,666	\$ 45,900,778
Contributions to permanent funds			69,150	50,752	69,150	50,752
Gain on sale of assets	1,775,902	79,559			1,775,902	79,559
Reduction in estimated landfill post-closure costs						
Transfers	55,257	(26,400)	(55,257)	26,400		
<b>Increase in net assets</b>	<b>\$ 22,699,141</b>	<b>\$ 14,685,993</b>	<b>\$ 20,910,597</b>	<b>\$ 31,345,096</b>	<b>\$ 43,609,738</b>	<b>\$ 46,031,089</b>
Net assets - beginning, as previously reported	\$ 466,425,094	\$ 451,739,101	\$ 340,669,396	\$ 309,324,300	\$ 807,094,490	\$ 761,063,401
Prior period adjustment	2,561,160				2,561,160	
Net assets - beginning, as restated	\$ 468,986,254	\$ 451,739,101	\$ 340,669,396	\$ 309,324,300	\$ 809,655,670	\$ 761,063,401
<b>Net assets at end of year</b>	<b>\$ 491,705,415</b>	<b>\$ 466,425,094</b>	<b>\$ 361,579,993</b>	<b>\$ 340,669,396</b>	<b>\$ 853,265,408</b>	<b>\$ 807,094,490</b>

The cost of all governmental activities was \$162,176,061. However, as shown in the Changes in Net Assets table, 62.6 percent (\$101,588,435) 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 changed slightly. The operating grants and contributions have grown 3 percent while other categories have had a 1 percent or less change from the prior year. The following table displays program costs to the taxpayers.

**Net Program Cost to  
Taxpayers**

Governmental activities:			Net (Expense)
	<u>Revenue</u>	<u>Expense</u>	<u>Revenue</u>
General government	\$ 8,298,817	\$ 11,649,426	\$ (3,350,609)
Police	1,204,024	22,692,847	(21,488,823)
Fire protection	703,653	14,331,112	(13,627,459)
Judicial	4,829,049	435,877	4,393,172
Legal		770,951	(770,951)
Personnel		641,827	(641,827)
Streets	12,752,052	13,538,620	(786,568)
Planning and engineering	52,086	2,626,364	(2,574,278)
Building inspections	2,712,751	1,725,111	987,640
Sanitation	604,569	6,135,988	(5,531,419)
Urban environmental	17,480	902,288	(884,808)
Public health, educ. and welfare		2,124,575	(2,124,575)
Community services	5,225,189	8,213,989	(2,988,800)
Recreation	7,899,266	12,161,486	(4,262,220)
Community development	2,087,537	1,113,234	974,303
Education	51,760,156	56,067,967	(4,307,811)
Food service	3,437,988	3,424,389	13,599
Interest on long-term debt	3,818	3,620,010	(3,616,192)
<b>Total governmental activities</b>	<b>\$ 101,588,435</b>	<b>\$ 162,176,061</b>	<b>\$ (60,587,626)</b>

Governmental net assets for fiscal year 2009 increased by \$22,699,141 after payment of governmental activities expenses of \$162,176,061 with program revenues of \$101,588,435, general revenues of \$81,455,608, and a gain on sale of assets of \$1,775,902. There were also transfers to other funds of \$55,257. Governmental net assets at June 30, 2009 were \$491,705,415.

**Program Expenses  
Governmental Activities**

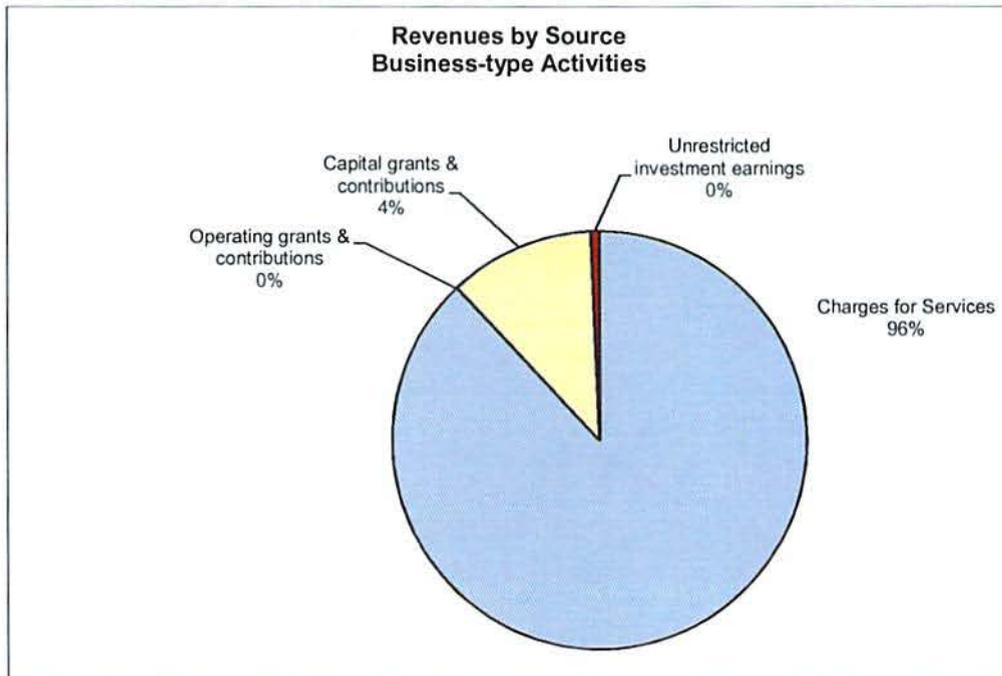
Governmental activities:	<u>Expense of Total</u>			<u>Expense of Total</u>	
	<u>Expense</u>	<u>of Total</u>		<u>Expense</u>	<u>of Total</u>
General government	\$ 11,649,426	7%	Sanitation	6,135,988	4%
Police	22,692,847	14%	Urban environmental	902,288	1%
Fire protection	14,331,112	9%	Public health, educ. and welfare	2,124,575	1%
Judicial	435,877	0%	Community services	8,213,989	5%
Legal	770,951	1%	Recreation	12,161,486	8%
Personnel	641,827	0%	Community/economic development	1,113,234	1%
Streets	13,538,620	8%	Education	56,067,967	35%
Planning and engineering	2,626,364	2%	Food service	3,424,389	2%
Building inspections	1,725,111	1%	Interest on long-term debt	3,620,010	2%
			<b>Total governmental activities</b>	<b>\$ 162,176,061</b>	<b>100%</b>

**Business-type Activities**

The business-type activities increased the City of Murfreesboro’s net assets by \$20,910,597, accounting for 47.9 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 \$163,196,055. As shown in the Statement of Activities, the amounts paid by users of the operations were \$175,499,852. The additional revenue sources included operating grants and contributions of \$68,994, capital grants and contributions of \$8,119,244, unrestricted investment earnings of \$404,669, and contributions to permanent funds of \$69,150. There were also transfers to other funds of \$55,257.

**Expenses and Program Revenues  
Business-type Activities**

	Expenses	Program Revenue	Expense as a Percent of Revenue
Water & Sewer	\$ 28,206,394	\$ 38,345,340	74%
Electric	134,543,111	144,887,286	93%
Cemetery	446,550	455,464	98%
	<u>\$ 163,196,055</u>	<u>\$ 183,688,090</u>	89%



The Water and Sewer Department experienced a \$1,310,374 (4.97 percent) growth in operating revenues due to a rate increase for water and sewer and additional growth in the sewer customer base. The capital contributions from developers, which include the tap fees less the tap fee expense and the contributions in aid of construction, totaled \$8,119,244,

which is a decrease of 59.05 percent from the previous year. This decrease is attributable to the overall economic downturn and less activity in the addition of infrastructure through development and other city projects. The Stormwater Fund is a new enterprise fund established in 2008, originating from charges to the Water & Sewer customer base for the study and management of stormwater runoff in the City of Murfreesboro in accordance with federal mandates. The charges collected by the Stormwater Fund were \$2,565,368, an increase of 70 percent from last year. Expenses totaled \$428,950, a decrease of 69.98 percent. Consulting costs of \$1,330,162, a one-time expense, were recognized in 2008 which are directly attributable to this decrease. The Electric Department experienced a \$20,344,461 (16 percent) increase in operating revenue. The increase is due primarily to quarterly fuel cost adjustment (FCA) increases by TVA of \$13 million this fiscal year. In addition, the Electric Department also took a guideline rate increase of 0.8 percent which kept purchased power from increasing as significantly as operating revenue. Additionally there was a 5.98 percent retail rate increase implemented to pass through a 7 percent wholesale increase by TVA. The Electric Department experienced relatively flat customer growth during 2009. The customer base increased by only 596 customers, or 1.2 percent.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

### **Governmental Funds**

As of June 30, 2009 the City of Murfreesboro's governmental funds reported combined ending fund balances of \$63,984,145, an increase of \$16,722,059 in comparison with the prior year.

The general fund is the chief operating fund of the City of Murfreesboro. At June 30, 2009, the fund balance was \$38,593,589, an increase of \$4,078,898. The past fiscal year proved to be a difficult economic environment. While most of our revenue accounts increased over the previous year, they did not all reach our budgeted amounts. The local option sales tax is one of our largest revenue items and is tied to the economy. In this category we realized a gain from the previous year of \$449,715 but a budgeted shortfall of \$1,564,651. Tennessee cities rely on sales tax, as does Murfreesboro, due to the absence of income taxes. The falling economy caused sales tax collection to steadily drop across the state throughout the fiscal year. Property tax and related accounts increased \$2,181,219 (6.6 percent) over the previous year and the collection rate only dropped 0.5 percent. Most of the property tax base increase is related to commercial and multi-family projects, which were in progress before the slowing of the economy. As we are a service based organization, our largest expense is for wages and related benefits. In the general fund this equated to an increase of \$3,377,597 or 9.5 percent, which included 18 new positions in the police department. The uncertainties with the economy caused management to evaluate our hiring and purchasing plans during the fiscal year and as a result a hiring freeze and capital purchasing freeze was put into place. The City did not fill all new positions budgeted and left many vacancies unfilled as they occurred in an effort to control costs. Murfreesboro was able to fill half of the 36 new police patrol positions, but left the remaining 18 vacant. The City also chose not to open or staff a new fire hall when construction was completed as the anticipated growth in the area slowed. This was done after careful consideration to ensure public safety would not be affected. Generally, all departments were asked to search for budget cuts that would not affect basic service to our citizens and we

were able to realize a savings throughout all departments resulting in an increase to fund balance of \$4,078,898. We also recognized a savings in interest costs to our debt service costs which are discussed below.

The General Purpose School fund balance grew by \$747,342 due primarily to more state funding as a result of an increase in enrollment and from better than expected shared county property tax collections. The increase in expenditures is primarily related to the previously negotiated annual step increases for professional educators and implementing a 1.3 percent across the board cost-of-living pay increase, as well increased operating costs related to enrollment increases.

The Debt Service Fund experienced a small increase in fund balance of \$352,192. The largest variance in this fund was the decrease in interest payments of \$1,817,748 (39.5 percent). Financed debt has increased \$11,665,290 and the majority of all debt is financed with variable rate interest which has continued to decline during the past year. 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 26, under Other Governmental Funds, \$4,394,192 is included for debt principal and interest, 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 the 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 26.

The 2008 TML Fund is a capital project fund that expends loan proceeds from the Tennessee Municipal Bond Fund (TMBF). It has a deficit balance at June 30, 2009 of \$(1,378,075) and results from funds spent through the General Fund to be repaid through loan proceeds. Street projects dominate the expenditures from the 2008 TML Fund. Additionally, in the past fiscal year we have added a multi-use building at a recreation facility, purchased a new fire engine and added to our greenway (20 percent match towards federal grant). The City has begun expending funds for new projects that will be reimbursed from a new loan to be issued in 2010. It is not known at this time if variable or fixed interest rate debt will be used for this financing. Collectively, all TML Funds (1998-2010) had a deficit fund balance of \$(53,164). Inactive TML Funds have a positive fund balance as a result of funds held in escrow for state match on road projects and/or repayments received for assessments on improvements; these payments will be paid toward debt balance on the next scheduled principal repayment.

The Recreation Fund had an increase in federal funding of \$1,456,730 as well as additional capital outlay expense due to continued greenway extension construction grants. For the year ended June 30, 2009, the department received 46.3 percent of its funding from sources other than the General Fund.

The Television Fund is for our municipal cable television channel run by city employees. The programming is composed of meetings of our Council, and other boards or commissions, original programming done by city employees as well as programming provided by other

agencies such as the Chamber of Commerce to provide information for our citizens as well as our visitors. This channel is supported through cable franchise fees and the current fund balance is \$4,265,149. Recent legislation by the State of Tennessee will change how this franchise fee will be calculated as new competitors are allowed into our market. As of June 30, 2009 AT&T had begun to provide service to some of our citizens but there was not a noticeable financial impact.

The Public Transportation Fund completed its second full year of providing bus service to the citizens of Murfreesboro. Ridership increased from 118,659 for fiscal year 2008, to 169,377 for fiscal year 2009, a 42.7 percent increase. Federal and state funding decreased \$725,140 from the previous year as the City did not purchase any new buses this year.

The Governmental Fund Pension Fund had a \$5,847,443 net decrease in assets held in trust through June 30, 2009. This is an 8 percent decrease 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.

#### **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, 2009 were \$265,042,439, which is an increase of \$8,043,123. The Electric Department had net assets of \$91,618,801 at June 30, 2009, which is an increase of \$10,368,559. Net assets for the other proprietary funds at June 30, 2009 were \$2,713,514, which is an increase of \$2,159,227. The new Stormwater Fund is responsible for \$2,136,418 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, 2009.

Overall, general fund revenues exceeded budget by \$933,333 and expenditures were less than budget by \$1,315,012. Additionally, transfers from the general fund to other funds were less than anticipated by \$3,330,553. The budget anticipated a \$1,500,000 shortfall to be funded from available fund balance, but instead the actual amount was an increase to fund balance of \$4,078,898.

## 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, 2009 amounted to \$1,107,923,912 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, certain infrastructure, and utility distribution systems. The total increase in the City of Murfreesboro's investment in capital assets for the current fiscal year was 4.1 percent (a 3.6 percent increase for governmental activities and a 4.7 percent increase for business-type activities).

Land increased by \$9,366,373, net of sales. The largest increases in land were for right-of-way acquisitions for road construction, which totaled \$5,022,643 and land donated by contractors for neighborhood streets which totaled \$3,587,136.

Construction in progress is composed largely of road projects, the recreation greenway extension, a fire station, a police precinct and the new office building/visitor's center, which will be the future site for our Chamber of Commerce.

Additions to government equipment were composed mainly of 7 new police vehicles, a new fire engine, street equipment as well as additional equipment for the 11 schools operated by the school system. Depreciation of \$3,934,400 caused a net decrease of \$2,023,775.

Government improvements other than buildings increased \$2,687,802 net of depreciation. The gateway greenway extension of \$4,698,886 was the main increase for June 30, 2009.

As a result of maintained population growth, the utility operations continued additions and improvements of the transmission and distribution mains and the electric plant for a net increase in utility assets of \$21,069,726. The transmission and distribution mains, net of depreciation, have increased \$9,375,463 (4.9 percent). The electric plant has increased \$10,159,560 (12.1 percent).

### Capital Assets Net of Depreciation

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Non-Depreciable Assets:</b>						
Land	\$ 240,152,854	\$ 230,788,481	\$ 20,809,509	\$ 20,669,397	\$ 260,962,363	\$ 251,455,878
Construction in progress	30,710,183	46,328,899	79,148,681	78,293,579	109,858,864	124,622,478
<b>Other Capital Assets:</b>						
Buildings	94,376,620	96,400,395	57,510,405	56,690,282	151,887,025	153,090,677
Improvements other than buildings	36,582,466	33,894,664			36,582,466	33,894,664
Transmission & distribution mains			199,481,024	190,105,561	199,481,024	190,105,561
Electric plants			93,909,509	83,749,949	93,909,509	83,749,949
Equipment	20,278,428	22,931,073	17,236,942	17,517,576	37,515,370	40,448,649
Infrastructure	<u>217,727,291</u>	<u>187,096,643</u>			<u>217,727,291</u>	<u>187,096,643</u>
<b>Total</b>	<b>\$ <u>639,827,842</u></b>	<b>\$ <u>617,438,155</u></b>	<b>\$ <u>468,098,070</u></b>	<b>\$ <u>447,026,344</u></b>	<b>\$ <u>1,107,923,912</u></b>	<b>\$ <u>1,064,464,499</u></b>

Additional information on the City of Murfreesboro's capital assets can be found in note F on pages 55 - 56 of this report.

### **Long-term Debt**

Total long-term debt for the City of Murfreesboro increased \$26,178,377 during the year ended June 30, 2009. Debt from governmental activities increased \$19,204,836 (9.3 percent) and business-type activities debt has increased \$968,441 (0.7 percent).

The City has 79.8 percent of its long-term debt in the form of variable rate loans from the Tennessee Municipal Bond Fund (TMBF); the variable interest rate varies by loan and the rates as of June 30, 2009 ranged from 0.34 percent to 3.45 percent. These loans are drawn down periodically as the money is needed for reimbursement.

Road construction and improvements are the dominant governmental uses of the current loan in process and planning has begun for a new loan to possibly be issued in mid 2010.

The Water and Sewer Department had \$8,042,109 drawn down from TMBF loans during the fiscal year ended June 30, 2009 for funding of several capital improvement projects including water treatment plant design, construction of water plant process expansion and upgrade (Phase II), planning for the expansion of the wastewater treatment plant and water and sewer system expansion and improvements and sewer rehabilitation to reduce infiltration/inflow. The majority of the funds drawn down were for water plant construction. The Electric Department drew down \$1,776,623 from TMBF loans for various projects including new substations and additional transformers.

For the year ended June 30, 2008, the City adopted the requirements of 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, 2009 is \$12,165,722, an increase of \$6,160,522 (102.59 percent) from the previous year. 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.

Additional information on the City of Murfreesboro's long-term debt can be found in note G on pages 56 - 60 of this report. The table on the following page has comparative information for governmental and business-type activities.

## Long-term Debt Outstanding June 30, 2009

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$	1,305,000	\$	165,000	\$	1,470,000
Tennessee Municipal Bond Fund loans	200,127,211	186,288,248	96,728,807	94,056,075	296,856,018	280,344,323
Revenue bonds			2,060,000	2,675,000	2,060,000	2,675,000
Matured bonds payable			36,000	36,000	36,000	36,000
Less: Deferred amounts			(62,416)	(68,042)	(62,416)	(68,042)
Capital outlay note	2,994,000	3,191,000			2,994,000	3,191,000
State revolving loan			41,036,702	43,596,458	41,036,702	43,596,458
Estimated landfill closure costs	1,825,000	830,000			1,825,000	830,000
Compensated absences	6,302,919	5,820,543	2,780,147	2,570,845	9,083,066	8,391,388
Post-employment benefit obligation	9,865,309	4,877,812	2,300,413	1,127,388	12,165,722	6,005,200
Loans payable - Utility plant acquisition			808,864	561,452	808,864	561,452
Claims and judgements	5,176,000	4,773,000			5,176,000	4,773,000
	<u>\$ 226,290,439</u>	<u>\$ 207,085,603</u>	<u>\$ 145,688,517</u>	<u>\$ 144,720,176</u>	<u>\$ 371,978,956</u>	<u>\$ 351,805,779</u>

### 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.

In December 2009, the U.S. Youth Soccer announced that Murfreesboro has been chosen to host the 2011 regional championships. Local restaurants, hotels, retail stores and other businesses in the community are expected to benefit from the more than 10,000 players, coaches, teams and tournament officials and their families at this six day tournament. The expected economic impact of this tournament to our area is \$7.2 million. The investment in quality recreational facilities, including the City's 15 field soccer complex, continues to bring outside interest to our area. The President's Cup soccer tournament, national girls' softball qualifying tournament, and the Tennessee state baseball tournament will all be held in Murfreesboro in the summer of 2010.

In September 2009, the City of Murfreesboro received an AA- rating from Standard & Poor's Rating Service and an A-1 rating from Moody's Rating Service. These ratings reflect our consistently strong general fund performance, good wealth and income levels, a sound local economy centered in retail, medical services, and tourism, and proximity to Nashville, TN, an

economic and employment center. These ratings were instrumental in securing a low interest rate on our bonds.

City leaders continue to monitor quality of life issues. Traffic needs near the recently built interstate exit on Medical Center Parkway have been evaluated and a re-alignment of area streets and roads is being designed to plan for the increased load of traffic being realized in this area. The City is adding new phases of construction to the road project named Veteran's Parkway which 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. In conjunction with federal grants the City has also continued work on its greenway system. The City opened Phase II of the Stones River greenway extension in the fall of 2009. The City is preparing to implement a new computer-aided dispatch and geo-mapping system to aid in police and fire response.

Middle Tennessee was not immune from the downturn in the national economy, but Murfreesboro fared better than other areas, and preventative measures were taken to help weather the storm. In planning for the 2010 fiscal year budget, the City re-evaluated its projects and their timelines. Additionally, employee vacancies were evaluated carefully to determine if they could be left vacant and responsibilities redistributed. Budget cuts were analyzed to provide savings yet still provide quality service to the citizens. The City Manager continues to closely monitor large purchases and projects as well as all hiring decisions. During the first half of the 2009-2010 fiscal year, our sales tax dollars are approximately \$0.5 million less than last year and less than budgeted. 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.

Construction for the new Middle Tennessee Medical Center campus is continuing towards an October, 2010 opening. The Gateway Project near the Medical Center Parkway/I-24 interchange continues to develop and occupancy continues to grow. Development in this area is ongoing due to the new retail development and the hospital. Near the Gateway are three shopping venues: Stones River Mall, the Oaks and The Avenue. Each venue has national retailers and restaurants and are in close proximity to the new hotel/conference center and the new medical facilities which will generate a large positive economic impact for the community. Stones River Mall recently completed its renovations and expansions which have attracted new restaurants and businesses to the area.

In October 2009, the City broke ground on the new visitor's center located in the Gateway area. This new 33,744 square foot center is estimated to cost \$6.9 million to construct. It will house both the visitor's center and the Rutherford County Chamber of Commerce. Federal grants of \$3.36 million and a \$2 million donation from the Christy-Houston Foundation will finance the majority of the project. The City of Murfreesboro has agreed to finance the remaining costs of construction with the Chamber of Commerce repaying the note over a 25 year lease. The visitor's center is expected to bring in tourism revenues to the area and tout

the impressive historical, educational and retail amenities that the City of Murfreesboro has to offer.

The Water and Sewer Department began construction on the water plant process expansion in the fiscal year 2006-2007 and was substantially complete and in operation in December, 2009. The facility is expected to be totally complete in early 2010. Management anticipates the addition of another head works building for primary screening and a Southwest Regional pumping station. These projects are currently under design.

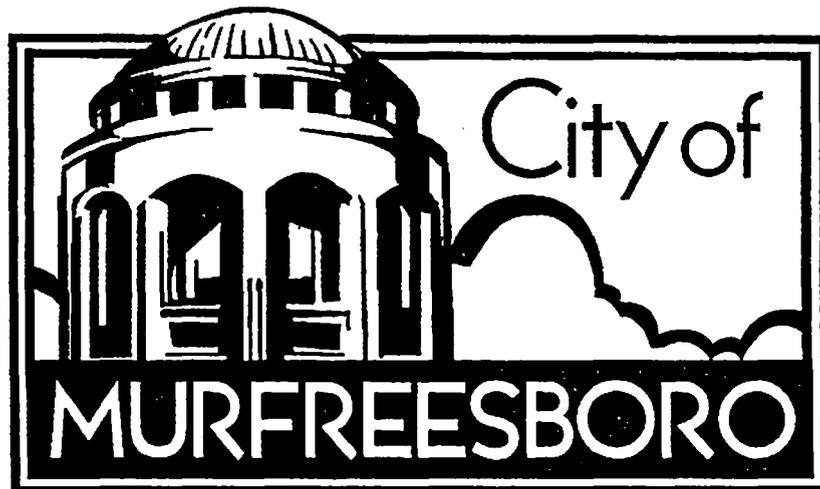
Water and sewer connection fee revenues were well below budgeted amounts and this trend is expected to continue with the decline in development activity. The Water and Sewer Department funded a cost of service study to develop fair and equitable rates and ensure revenue stability and sufficiency. Effective for 2009-2010, the sewer rates increased from \$2.74 per 100 cubic feet of consumption to \$3.34. In addition, the operations & maintenance fee increased from \$0.70 to \$0.90 per cubic foot of consumption.

The Electric Department borrowed \$10 million in December of 2007 from a variable rate loan to fund new substations at Medical Center Parkway and Manchester Highway and to fund additional substation transformers at Industrial and Primary substations. As of June 30, 2009 there was \$6,871,489 left to draw from that loan. Management expects customer and electric sales growth to be relatively flat next year. Beginning January 1, 2009, TVA decreased the Fuel Cost Adjustment that in turn decreased the average wholesale electric rates from a charge of \$1.806 per kilowatt hour in December 2008, to a credit of \$0.662 in December 2009. However, TVA approved an 8 percent increase in the average wholesale rate effective October 1, 2009 and the Electric Department took the TVA guideline amount increase of \$553,437 (0.45 percent) also effective October 1, 2009.

The Electric Department continues to upgrade, expand and develop new substation sites. Finishing up two expansions in the summer of 2009, the Electric Department has added capacity and improved reliability at the Industrial and Primary Substations. Both of these improvements will allow for new industrial and commercial loads.

## **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.



T E N N E S S E E

**CITY OF MURFREESBORO, TENNESSEE**

**Statement of Net Assets**

**June 30, 2009**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 64,405,604	\$ 17,664,812	\$ 82,070,416
Certificates of deposit	357,165		357,165
Receivables, net of allowance for uncollectibles	67,060,476	10,399,345	77,459,821
Internal balances	(983,190)	983,190	
Inventories	345,035	3,521,042	3,866,077
Prepaid pension costs	1,096,887		1,096,887
Prepaid items and other assets	465,816	243,248	709,064
Deferred charges	979,006	1,303,366	2,282,372
Restricted assets -			
Cash and cash equivalents	2,922,503	23,665,932	26,588,435
Certificate of deposit	500,000		500,000
Investments, at fair value	1,457,897		1,457,897
Capital assets -			
Land and construction in progress	270,863,037	99,958,190	370,821,227
Other capital assets, net of depreciation	368,964,805	368,137,880	737,102,685
Total Assets	\$ <u>778,435,041</u>	\$ <u>525,877,005</u>	\$ <u>1,304,312,046</u>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued expenses	\$ 8,321,344	\$ 12,424,135	\$ 20,745,479
Contracts payable		59,824	59,824
Unearned revenue	49,048,817		49,048,817
Deposits held	2,957,635	5,133,133	8,090,768
Other deposits	35,722		35,722
Matured bond interest payable	806		806
Other liabilities	74,863	991,303	1,066,166
Long-term liabilities -			
Due within one year	25,627,182	11,712,870	37,340,052
Due in more than one year	200,663,257	133,975,747	334,639,004
Total Liabilities	\$ <u>286,729,626</u>	\$ <u>164,297,012</u>	\$ <u>451,026,638</u>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	\$ 447,516,415	\$ 326,924,482	\$ 774,440,897
Restricted for -			
Education	5,471,017		5,471,017
Capital activity and debt service	14,062,989	23,665,932	37,728,921
Highways and streets	1,286,595		1,286,595
Community services	4,265,149		4,265,149
Other purposes	1,694,688		1,694,688
Perpetual care -			
Expendable	18,660		18,660
Nonexpendable	1,543,181		1,543,181
Unrestricted	15,846,721	10,989,579	26,836,300
Total Net Assets	\$ <u>491,705,415</u>	\$ <u>361,579,993</u>	\$ <u>853,285,408</u>

See notes to financial statements.

**CITY OF MURFREESBORO, TENNESSEE**

**Statement of Activities**

**Year Ended June 30, 2009**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities -</b>				
General government	\$ 11,649,426	\$ 232,252	\$ 8,066,565	
Police	22,692,847	336,801	812,976	\$ 54,247
Fire protection	14,331,112	621,785	25,349	56,519
Judicial	435,877	4,829,049		
Legal	770,951			
Personnel	641,827			
Streets	13,538,620	43,846	2,965,688	9,742,518
Planning and engineering	2,626,364	31,327	20,759	
Building inspections	1,725,111	2,699,656	13,095	
Sanitation	6,135,988	70,379	534,190	
Urban environmental	902,288	3,939	13,541	
Public health, education and welfare	2,124,575			
Community services	8,213,989	2,699,471	2,518,526	7,192
Recreation	12,161,486	2,912,708	183,986	4,802,572
Community/economic development	1,113,234	38,436	848,874	1,200,227
Education	56,067,967	2,467,801	49,292,355	
Food service	3,424,389	1,271,818	2,166,170	
Interest on long-term debt	3,620,010	3,818		
<b>Total governmental activities</b>	<b>\$ 162,176,061</b>	<b>\$ 18,263,086</b>	<b>\$ 67,462,074</b>	<b>\$ 15,863,275</b>
<b>Business-type activities -</b>				
Water and sewer	\$ 28,206,394	\$ 30,226,096		\$ 8,119,244
Electric	134,543,111	144,887,286		
Cemetery	446,550	386,470	\$ 68,994	
<b>Total business-type activities</b>	<b>\$ 163,196,055</b>	<b>\$ 175,499,852</b>	<b>\$ 68,994</b>	<b>\$ 8,119,244</b>
<b>Total primary government</b>	<b>\$ 325,372,116</b>	<b>\$ 193,762,938</b>	<b>\$ 67,531,068</b>	<b>\$ 23,982,519</b>
<b>General Revenues -</b>				
<b>Taxes -</b>				
Property taxes				
Sales taxes				
Beer and liquor taxes				
Gross receipts tax				
Hotel/motel tax				
Gas franchise tax				
<b>Grants and contributions not restricted to specific programs</b>				
Unrestricted investment earnings				
Miscellaneous				
Contributions to permanent funds				
Gain on sale of assets				
Transfers				
<b>Total general revenues and transfers</b>				
Change in net assets				
<b>Net assets - beginning, as previously reported</b>				
Prior period adjustment				
<b>Net assets - beginning, as restated</b>				
<b>Net assets - ending</b>				

See notes to financial statements.

**Net (Expense) Revenue and Changes in Net Assets**

**Primary Government**

**Business-  
type  
Activities**

**Governmental  
Activities**

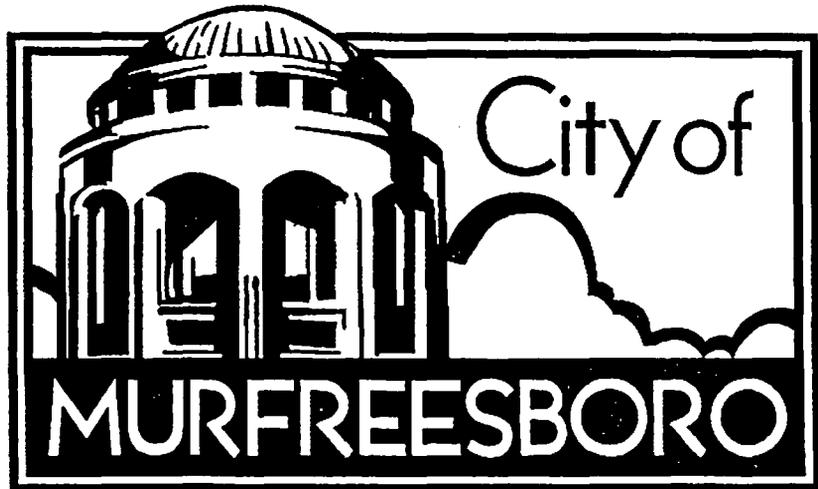
**Total**

\$ (3,350,609)		\$ (3,350,609)
(21,488,823)		(21,488,823)
(13,627,459)		(13,627,459)
4,393,172		4,393,172
(770,951)		(770,951)
(641,827)		(641,827)
(786,568)		(786,568)
(2,574,278)		(2,574,278)
987,640		987,640
(5,531,419)		(5,531,419)
(884,808)		(884,808)
(2,124,575)		(2,124,575)
(2,988,800)		(2,988,800)
(4,262,220)		(4,262,220)
974,303		974,303
(4,307,811)		(4,307,811)
13,599		13,599
(3,616,192)		(3,616,192)
<u>\$ (60,587,626)</u>		<u>\$ (60,587,626)</u>

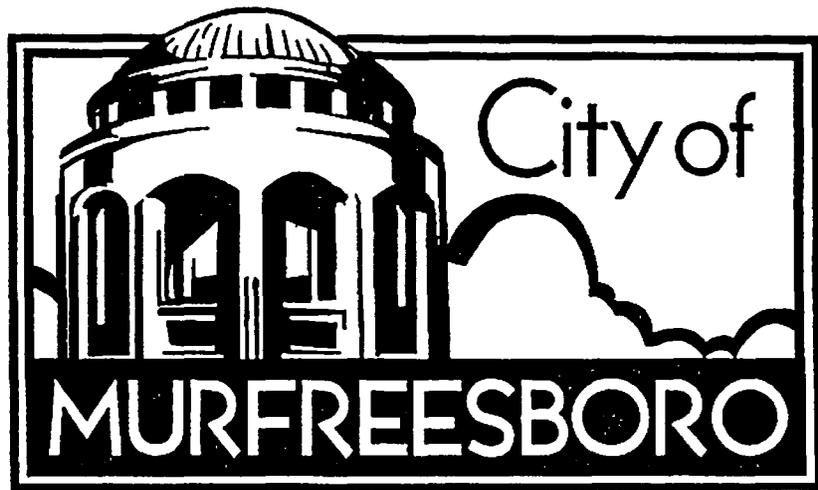
\$ 10,138,946	\$ 10,138,946
10,344,175	10,344,175
8,914	8,914
<u>\$ 20,492,035</u>	<u>\$ 20,492,035</u>
\$ 20,492,035	<u>\$ (40,095,591)</u>

\$ 35,334,174		\$ 35,334,174
28,370,349		28,370,349
3,622,043		3,622,043
1,883,319		1,883,319
730,976		730,976
1,380,751		1,380,751
9,503,830		9,503,830
505,331	\$ 404,669	910,000
124,835		124,835
	69,150	69,150
1,775,902		1,775,902
55,257	(55,257)	
<u>\$ 83,286,767</u>	<u>\$ 418,562</u>	<u>\$ 83,705,329</u>
<u>\$ 22,699,141</u>	<u>\$ 20,910,597</u>	<u>\$ 43,609,738</u>

\$ 466,425,094	\$ 340,669,396	\$ 807,094,490
2,581,180		2,581,180
<u>\$ 469,006,274</u>	<u>\$ 340,669,396</u>	<u>\$ 809,675,670</u>
<u>\$ 491,705,415</u>	<u>\$ 361,579,993</u>	<u>\$ 853,285,408</u>



T E N N E S S E E



T E N N E S S E E

**CITY OF MURFREESBORO, TENNESSEE**

**Balance Sheet**  
**Governmental Funds**

**June 30, 2009**

	<u>General</u>	<u>General Purpose School</u>	<u>Debt Service Fund</u>	<u>2008 TML Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>						
Cash and cash equivalents	\$ 26,527,381	\$ 5,379,117	\$ 4,246,460	\$ 51,360	\$ 16,569,849	\$ 52,774,167
Certificates of deposit					357,165	357,165
Receivables, net of allowance for uncollectibles -						
Taxes	34,672,921					34,672,921
Accounts		154			131,833	131,987
Other	3,796,964				17,293	3,814,257
Due from others				205,445	343,665	549,110
Due from other funds	7,150,745	702,213			1,984,074	9,837,032
Due from other governments	10,343,836	11,645,627		401,519	5,415,650	27,806,632
Prepaid items and deposits	387,354				4,600	391,954
Inventories					203,648	203,648
Restricted assets -						
Cash and cash equivalents	586,444				2,336,059	2,922,503
Investments, at fair value					1,457,897	1,457,897
Total Assets	<u>\$ 83,465,645</u>	<u>\$ 17,727,111</u>	<u>\$ 4,246,460</u>	<u>\$ 658,324</u>	<u>\$ 28,821,733</u>	<u>\$ 134,919,273</u>
<b><u>LIABILITIES</u></b>						
Accounts payable	\$ 3,168,869	\$ 442,959		\$ 637,455	\$ 1,215,787	\$ 5,465,070
Accrued liabilities	527,956	230,519			325,990	1,084,465
Deposits held	2,957,635					2,957,635
Matured bond interest payable			\$ 806			806
Due to other funds	154,316	928,269		1,398,944	6,155,010	8,636,539
Due to other governments	468,632				87,388	556,020
Deferred revenue	37,519,785	10,445,432			4,158,791	52,124,008
Other deposits					35,722	35,722
Other liabilities	74,863					74,863
Total Liabilities	<u>\$ 44,872,056</u>	<u>\$ 12,047,179</u>	<u>\$ 806</u>	<u>\$ 2,036,399</u>	<u>\$ 11,978,688</u>	<u>\$ 70,935,128</u>

(continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Balance Sheet (continued)**  
**Governmental Funds**

**June 30, 2009**

	<u>General</u>	<u>General Purpose School</u>	<u>Debt Service Fund</u>	<u>2008 TML Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>FUND BALANCES</u></b>						
Reserved for -						
Inventories					\$ 116,891	\$ 116,891
Encumbrances		\$ 84,633				84,633
Perpetual care					1,543,181	1,543,181
Capital projects	\$ 216,313					216,313
Indigent children		14,637				14,637
Equitable sharing	324,356					324,356
Technology		146,613				146,613
Unreserved, reported in -						
General Fund						
Undesignated	38,052,920					38,052,920
Special Revenue Funds						
Designated						
Repairs and replacement					401,877	401,877
Contingencies					6,708	6,708
Undesignated		5,434,049			7,246,952	12,681,001
Debt Service			\$ 4,245,654			4,245,654
Capital projects				\$ (1,378,075)	7,508,776	6,130,701
Permanent fund					18,660	18,660
Total Fund Balances	<u>\$ 38,593,589</u>	<u>\$ 5,679,932</u>	<u>\$ 4,245,654</u>	<u>\$ (1,378,075)</u>	<u>\$ 16,843,045</u>	<u>\$ 63,984,145</u>
Total Liabilities and Fund Balances	<u>\$ 83,465,645</u>	<u>\$ 17,727,111</u>	<u>\$ 4,246,460</u>	<u>\$ 658,324</u>	<u>\$ 28,821,733</u>	<u>\$ 134,919,273</u>

See notes to financial statements.

**CITY OF MURFREESBORO, TENNESSEE**

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

**June 30, 2009**

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Total Governmental Fund Balances	\$ 63,984,145
Amounts 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.	639,827,842
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.	5,977,264
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.	(2,120,471)
Prepaid pension costs are not available for current-period expenditures and, therefore, are not reported in the funds.	1,096,887
Other assets are not available to pay for current-period expenditures and, therefore, are deferred or not reported in the funds.	4,054,187
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.	(221,114,439)
Net Assets of Governmental Activities	<u>\$ 491,705,415</u>

See notes to financial statements.

**CITY OF MURFREESBORO, TENNESSEE**

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

**Year Ended June 30, 2009**

	General Fund	General Purpose School	Debt Service Fund	2008 TML Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues-</b>						
Taxes	\$ 69,904,269				\$ 1,255,755	\$ 71,160,024
Intergovernmental	12,540,484	\$ 45,958,319		\$ 548,141	23,155,798	82,202,742
Charges for services	799,968	27,952			7,253,633	8,081,553
Donations					477,339	477,339
Interest and investment earnings	217,380		\$ 36,230	7,385	297,222	558,217
Licenses and permits	5,634,636					5,634,636
Miscellaneous	3,129,588	262,835	3,818	429,225	1,621,175	5,446,641
	<u>\$ 92,226,325</u>	<u>\$ 46,249,106</u>	<u>\$ 40,048</u>	<u>\$ 984,751</u>	<u>\$ 34,060,922</u>	<u>\$ 173,561,152</u>
<b>Expenditures-</b>						
<b>Current -</b>						
General government	\$ 6,847,627					\$ 6,847,627
Police	20,760,399				\$ 266,323	21,026,722
Fire protection	13,831,170					13,831,170
Judicial	452,758					452,758
Legal	760,019					760,019
Personnel	732,321					732,321
Streets	4,044,847				2,016,025	6,060,872
Planning and engineering	2,657,470					2,657,470
Building inspections	1,717,686					1,717,686
Sanitation					4,474,894	4,474,894
Urban Environmental	868,624					868,624
Public health, education and welfare	1,532,308					1,532,308
Community services					7,498,113	7,498,113
Recreation					9,277,739	9,277,739
Community development					872,671	872,671
Economic development					255,587	255,587
Education		\$ 49,778,023			2,992,335	52,770,358
Food Service					3,424,389	3,424,389
Capital outlay		563,844		\$ 25,441,147	6,991,369	32,996,360
Debt service -						
Principal			\$ 17,148,174		3,970,231	21,118,405
Interest			2,921,913		423,960	3,345,873
Debt issuance costs			194,668			194,668
	<u>\$ 54,205,229</u>	<u>\$ 50,341,867</u>	<u>\$ 20,264,755</u>	<u>\$ 25,441,147</u>	<u>\$ 42,463,636</u>	<u>\$ 192,716,634</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 38,021,096</u>	<u>\$ (4,092,761)</u>	<u>\$ (20,224,707)</u>	<u>\$ (24,456,396)</u>	<u>\$ (8,402,714)</u>	<u>\$ (19,155,482)</u>
<b>Other Financing Sources (Uses)-</b>						
Issuance of debt				\$ 33,343,057	\$ 112,311	\$ 33,455,368
Proceeds from sale of land					2,505,060	2,505,060
Transfers in		\$ 4,840,103	\$ 20,576,899		16,409,245	41,826,247
Transfers out	\$ (33,942,198)				(7,966,936)	(41,909,134)
	<u>\$ (33,942,198)</u>	<u>\$ 4,840,103</u>	<u>\$ 20,576,899</u>	<u>\$ 33,343,057</u>	<u>\$ 11,059,680</u>	<u>\$ 35,877,541</u>
Net change in fund balances	<u>\$ 4,078,898</u>	<u>\$ 747,342</u>	<u>\$ 352,192</u>	<u>\$ 8,886,661</u>	<u>\$ 2,656,966</u>	<u>\$ 16,722,059</u>
Fund Balance at beginning of year, as previously stated	\$ 32,078,597	\$ 4,932,590	\$ 3,893,462	\$ (10,264,736)	\$ 14,040,993	\$ 44,680,906
Prior period adjustment	2,436,094				145,086	2,581,180
Fund Balance at beginning of year, as restated	<u>\$ 34,514,691</u>	<u>\$ 4,932,590</u>	<u>\$ 3,893,462</u>	<u>\$ (10,264,736)</u>	<u>\$ 14,186,079</u>	<u>\$ 47,262,086</u>
Fund Balance at end of year	<u>\$ 38,593,589</u>	<u>\$ 5,679,932</u>	<u>\$ 4,245,654</u>	<u>\$ (1,378,075)</u>	<u>\$ 16,843,045</u>	<u>\$ 63,984,145</u>

See notes to financial statements.

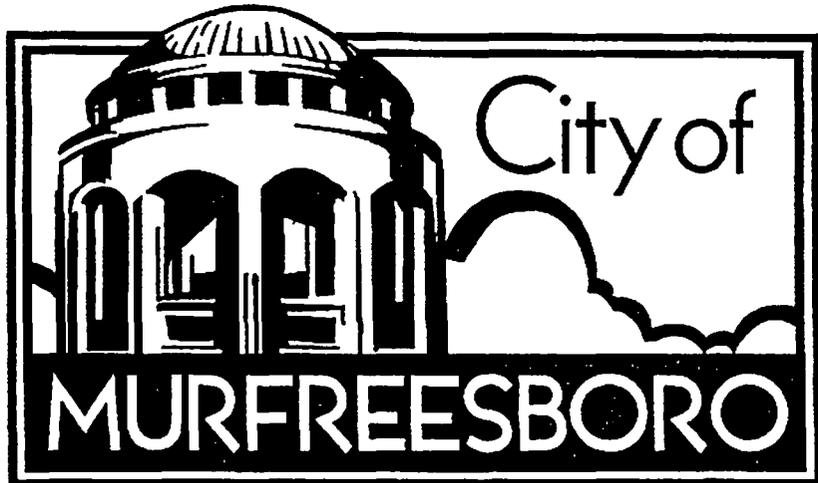
**CITY OF MURFREESBORO, TENNESSEE**

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds to the Statement of Activities**

**For the Year Ended June 30, 2009**

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Net Change in Fund Balances - Total Governmental Funds	\$ 16,722,059
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.	14,396,637
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and contributed assets) is to increase net assets.	7,993,050
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	2,099,384
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.	(18,319,460)
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.	(518,857)
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.	581,247
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.	(254,919)
Change in Net Assets of Governmental Activities	<u>\$ 22,699,141</u>



T E N N E S S E E

**CITY OF MURFREESBORO, TENNESSEE**

**General Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues -</b>				
<b>Taxes -</b>				
Property	\$ 30,690,622	\$ 30,690,622	\$ 30,760,178	\$ 69,556
Property in lieu of taxes -				
Public utilities	691,914	691,914	721,482	29,568
Murfreesboro Electric Department	2,500,000	2,500,000	2,382,953	(117,047)
Murfreesboro Housing Authority	50,000	50,000	86,025	36,025
Other tax equivalents	510,000	510,000	576,979	66,979
Recovery of taxes deemed uncollectible	450,000	450,000	505,073	55,073
Penalty and interest on taxes	200,000	200,000	222,045	22,045
Other local taxes -				
Sales tax	29,935,000	29,935,000	28,370,349	(1,564,651)
Beer tax	2,650,000	2,650,000	2,808,781	158,781
Liquor tax	695,000	695,000	736,010	41,010
Gross receipts tax	2,200,000	2,200,000	1,926,166	(273,834)
Beer privilege tax	21,000	21,000	23,317	2,317
Liquor privilege tax	45,000	45,000	53,935	8,935
Hotel/motel tax	750,000	750,000	730,976	(19,024)
	<u>\$ 71,388,536</u>	<u>\$ 71,388,536</u>	<u>\$ 69,904,269</u>	<u>\$ (1,484,267)</u>
<b>Licenses, Permits and Fines -</b>				
Electrical licenses	\$ 70,000	\$ 70,000	\$ 75,400	\$ 5,400
Gas and mechanical licenses	7,500	7,500	4,885	(2,615)
Building permits	1,328,000	1,328,000	1,931,983	603,983
Plumbing permits	103,500	103,500	139,565	36,065
Electrical permits	15,000	15,000	141,996	126,996
Mechanical permits	160,000	160,000	257,786	97,786
Gas permits	18,500	18,500	13,300	(5,200)
Land disturbance permits	60,000	60,000	36,150	(23,850)
Fireworks permits	1,500	1,500	8,500	7,000
Beer application fees	11,000	11,000	13,150	2,150
Burglar alarm permits	40,000	40,000	53,430	13,430
Plat review fee	176,250	176,250	57,270	(118,980)
Other fees	6,000	6,000	1,164	(4,836)
Attorney tax fees	15,000	15,000	20,914	5,914
Court fines	2,400,000	2,400,000	1,886,084	(513,916)
Red light cameras	650,000	650,000	837,744	187,744
Burglar false alarm fees	10,000	10,000	14,650	4,650
Other fines and fees	114,000	114,000	140,665	26,665
	<u>\$ 5,186,250</u>	<u>\$ 5,186,250</u>	<u>\$ 5,634,636</u>	<u>\$ 448,386</u>

(continued)

**CITY OF MURFREESBORO, TENNESSEE**

**General Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Intergovernmental Revenues -</b>				
Rutherford County	\$ 69,266	\$ 69,266	\$ 147,126	\$ 77,860
State sales tax allocation	6,910,500	6,910,500	6,597,690	(312,810)
State beer tax allocation	53,506	53,506	52,461	(1,045)
State gasoline tax allocation	177,000	177,000	216,081	39,081
State mixed drink tax	525,000	525,000	545,253	20,253
State gross receipts tax	922,022	922,022	965,411	43,389
State income tax allocation	775,000	775,000	859,816	84,816
State excise tax	125,000	125,000	130,593	5,593
State maintenance of streets	260,766	260,766	246,052	(14,714)
State grant funds	116,283	116,283	370,816	254,533
Federal funds	296,429	296,429	2,409,185	2,112,756
	<u>\$ 10,230,772</u>	<u>\$ 10,230,772</u>	<u>\$ 12,540,484</u>	<u>\$ 2,309,712</u>
<b>Charges for services</b>				
Office	\$ 300	\$ 300	\$ 693	\$ 393
Planning department	35,000	35,000	31,327	(3,673)
Police department	60,000	60,000	29,542	(30,458)
Fire department	532,500	532,500	621,785	89,285
Street department	19,000	19,000	33,996	14,996
Building department	46,800	46,800	41,321	(5,479)
Urban Environmental department			3,939	3,939
Sex offender fee			10,345	10,345
G.I.S. maintenance	25,000	25,000	27,020	2,020
	<u>\$ 718,600</u>	<u>\$ 718,600</u>	<u>\$ 799,968</u>	<u>\$ 81,368</u>
<b>Miscellaneous Revenue -</b>				
Interest	\$ 450,000	\$ 450,000	\$ 217,380	\$ (232,620)
Gas franchise revenue	1,225,000	1,225,000	1,380,751	155,751
Contribution - active funds	1,953,103	1,953,103	1,306,541	(646,562)
Miscellaneous revenue	140,731	140,731	431,382	290,651
Donations received			10,914	10,914
	<u>\$ 3,768,834</u>	<u>\$ 3,768,834</u>	<u>\$ 3,346,968</u>	<u>\$ (421,866)</u>
<b>TOTAL REVENUES</b>	<u>\$ 91,292,992</u>	<u>\$ 91,292,992</u>	<u>\$ 92,226,325</u>	<u>\$ 933,333</u>

(continued)

**CITY OF MURFREESBORO, TENNESSEE**

**General Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures -</b>				
<b>General Government -</b>				
<b>General and Administrative -</b>				
Labor	\$ 1,540,645	\$ 1,540,645	\$ 1,450,659	\$ 89,986
Operation and maintenance	136,538	136,538	106,329	30,209
Supplies	186,000	186,000	72,364	113,636
Insurance	269,918	269,918	277,578	(7,660)
Social Security taxes	116,023	116,023	103,043	12,980
Group insurance	777,825	777,825	759,558	18,267
Retirement	473,457	473,457	434,420	39,037
Unemployment insurance	30,000	30,000	61,972	(31,972)
Utilities	191,400	191,400	197,137	(5,737)
Travel and subsistence	54,200	54,200	29,677	24,523
Association dues	42,500	42,500	66,987	(24,487)
Professional fees	165,000	165,000	155,500	9,500
Training personnel	30,000	30,000	10,955	19,045
Additions to fixed assets	38,900	38,900	18,475	20,425
Mixed drink tax allocation	262,500	262,500	271,962	(9,462)
Other miscellaneous	194,700	194,700	156,686	38,014
	<u>\$ 4,509,606</u>	<u>\$ 4,509,606</u>	<u>\$ 4,173,302</u>	<u>\$ 336,304</u>
<b>Other General Government -</b>				
Civic plaza	\$ 58,441	\$ 58,441	\$ 65,557	\$ (7,116)
Parking garage	117,500	117,500	141,359	(23,859)
Disaster response			2,213,423	(2,213,423)
Unforeseen miscellaneous and contingencies	1,372,706	1,372,706	249,441	1,123,265
Property tax adjustments	100,000	100,000	4,545	95,455
	<u>\$ 1,648,647</u>	<u>\$ 1,648,647</u>	<u>\$ 2,674,325</u>	<u>\$ (1,025,678)</u>
	<u>\$ 6,158,253</u>	<u>\$ 6,158,253</u>	<u>\$ 6,847,627</u>	<u>\$ (689,374)</u>
<b>Police Department -</b>				
Labor	\$ 12,691,650	\$ 12,691,650	\$ 12,236,578	\$ 455,072
Operation and maintenance	720,204	720,204	582,433	137,771
Supplies	720,048	720,048	565,151	154,897
Uniforms and cleaning	376,214	376,214	303,275	72,939
Insurance	1,304,812	1,304,812	1,258,105	46,707
Social Security taxes	942,154	942,154	916,583	25,571
Group insurance	2,068,144	2,068,144	1,965,814	102,330
Retirement	1,303,025	1,303,025	1,218,026	84,999
Utilities	355,000	355,000	396,217	(41,217)
Training personnel	190,000	190,000	103,494	86,506
Jail fees and state cost	225,000	225,000	233,858	(8,858)
Drug programs	3,000	3,000	3,098	(98)
D.A.R.E. program	20,000	20,000	20,921	(921)
Additions to fixed assets	386,878	386,878	171,579	215,299
Red light camera program	461,831	461,831	589,630	(127,799)
Other miscellaneous	87,500	87,500	195,637	(108,137)
	<u>\$ 21,855,460</u>	<u>\$ 21,855,460</u>	<u>\$ 20,760,399</u>	<u>\$ 1,095,061</u>

(continued)

**CITY OF MURFREESBORO, TENNESSEE**

**General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance (continued)**

**Budget (GAAP Basis) and Actual**

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Fire Department -</b>				
Labor	\$ 9,307,550	\$ 9,307,550	\$ 9,138,511	\$ 169,039
Operation and maintenance	251,947	251,947	279,053	(27,106)
Supplies	234,947	234,947	184,550	50,397
Uniforms and cleaning	204,500	204,500	222,050	(17,550)
Insurance	265,277	265,277	263,988	1,289
Social Security taxes	699,405	699,405	679,995	19,410
Group insurance	1,600,873	1,600,873	1,551,018	49,855
Retirement	1,027,076	1,027,076	1,014,073	13,003
Utilities	189,000	189,000	197,338	(8,338)
Association dues	1,300	1,300	1,240	60
Training personnel	65,000	65,000	49,185	15,815
Internship programs	16,000	16,000	15,686	314
Additions to fixed assets	256,590	256,590	227,236	29,354
Other miscellaneous	15,000	15,000	7,247	7,753
	<u>\$ 14,134,465</u>	<u>\$ 14,134,465</u>	<u>\$ 13,831,170</u>	<u>\$ 303,295</u>
<b>Judicial Department -</b>				
Labor	\$ 294,945	\$ 294,945	\$ 259,182	\$ 35,763
Operation and maintenance	6,000	6,000	4,366	1,634
Supplies	16,500	16,500	16,435	65
Insurance	885	885	885	
Social Security taxes	22,563	22,563	19,192	3,371
Group insurance	36,621	36,621	30,309	6,312
Retirement	28,222	28,222	27,349	873
Utilities	1,350	1,350	1,448	(98)
Association dues	350	350	380	(30)
Training personnel	2,500	2,500	881	1,619
Outside services	45,000	45,000	75,856	(30,856)
Additions to fixed assets	24,750	24,750	9,508	15,242
Other miscellaneous	9,000	9,000	6,967	2,033
	<u>\$ 488,686</u>	<u>\$ 488,686</u>	<u>\$ 452,758</u>	<u>\$ 35,928</u>

(continued)

**CITY OF MURFREESBORO, TENNESSEE**

**General Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Legal Department -</b>				
Labor	\$ 505,675	\$ 505,675	\$ 505,557	\$ 118
Operation and maintenance	2,750	2,750	2,567	183
Supplies	32,500	32,500	30,842	1,658
Insurance	274	274	274	
Social Security taxes	37,215	37,215	35,991	1,224
Group insurance	47,032	47,032	47,185	(153)
Retirement	59,782	59,782	59,769	13
Utilities	2,425	2,425	1,768	657
Travel and subsistence	19,200	19,200	130	19,070
Association dues	5,250	5,250	6,972	(1,722)
Training personnel	8,500	8,500	9,679	(1,179)
Legal expense	26,000	26,000	55,160	(29,160)
Additions to fixed assets	2,500	2,500	585	1,915
Other miscellaneous	10,000	10,000	3,540	6,460
	<u>\$ 759,103</u>	<u>\$ 759,103</u>	<u>\$ 760,019</u>	<u>\$ (916)</u>
<b>Personnel Department -</b>				
Labor	\$ 513,720	\$ 513,720	\$ 451,946	\$ 61,774
Operation and maintenance	11,800	11,800	10,166	1,634
Supplies	16,025	16,025	13,906	2,119
Advertising	50,000	50,000	22,333	27,667
Insurance	4,461	4,461	4,411	50
Social Security taxes	38,657	38,657	32,877	5,780
Group insurance	83,197	83,197	82,807	390
Retirement	59,933	59,933	52,625	7,308
Utilities	1,850	1,850	1,822	28
Travel and subsistence	2,400	2,400	19	2,381
Association dues	255	255	180	75
Drug programs	43,000	43,000	38,696	4,304
Additions to fixed assets	13,215	13,215	13,341	(126)
Other miscellaneous	17,050	17,050	7,192	9,858
	<u>\$ 855,563</u>	<u>\$ 855,563</u>	<u>\$ 732,321</u>	<u>\$ 123,242</u>

(continued)

**CITY OF MURFREESBORO, TENNESSEE**

**General Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Streets -</b>				
Labor	\$ 1,175,721	\$ 1,175,721	\$ 1,153,121	\$ 22,600
Operation and maintenance	216,877	216,877	242,364	(25,487)
Curb, storm sewer, and right-of-way maintenance	200,000	200,000	25,563	174,437
Materials and supplies	262,256	262,256	231,343	30,913
Traffic control devices	70,000	70,000	36,956	33,044
Insurance	51,970	51,970	49,263	2,707
Social Security taxes	85,353	85,353	84,399	954
Group insurance	226,226	226,226	227,304	(1,078)
Retirement	122,817	122,817	121,270	1,547
Utilities	54,000	54,000	38,634	15,366
Utility service - street lighting	1,300,000	1,300,000	1,612,185	(312,185)
Street improvements and maintenance	77,000	77,000	126,917	(49,917)
Travel and subsistence	20,000	20,000	8,363	11,637
Training personnel	7,000	7,000	4,920	2,080
Additions to fixed assets	47,100	47,100	71,267	(24,167)
Other miscellaneous	20,500	20,500	10,978	9,522
	<u>\$ 3,936,820</u>	<u>\$ 3,936,820</u>	<u>\$ 4,044,847</u>	<u>\$ (108,027)</u>
<b>Planning and Engineering -</b>				
Labor	\$ 1,735,830	\$ 1,735,830	\$ 1,597,984	\$ 137,846
Operation and maintenance	304,736	304,736	214,074	90,662
Supplies	86,037	86,037	59,253	26,784
Insurance	13,827	13,827	13,828	(1)
Social Security taxes	125,906	125,906	118,158	7,748
Group insurance	213,715	213,715	192,993	20,722
Retirement	193,364	193,364	176,580	16,784
Utilities	25,000	25,000	26,118	(1,118)
Sampling and testing	20,000	20,000	74,201	(54,201)
Storm drainage	30,000	30,000	23,649	6,351
Travel and subsistence	98,000	98,000	62,687	35,313
Association dues	7,500	7,500	5,436	2,064
Surveys	50,000	50,000	51,526	(1,526)
Training personnel	20,000	20,000	11,241	8,759
Additions to fixed assets	21,000	21,000	12,278	8,722
Other miscellaneous	32,113	32,113	17,464	14,649
	<u>\$ 2,977,028</u>	<u>\$ 2,977,028</u>	<u>\$ 2,657,470</u>	<u>\$ 319,558</u>

(continued)

**CITY OF MURFREESBORO, TENNESSEE**

**General Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Building Inspections -</b>				
Labor	\$ 1,136,079	\$ 1,136,079	\$ 1,181,134	\$ (45,055)
Operation and maintenance	12,250	12,250	9,837	2,413
Supplies	28,000	28,000	26,174	1,826
Insurance	3,013	3,013	3,013	
Social Security taxes	83,468	83,468	86,698	(3,230)
Group insurance	181,597	181,597	177,186	4,411
Retirement	133,646	133,646	129,329	4,317
Utilities	16,500	16,500	18,157	(1,657)
Travel and subsistence	91,200	91,200	65,352	25,848
Association dues	1,150	1,150	1,427	(277)
Training personnel	12,000	12,000	9,644	2,356
Additions to fixed assets	3,500	3,500	4,043	(543)
Other miscellaneous	1,800	1,800	5,692	(3,892)
	<u>\$ 1,704,203</u>	<u>\$ 1,704,203</u>	<u>\$ 1,717,686</u>	<u>\$ (13,483)</u>
<b>Urban Environmental -</b>				
Labor	\$ 518,716	\$ 518,716	\$ 455,995	\$ 62,721
Operation and maintenance	51,747	51,747	50,063	1,684
Agricultural materials	45,000	45,000	52,240	(7,240)
Supplies	38,829	38,829	33,230	5,599
Insurance	51,224	51,224	52,538	(1,314)
Social Security taxes	39,682	39,682	32,964	6,718
Group insurance	118,456	118,456	99,498	18,958
Retirement	61,112	61,112	51,940	9,172
Utilities	29,200	29,200	37,175	(7,975)
Travel and subsistence	4,800	4,800	137	4,663
Training personnel	5,000	5,000	299	4,701
Additions to fixed assets	1,000	1,000	1,011	(11)
Other miscellaneous	151,504	151,504	1,534	149,970
	<u>\$ 1,116,270</u>	<u>\$ 1,116,270</u>	<u>\$ 868,624</u>	<u>\$ 247,646</u>

(continued)

**CITY OF MURFREESBORO, TENNESSEE**

**General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance (continued)**

**Budget (GAAP Basis) and Actual**

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Public Health, Education and Welfare</b>				
<b>Cash budget payments -</b>				
Rutherford County Health Department	\$ 11,000	\$ 11,000	\$ 11,000	
Job Vocation Training Center	41,500	41,500	41,500	
Rutherford County Rescue Squad	15,000	15,000	15,000	
Crime Stoppers	5,000	5,000	5,000	
Linebaugh Public Library	681,832	681,832	681,832	
Rutherford County Chamber of Commerce	492,250	492,250	486,865	\$ 5,385
Murfreesboro Youth Orchestra	7,500	7,500	7,500	
Uncle Dave Macon Days	5,000	5,000	5,000	
CASA of Rutherford County	5,000	5,000	5,000	
Oaklands Association	15,000	15,000	15,000	
Exchange Club Center	6,000	6,000	6,000	
Discovery House	20,000	20,000	20,000	
Main Street Program	37,500	37,500	37,500	
Primary Care Clinic	10,000	10,000	10,000	
Middle Tennessee Symphony	10,000	10,000	10,000	
Domestic Violence Program	12,500	12,500	12,500	
Pregnancy Support	3,500	3,500	3,500	
Meals on Wheels	8,000	8,000	8,000	
Rutherford County Paws	65,000	65,000	65,000	
Center for the Arts	25,000	25,000	25,000	
Leadership Rutherford	1,500	1,500	1,500	
Boys and Girls Club	2,500	2,500	2,500	
Child Advocacy Center	13,458	13,458	16,761	(3,303)
League of Women Voters	3,350	3,350	3,350	
Martin Luther King Scholarship	2,000	2,000	2,000	
Bradley Academy	7,500	7,500	7,500	
Special Kids Incorporated	10,000	10,000	10,000	
Nashville's Table Incorporated	2,000	2,000	2,000	
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	
Special Olympics	2,000	2,000	2,000	
Beesley Animal Foundation	2,000	2,000	2,000	
Read to Succeed	4,000	4,000	4,000	
	<u>\$ 1,534,390</u>	<u>\$ 1,534,390</u>	<u>\$ 1,532,308</u>	<u>\$ 2,082</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 55,520,241</b>	<b>\$ 55,520,241</b>	<b>\$ 54,205,229</b>	<b>\$ 1,315,012</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 35,772,751</b>	<b>\$ 35,772,751</b>	<b>\$ 38,021,096</b>	<b>\$ 2,248,345</b>

(continued)

**CITY OF MURFREESBORO, TENNESSEE**

**General Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Other Financing Sources (Uses) -</b>				
<b>Transfers in (out) -</b>				
Debt service fund	\$ (18,968,509)	\$ (18,968,509)	\$ (12,710,091)	\$ 6,258,418
School debt service fund			(4,394,191)	(4,394,191)
Murfreesboro City School System	(4,810,103)	(4,810,103)	(4,810,103)	
Solid waste fund	(5,552,069)	(5,552,069)	(4,703,060)	849,009
City recreation fund	(7,140,994)	(7,140,994)	(6,304,216)	836,778
Senior citizens fund	(474,720)	(474,720)	(473,959)	761
Drug fund	(95,000)	(95,000)	(127,699)	(32,699)
Public transportation fund	(228,356)	(228,356)	(398,115)	(169,759)
Evergreen Cemetery fund			(18,759)	(18,759)
Airport improvement fund	(3,000)	(3,000)	(2,005)	995
	<u>\$ (37,272,751)</u>	<u>\$ (37,272,751)</u>	<u>\$ (33,942,198)</u>	<u>\$ 3,330,553</u>
<b>Net change in fund balance</b>	<u>\$ (1,500,000)</u>	<u>\$ (1,500,000)</u>	<u>\$ 4,078,898</u>	<u>\$ 5,578,898</u>
<b>Fund Balance at beginning of year, as previously stated</b>			\$ 32,078,597	
<b>Prior period adjustment</b>			<u>2,436,094</u>	
<b>Fund Balance at beginning of year, as restated</b>			<u>\$ 34,514,691</u>	
<b>Fund Balances at end of year</b>			<u>\$ 38,593,589</u>	

See notes to financial statements.

**CITY OF MURFREESBORO, TENNESSEE**

**General Purpose School Fund**

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

**Year Ended June 30, 2009**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Revenues -</b>				
Local intergovernmental revenues	\$ 17,685,528	\$ 18,274,120	\$ 17,593,354	\$ (680,766)
State program revenues	29,187,484	27,932,084	28,364,965	432,881
Federal program revenues	102,625	102,625		(102,625)
Charges for services	25,000	25,000	27,952	2,952
Indigent children revenues			20,320	20,320
Other local revenues	331,000	331,000	242,515	(88,485)
	<u>\$ 47,331,637</u>	<u>\$ 46,664,829</u>	<u>\$ 46,249,106</u>	<u>\$ (415,723)</u>
<b>Expenditures -</b>				
Regular instruction program	\$ 30,665,686	\$ 30,498,516	\$ 29,659,329	\$ 839,187
Special education program	3,402,533	3,187,555	3,018,519	169,036
Other student support	1,002,957	1,002,957	985,450	17,507
Board of education	1,748,595	1,487,748	1,037,178	450,570
Office of the superintendent	285,619	285,619	266,747	18,872
Office of the principal	2,776,216	2,776,216	2,765,805	10,411
Personnel services	297,895	297,895	284,673	13,222
Fiscal services	492,992	492,992	476,281	16,711
Operation of plant	5,009,205	4,771,204	4,690,433	80,771
Regular instruction program - support	1,538,049	1,538,049	1,469,169	68,880
Special education program - support	321,330	315,252	314,684	568
Maintenance of plant	1,255,319	1,255,319	1,378,108	(122,789)
Transportation	1,640,839	1,715,839	1,607,907	107,932
Information technology	598,837	620,367	535,203	85,164
Community services	134,449	134,449	148,103	(13,654)
Attendance	57,646	57,646	56,508	1,138
Health services	294,233	294,233	300,634	(6,401)
Early childhood education	525,564	525,564	691,285	(165,721)
Indigent children			37,672	(37,672)
Capital outlay	200,000	247,512	554,476	(306,964)
	<u>\$ 52,247,964</u>	<u>\$ 51,504,932</u>	<u>\$ 50,278,164</u>	<u>\$ 1,226,768</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (4,916,327)</u>	<u>\$ (4,840,103)</u>	<u>\$ (4,029,058)</u>	<u>\$ 811,045</u>
<b>Other Financing Sources and (Uses) -</b>				
Transfers in	4,840,103	4,840,103	4,840,103	-0-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses (Budgetary basis)	<u>\$ (76,224)</u>	<u>\$ -0-</u>	\$ 811,045	<u>\$ 811,045</u>
Adjustment for encumbrances			<u>(63,703)</u>	
Net change in fund balance (GAAP basis)			\$ 747,342	
Fund Balance at beginning of year			4,932,590	
Fund Balance at end of year			<u>\$ 5,679,932</u>	

See notes to financial statements.

**CITY OF MURFREESBORO, TENNESSEE**

**Balance Sheet  
Proprietary Funds**

**June 30, 2009**

	Business-Type Activities			Totals	Governmental
	Murfreesboro Water and Sewer	Murfreesboro Electric Department	Nonmajor Enterprise Funds		Internal Service Funds
<b>ASSETS</b>					
Current Assets -					
Cash and cash equivalents	\$ 10,617,772	\$ 6,998,270	\$ 48,770	\$ 17,664,812	\$ 11,631,437
Receivables -					
Accounts	1,744,637	6,855,417	106,618	8,706,672	
Other					83,657
Due from other governments	241,752	608,540		850,292	1,912
Due from other funds	1,450,560		4,104,634	5,555,194	26,903
Inventories	668,982	2,795,392	56,668	3,521,042	141,387
Prepaid items and other assets	146,319	73,255	23,675	243,249	73,862
Total Current Assets	<u>\$ 14,870,022</u>	<u>\$ 17,330,874</u>	<u>\$ 4,340,365</u>	<u>\$ 36,541,261</u>	<u>\$ 11,959,158</u>
Noncurrent Assets -					
Restricted assets -					
Cash and cash equivalents	\$ 22,763,824	\$ 902,108		\$ 23,665,932	
Certificates of deposit					\$ 500,000
Conservation loans receivable		842,381		842,381	
Deferred charges	437,669	865,697		1,303,366	
Capital assets -					
Land and construction in progress	86,072,293	13,861,470	\$ 24,427	99,958,190	
Other capital assets, net of depreciation	270,570,855	96,780,593	786,432	368,137,880	
Total Noncurrent Assets	<u>\$ 379,844,641</u>	<u>\$ 113,252,249</u>	<u>\$ 810,859</u>	<u>\$ 493,907,749</u>	<u>\$ 500,000</u>
Total Assets	<u>\$ 394,714,663</u>	<u>\$ 130,583,123</u>	<u>\$ 5,151,224</u>	<u>\$ 530,449,010</u>	<u>\$ 12,459,158</u>
<b>LIABILITIES AND NET ASSETS</b>					
Current Liabilities -					
Accounts payable	\$ 247,012	\$ 10,591,552	\$ 306,670	\$ 11,145,234	\$ 1,211,907
Contracts payable	59,824			59,824	
Accrued and withheld liabilities	96,195	1,167,307	15,399	1,278,901	3,872
Due to other funds	4,603,075	58,528	2,115,641	6,777,244	5,346
Deposits held	214,561	4,918,572		5,133,133	
Compensated absences	811,437			811,437	
Claims and judgments payable					2,270,950
Bonds and loans payable	7,370,982	3,530,451		10,901,433	
Total Current Liabilities	<u>\$ 13,403,086</u>	<u>\$ 20,266,410</u>	<u>\$ 2,437,710</u>	<u>\$ 36,107,206</u>	<u>\$ 3,492,075</u>
Noncurrent Liabilities -					
Compensated absences	\$ 697,203	\$ 1,271,507		\$ 1,968,710	
Claims and judgments payable					\$ 2,905,050
Post-employment benefit obligation	1,539,919	760,494		2,300,413	
Bonds and loans payable	114,032,016	15,674,608		129,706,624	
Advances on conservation loans		861,420		861,420	
Other liabilities		129,883		129,883	
Total Noncurrent Liabilities	<u>\$ 116,269,138</u>	<u>\$ 18,697,912</u>		<u>\$ 134,967,050</u>	<u>\$ 2,905,050</u>
Total Liabilities	<u>\$ 129,672,224</u>	<u>\$ 38,964,322</u>	<u>\$ 2,437,710</u>	<u>\$ 171,074,256</u>	<u>\$ 6,397,125</u>
Net Assets -					
Invested in capital assets, net of related debt	\$ 235,240,150	\$ 91,418,776	\$ 265,556	\$ 326,924,482	
Restricted for capital activity	21,150,106			21,150,106	
Restricted for debt service	1,613,718	902,108		2,515,826	
Unrestricted	7,038,465	(702,083)	2,447,958	8,784,340	\$ 6,062,033
Total Net Assets	<u>\$ 265,042,439</u>	<u>\$ 91,618,801</u>	<u>\$ 2,713,514</u>	<u>\$ 359,374,754</u>	<u>\$ 6,062,033</u>
Total Liabilities and Net Assets	<u>\$ 394,714,663</u>	<u>\$ 130,583,123</u>	<u>\$ 5,151,224</u>	<u>\$ 530,449,010</u>	<u>\$ 12,459,158</u>
Total Net Assets				\$ 359,374,754	
Adjustment to reflect the elimination of internal charges for salaries and overhead related to enterprise funds				339,688	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				1,865,551	
Net Assets of Business-Type Activities				<u>\$ 361,579,993</u>	

See notes to financial statements.

**CITY OF MURFREESBORO, TENNESSEE**

**Statement of Revenues, Expenses, and Changes in Net Assets**  
**Proprietary Funds**

**Year Ended June 30, 2009**

	Business-Type Activities			Totals	Governmental
	Murfreesboro Water and Sewer	Murfreesboro Electric Department	Nonmajor Enterprise Funds		Internal Service Funds
Operating Revenues -					
Charges for services	\$ 27,660,728	\$ 144,887,286	\$ 2,951,838	\$ 175,499,852	\$ 15,035,740
Intergovernmental revenues					1,912
Other revenues					30,865
	<u>\$ 27,660,728</u>	<u>\$ 144,887,286</u>	<u>\$ 2,951,838</u>	<u>\$ 175,499,852</u>	<u>\$ 15,068,517</u>
Operating Expenses -					
Power purchases		\$ 117,217,741		\$ 117,217,741	
Other operating expenses	\$ 15,823,897	6,991,918	\$ 794,310	23,610,125	\$ 2,606,502
Claims and administrative					11,881,257
Depreciation and amortization	8,038,434	4,613,584	81,190	12,733,208	
Maintenance and repairs	1,077,121	1,839,654		2,916,775	
Taxes and tax equivalents		3,358,313		3,358,313	
	<u>\$ 24,939,452</u>	<u>\$ 134,021,210</u>	<u>\$ 875,500</u>	<u>\$ 159,836,162</u>	<u>\$ 14,487,759</u>
Operating Income (Loss)	<u>\$ 2,721,276</u>	<u>\$ 10,866,076</u>	<u>\$ 2,076,338</u>	<u>\$ 15,663,690</u>	<u>\$ 580,758</u>
Nonoperating Revenues -					
Interest	\$ 338,283	\$ 66,384	\$ 2	\$ 404,669	\$ 85,258
Nonoperating Expenses -					
Interest	\$ 3,118,190	\$ 563,901		\$ 3,682,091	
Loss on disposal of assets	17,490			17,490	
	<u>\$ 3,135,680</u>	<u>\$ 563,901</u>		<u>\$ 3,699,581</u>	
Income (Loss) Before Capital Contributions and Transfers	\$ (76,121)	\$ 10,368,559	\$ 2,076,340	\$ 12,368,778	\$ 666,016
Capital contributions	8,119,244			8,119,244	
Transfers in			82,887	82,887	
Change in Net Assets	\$ 8,043,123	\$ 10,368,559	\$ 2,159,227	\$ 20,570,909	\$ 666,016
Net Assets at beginning of year	<u>256,999,316</u>	<u>81,250,242</u>	<u>554,287</u>	<u>338,803,845</u>	<u>5,396,017</u>
Net Assets at end of year	<u>\$ 265,042,439</u>	<u>\$ 91,618,801</u>	<u>\$ 2,713,514</u>	<u>\$ 359,374,754</u>	<u>\$ 6,062,033</u>
Change in Net Assets				\$ 20,570,909	
Adjustment to reflect the elimination of internal charges for salaries and overhead related to enterprise funds				254,919	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				84,769	
Change in Net Assets of Business-Type Activities				<u>\$ 20,910,597</u>	

See notes to financial statements.

**CITY OF MURFREESBORO, TENNESSEE**

**Statement of Cash Flows  
Proprietary Funds**

**Year Ended June 30, 2009**

	Business-Type Activities			Totals	Governmental
	Murfreesboro Water and Sewer	Murfreesboro Electric Department	Nonmajor Enterprise Funds		Internal Service Funds
<b>Cash Flows from Operating Activities -</b>					
Cash received from customers	\$ 26,214,282	\$ 145,620,078	\$ 356,990	\$ 172,191,350	
Cash payments to suppliers	(7,027,058)	(3,262,423)	(164,781)	(10,454,262)	\$ (1,254,048)
Cash payments to employees	(6,769,290)	(5,295,112)	(279,679)	(12,344,081)	(789,307)
Cash payments to TVA for power		(116,340,065)		(116,340,065)	
Cash payments of property taxes		(3,074,778)		(3,074,778)	
Cash received from interfund services provided					15,018,790
Cash payments of claims and administrative expenses					(11,000,174)
Other receipts (payments)					(570,308)
Net Cash Provided (Used) by Operating Activities	\$ 12,417,934	\$ 17,647,700	\$ (87,470)	\$ 29,978,164	\$ 1,404,953
<b>Cash Flows from Noncapital Financing Activities -</b>					
Advances on TVA conservation loans		\$ 129,669		\$ 129,669	
Repayment on due from other funds					\$ 2,062,016
Transfers in			\$ 64,128	64,128	
Net Cash Provided (Used) by Noncapital Financing Activities		\$ 129,669	\$ 64,128	\$ 193,797	\$ 2,062,016
<b>Cash Flows from Capital and Related Financing Activities -</b>					
Acquisition and construction of capital assets	\$ (13,750,086)	\$ (11,060,883)	\$ (11,302)	\$ (24,822,271)	
Net removal costs of capital assets		(270,429)		(270,429)	
Proceeds from sale of assets	47,160			47,160	
Proceeds from bonds and loans	8,042,109	1,776,623		9,818,732	
Principal payment on bonds and loans	(7,249,756)	(3,386,186)		(10,635,942)	
Bond and debt issuance costs (payments)					
Interest paid on bonds and loans	(3,094,380)	(566,520)		(3,660,900)	
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ (16,004,953)	\$ (13,507,395)	\$ (11,302)	\$ (29,523,650)	
<b>Cash Flows From Investing Activities -</b>					
Interest received	\$ 338,283	\$ 67,315	\$ 2	\$ 405,600	\$ 85,271
Net Cash Provided (Used) by Investing Activities	\$ 338,283	\$ 67,315	\$ 2	\$ 405,600	\$ 85,271
<b>Net Increase (Decrease) in cash and cash equivalents</b>	\$ (3,248,736)	\$ 4,337,289	\$ (34,642)	\$ 1,053,911	\$ 3,552,240
Cash and Cash Equivalents at beginning of year	36,630,332	3,563,089	83,412	40,276,833	8,079,197
Cash and Cash Equivalents at end of year	\$ 33,381,596	\$ 7,900,378	\$ 48,770	\$ 41,330,744	\$ 11,631,437

(continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Statement of Cash Flows (continued)**  
**Proprietary Funds**

**Year Ended June 30, 2009**

	Business-Type Activities			Totals	Governmental Internal Service Funds
	Murfreesboro Water and Sewer	Murfreesboro Electric Department	Nonmajor Enterprise Funds		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 2,721,276	\$ 10,866,076	\$ 2,076,338	\$ 15,663,690	\$ 580,758
Adjustments to reconcile net earnings to net cash provided (used) by operating activities					
Depreciation and amortization	8,311,548	4,707,232	81,190	13,099,970	
Provision for doubtful accounts	246,751			246,751	
Loss on disposal of assets	17,490			17,490	
Changes in assets and liabilities -					
Accounts receivable	(341,436)	591,466	(29,481)	220,549	
Due from other funds	(1,351,761)		(2,565,368)	(3,917,129)	(14,939)
Due from other governments	(241,752)	(608,540)		(850,292)	(1,912)
Inventory	(117,931)	252,422	1,834	136,325	(20,608)
Prepaid items	(32,417)		(4,240)	(36,657)	(73,862)
Other current assets		(2,118)		(2,118)	8,161
Conservation loans receivable		(121,693)		(121,693)	
Other assets			(13,019)	(13,019)	
Deferred charges		175,796		175,796	
Accounts payable	(401,949)	878,575	275,434	752,060	946,786
Contracts and retainage payable	(301,546)			(301,546)	
Due to other funds	3,029,731	(6,836)	86,504	3,109,399	(21,223)
Accrued and withheld liabilities	8,697	173,045	3,338	185,080	1,792
Post-employment benefit obligation	777,642	395,383		1,173,025	
Other liabilities		(26,894)		(26,894)	
Deposits	(4,944)	263,019		258,075	
Accrued compensated absences	98,535	110,767		209,302	
Net Cash Provided (Used) by Operating Activities	\$ <u>12,417,934</u>	\$ <u>17,647,700</u>	\$ <u>(87,470)</u>	\$ <u>29,978,164</u>	\$ <u>1,404,953</u>
Non-Cash Capital and Related Financing Activities -					
Utility acquisition debt incurred		\$ 397,698	\$	\$ 397,698	
Contributions in aid of construction	\$ 8,119,244			8,119,244	
Capital asset transfers and acquisitions from other funds			\$ 618,934	618,934	
	\$ <u>8,119,244</u>	\$ <u>397,698</u>	\$ <u>618,934</u>	\$ <u>9,135,876</u>	
Reconciliation to Cash and Cash Equivalents Presented in Statement of Net Assets -					
Cash and cash equivalents	\$ 10,617,772	\$ 6,998,270	\$ 48,770	\$ 17,664,812	\$ 11,631,437
Cash and cash equivalents - restricted	<u>22,763,824</u>	<u>902,108</u>		<u>23,665,932</u>	
Cash and cash equivalents at end of year	\$ <u>33,381,596</u>	\$ <u>7,900,378</u>	\$ <u>48,770</u>	\$ <u>41,330,744</u>	\$ <u>11,631,437</u>
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	\$ 8,038,434	\$ 4,613,584	\$ 81,190	\$ 12,733,208	
Depreciation and amortization expense charged to operations and maintenance expense on Statement of Revenues, Expenses, and Changes in Net Assets	<u>273,114</u>	<u>93,648</u>		<u>366,762</u>	
Depreciation and amortization expense per Statement of Cash Flows	\$ <u>8,311,548</u>	\$ <u>4,707,232</u>	\$ <u>81,190</u>	\$ <u>13,099,970</u>	

See notes to financial statements.

**CITY OF MURFREESBORO, TENNESSEE**

**Statement of Net Assets**  
**Fiduciary Funds**

**June 30, 2009**

	<u>Pension Trust Funds</u>	<u>Extended School Program Private Purpose Trust Fund</u>	<u>School Activity Agency Fund</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 3,460,178	\$ 2,896	\$ 471,284
Certificates of deposit		145,418	54,259
Investments, at fair value			
Mutual funds	28,717,522		
U.S. Government notes and bonds	16,197,486		
Corporate notes and bonds	14,281,171		
Common stock	13,627,810		
Accrued interest receivable	58,433		
Contributions receivable	1,095,473		
Other receivables			1,000
Inventory			25,015
	<u>\$ 77,438,073</u>	<u>\$ 148,314</u>	<u>\$ 551,558</u>
<b><u>LIABILITIES</u></b>			
Due to other funds			
Due to others			\$ 551,558
			<u>551,558</u>
<b><u>NET ASSETS</u></b>			
Net Assets -			
Held in trust for pension benefits and other purposes	<u>\$ 77,438,073</u>	<u>\$ 148,314</u>	<u>\$ - 0 -</u>

See notes to financial statements.

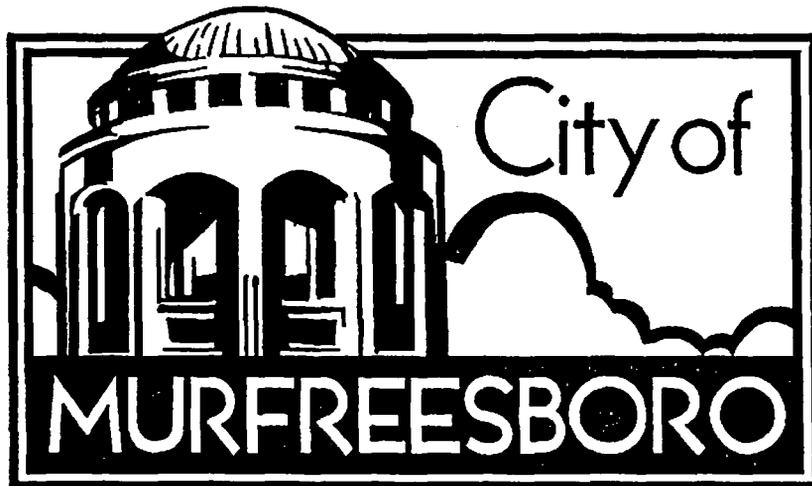
**CITY OF MURFREESBORO, TENNESSEE**

**Statement of Changes in Net Assets**  
**Fiduciary Funds**

**Year Ended June 30, 2009**

	<u>Pension Trust Funds</u>	<u>Extended School Program Private Purpose Trust Fund</u>
<b>Additions -</b>		
<b>Contributions -</b>		
Employer	\$ <u>5,319,846</u>	
<b>Investment income-</b>		
Net depreciation in fair value of investments	\$ (11,959,492)	
Interest	1,561,795	\$ 8,655
Dividends	<u>1,453,642</u>	
Total investment income	\$ (8,944,055)	\$ 8,655
Less investment fees	<u>(41,601)</u>	
Net investment income	\$ (8,985,656)	\$ 8,655
Total additions	\$ (3,665,810)	\$ 8,655
<b>Deductions -</b>		
Benefits to participants	\$ 2,945,603	
Insurance premiums	<u>536,010</u>	
Total deductions	\$ <u>3,481,613</u>	
<b>Net Increase (Decrease)</b>	\$ (7,147,423)	\$ 8,655
<b>Net Assets Held in Trust for Pension Benefits -</b>		
Beginning of year	<u>84,585,496</u>	<u>139,659</u>
End of year	\$ <u><u>77,438,073</u></u>	\$ <u><u>148,314</u></u>

See notes to financial statements.



T E N N E S S E E

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements**

**June 30, 2009**

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**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). As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the City has elected not to apply to its business-type activities and enterprise funds Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. 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  
2552 South Church Street  
Murfreesboro

Evergreen Cemetery  
519 Greenland Drive  
Murfreesboro

Murfreesboro Electric Department  
205 North Maple Street  
Murfreesboro

Murfreesboro Water and Sewer Department  
300 Northwest Broad Street  
Murfreesboro

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

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**Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

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. 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.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

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**Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The City reports the following major governmental funds:

**General Fund** - 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.

**General Purpose School Fund** - The general purpose school fund is a special revenue fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for education.

**2008 TML Fund** - The 2008 TML Fund is a capital projects fund used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**Debt Service Fund** - The debt service fund accounts for the accumulation of resources for, and payment of, general long-term obligations.

The City reports the following major proprietary funds:

**Murfreesboro Water and Sewer Fund** - The Water and Sewer fund accounts for revenues and expenses related to potable water and sanitary sewer services provided to residents of the City.

**Murfreesboro Electric Department Fund** - 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:

**Internal Service Funds** - 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 worker's 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.

**Private-purpose Trust Fund** - 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.

**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.

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.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

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

**Assets, Liabilities, and Net Assets or Equity**

**Cash and Cash Equivalents** - 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.

**Inventories** - 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.

**Prepaid items** - 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.

**Restricted Assets** - The City's restricted assets consist of the following:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Murfreesboro Water and Sewer</u>	<u>Murfreesboro Electric Department</u>	
Restricted assets -					
Cash and cash equivalents	\$ 586,444	\$ 2,336,059	\$ 22,763,824	\$ 902,108	\$ 26,588,435
Investments		1,457,897			1,457,897
Total restricted assets	<u>\$ 586,444</u>	<u>\$ 3,793,956</u>	<u>\$ 22,763,824</u>	<u>\$ 902,108</u>	<u>\$ 28,046,332</u>

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

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**Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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, 2009 is \$586,444.

Amounts received from outside sources have been classified as restricted assets on the balance sheet of the capital improvement and contingency fund. These amounts are maintained in separate bank accounts and their use is limited by outside sources. At June 30, 2009, \$469,331 is restricted for payments to engineers for the reconstruction of Middle Tennessee Boulevard, and \$1,811,305 is restricted to help fund a multi-purpose facility which would be used by organizations to promote job creation, advancement and education.

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 \$55,423 in cash on hand and bank accounts, which was restricted in this manner at June 30, 2009. 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, 2009, \$64,128 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, 2009 is \$1,457,897.

**Restricted Assets – Business-type Activities –**

The Water and Sewer Department has restricted certain funds. At June 30, 2009, Water and Sewer connection fees in the amount of \$18,953,558 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 \$153,936. 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, 2009, \$2,042,612 was restricted for this purpose. Certain other amounts have been restricted for future year debt payments. The debt service reserve fund 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, 2009 is \$1,613,718.

The Electric Department has restricted funds in accordance with revenue bond ordinances which require the Department to establish a sinking fund to pay annual obligations for interest and principal on maturing bonds. At June 30, 2009, \$872,108 was restricted for this purpose. When the fund is equal to the aggregate principal of the maturing bonds outstanding plus interest accruing to the next interest payment date, no further payment needs be made to the sinking and interest fund. The bond ordinances also require that there shall be deposited into a reserve fund money sufficient to pay the highest total amount of principal and interest to become due in any twelve month period on all bonds outstanding. The bond issues require monthly deposits of 20% of sinking fund deposits until they are fully funded. In addition to the sinking and interest fund and the reserve fund, the bond ordinances require the Department to maintain reserves for renewal and replacement of utility plant financed by the bond issuances. The amount restricted for this purpose at June 30, 2009 is \$30,000. At June 30, 2009, the Department has fulfilled all funding requirements of the bond ordinances.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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, 2009, the City of Murfreesboro's Risk Management Fund has \$500,000 in a certificate of deposit which is restricted in this manner.

**Capital Assets and Depreciation** - 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 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
Other improvements	20 – 50 years
Equipment	3 – 25 years
Infrastructure	10 – 50 years

Total depreciation and amortization expense for proprietary funds amounted to \$13,099,970 for the year ended June 30, 2009. 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:

	<b><u>Total Proprietary Funds</u></b>
Depreciation and amortization on statement of cash flows	\$ 13,099,970
Depreciation and amortization on statement of revenues, expenses, and changes in net assets	<u>12,733,208</u>
Difference (depreciation charged to other operating expense accounts)	\$ <u>366,762</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.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Long-term Debt** – 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.

**Compensated Absences** - 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.

**Allowance for Uncollectible Accounts** - The City's allowance for estimated uncollectible receivables at June 30, 2009 is as follows:

	<b><u>General Fund</u></b>	<b><u>Enterprise Fund</u></b>
Allowance for -		
Taxes Receivable	\$ 1,884,028	
Other	552,168	
Accounts Receivable		\$ 39,737

An allowance for uncollectible accounts was not considered necessary for the Murfreesboro Electric Department and the Murfreesboro Water and Sewer Department at June 30, 2009.

**Estimates** – 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.

**Fund equity** - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Also at June 30, 2009, 401,877 and \$151,708 were set aside in the special revenue funds for repairs and replacements and contingencies, respectively.

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

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**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 \$221,114,439 difference are as follows:

General Government -	
TML Notes Payable	\$ 200,127,211
Capital Outlay Note	2,994,000
Compensated absences	6,094,004
Post-employment benefit obligation	9,865,309
Landfill post-closure costs	1,825,000
Murfreesboro City Schools	
Compensated absences	208,915
	<u>\$ 221,114,439</u>

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 \$14,396,637 difference are as follows:

Capital outlay	\$ 29,261,823
Depreciation	(14,865,186)
Net adjustment	<u>\$ 14,396,637</u>

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 \$7,993,050 difference are as follows:

In the statement of activities, only the gain 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.

\$ (910,036)

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

8,903,086  
\$ 7,993,050

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**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 \$(18,319,460) difference are as follows:

Debt issued or incurred	\$ (39,437,865)
Principal repayments	21,118,405
Net adjustment	<u>\$ (18,319,460)</u>

**Note C – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting** - 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 Fund**

**Special Revenue Funds** - State Street Aid Fund, City Recreation Fund, Senior Citizens Fund, Old Fort Golf Course Fund, Television Fund, Solid Waste Fund, Airport Fund, Drug Enforcement Fund, Public Transportation Fund, General Purpose School Fund, Extended School Program Fund, School Cafeteria Fund and Federal and State Program Funds.

**Capital Projects Funds** - Capital Improvement and Contingency Fund, Community Development Fund, Gateway Project Fund, Battlefield River Trail Fund, 1998 TML Fund, 1999 TML Fund, 2001 TML Fund, 2002 TML Fund, 2004 TML Fund, 2005 TML Fund, 2006 TML Fund, 2008 TML Fund, and 2010 TML 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. No budget was adopted for the school debt service fund for the year ended June 30, 2009.

Funds without annual budgets are as follows:

**Internal Service Funds**

**School Debt Service Fund**

**Pension Trust Funds**

**Extended School Private Purpose Trust Fund**

**School Activity Agency Fund**

**Permanent Fund**

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**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.

Excess of Expenditures over Appropriations – For the year ended June 30, 2009, expenditures exceeded appropriations in the school debt service fund as follows:

	Final Budget	Actual	Variance
School debt service fund	\$ -0-	\$ 4,394,191	\$ (4,394,191)

Encumbrances - 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.

Budgetary – GAAP Reporting Reconciliation - 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, 2009 is presented below:

	General Purpose School Fund
Excess of revenues and other sources over (under) expenditures and other uses (Budgetary Basis)	\$ 811,045
Adjustments:	
To adjust for net increase in encumbrances	<u>(63,703)</u>
Net change in fund balance (GAAP Basis)	<u>\$ 747,342</u>

**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, the Rutherford County Library System, and the City/County Cultural Arts Commission.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note E - CASH AND INVESTMENTS**

**Investments** – As of June 30, 2009, the City had the following investments and maturities:

	Fair Value	Investment Maturities in Years			
		<1	1-5	6-10	>10
<b>Employee Pension Plan</b>					
U.S. Treasury Notes	\$ 2,830,262	\$ 1,082,412	\$ 741,462	\$ 1,006,388	
Federal Home Loan Bank	2,122,814		356,613	1,766,201	
Federal Home Loan Mortgage Corp.	2,739,786			392,456	\$ 2,347,330
Federal National Mortgage Assoc.	3,681,231		261,836	188,334	3,231,061
Federal Farm Credit Bank	2,367,982		502,577	1,865,405	
Government National Mortgage Assoc.	625,021		7,209		617,812
FNMA Gold TBA	79,547				79,547
Corporate Bonds & Notes	<u>11,953,579</u>	<u>225,716</u>	<u>4,669,042</u>	<u>5,730,786</u>	<u>1,328,035</u>
<b>Total</b>	<b>\$ <u>26,400,222</u></b>	<b>\$ <u>1,308,128</u></b>	<b>\$ <u>6,538,739</u></b>	<b>\$ <u>10,949,570</u></b>	<b>\$ <u>7,603,785</u></b>
<b>Electric Department Pension Plan</b>					
Federal Home Loan Bank	\$ 960,378		\$ 402,220	\$ 558,158	
Federal Farm Credit Bank	738,098		251,289	486,809	
Federal Home Loan Mortgage Corp.					
Federal National Mortgage Assoc.	52,367				\$ 52,367
Corporate Bonds & Notes	<u>2,327,591</u>	<u>\$ 93,821</u>	<u>928,099</u>	<u>1,305,671</u>	
<b>Total</b>	<b>\$ <u>4,078,434</u></b>	<b>\$ <u>93,821</u></b>	<b>\$ <u>1,581,608</u></b>	<b>\$ <u>2,350,638</u></b>	<b>\$ <u>52,367</u></b>
<b>Perpetual Care Cemetery Fund</b>					
Federal Home Loan Bank	\$ 328,337			\$ 328,337	
Federal Farm Credit Bank	231,819		\$ 25,129	206,690	
Federal National Mortgage Assoc.	26,184			26,184	
Corporate Bonds & Notes	<u>507,663</u>	<u>\$ 46,911</u>	<u>151,243</u>	<u>309,509</u>	
<b>Total</b>	<b>\$ <u>1,094,003</u></b>	<b>\$ <u>46,911</u></b>	<b>\$ <u>176,372</u></b>	<b>\$ <u>870,720</u></b>	

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.

**Interest rate risk** - The City does not have a formal policy to limit exposure to interest rate risk for investments.

**Credit risk** - 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, 2009, 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, 2009, the City had investments in corporate bonds rated by Moody's as presented on the following page:

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note E - CASH AND INVESTMENTS (continued)**

<u>Moody's Rating</u>	<u>City's Pension Plan</u>	<u>Electric Department Pension Plan</u>	<u>Perpetual Care Cemetery</u>
A1	\$ 2,006,845	\$ 650,260	\$ 121,765
A2	2,943,151	697,854	126,017
A3	1,467,860	103,506	25,877
AA1	116,150		
AA2	1,364,216	541,835	103,937
AA3	470,633	100,861	
AAA	1,367,144		24,879
BA1	43,181		
BAA1	902,043	83,832	20,958
BAA2	801,330	149,443	84,230
BAA3	321,492		
NR	149,534		
	<u>\$ 11,953,579</u>	<u>\$ 2,327,591</u>	<u>\$ 507,663</u>

NR=not rated

**Custodial credit risk - deposits** - 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, 2009, 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, 2009.

**Custodial credit risk - investments** - 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, \$11,953,579, \$2,327,591 and \$507,663 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.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note F - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2009, was as follows:

	<u>Balance</u>				<u>Balance</u>
	<u>July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>		<u>June 30, 2009</u>
<b>Governmental activities -</b>					
Capital assets, not being depreciated -					
Land	\$ 230,786,481	\$ 10,193,178	\$ 826,805		\$ 240,152,854
Construction in progress	46,328,899	32,245,766	47,864,482		30,710,183
Subtotal	<u>\$ 277,115,380</u>	<u>\$ 42,438,944</u>	<u>\$ 48,691,287</u>		<u>\$ 270,863,037</u>
 Capital assets, being depreciated -					
Buildings	\$ 121,347,325	\$ 547,978	\$ 18,517		\$ 121,876,786
Improvements other than buildings	50,803,944	5,128,765	46,221		55,886,488
Equipment	44,148,381	1,843,691	485,097		45,506,975
Infrastructure	233,653,384	36,049,287			269,702,671
Subtotal	<u>\$ 449,953,034</u>	<u>\$ 43,569,721</u>	<u>\$ 549,835</u>		<u>\$ 492,972,920</u>
Less accumulated depreciation					
Buildings	\$ (24,946,930)	\$ (2,558,410)	\$ 5,174		\$ (27,500,166)
Improvements other than buildings	(16,909,280)	(2,434,892)	40,150		(19,304,022)
Equipment	(21,217,308)	(4,453,245)	442,006		(25,228,547)
Infrastructure	(46,556,741)	(5,418,639)			(51,975,380)
Subtotal	<u>\$ (109,630,259)</u>	<u>\$ (14,865,186)</u>	<u>\$ 487,330</u>		<u>\$ (124,008,115)</u>
Capital assets, being depreciated, net	<u>\$ 340,322,775</u>	<u>\$ 28,704,535</u>	<u>\$ 62,505</u>		<u>\$ 368,964,805</u>
Capital assets, net	<u>\$ 617,438,155</u>	<u>\$ 71,143,479</u>	<u>\$ 48,753,792</u>		<u>\$ 639,827,842</u>

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

<b>Governmental activities -</b>	
General government	\$ 498,492
Police	819,036
Fire protection	462,189
Legal	2,731
Personnel	1,965
Streets	5,604,087
Planning and engineering	29,646
Building inspections	1,841
Sanitation	793,178
Urban environmental	43,492
Public health, safety and other	102,343
Community services	673,748
Recreation	2,467,634
Education	<u>3,364,804</u>
Total governmental activities depreciation expense	<u>\$ 14,865,186</u>

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note F - CAPITAL ASSETS (continued)**

	<u>Balance</u> <u>July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2009</u>
<b><u>Business-type activities -</u></b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 20,669,397	\$ 147,955	\$ 7,843	\$ 20,809,509
Construction in progress	78,293,579	21,363,498	20,508,396	79,148,681
Subtotal	<u>\$ 98,962,976</u>	<u>\$ 21,511,453</u>	<u>\$ 20,516,239</u>	<u>\$ 99,958,190</u>
<b>Capital assets, being depreciated -</b>				
Structures and improvements	\$ 65,865,147	\$ 2,295,767	\$ 13,919	\$ 68,146,995
Transmission and distribution mains	242,584,702	14,725,841	119,609	257,190,934
Electric plant	111,250,798	14,211,973	1,348,465	124,114,306
Equipment	33,970,208	1,667,314	274,906	35,362,616
Subtotal	<u>\$ 453,670,855</u>	<u>\$ 32,900,895</u>	<u>\$ 1,756,899</u>	<u>\$ 484,814,851</u>
<b>Less: accumulated depreciation -</b>				
Structures and improvements	\$ (9,174,865)	\$ (1,468,613)	\$ 6,888	\$ (10,636,590)
Transmission and distribution mains	(52,479,141)	(5,249,433)	18,664	(57,709,910)
Electric plant	(27,500,849)	(4,364,530)	1,660,582	(30,204,797)
Equipment	(16,452,632)	(1,993,202)	320,160	(18,125,674)
	<u>\$ (105,607,487)</u>	<u>\$ (13,075,778)</u>	<u>\$ 2,006,294</u>	<u>\$ (116,676,971)</u>
Capital assets, being depreciated, net	<u>\$ 348,063,368</u>	<u>\$ 19,825,117</u>	<u>\$ (249,395)</u>	<u>\$ 368,137,880</u>
Capital assets, net	<u>\$ 447,026,344</u>	<u>\$ 41,336,570</u>	<u>\$ 20,266,844</u>	<u>\$ 468,096,070</u>

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

**Business-type activities:**

Water and sewer	\$ 8,311,548
Electric	4,683,040
Cemetery	26,317
Stormwater fund	54,873
Total business-type activities depreciation expense	<u>\$ 13,075,778</u>

**Note G - LONG-TERM LIABILITIES**

**Revenue Bonds**

Electric System Revenue Bonds are collateralized by an irrevocable first lien and pledge of the income and revenues derived and to be derived from the operation of the Electric Department after deduction of the amount necessary to pay all operating, maintenance, replacement, and betterment charges of the Department as required by applicable bond ordinances. The Department is also required to maintain rates sufficient (1) to pay all maintenance, depreciation, replacement, betterment, and interest charges, (2) to establish and maintain the interest and sinking fund and the reserve fund and (3) to pay in addition all outstanding indebtedness against the Department other than bonds. The 1999 bonds are issued on parity with the 1995 issue. Revenue bonds outstanding at the end of the year are as follows:

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note G - LONG-TERM LIABILITIES (continued)**

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Electric Department – Series 1995	4.25-5.50%	\$ 330,000
Electric Department – Series 1999	4.40-5.00%	<u>1,730,000</u>
		\$ <u>2,060,000</u>

Maturities of the revenue bonds are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 645,000	\$ 103,608
2011	330,000	70,338
2012	345,000	54,250
2013	360,000	37,000
2014	<u>380,000</u>	<u>19,000</u>
	\$ <u>2,060,000</u>	\$ <u>284,196</u>

**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	\$ 200,127,211
Business-type activities	Variable	<u>96,728,807</u>
		\$ <u>296,856,018</u>

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:

<u>Year Ending</u> <u>June 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 21,474,974	\$ 1,984,943	\$ 7,413,958	\$ 4,183,332
2011	20,968,289	1,670,397	7,694,707	3,840,603
2012	21,536,080	1,378,278	7,452,298	3,512,819
2013	19,727,585	1,106,031	7,296,790	3,119,578
2014	20,004,738	828,433	7,478,533	2,818,035
2015-2019	72,611,275	2,076,308	26,448,000	10,358,125
2020-2024	23,804,270	103,784	29,530,016	4,247,259
2025-2026			<u>3,414,505</u>	<u>186,550</u>
	\$ <u>200,127,211</u>	\$ <u>9,148,174</u>	\$ <u>96,728,807</u>	\$ <u>32,266,301</u>

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note G - LONG-TERM LIABILITIES (continued)**

**Capital Outlay Notes** - 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 t-hangars 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:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 210,000	\$ 188,490
2011	224,000	174,328
2012	237,000	159,284
2013	254,000	143,263
2014	270,000	126,164
2015-2019	1,638,000	332,957
2020	161,000	5,226
	<u>\$ 2,994,000</u>	<u>\$ 1,129,712</u>

**Loans Payable - Utility Plant Acquisition** - 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, 2009, the Department made a purchase of \$525,839 representing \$35,713 in net plant allocated to specific plant accounts and \$490,126 in lost revenue allocated to plant acquisition adjustments. After paying a down payment on each of the transactions, the remaining balance of \$397,698 is payable annually in equal installments over a ten year period. Currently, the annual payments due on prior purchases total \$150,186.

**State Revolving Loans** - The Water and Sewer Department has three state revolving loans to fund the Wastewater Facilities Project. The total approved amounts of the loans were \$58,000,000, \$900,000 and \$3,700,000 at June 30, 2009. The Department is required only to make monthly interest payments at a rate of 4.24%, 4.28% and 3.71% per annum, respectively. Upon completion of the project or upon drawing 90% of the \$58,000,000, 90% of the \$900,000 and 90% of the \$3,700,000, respectively, whichever comes first, the Department is required to begin making principal and interest payments.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note G - LONG-TERM LIABILITIES (continued)**

Annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 2,670,024	\$ 1,680,600
2011	2,785,044	1,565,580
2012	2,905,020	1,445,604
2013	3,030,168	1,320,456
2014	3,160,704	1,189,908
2015-2019	17,932,186	3,786,132
2020-2024	8,553,556	415,272
	<u>\$ 41,036,702</u>	<u>\$ 11,403,552</u>

Long-term liability activity for the year ended June 30, 2009, was as follows:

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>	<u>Due Within One Year</u>
<i>Governmental Activities -</i>					
General obligation bonds	\$ 1,305,000		\$ 1,305,000		
Capital outlay notes	3,191,000		197,000	\$ 2,994,000	\$ 210,000
Tennessee Municipal Bond Fund Loans	<u>187,719,932</u>	<u>\$ 33,455,368</u>	<u>20,068,363</u>	<u>201,106,937</u>	<u>21,951,511</u>
	<u>\$ 192,215,932</u>	<u>\$ 33,455,368</u>	<u>\$ 21,570,363</u>	<u>\$ 204,100,937</u>	<u>\$ 22,161,511</u>
Estimated landfill closure costs	830,000	995,000		1,825,000	505,000
Compensated absences	5,820,543	2,210,071	1,727,695	6,302,919	1,166,258
Post-employment benefit obligation	4,877,812	4,987,497		9,865,309	
Claims and judgments	4,773,000	2,077,929	1,674,929	5,176,000	2,270,950
Tennessee Municipal Bond Fund Loans reported by Water and Sewer Fund (1)	(1,431,684)		(451,958)	(979,726)	(476,537)
Governmental activity - Long-term liabilities	<u>\$ 207,085,603</u>	<u>\$ 43,725,865</u>	<u>\$ 24,521,029</u>	<u>\$ 226,290,439</u>	<u>\$ 25,627,182</u>

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, \$5,176,000 of internal service funds claims and judgments are included in the above amounts. For governmental activities, compensated absences are generally liquidated by the general fund and claims and judgments are liquidated by the risk management fund.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note G - LONG-TERM LIABILITIES (continued)**

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Due Within</u> <u>One Year</u>
<i>Business-type Activities -</i>					
General obligation bonds	\$ 165,000		\$ 165,000		
Revenue Bonds	2,675,000		615,000	\$ 2,060,000	\$ 645,000
Matured bonds payable	36,000			36,000	
Less: deferred amounts -					
For issuance discounts	(23,854)		(5,626)	(18,228)	
On refunding	(44,188)			(44,188)	
Total bonds payable	\$ 2,807,958		\$ 774,374	\$ 2,033,584	\$ 645,000
State revolving loan	43,596,458		2,559,756	41,036,702	2,670,024
Compensated absences	2,570,845	\$ 542,492	333,190	2,780,147	811,437
Post-employment benefit obligation	1,127,388	1,173,025		2,300,413	
Tennessee Municipal Bond Fund Loan	92,624,391	9,818,732	6,694,042	95,749,081	6,937,421
Loans payable - Utility plant acquisition	561,452	397,698	150,186	808,964	172,451
	\$ 143,288,492	\$ 11,931,947	\$ 10,511,548	\$ 144,708,891	\$ 11,236,333
Tennessee Municipal Bond Fund Loan (1)	1,431,684		451,958	979,726	476,537
Business-type activity - Long-term liabilities	\$ 144,720,176	\$ 11,931,947	\$ 10,963,506	\$ 145,688,617	\$ 11,712,870

**Note H - CONSERVATION PROGRAMS**

The Murfreesboro Electric Department is a fiscal intermediary for the Tennessee Valley Authority's conservation programs. At June 30, 2009, outstanding funds advanced by TVA totaled \$861,420 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, 2009, the outstanding receivables for loans made from these funds amounted to \$842,381.

**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) 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 -**

**City of Murfreesboro Employees' Pension Plan** - 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

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note I - EMPLOYEE PENSION PLANS (continued)**

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 will not be 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 are regularly employed for at least 30 hours per week for at least six months of the year become 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 11.89% 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). The amount funded was greater than the required amount for the fiscal year ending 2009 resulting in an decrease to the NPO of \$42,988. Prior to July 1, 1988, employees were required to contribute toward the cost of pension compensation. Consequently, some participants who terminate employment will receive lump-sum distributions. Members with five years or more of service receive a refund of contributions with accumulated interest at the rate of 7.5% per annum.

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 55<sup>th</sup> 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. 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 were four investments in a mutual fund representing more than 5% of the net assets available for benefits as shown below:

<u>Investment in Mutual Fund</u>	<u>Amount</u>	<u>Percentage of Net Assets</u>
Dodge & Cox International Stock Fund	\$ 4,968,361	7.71%
PIMCO Global Bond Fund Unhedged	4,883,662	7.58%
Brandywine Global Bond Fund	5,157,929	8.00%
Ridgeworth Fund - Int'l Equity Index	4,702,435	7.30%

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.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note I - EMPLOYEE PENSION PLANS (continued)**

**Murfreesboro Electric Department Employee Pension** - The Murfreesboro Electric Department provides a defined benefit pension plan with contributions made to a separate fund named the Murfreesboro Electric Department Pension Trust. 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. 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. Upon retirement, the participant's monthly benefit is determined based upon 2% of the highest five years of average monthly compensation multiplied by years of employment up to thirty years. Normal retirement age is 60, but a participant may retire at age 55 upon the completion of 10 years of service. 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. Lump sum payments of deferred vested benefits valued at less than \$10,000 can be made to terminated participants at the discretion of the Retirement Committee. Benefit payments to participants are recorded upon distribution.

The plan was amended during the year to change the Plan year from the 12-month period ending July 31 of each year to the 12-month period ending June 30 of each year. The statement of changes in net assets includes eleven months for the year ending June 30, 2009. The change in the plan year does not affect the benefit payments.

The Plan has received and maintains a favorable determination letter from the Internal Revenue Service concerning its tax-exempt status. The cost of the plan is borne solely by the employer. Participant contributions are not allowed.

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 were no investments representing more than 5% of the net assets available for benefits at June 30, 2009. There are no related party transactions involving the pension trust.

**Contributions, Membership and Funding Requirements** -

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

	<u>Murfreesboro Electric Department Pension</u>	<u>City of Murfreesboro Employees' Pension</u>
Retired Participants and Terminated Participants with Deferred Vested Benefits	33	307
Active Participants	<u>70</u>	<u>929</u>
	<u>103</u>	<u>1,236</u>

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note I - EMPLOYEE PENSION PLANS (continued)**

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

	<u>Murfreesboro Electric Department Pension</u>	<u>City of Murfreesboro Employees' Pension</u>
Annual pension cost	\$ 793,813	\$ 4,453,252
Contributions made	\$ 793,813	\$ 4,496,240
Actuarial valuation date	July 1, 2009	July 1, 2009
Actuarial cost method	Frozen Entry Age	Frozen Entry Age
Amortization method	Level dollar	Level dollar
Amortization period-open	30 years	30 years
Remaining amortization period	24 years	28 years
Asset valuation method	Market	Five-year Smoothing
Actuarial assumptions:		
Investment rate of return	7.0%	7.5%
Projected salary increases	4.5%	5.0%
Inflation rate	N/A	N/A

**Three-Year Trend Information**

	<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Benefit)</u>
Murfreesboro Electric Department Pension	07/31/07	\$ 596,170	102.10%	\$ -0-
	07/31/08	615,537	103.60%	-0-
	07/31/09	793,813	100.00%	-0-
City of Murfreesboro Employee's Pension	07/01/07	\$ 3,852,817	97.38%	\$( 1,281,081)
	07/01/08	4,265,880	94.99%	( 1,053,899)
	07/01/09	4,441,232	101.24%	( 1,096,887)

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note I - EMPLOYEE PENSION PLANS (continued)**

**Schedule of Funding Progress**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (b-a)/c)</u>
<b>Murfreesboro Electric Department Pension:</b>						
08/01/07	\$ 11,731,118	\$ 13,038,280	\$ 1,307,162	90.0%	\$ 3,400,782	38.4%
08/01/08	11,565,801	12,834,516	1,268,715	90.1%	3,618,857	35.1%
07/01/09	10,265,821	11,482,378	1,216,557	89.4%	4,080,267	29.8%
<b>City of Murfreesboro Employees' Pension:</b>						
07/01/07	\$ 69,675,720	\$ 84,477,610	\$ 14,801,890	82.5%	\$ 35,467,822	41.7%
07/01/08	76,160,860	91,281,997	15,121,137	83.4%	37,555,620	40.3%
07/01/09	80,040,594	99,166,582	19,125,988	80.7%	40,384,320	47.4%

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

Annual Required Contribution	\$ 4,441,232
Interest on net pension obligation	(79,042)
Adjustment to annual required contribution	<u>91,062</u>
Annual pension cost	\$ 4,453,252
Contributions made	<u>(4,496,240)</u>
Decrease in net pension obligation	\$ (42,988)
Net pension obligation beginning of year	<u>(1,053,899)</u>
Net pension obligation end of year	\$ <u>(1,096,887)</u>

**Tennessee Consolidated Retirement System**

**Plan Description** – 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 5 (five) years of service and members joining prior to July 1, 1979 were vested after 4 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.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note I - EMPLOYEE PENSION PLANS (continued)**

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, 10<sup>th</sup> Floor, Andrew Jackson Building, Nashville, Tennessee 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs/ps/](http://www.tn.gov/treasury/tcrs/ps/).

**Funding Policy** – The Murfreesboro City School System plan is noncontributory and has assumed 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, 2009 was 11.96% 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.

**Annual Pension Cost** – For the year ended June 30, 2009, the Murfreesboro City School System's annual pension cost of \$826,038 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, 2007 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 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), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of 3.0 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, 2007 was 8 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Trend Information</u>	
		<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/07	\$ 726,872	100.00%	\$ -0-
6/30/08	799,031	100.00%	-0-
6/30/09	826,038	100.00%	-0-

As of July 1, 2007, the most recent actuarial valuation date, the plan was 91.65% funded. The actuarial accrued liability for benefits was \$14.63 million, and the actuarial value of assets was \$13.41 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.22 million. The covered payroll (annual payroll of active employees covered by the plan) was \$6 million, and the ratio of the UAAL to the covered payroll was 19.85%.

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.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note I - EMPLOYEE PENSION PLANS (continued)**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b)-(a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (b-a)/c</u>
07/01/07	\$ 13,412,000	\$14,634,000	\$1,222,000	91.65%	\$6,156,000	19.85%

**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 than one-half percent. The annual COLA is capped at three percent.

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

**Funding Policy** - 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, 2009 was 6.42% 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, 2009, 2008, and 2007 were, \$1,753,721, \$1,626,836, and \$1,511,625, 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.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**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, 2009, there were 157 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 (55) and have 10 years of service. Currently, 22 retirees are receiving benefits.

The number of participants of each plan as of July 1, 2008, the effective date of the biannual OPEB valuation, follows.

	<u>City Administered Plan</u>		<u>Murfreesboro</u>
	<u>Water &amp; Sewer</u>	<u>Other</u>	<u>Electric Department</u>
Actives	124	683	72
Disableds		8	
Retirees/Beneficiaries	26	78	20
Total	<u>150</u>	<u>769</u>	<u>92</u>

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note K – POST-EMPLOYMENT BENEFITS (continued)**

**Funding Policy and Annual OPEB Cost** – 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:

	City Administered Plan		Murfreesboro Electric Department
	Water & Sewer	City	
Normal Cost	\$ 580,333	\$ 3,236,733	\$ 298,146
Amortization of Unfunded Accrued Liability	357,832	1,830,416	225,249
Interest	20,876	112,757	11,647
Annual Required Contribution	\$ 959,041	\$ 5,179,906	\$ 535,042
Contribution as a percentage of projected pay	18.48%	18.37%	13.53%

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

	City Administered Plan		Murfreesboro Electric Department
	Water & Sewer	City	
Annual Required Contribution	\$ 959,041	\$ 5,179,906	\$ 535,042
Interest on net OPEB	35,354	199,745	16,430
Adjustment to annual required contribution	(24,959)	(141,017)	(13,326)
Annual OPEB cost	969,436	5,238,634	\$ 538,146
Contributions made	(191,794)	(520,452)	(142,763)
Increase/(Decrease) in net OPEB obligation	\$ 777,642	\$ 4,718,182	\$ 395,383
Net OPEB obligation at beginning of year	762,277	4,655,012	365,111
Net OPEB obligation at end of year	\$ 1,539,919	\$ 9,373,194	\$ 760,494

Year End*	Plan	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation at Year-end
06/30/08	Water & Sewer	\$ 959,041	20.5%	\$ 762,277
06/30/09	Water & Sewer	969,436	19.8%	1,539,919
06/30/08	City	5,147,879	9.6%	4,655,012
06/30/09	City	5,238,634	9.9%	9,373,194
06/30/08	Electric Department	497,299	26.6%	365,111
06/30/09	Electric Department	538,146	26.5%	760,494

\* Data not available for the year prior to June 30, 2008.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note K – POST-EMPLOYMENT BENEFITS (continued)**

As of July 1, 2008, the most recent actuarial valuation, both plans were 0% funded. The actuarial accrued unfunded liability (UAAL) for benefits at June 30, 2009 as well as actuarial methods and assumptions for both plans was as follows:

	City Administered Plan		Murfreesboro Electric Department
	Water & Sewer	City	
Unfunded Actuarial Accrued Liability (UAAL)	\$ 11,514,086	\$ 58,897,953	\$ 6,755,215
Covered payroll	\$ 5,188,601	\$ 28,201,253	\$ 3,954,739
Ratio of UAAL to covered payroll	222%	217%	171%
Actuarial Valuation Method	Entry Age Normal Actuarial Cost Method	Entry Age Normal Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Amortization Period	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%

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 8% to 10% in the first year and future increases are assumed to grade uniformly to 5% over a three to ten year period. Claims were adjusted downward 3% each year for aging until age 45, while claims were increased 3% per year until age 75 for the City, and 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 and Medicare Supplement Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Tennessee Code Annotated (TCA) 8-27-302

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note K – POST-EMPLOYMENT BENEFITS (continued)**

(teachers) or TCA 8-27-701 (Medicare Supplement). Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) 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 plans are 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 subsidy to Local Education Agency pre-65 teachers and a full-subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. For plan members electing family coverage, plan members contribute an average of 40.98% of premiums and Murfreesboro City Schools contributes on average 59.02% of premiums. For plan members electing single coverage, Murfreesboro City Schools contributes 100% of premiums.

<u>Annual OPEB cost and Net OPEB Obligation</u>	<u>Teacher Group Plan</u>
ARC	\$ 574,501
Interest on the net OPEB obligation	10,026
Adjustment to the ARC	<u>(9,758)</u>
Annual OPEB cost	\$ 574,769
Amount of contribution	<u>(305,454)</u>
Increase/(Decrease) in net OPEB obligation	\$ 269,315
Net OPEB obligation - beginning of year	<u>222,800</u>
Net OPEB obligation - end of year	<u><u>\$ 492,115</u></u>

<u>Year End *</u>	<u>Plan</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation at Year-end</u>
06/30/08	Teacher Group	\$ 565,852	39.37%	\$ 222,800
06/30/09	Teacher Group	574,769	46.86%	492,115

\*Data not available for the year prior to 6/30/08.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note K – POST-EMPLOYMENT BENEFITS (continued)**

**Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2009, was as follows:

	<u>Teacher Group Plan</u>
Actuarial valuation date	July 1, 2007
Actuarial accrued liability (AAL)	\$4,284,000
Actuarial value of plan assets	-0-
Unfunded actuarial accrued liability (UAAL)	\$4,284,000
Actuarial Value of Assets as a % of the AAL	0.00%
Covered payroll (active plan members)	\$37,546,000
UAAL as a percentage of covered payroll	11.41%

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.

**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 June 30, 2008, actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of 6 percent after ten years. Both rates include a 3 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 on the following page:

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

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**Note L – INFORMATION ON INDIVIDUAL PENSION PLAN (continued)**

**STATEMENT OF NET ASSETS**

Assets -	
Cash and cash equivalents	\$ 2,419,510
Investments, at fair value	64,451,082
Contributions receivable	301,660
	<u>\$ 67,172,252</u>
Net Assets -	
Held in trust for pension benefits	<u>\$ 67,172,252</u>

**STATEMENT OF CHANGES IN NET ASSETS**

Additions -	
Employer contributions	\$ 4,526,033
Investment loss	(7,418,289)
	<u>\$ (2,892,256)</u>
Deductions -	
Benefits to participants	\$ 2,419,177
Insurance premiums	536,010
	<u>\$ 2,955,187</u>
Net decrease	\$ (5,847,443)
Net Assets Held in Trust for Pension Benefits -	
Beginning of year	<u>73,019,695</u>
End of year	<u>\$ 67,172,252</u>

**Note M - COMMITMENTS AND CONTINGENCIES**

**Landfill Closure** - 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.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note M - COMMITMENTS AND CONTINGENCIES (continued)**

Additionally, there was an increase in this estimated liability of \$995,000 from the previous year. The City's engineer estimates that additional costs required will approximate \$1,825,000. 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 December 18, 2008, was entered into between the City and the State of Tennessee in the amount of \$1,870,000. 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.

**Construction** – The City has entered into agreements for construction as follows:

	<u>Project Authorization</u>	<u>Expended To Date</u>	<u>Remaining Commitment</u>
Agri-Park Drive	\$ 1,492,413	1,244,950	\$ 247,463
Fire Station #10	973,532	890,366	83,166
Florence Road	9,750,000	8,552,455	1,197,545
Greenland Drive Improvements	1,411,494		1,411,494
Halls Hill Pike Reconstruction	3,496,101	2,896,835	599,266
Medical Center Parkway Signilization	1,010,897	999,263	11,634
River Rock Boulevard Reconstruction	1,029,405	904,001	125,404
Rutherford Blvd. (Broad to 1400' of CSX)	4,463,808	4,451,473	12,335
Stones River Greenway Extension Phase 2	3,521,913	3,505,412	16,501
	<u>\$ 27,149,563</u>	<u>\$ 23,444,755</u>	<u>\$ 3,704,808</u>

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, 2010 approximate \$817,000. 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 reasonable possibility that the City may pay an estimated additional amount of \$2,874,737.

**Grantor Agencies** - 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.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

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**Note M - COMMITMENTS AND CONTINGENCIES (continued)**

**Pending Lawsuits** - 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.

**Note N - LEASES**

The City receives rental income principally for real property from various agencies. Future minimum rental commitments under these leases are insignificant. Rental income from these sources totaled approximately \$451,205 for the year ended June 30, 2009.

**Note O – PRIOR PERIOD ADJUSTMENT**

During the year ended June 30, 2009, management became aware that certain prior year expenses related to the construction of the Gateway Trail project were eligible for reimbursement under a federal grant which resulted in a prior period adjustment of \$145,086 to the 2001 TML Fund. Also, during the current fiscal year management realized that sales tax revenues were under accrued at June 30, 2008, which resulted in an a prior period adjustment of \$2,436,094 to the general fund. A prior period adjustment of \$2,581,180 has been recorded on the government-wide financial statements and the governmental fund financial statements.

**Note P - 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.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note P - INTERFUND TRANSACTIONS (continued)**

Interfund receivable and payable balances at June 30, 2009, arising from these transactions were as follows:

	<u>Due From</u>	<u>Due To</u>
<b>General Fund</b>		
2008 TML Fund	\$ 1,398,944	
Water and Sewer Fund	367,266	
Electric Fund	58,528	
Nonmajor governmental funds	5,323,008	\$ 121,716
Nonmajor enterprise funds		32,412
Internal service funds	2,999	188
	<u>\$ 7,150,745</u>	<u>\$ 154,316</u>
<b>General Purpose School Fund</b>		
Nonmajor governmental funds	\$ 702,213	\$ 928,269
<b>2008 TML Fund</b>		
General fund		\$ 1,398,944
<b>Nonmajor Governmental Funds</b>		
General fund	\$ 121,716	\$ 5,323,008
General purpose school fund	928,269	702,213
Water and Sewer Fund	140,031	
Nonmajor enterprise funds	665,081	
Nonmajor governmental funds	128,977	128,977
Internal service funds		812
	<u>\$ 1,984,074</u>	<u>\$ 6,155,010</u>
<b>Water and Sewer Fund</b>		
General fund		\$ 367,266
Nonmajor enterprise funds	\$ 1,450,560	4,072,222
Nonmajor governmental funds		140,031
Internal service funds		23,556
	<u>\$ 1,450,560</u>	<u>\$ 4,603,075</u>
<b>Electric Department Fund</b>		
General fund		\$ 58,528
<b>Nonmajor Enterprise Funds</b>		
General fund	\$ 32,412	
Water and Sewer fund	4,072,222	\$ 1,450,560
Nonmajor governmental funds		665,081
	<u>\$ 4,104,634</u>	<u>\$ 2,115,641</u>
<b>Internal Service Funds</b>		
General fund	\$ 188	\$ 2,999
Water and Sewer fund	23,556	
Nonmajor governmental funds	812	
Internal service funds	2,347	2,347
	<u>\$ 26,903</u>	<u>\$ 5,346</u>
	<u>\$ 15,419,129</u>	<u>\$ 15,419,129</u>

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note P - INTERFUND TRANSACTIONS (continued)**

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.

Interfund transfers during the year ended June 30, 2009 were as follows:

	<u>Transfer From</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Transfer To			
General Purpose			
School Fund	\$ 4,810,103	\$ 30,000	\$ 4,840,103
Debt Service Fund	12,710,091	7,866,808	20,576,899
Nonmajor			
Governmental Funds	16,403,245	6,000	16,409,245
Nonmajor			
Enterprise Fund	18,759	64,128	82,887
	<u>\$ 33,942,198</u>	<u>\$ 7,966,936</u>	<u>\$ 41,909,134</u>

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 Q - 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, 2009 were \$2,077,929. Claims for fire and extended coverage in excess of \$100,000 are covered through commercial insurance. Claims for law enforcement liability in excess of \$10,000 are also covered through commercial insurance. 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. Blue Cross/Blue Shield of Tennessee 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 to Blue Cross/Blue Shield from the Insurance Fund up to a maximum of \$125,000 for each medical claim. A rider policy covers claims for certain transplant surgery (heart, heart and lung, liver and pancreas). Administrative costs and claims for the fiscal year ended June 30, 2009 were \$9,612,478.

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.

**CITY OF MURFREESBORO, TENNESSEE**

**Notes to Financial Statements (continued)**

**June 30, 2009**

**Note Q - RISK MANAGEMENT PROGRAM (continued)**

**Claims Liability** - The claims liability reported in the Insurance Fund and the Risk Management Fund at June 30, 2009 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. Changes in the Funds' claims liability amounts during the year ended June 30, 2009 were as follows:

<u>Fiscal Year</u>	<u>Liability at Beginning</u>	<u>Year Claims and Change in Estimate</u>	<u>Claim Payments</u>	<u>Liability at End</u>
<b>Risk Management Fund -</b>				
2008	\$ 4,103,500	\$ 2,444,393	\$ 1,774,893	\$ 4,773,000
2009	4,773,000	2,077,929	1,674,929	5,176,000
<b>Insurance Fund -</b>				
2008	\$ 498,747	\$ 8,154,263	\$ 8,128,654	\$ 524,356
2009	524,356	9,612,478	9,261,742	875,092

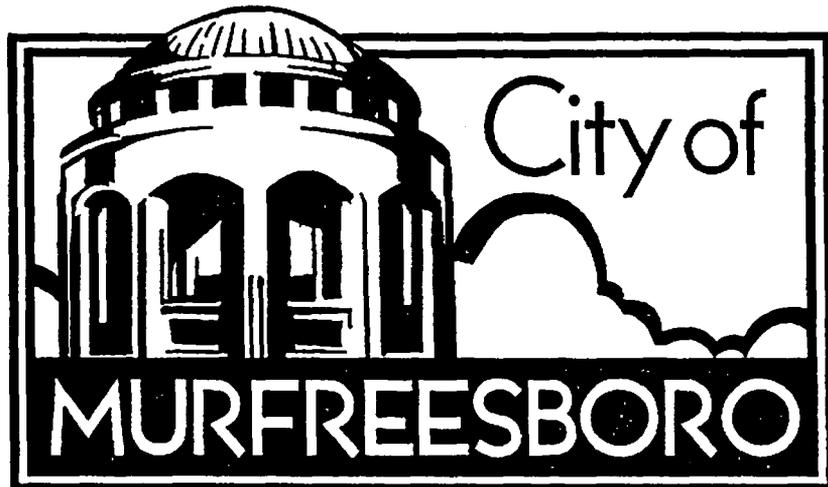
The City had no significant reductions in insurance coverage from coverage in the prior year. Settled claims have not exceeded commercial insurance coverage in any of the past three years.

**Note R - DEFICIT FUND BALANCES**

The 2008 TML fund had a deficit fund balance of \$1,378,075 as of June 30, 2009. The 2008 TML fund incurred expenditures related to various capital projects, specifically, streets, and the new Gateway Trail project. The monies have been currently funded by the General Fund to be reimbursed from the issuance of debt. Various nonmajor capital projects funds had deficit fund balances at June 30, 2009. The Gateway Project fund had a deficit fund balance of \$1,107,457 as of June 30, 2009. 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, the 2010 TML Fund had a deficit fund balance of \$984,789. The TML fund incurred expenditures related to various capital projects. The money has been funded by the General Fund to be reimbursed from future debt issuance. Also, two nonmajor special revenue funds had deficit fund balances at June 30, 2009. These funds, the Public Transportation Fund and the Extended School Program Fund, had deficit balances of \$4,081 and \$19,965, respectively. The Public Transportation Fund does not have a separate bank account and the deficit balance reflects amounts payable at June 30, 2009 for which general fund transfers have not been made. The Extended School Program's deficit is expected to be relieved by charges for services in the subsequent year.

**Note S - SUBSEQUENT EVENTS**

Subsequent to June 30, 2009, the City refinanced revenue bonds and Tennessee Municipal Bond Funds in the amount of \$122,160,000. Of this amount, \$40,860,000 was issued in the form of new revenue bonds to refinance Water and Sewer debt, \$15,445,000 in revenue bonds to refinance Electric Department debt and \$65,855,000 in general obligation refunding bonds for the general debt of the City.



T E N N E S S E E

**CITY OF MURFREESBORO, TENNESSEE**

**Required Supplementary Information**  
**Pension Trust Funds**

**Schedule of Funding Progress**

**June 30, 2009**

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value</u> <u>of Assets</u> <u>(a)</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(b)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u> <u>(b-a)</u>	<u>Funded</u> <u>Ratio</u> <u>(a/b)</u>	<u>Annual</u> <u>Covered</u> <u>Payroll</u> <u>(c)</u>	<u>UAAL as a</u> <u>Percentage of</u> <u>Covered Payroll</u> <u>((b-a)/c)</u>
<b>City of Murfreesboro Employees' Pension Plan -</b>						
7/1/00	\$ 40,957,607	\$ 41,386,756	\$ 429,149	99.0 %	\$ 21,946,101	2.0 %
7/1/01	43,201,827	48,522,986	5,321,159	89.0	25,165,651	21.1
7/1/02	48,643,679	52,688,816	4,045,137	92.3	26,004,236	15.6
7/1/03	51,498,359	57,550,714	6,052,355	89.5	27,312,169	22.2
7/1/04	54,574,289	62,648,615	8,074,326	87.1	29,361,363	27.5
7/1/05	58,134,958	69,207,197	11,072,239	84.0	31,949,042	34.7
7/1/06	62,774,796	75,869,525	13,094,729	82.7	33,533,397	39.1
7/1/07	69,675,720	84,477,610	14,801,890	82.5	35,467,822	41.7
7/1/08	76,160,860	91,281,997	15,121,137	83.4	37,555,620	40.3
7/1/09	80,040,594	99,166,582	19,125,988	80.7	40,384,320	47.4
<b>Murfreesboro Electric Department Employee Pension Plan -</b>						
8/1/00	\$ 9,412,742	\$ 9,412,742	\$ -0-	100.0 %	\$ 2,834,305	0.0 %
8/1/01	8,599,659	8,599,659	-0-	100.0	2,939,605	0.0
8/1/02	7,940,195	8,435,574	495,379	94.1	2,872,520	17.3
8/1/03	8,549,258	9,032,554	483,296	94.6	2,861,365	16.9
8/1/04	9,343,486	9,814,993	471,507	95.2	3,126,722	15.1
8/1/05	10,275,202	10,735,207	460,005	95.7	3,337,003	13.8
8/1/06	10,711,935	11,529,863	817,928	92.9	3,314,820	24.7
8/1/07	11,731,118	13,038,280	1,307,162	90.0	3,400,782	38.4
8/1/08	11,565,801	12,834,516	1,268,715	90.1	3,618,857	35.1
7/1/09	10,265,822	11,482,378	1,216,556	89.4	4,080,267	29.8

**CITY OF MURFREESBORO, TENNESSEE**

**Required Supplementary Information**  
**Pension Trust Funds**

**Schedule of Employer Contributions**

**June 30, 2009**

<u>Fiscal Year</u>	<u>Murfreesboro Employees' Pension</u>		<u>Electric Department Pension</u>	
	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2000	\$ 1,473,113	147 %	\$ 180,847	100 %
2001	1,835,308	125	152,664	100
2002	2,459,161	100	316,692	100
2003	2,424,202	107	486,839	101
2004	2,721,331	98	478,354	101
2005	3,045,036	97	545,068	101
2006	3,531,820	93	544,038	101
2007	3,852,817	97	596,170	102
2008	4,265,880	95	615,537	104
2009	4,441,232	101	793,813	100

**CITY OF MURFREESBORO, TENNESSEE**

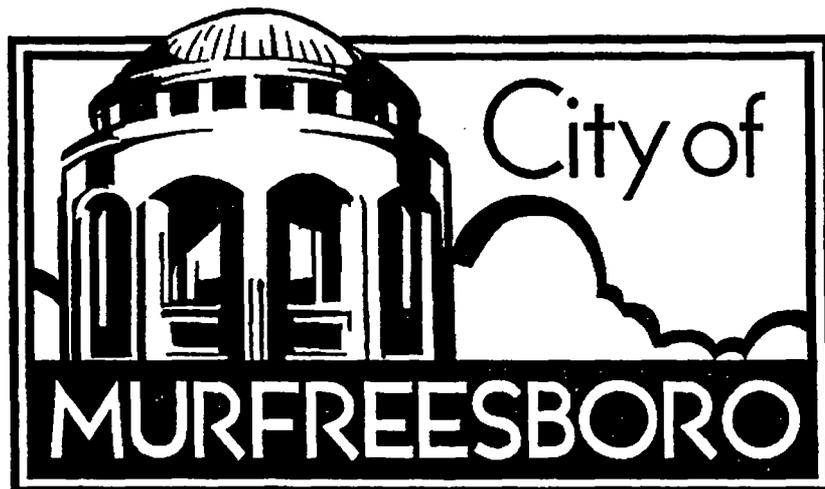
**Required Supplementary Information**  
**Post-Employment Benefits**

**Schedule of Funding Progress**

**June 30, 2009**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
<b>City of Murfreesboro (excluding Water and Sewer employees)</b>						
07/01/08	\$ -0-	\$ 53,704,061	\$ 53,704,061	0.0 %	\$ 27,152,899	197.8 %
07/01/09	-0-	58,897,953	58,897,953	0.0	28,201,253	208.8
<b>Murfreesboro Water and Sewer Department</b>						
07/01/08	\$ -0-	\$ 10,582,267	\$ 10,582,267	0.0 %	\$ 5,145,460	205.7 %
07/01/09	-0-	11,514,086	11,514,086	0.0	5,188,601	221.9
<b>Murfreesboro Electric Department</b>						
07/01/08	\$ -0-	\$ 6,308,938	\$ 6,308,938	0.0 %	\$ 3,954,739	159.5 %
07/01/09	-0-	6,755,215	6,755,215	0.0	3,954,739	170.8
<b>Murfreesboro City Schools</b>						
06/30/08	\$ -0-	\$ 4,260,000	\$ 4,260,000	0.0 %	\$ 30,079,000	14.2 %
06/30/09	-0-	4,284,000	4,284,000	0.0	37,546,000	11.4

Note: Data is not available for the year prior to June 30, 2008.



T E N N E S S E E

## **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.

**CITY OF MURFREESBORO, TENNESSEE**

**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

**June 30, 2009**

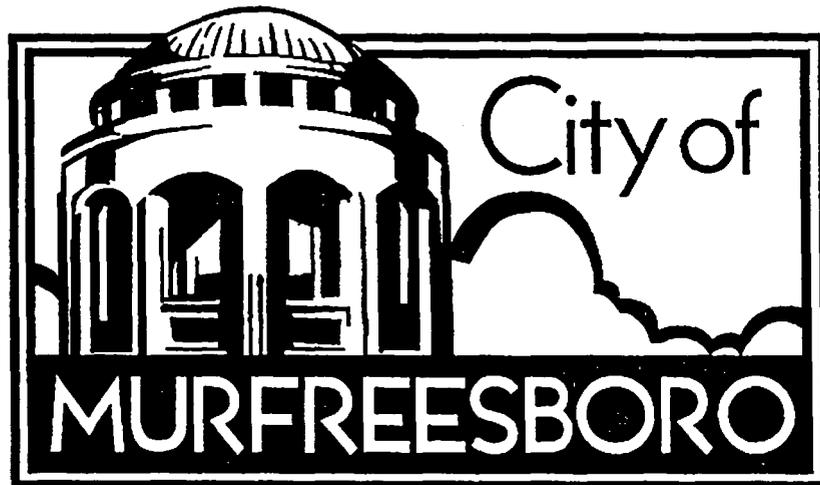
	<u>Total Special Revenue Funds</u>	<u>Total Capital Projects Funds</u>	<u>Permanent Fund Perpetual Care Cemetery Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 7,931,204	\$ 8,638,645		\$ 16,569,849
Certificates of deposit	357,165			357,165
Due from other funds	1,300,536	683,538		1,984,074
Due from other governments	4,740,451	675,199		5,415,650
Accounts receivable, net	96,320		\$ 35,513	131,833
Due from others	336,411	7,254		343,665
Other accounts receivable	4,285		13,008	17,293
Prepaid items and deposits	4,600			4,600
Inventory	203,648			203,648
Restricted assets -				
Cash and cash equivalents		2,280,636	55,423	2,336,059
Investments, at fair value			1,457,897	1,457,897
	<u>\$ 14,974,620</u>	<u>\$ 12,285,272</u>	<u>\$ 1,561,841</u>	<u>\$ 28,821,733</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Liabilities-				
Accounts payable	\$ 892,513	\$ 323,274		\$ 1,215,787
Accrued liabilities	325,990			325,990
Due to other funds	4,035,401	2,119,609		6,155,010
Due to other governments	87,388			87,388
Deferred revenue	1,825,178	2,333,613		4,158,791
Other deposits	35,722			35,722
	<u>\$ 7,202,192</u>	<u>\$ 4,776,496</u>		<u>\$ 11,978,688</u>
Fund Balance-				
Reserved for inventory	\$ 116,891			\$ 116,891
Reserved for perpetual care			\$ 1,543,181	1,543,181
Unreserved -				
Designated for repairs and replacement	401,877			401,877
Designated for contingencies	6,708			6,708
Undesignated	7,246,952	\$ 7,508,776	18,660	14,774,388
	<u>\$ 7,772,428</u>	<u>\$ 7,508,776</u>	<u>\$ 1,561,841</u>	<u>\$ 16,843,045</u>
	<u>\$ 14,974,620</u>	<u>\$ 12,285,272</u>	<u>\$ 1,561,841</u>	<u>\$ 28,821,733</u>

**CITY OF MURFREESBORO, TENNESSEE**

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

**Year Ended June 30, 2009**

	<u>Total Special Revenue Funds</u>	<u>Total Capital Projects Funds</u>	<u>School Debt Service Fund</u>	<u>Permanent Fund Perpetual Care Cemetery Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues-</b>					
Taxes	\$ 1,255,755				\$ 1,255,755
Intergovernmental	15,246,230	\$ 7,909,568			23,155,798
Charges for services	7,253,633				7,253,633
Donations		477,339			477,339
Interest and investment earnings	59,690	99,388		\$ 138,144	297,222
Program income		38,436			38,436
Miscellaneous	1,305,461	277,278			1,582,739
	<u>\$ 25,120,769</u>	<u>\$ 8,802,009</u>		<u>\$ 138,144</u>	<u>\$ 34,060,922</u>
<b>Expenditures -</b>					
<b>Current-</b>					
Police	\$ 266,323				\$ 266,323
Streets	2,016,025				2,016,025
Sanitation	4,474,894				4,474,894
Community services	7,498,113				7,498,113
Recreation	9,277,739				9,277,739
Community development		\$ 872,671			872,671
Economic development		255,587			255,587
Education	2,992,335				2,992,335
Food service	3,424,389				3,424,389
Capital outlay	4,592,360	2,399,009			6,991,369
<b>Debt service:</b>					
Principal			\$ 3,970,231		3,970,231
Interest			423,960		423,960
	<u>\$ 34,542,178</u>	<u>\$ 3,527,267</u>	<u>\$ 4,394,191</u>		<u>\$ 42,463,636</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ (9,421,409)</u>	<u>\$ 5,274,742</u>	<u>\$ (4,394,191)</u>	<u>\$ 138,144</u>	<u>\$ (8,402,714)</u>
<b>Other Sources (Uses) -</b>					
Issuance of debt		\$ 112,311			\$ 112,311
Proceeds from sale of land		2,505,060			2,505,060
Transfers in	\$ 12,015,054		\$ 4,394,191		16,409,245
Transfers out	(1,013,286)	(6,889,522)		\$ (64,128)	(7,966,936)
	<u>\$ 11,001,768</u>	<u>\$ (4,272,151)</u>	<u>\$ 4,394,191</u>	<u>\$ (64,128)</u>	<u>\$ 11,059,680</u>
<b>Net change in fund balances</b>	<u>\$ 1,580,359</u>	<u>\$ 1,002,591</u>	<u>\$ -0-</u>	<u>\$ 74,016</u>	<u>\$ 2,656,966</u>
<b>Fund Balance at beginning of year, as previously stated</b>	\$ 6,192,069	\$ 6,361,099	\$ -0-	\$ 1,487,825	\$ 14,040,993
<b>Prior period adjustment</b>		145,086			145,086
<b>Fund Balance at beginning of year, as restated</b>	<u>\$ 6,192,069</u>	<u>\$ 6,506,185</u>	<u>\$ -0-</u>	<u>\$ 1,487,825</u>	<u>\$ 14,186,079</u>
<b>Fund Balances at end of year</b>	<u>\$ 7,772,428</u>	<u>\$ 7,508,776</u>	<u>\$ -0-</u>	<u>\$ 1,561,841</u>	<u>\$ 16,843,045</u>



T E N N E S S E E

### **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.

***City Recreation Fund*** accounts for revenues and expenditures related to the operation of City parks and recreational facilities.

***Senior Citizens Fund*** accounts for revenues from various grants received for the purpose of operating a senior citizens center and the expenditures related to the center.

***Old Fort Golf Course Fund*** accounts for revenues and expenditures related to the operation of the City golf courses.

***Television Fund*** accounts for revenue from the cable franchise tax and for the expenditures related to broadcast of city council meetings and other events of community interest over the government access television channel.

***Solid Waste Fund*** accounts for expenditures related to the removal and disposal of solid waste.

***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.

***Public Transportation Fund*** accounts for revenues and expenditures associated with the development and operations of a transit system for the City of Murfreesboro.

***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 Projects Funds*** accounts for revenues and expenditures associated with state and federally financed school programs.

**CITY OF MURFREESBORO, TENNESSEE**

**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**

**June 30, 2009**

	<u>State Street Aid</u>	<u>City Recreation</u>	<u>Senior Citizens</u>	<u>Old Fort Golf Course</u>	<u>Television</u>	<u>Solid Waste</u>
<b><u>ASSETS</u></b>						
Cash and cash equivalents	\$ 972,647	\$ 380,130	\$ 290,158	\$ 485,456	\$ 4,702,954	
Certificates of deposit						
Due from other funds	147,481	7,099				
Due from other governments	557,516	1,654,221		2,263		\$ 574,123
Accounts receivable, net		1,150				
Due from others	20,731		49	36	315,345	
Other accounts receivable			4,285			
Prepaid items and deposits						
Inventory				100,663		
	<u>\$ 1,698,375</u>	<u>\$ 2,042,600</u>	<u>\$ 294,492</u>	<u>\$ 588,418</u>	<u>\$ 5,018,299</u>	<u>\$ 574,123</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>						
<b>Liabilities-</b>						
Accounts payable	\$ 411,780	\$ 303,616	\$ 6,560	\$ 69,502	\$ 1,531	\$ 1,503
Accrued liabilities		70,074	6,923	12,460	1,524	13,384
Due to other funds		1,439,476	643	1,180	95	534,190
Due to other governments						
Deferred revenue		18,500	8,221	85,983	750,000	
Deposits		4,100				
	<u>\$ 411,780</u>	<u>\$ 1,835,766</u>	<u>\$ 22,347</u>	<u>\$ 169,125</u>	<u>\$ 753,150</u>	<u>\$ 549,077</u>
<b>Fund Balance-</b>						
Reserved for inventory				\$ 100,663		
Unreserved -						
Designated for repairs and replacement		\$ 90,919		310,958		
Designated for contingencies				6,708		
Undesignated	<u>\$ 1,286,595</u>	<u>115,915</u>	<u>\$ 272,145</u>	<u>964</u>	<u>\$ 4,265,149</u>	<u>\$ 25,046</u>
	<u>\$ 1,286,595</u>	<u>\$ 206,834</u>	<u>\$ 272,145</u>	<u>\$ 419,293</u>	<u>\$ 4,265,149</u>	<u>\$ 25,046</u>
	<u>\$ 1,698,375</u>	<u>\$ 2,042,600</u>	<u>\$ 294,492</u>	<u>\$ 588,418</u>	<u>\$ 5,018,299</u>	<u>\$ 574,123</u>

<u>Airport</u>	<u>Drug Enforcement</u>	<u>Public Transportation</u>	<u>Extended School Program</u>	<u>School Cafeteria</u>	<u>School Federal and State Programs</u>	<u>Total Nonmajor Special Revenue</u>
\$ 148,891	\$ 276,623		\$ 398,781	\$ 225,421	\$ 50,143	\$ 7,931,204
			337,165	20,000		357,165
88,710			79,593	226,990	750,663	1,300,536
30,529	37,355	\$ 1,220,737	46,400	297,781	319,526	4,740,451
30,161			65,009			96,320
	250					336,411
	4,600					4,285
				86,757		4,600
<u>16,228</u>						<u>203,648</u>
<u>\$ 314,519</u>	<u>\$ 318,828</u>	<u>\$ 1,220,737</u>	<u>\$ 926,948</u>	<u>\$ 856,949</u>	<u>\$ 1,120,332</u>	<u>\$ 14,974,620</u>
\$ 30,624	\$ 1,267		\$ 4,693	\$ 34,313	\$ 27,124	\$ 892,513
2,181		\$ 4,081	200,465	11,215	3,683	325,990
155	7,735	1,220,737	53,490	310	777,390	4,035,401
			87,388			87,388
	36,381		600,877	13,081	312,135	1,825,178
<u>31,622</u>						<u>35,722</u>
<u>\$ 64,582</u>	<u>\$ 45,383</u>	<u>\$ 1,224,818</u>	<u>\$ 946,913</u>	<u>\$ 58,919</u>	<u>\$ 1,120,332</u>	<u>\$ 7,202,192</u>
\$ 16,228						\$ 116,891
						401,877
						6,708
<u>233,709</u>	<u>\$ 273,445</u>	<u>\$ (4,081)</u>	<u>\$ (19,965)</u>	<u>\$ 798,030</u>		<u>7,246,952</u>
<u>\$ 249,937</u>	<u>\$ 273,445</u>	<u>\$ (4,081)</u>	<u>\$ (19,965)</u>	<u>\$ 798,030</u>		<u>\$ 7,772,428</u>
<u>\$ 314,519</u>	<u>\$ 318,828</u>	<u>\$ 1,220,737</u>	<u>\$ 926,948</u>	<u>\$ 856,949</u>	<u>\$ 1,120,332</u>	<u>\$ 14,974,620</u>

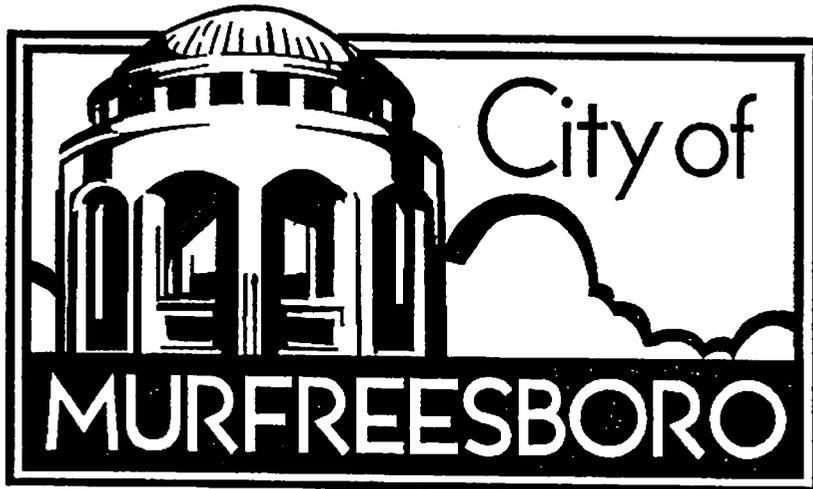
**CITY OF MURFREESBORO, TENNESSEE**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**

**Year Ended June 30, 2009**

	<u>State Street Aid</u>	<u>City Recreation</u>	<u>Senior Citizens</u>	<u>Old Fort Golf Course</u>	<u>Television</u>	<u>Solid Waste</u>
<b>Revenues-</b>						
Intergovernmental	\$ 2,651,553	\$ 4,398,772	\$ 190,748	\$ 2,263		\$ 534,190
Charges for services		1,068,992	193,145	1,807,634		11,351
Interest	4,239	2,983	2,823	7,810	\$ 37,119	
Franchise tax					1,255,755	
Miscellaneous	9,850	62,331	77,961	10,994	3,980	59,028
	<u>\$ 2,665,642</u>	<u>\$ 5,533,078</u>	<u>\$ 464,677</u>	<u>\$ 1,828,701</u>	<u>\$ 1,296,854</u>	<u>\$ 604,569</u>
<b>Expenditures-</b>						
Education						
Recreation		\$ 7,505,107		\$ 1,772,632		
Streets	\$ 2,016,025					
Sanitation						\$ 4,474,894
Police						
Community services			\$ 906,977		\$ 411,912	
Food service						
Capital outlay		4,441,027	6,551	46,740	72,568	3,267
	<u>\$ 2,016,025</u>	<u>\$ 11,946,134</u>	<u>\$ 913,528</u>	<u>\$ 1,819,372</u>	<u>\$ 484,480</u>	<u>\$ 4,478,161</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ 649,617</u>	<u>\$ (6,413,056)</u>	<u>\$ (448,851)</u>	<u>\$ 9,329</u>	<u>\$ 812,374</u>	<u>\$ (3,873,592)</u>
<b>Other Sources (Uses)-</b>						
Transfers in		\$ 6,304,216	\$ 479,959			\$ 4,703,060
Transfers out						(800,000)
		<u>\$ 6,304,216</u>	<u>\$ 479,959</u>			<u>\$ 3,903,060</u>
<b>Net change in fund balances</b>	\$ 649,617	\$ (108,840)	\$ 31,108	\$ 9,329	\$ 812,374	\$ 29,468
<b>Fund Balance at beginning of year</b>	636,978	315,674	241,037	409,964	3,452,775	(4,422)
<b>Fund Balance at end of year</b>	<u>\$ 1,286,595</u>	<u>\$ 206,834</u>	<u>\$ 272,145</u>	<u>\$ 419,293</u>	<u>\$ 4,265,149</u>	<u>\$ 25,046</u>

<u>Airport</u>	<u>Drug Enforcement</u>	<u>Public Transportation</u>	<u>Extended School Program</u>	<u>School Cafeteria</u>	<u>School Federal and State Programs</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 51,403		\$ 826,554	\$ 53,190	\$ 2,166,170	\$ 4,371,387	\$ 15,246,230
381,306		79,538	2,439,849	1,271,818		7,253,633
2,849	\$ 1,867					59,690
						1,255,755
<u>758,727</u>	<u>296,914</u>		<u>25,676</u>			<u>1,305,461</u>
<u>\$ 1,194,285</u>	<u>\$ 298,781</u>	<u>\$ 906,092</u>	<u>\$ 2,518,715</u>	<u>\$ 3,437,988</u>	<u>\$ 4,371,387</u>	<u>\$ 25,120,769</u>
					\$ 2,992,335	\$ 2,992,335
						9,277,739
						2,016,025
						4,474,894
	\$ 266,323					266,323
\$ 957,034		\$ 1,125,096	\$ 2,718,042		1,379,052	7,498,113
				\$ 3,424,389		3,424,389
<u>20,830</u>	<u>643</u>	<u>734</u>				<u>4,592,360</u>
<u>\$ 977,864</u>	<u>\$ 266,966</u>	<u>\$ 1,125,830</u>	<u>\$ 2,718,042</u>	<u>\$ 3,424,389</u>	<u>\$ 4,371,387</u>	<u>\$ 34,542,178</u>
\$ 216,421	\$ 31,815	\$ (219,738)	\$ (199,327)	\$ 13,599	\$ -0-	\$ (9,421,409)
\$ 2,005	\$ 127,699	\$ 398,115				\$ 12,015,054
(183,286)			\$ (30,000)			(1,013,286)
<u>\$ (181,281)</u>	<u>\$ 127,699</u>	<u>\$ 398,115</u>	<u>\$ (30,000)</u>			<u>\$ 11,001,768</u>
\$ 35,140	\$ 159,514	\$ 178,377	\$ (229,327)	\$ 13,599	\$ -0-	\$ 1,580,359
<u>214,797</u>	<u>113,931</u>	<u>(182,458)</u>	<u>209,362</u>	<u>784,431</u>	<u>-0-</u>	<u>6,192,069</u>
<u>\$ 249,937</u>	<u>\$ 273,445</u>	<u>\$ (4,081)</u>	<u>\$ (19,965)</u>	<u>\$ 798,030</u>	<u>\$ -0-</u>	<u>\$ 7,772,428</u>



T E N N E S S E E

**CITY OF MURFREESBORO, TENNESSEE**

**State Street Aid Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues-</b>				
Tennessee state gasoline tax apportionment	\$ 2,292,481	\$ 2,292,481	\$ 2,651,553	\$ 359,072
Interest	6,863	6,863	4,239	(2,624)
Miscellaneous			9,850	9,850
	<u>\$ 2,299,344</u>	<u>\$ 2,299,344</u>	<u>\$ 2,665,642</u>	<u>\$ 366,298</u>
<b>Expenditures-</b>				
Traffic signals	\$ 100,000	\$ 100,000	\$ 2,845	\$ 97,155
Curbs and gutters	140,000	140,000	166,100	(26,100)
Sidewalks	50,000	50,000	69,020	(19,020)
Rights-of-way	100,000	100,000	30,749	69,251
Street paving	1,354,344	1,354,344	1,299,730	54,614
Street markings	170,000	170,000	107,343	62,657
Storm drainage	140,000	140,000	52,115	87,885
Intersections	50,000	50,000	66,997	(16,997)
Traffic signal lighting	65,000	65,000	74,770	(9,770)
Street construction	50,000	50,000	41,026	8,974
Surveys and engineering	80,000	80,000	105,330	(25,330)
	<u>\$ 2,299,344</u>	<u>\$ 2,299,344</u>	<u>\$ 2,016,025</u>	<u>\$ 283,319</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 649,617</u>	<u>\$ 649,617</u>
<b>Fund Balance at beginning of year</b>			<u>636,978</u>	
<b>Fund Balance at end of year</b>			<u>\$ 1,286,595</u>	

**CITY OF MURFREESBORO, TENNESSEE**

**City Recreation Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues -</b>				
Interest	\$ 1,500	\$ 1,500	\$ 2,983	\$ 1,483
Federal funds	4,992,245	4,992,245	4,304,390	(687,855)
State funds			286	286
County funds	91,375	91,375	94,096	2,721
Charges for recreational activities	975,622	975,622	1,068,992	93,370
Donations received			36,199	36,199
Miscellaneous	35,300	35,300	26,132	(9,168)
	<u>\$ 6,096,042</u>	<u>\$ 6,096,042</u>	<u>\$ 5,533,078</u>	<u>\$ (562,964)</u>
<b>Expenditures -</b>				
Labor	\$ 4,089,547	\$ 4,089,547	\$ 3,792,795	\$ 296,752
Park and ride police patrol	436,000	436,000	403,406	32,594
Operation and Maintenance -				
Machinery and equipment	100,390	100,390	99,383	1,007
Grounds	208,780	208,780	168,423	40,357
Building	248,477	248,477	239,587	8,890
Swimming pools	60,812	60,812	65,902	(5,090)
Supplies	317,708	317,708	287,138	30,570
Insurance	190,470	190,470	187,797	2,673
Social Security taxes	324,726	324,726	284,428	40,298
Group insurance	479,087	479,087	459,142	19,945
Retirement	301,388	301,388	284,517	16,871
Utilities	856,243	856,243	1,020,560	(164,317)
Travel and subsistence	62,100	62,100	20,094	42,006
Arts and humanities	90,670	90,670	52,314	38,356
Grant expenditures	3,300	3,300	803	2,497
Training personnel	12,900	12,900	12,111	789
Purchases for resale	90,000	90,000	76,489	13,511
Sales tax	22,500	22,500	23,220	(720)
Other miscellaneous	21,249	21,249	26,998	(5,749)
Capital outlay	5,320,689	5,320,689	4,441,027	879,662
	<u>\$ 13,237,036</u>	<u>\$ 13,237,036</u>	<u>\$ 11,946,134</u>	<u>\$ 1,290,902</u>
Excess of Revenues Over (Under) Expenditures	\$ (7,140,994)	\$ (7,140,994)	\$ (6,413,056)	\$ 727,938
<b>Other Financing Sources -</b>				
Transfers in	7,140,994	7,140,994	6,304,216	(836,778)
Net change in fund balance	<u>\$ -0-</u>	<u>\$ -0-</u>	\$ (108,840)	<u>\$ (108,840)</u>
Fund Balance at beginning of year			315,674	
Fund Balance at end of year			<u>\$ 206,834</u>	

**CITY OF MURFREESBORO, TENNESSEE**

**Senior Citizens Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues -</b>				
Interest	\$ 9,500	\$ 9,500	\$ 2,823	\$ (6,677)
County funds	155,000	155,000	155,000	
State funds	10,600	10,600	10,600	
Federal funds	24,500	24,500	25,148	648
Revenue from other agencies	62,209	62,209	49,111	(13,098)
Program income	127,772	130,272	193,145	62,873
Donations received	41,185	41,185	28,830	(12,355)
Miscellaneous			20	20
	<u>\$ 430,766</u>	<u>\$ 433,266</u>	<u>\$ 464,677</u>	<u>\$ 31,411</u>
<b>Expenditures -</b>				
Labor	\$ 479,501	\$ 479,501	\$ 434,928	\$ 44,573
Operations and maintenance	18,350	18,350	18,772	(422)
Supplies	73,786	73,786	68,854	4,932
Senior trip expense	10,000	12,500	92,506	(80,006)
Insurance	23,949	23,949	23,949	
Social Security taxes	35,817	35,817	32,332	3,485
Group insurance	71,206	71,206	66,964	4,242
Retirement	42,943	42,943	40,414	2,529
Utilities	58,750	58,750	56,851	1,899
Contractual services	2,400	2,400	2,400	
Travel and subsistence	11,300	11,300	1,333	9,967
Training and instruction	19,100	19,100	17,743	1,357
Designated contributions	25,134	25,134	20,579	4,555
Other miscellaneous	32,750	32,750	29,352	3,398
Capital outlay	6,500	6,500	6,551	(51)
	<u>\$ 911,486</u>	<u>\$ 913,986</u>	<u>\$ 913,528</u>	<u>\$ 458</u>
Excess of Revenues Over (Under) Expenditures	\$ (480,720)	\$ (480,720)	\$ (448,851)	\$ 31,869
Other Financing Sources -				
Transfers in	<u>480,720</u>	<u>480,720</u>	<u>479,959</u>	<u>(761)</u>
Net change in fund balance	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 31,108</u>	<u>\$ 31,108</u>
Fund Balance at beginning of year			<u>241,037</u>	
Fund Balance at end of year			<u>\$ 272,145</u>	

**CITY OF MURFREESBORO, TENNESSEE**

**Old Fort Golf Course Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues-				
Old Fort Golf Course-				
Green fees	\$ 850,000	\$ 850,000	\$ 834,052	\$ (15,948)
Cart rentals and trail fees	242,300	242,300	286,359	44,059
Driving range	36,000	36,000	41,189	5,189
Concession and retail sales	495,000	495,000	451,114	(43,886)
Interest earned	25,000	25,000	7,810	(17,190)
Federal funds			1,940	1,940
State funds			323	323
Miscellaneous	10,000	10,000	10,994	994
	<u>\$ 1,658,300</u>	<u>\$ 1,658,300</u>	<u>\$ 1,633,781</u>	<u>\$ (24,519)</u>
Veteran's Administration Course-				
Green fees	\$ 160,000	\$ 160,000	\$ 161,575	\$ 1,575
Cart rentals and trail fees	11,200	11,200	12,661	1,461
Concession and retail sales	21,945	21,945	20,684	(1,261)
	<u>\$ 193,145</u>	<u>\$ 193,145</u>	<u>\$ 194,920</u>	<u>\$ 1,775</u>
Total Revenues	<u>\$ 1,851,445</u>	<u>\$ 1,851,445</u>	<u>\$ 1,828,701</u>	<u>\$ (22,744)</u>
Expenditures-				
Old Fort Golf Course-				
Labor	\$ 754,608	\$ 754,608	\$ 721,666	\$ 32,942
Operations and maintenance	46,200	46,200	43,729	2,471
Material	90,500	90,500	88,928	1,572
Supplies	68,525	68,525	60,787	7,738
Insurance	24,778	24,778	25,078	(300)
Social Security taxes	56,993	56,993	53,509	3,484
Group insurance	102,368	102,368	110,161	(7,793)
Retirement	65,472	65,472	63,796	1,676
Utilities	57,300	57,300	55,146	2,154
Travel and subsistence	9,600	9,600	2,245	7,355
Items for resale	345,000	345,000	314,926	30,074
Other miscellaneous expenses	51,600	51,600	37,055	14,545
Overhead allocation	(90,932)	(90,932)	(90,932)	
Capital outlay	35,050	35,050	46,269	(11,219)
	<u>\$ 1,617,062</u>	<u>\$ 1,617,062</u>	<u>\$ 1,532,363</u>	<u>\$ 84,699</u>

(continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Old Fort Golf Course Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures (continued) -				
Veteran's Administration Course-				
Labor	\$ 128,605	\$ 128,605	\$ 113,708	\$ 14,897
Operations and maintenance	8,700	8,700	6,666	2,034
Material	9,000	9,000	7,473	1,527
Supplies	10,500	10,500	9,424	1,076
Insurance	2,769	2,769	2,769	
Social Security taxes	9,838	9,838	8,550	1,288
Group insurance	14,080	14,080	14,038	42
Retirement	9,127	9,127	9,127	
Utilities	9,750	9,750	11,307	(1,557)
Travel and subsistence	2,400	2,400		2,400
Items for resale	12,945	12,945	12,074	871
Other miscellaneous expenses	700	700	470	230
Overhead allocation	90,932	90,932	90,932	
Capital outlay	1,500	1,500	471	1,029
	<u>\$ 310,846</u>	<u>\$ 310,846</u>	<u>\$ 287,009</u>	<u>\$ 23,837</u>
Total Expenditures	<u>\$ 1,927,908</u>	<u>\$ 1,927,908</u>	<u>\$ 1,819,372</u>	<u>\$ 108,536</u>
Excess of Revenues Over (Under) Expenditures	\$ (76,463)	\$ (76,463)	\$ 9,329	\$ 85,792
Other Financing Uses -				
Transfers out	<u>(158,164)</u>	<u>(158,164)</u>	<u>-0-</u>	<u>158,164</u>
Net change in fund balance	<u>\$ (234,627)</u>	<u>\$ (234,627)</u>	<u>\$ 9,329</u>	<u>\$ 243,956</u>
Fund Balance at beginning of year			<u>409,964</u>	
Fund Balance at end of year			<u>\$ 419,293</u>	

**CITY OF MURFREESBORO, TENNESSEE**

**Television Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues -</b>				
Cable franchise tax	\$ 900,000	\$ 900,000	\$ 1,255,755	\$ 355,755
Interest	100,000	100,000	37,119	(62,881)
Miscellaneous	400	400	3,980	3,580
	<u>\$ 1,000,400</u>	<u>\$ 1,000,400</u>	<u>\$ 1,296,854</u>	<u>\$ 296,454</u>
<b>Expenditures -</b>				
Labor	\$ 249,574	\$ 249,574	\$ 241,159	\$ 8,415
Operation and maintenance	34,800	34,800	13,696	21,104
Supplies	3,029	3,029	956	2,073
Advertising supplies	16,000	16,000	9,535	6,465
Audio/video supplies	16,000	16,000	5,005	10,995
Insurance	5,900	5,900	5,062	838
Social Security taxes	17,907	17,907	18,103	(196)
Group insurance	21,430	21,430	21,393	37
Retirement	24,781	24,781	24,772	9
Utilities	9,100	9,100	8,710	390
Travel and subsistence	10,300	10,300	1,033	9,267
Association dues	2,100	2,100	1,050	1,050
Training personnel	8,000	8,000	4,098	3,902
Professional services	6,000	6,000		6,000
Other miscellaneous	60,500	60,500	57,340	3,160
Capital outlay	115,000	115,000	72,568	42,432
	<u>\$ 600,421</u>	<u>\$ 600,421</u>	<u>\$ 484,480</u>	<u>\$ 115,941</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ 399,979</u>	<u>\$ 399,979</u>	<u>\$ 812,374</u>	<u>\$ 412,395</u>
<b>Fund Balance at beginning of year</b>			<u>3,452,775</u>	
<b>Fund Balance at end of year</b>			<u>\$ 4,265,149</u>	

**CITY OF MURFREESBORO, TENNESSEE**

**Solid Waste Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues -</b>				
Federal funds			\$ 457,877	\$ 457,877
State funds			76,313	76,313
Interest	\$ 1,700	\$ 1,700		(1,700)
Charges for services	12,500	12,500	11,351	(1,149)
Miscellaneous	8,000	8,000	59,028	51,028
	<u>\$ 22,200</u>	<u>\$ 22,200</u>	<u>\$ 604,569</u>	<u>\$ 582,369</u>
<b>Expenditures -</b>				
Labor	\$ 1,911,376	\$ 1,911,376	\$ 1,805,960	\$ 105,416
Operations and maintenance	690,983	690,983	834,507	(143,524)
Supplies	592,939	592,939	402,450	190,489
Insurance	529,855	529,855	512,453	17,402
Social Security taxes	142,808	142,808	130,323	12,485
Group insurance	487,170	487,170	406,854	80,316
Retirement	217,788	217,788	200,376	17,412
Utilities	51,000	51,000	58,623	(7,623)
Travel and subsistence	9,600	9,600	5,383	4,217
Training personnel	3,000	3,000	734	2,266
License fees	12,000	12,000	6,337	5,663
Disposal carts	120,000	120,000	107,352	12,648
Other miscellaneous	3,750	3,750	3,542	208
Capital outlay	2,000	2,000	3,267	(1,267)
	<u>\$ 4,774,269</u>	<u>\$ 4,774,269</u>	<u>\$ 4,478,161</u>	<u>\$ 296,108</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ (4,752,069)</u>	<u>\$ (4,752,069)</u>	<u>\$ (3,873,592)</u>	<u>\$ 878,477</u>
<b>Other Financing Sources (Uses)-</b>				
Transfers in	\$ 5,552,069	\$ 5,552,069	\$ 4,703,060	\$ (849,009)
Transfers out	(800,000)	(800,000)	(800,000)	
	<u>\$ 4,752,069</u>	<u>\$ 4,752,069</u>	<u>\$ 3,903,060</u>	<u>\$ (849,009)</u>
<b>Net change in fund balance</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 29,468</u>	<u>\$ 29,468</u>
<b>Fund Balance at beginning of year</b>			<u>(4,422)</u>	
<b>Fund Balance at end of year</b>			<u>\$ 25,046</u>	

**CITY OF MURFREESBORO, TENNESSEE**

**Airport Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues -</b>				
State maintenance funds	\$ 10,000	\$ 10,000	\$ 13,000	\$ 3,000
State funds	266,240	266,240	38,403	(227,837)
Interest	4,000	4,000	2,849	(1,151)
Rental income	369,957	369,957	381,306	11,349
Fuel sales	750,950	750,950	753,568	2,618
Miscellaneous	1,900	1,900	5,159	3,259
	<u>\$ 1,403,047</u>	<u>\$ 1,403,047</u>	<u>\$ 1,194,285</u>	<u>\$ (208,762)</u>
<b>Expenditures -</b>				
Labor	\$ 124,339	\$ 124,339	\$ 125,739	\$ (1,400)
Operations and maintenance	43,000	43,000	48,392	(5,392)
Supplies	10,858	10,858	7,418	3,440
Insurance	14,409	14,409	14,496	(87)
Social Security taxes	9,145	9,145	9,455	(310)
Group insurance	9,600	9,600	9,661	(61)
Retirement	8,293	8,293	8,203	90
Utilities	34,535	34,535	37,245	(2,710)
Travel and subsistence	7,100	7,100	2,615	4,485
Purchases for resale	632,100	632,100	597,877	34,223
Fuel rebates	40,000	40,000	38,485	1,515
Surveys and studies	1,000	1,000	43,856	(42,856)
Other miscellaneous	14,700	14,700	13,592	1,108
Capital outlay	192,500	192,500	20,830	171,670
	<u>\$ 1,141,579</u>	<u>\$ 1,141,579</u>	<u>\$ 977,864</u>	<u>\$ 163,715</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ 261,468</u>	<u>\$ 261,468</u>	<u>\$ 216,421</u>	<u>\$ (45,047)</u>
<b>Other Financing Sources and (Uses) -</b>				
Transfers in	\$ 3,000	\$ 3,000	\$ 2,005	\$ (995)
Transfers out	(294,526)	(294,526)	(183,286)	111,240
	<u>\$ (291,526)</u>	<u>\$ (291,526)</u>	<u>\$ (181,281)</u>	<u>\$ 110,245</u>
<b>Net change in fund balance</b>	<u>\$ (30,058)</u>	<u>\$ (30,058)</u>	<u>\$ 35,140</u>	<u>\$ 65,198</u>
<b>Fund Balance at beginning of year</b>			<u>214,797</u>	
<b>Fund Balance at end of year</b>			<u>\$ 249,937</u>	

**CITY OF MURFREESBORO, TENNESSEE**

**Drug Enforcement Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues -</b>				
Court fines	\$ 95,000	\$ 95,000	\$ 118,010	\$ 23,010
Seizure awards	95,000	95,000	146,786	51,786
Interest	1,500	1,500	1,867	367
Miscellaneous	1,000	1,000	32,118	31,118
	<u>\$ 192,500</u>	<u>\$ 192,500</u>	<u>\$ 298,781</u>	<u>\$ 106,281</u>
<b>Expenditures -</b>				
Labor	\$ 100,000	\$ 100,000	\$ 86,032	\$ 13,968
Operations and maintenance	24,950	24,950	21,254	3,696
Supplies	9,400	9,400	4,732	4,668
Utilities	31,100	31,100	24,525	6,575
Rent	55,200	55,200	55,200	
Undercover operations	80,000	80,000	69,100	10,900
Other miscellaneous	2,585	2,585	5,480	(2,895)
Capital outlay	30,000	30,000	643	29,357
	<u>\$ 333,235</u>	<u>\$ 333,235</u>	<u>\$ 266,966</u>	<u>\$ 66,269</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (140,735)</b>	<b>\$ (140,735)</b>	<b>\$ 31,815</b>	<b>\$ 172,550</b>
<b>Other Financing Sources -</b>				
Transfers in	<u>95,000</u>	<u>95,000</u>	<u>127,699</u>	<u>32,699</u>
<b>Net change in fund balance</b>	<b><u>\$ (45,735)</u></b>	<b><u>\$ (45,735)</u></b>	<b>\$ 159,514</b>	<b><u>\$ 205,249</u></b>
<b>Fund Balance at beginning of year</b>			<u>113,931</u>	
<b>Fund Balance at end of year</b>			<u>\$ 273,445</u>	

**CITY OF MURFREESBORO, TENNESSEE**

**Public Transportation Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues-</b>				
Federal funds	\$ 510,423	\$ 580,923	\$ 581,138	\$ 215
State funds	228,355	228,355	234,975	6,620
Other local revenues		10,000	10,441	441
Charges for services	60,000	79,500	79,538	38
	<u>\$ 798,778</u>	<u>\$ 898,778</u>	<u>\$ 906,092</u>	<u>\$ 7,314</u>
<b>Expenditures-</b>				
Labor	\$ 432,126	\$ 432,126	\$ 449,837	\$ (17,711)
Operations and maintenance	76,700	76,700	119,101	(42,401)
Supplies	23,700	23,700	11,504	12,196
Fuel	150,000	150,000	85,233	64,767
Insurance	62,370	62,370	45,139	17,231
Social Security taxes	32,690	32,690	33,154	(464)
Group insurance	71,543	71,543	76,342	(4,799)
Retirement	45,069	45,069	41,393	3,676
Utilities	9,200	9,200	13,305	(4,105)
Travel and subsistence	9,700	9,700	5,225	4,475
Training and instruction	1,000	1,000	887	113
Contract services	19,513	119,513	204,602	(85,089)
Capital outlay	45,000	45,000	734	44,266
Other miscellaneous	48,523	48,523	39,374	9,149
	<u>\$ 1,027,134</u>	<u>\$ 1,127,134</u>	<u>\$ 1,125,830</u>	<u>\$ 1,304</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (228,356)</b>	<b>\$ (228,356)</b>	<b>\$ (219,738)</b>	<b>\$ 8,618</b>
<b>Other Financing Sources (Uses) -</b>				
Transfers in (out)	228,356	228,356	398,115	169,759
<b>Net change in fund balance</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 178,377</b>	<b>\$ 178,377</b>
<b>Fund Balance at beginning of year</b>			<u>(182,458)</u>	
<b>Fund Balance at end of year</b>			<u>\$ (4,081)</u>	

**CITY OF MURFREESBORO, TENNESSEE**

**Extended School Program Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues -				
Federal program revenues	\$ 35,000	\$ 35,000	\$ 53,190	\$ 18,190
Charges for services	2,891,244	2,891,244	2,439,849	(451,395)
Other local revenues	17,900	17,900	25,676	7,776
	<u>\$ 2,944,144</u>	<u>\$ 2,944,144</u>	<u>\$ 2,518,715</u>	<u>\$ (425,429)</u>
Expenditures -				
Community services	<u>\$ 2,735,024</u>	<u>\$ 2,735,024</u>	<u>\$ 2,718,042</u>	<u>\$ 16,982</u>
Excess of Revenues Over (Under) Expenditures	\$ 209,120	\$ 209,120	\$ (199,327)	\$ (408,447)
Other Financing Uses -				
Transfers out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-0-</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Uses (Budgetary basis)	<u>\$ 179,120</u>	<u>\$ 179,120</u>	<u>\$ (229,327)</u>	<u>\$ (408,447)</u>
Adjustment for encumbrances			<u>-0-</u>	
Net change in fund balance (GAAP basis)			\$ (229,327)	
Fund Balance at beginning of year			<u>209,362</u>	
Fund Balance at end of year			<u>\$ (19,965)</u>	

**CITY OF MURFREESBORO, TENNESSEE**

**School Cafeteria Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues -				
Federal program revenues	\$ 2,080,781	\$ 2,080,781	\$ 2,139,038	\$ 58,257
State program revenues	60,000	60,000	27,132	(32,868)
Charges for services	<u>1,595,749</u>	<u>1,595,749</u>	<u>1,271,818</u>	<u>(323,931)</u>
	<u>\$ 3,736,530</u>	<u>\$ 3,736,530</u>	<u>\$ 3,437,988</u>	<u>\$ (298,542)</u>
Expenditures -				
Food service	<u>\$ 3,580,369</u>	<u>\$ 3,580,369</u>	<u>\$ 3,424,389</u>	<u>\$ 155,980</u>
Excess of Revenues Over (Under) Expenditures (Budgetary basis)	<u>\$ 156,161</u>	<u>\$ 156,161</u>	\$ 13,599	<u>\$ (142,562)</u>
Adjustment for encumbrances			<u>-0-</u>	
Excess of Revenues Over (Under) Expenditures (GAAP basis)			\$ 13,599	
Fund Balance at beginning of year			<u>784,431</u>	
Fund Balance at end of year			<u>\$ 798,030</u>	

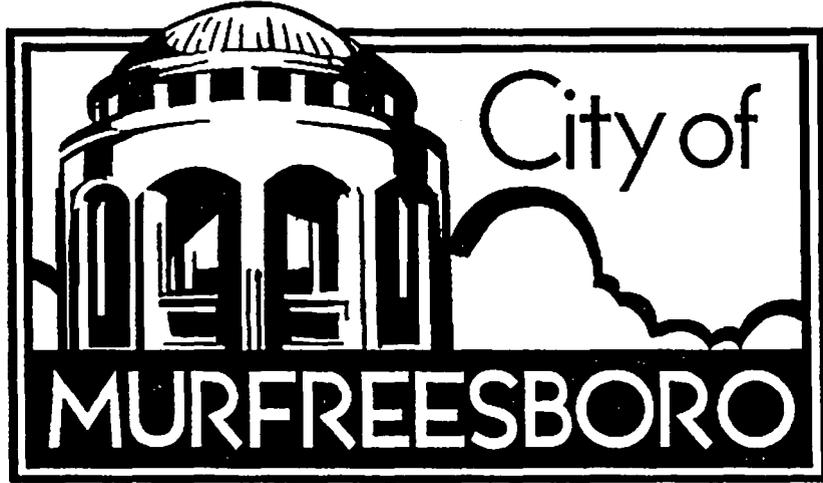
**CITY OF MURFREESBORO, TENNESSEE**

**School Federal and State Program Funds**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues -				
Federal program revenues	\$ 3,285,830	\$ 3,285,830	\$ 2,638,724	\$ (647,106)
State program revenues	1,162,422	1,162,422	1,732,663	570,241
	<u>\$ 4,448,252</u>	<u>\$ 4,448,252</u>	<u>\$ 4,371,387</u>	<u>\$ (76,865)</u>
Expenditures -				
Regular instruction program	\$ 1,674,149	\$ 1,674,149	\$ 1,691,560	\$ (17,411)
Special education program	850,138	850,138	780,539	69,599
Health services	157,024	157,024	137,302	19,722
Special education program - support	203,540	203,540	196,955	6,585
Early intervening services	185,979	185,979	185,979	
Community services	1,377,422	1,377,422	1,379,052	(1,630)
	<u>\$ 4,448,252</u>	<u>\$ 4,448,252</u>	<u>\$ 4,371,387</u>	<u>\$ 76,865</u>
Excess of Revenues Over (Under) Expenditures (Budgetary basis)	<u>\$ -0-</u>	<u>\$ -0-</u>	\$ -0-	<u>\$ -0-</u>
Adjustment for encumbrances			<u>-0-</u>	
Excess of Revenues Over (Under) Expenditures (GAAP basis)			\$ -0-	
Fund Balance at beginning of year				
Fund Balance at end of year			<u>\$ -0-</u>	



T E N N E S S E E

### **NONMAJOR CAPITAL PROJECTS FUNDS**

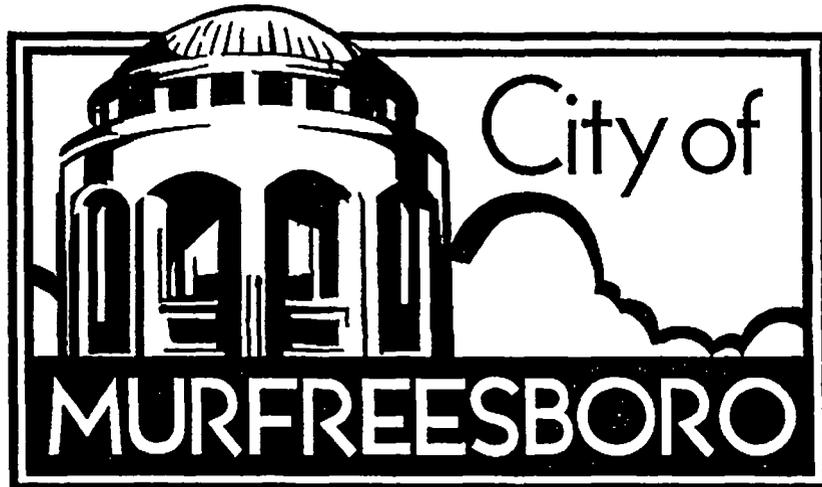
***Capital Improvement and Contingency Fund*** accounts for revenues and expenditures associated with the acquisition or construction of various capital projects for general government activities.

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

***Battlefield River Trail Fund*** accounts for revenue from a federal grant and expenditures related to the construction of a recreational trail along the Stones River.

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

***TML Loan Funds*** accounts for the proceeds of loans through the Tennessee Municipal Bond Fund and the expenditures related to various projects funded by the loans. The funds included are, 1998 TML Loan, 1999 TML Loan, 2001 TML Loan, 2002 TML Loan, 2004 TML Loan, 2005 TML Loan, 2006 TML, and 2010 TML Loan.



T E N N E S S E E

**CITY OF MURFREESBORO, TENNESSEE**

**Combining Balance Sheet  
Nonmajor Capital Project Funds**

**June 30, 2009**

	<u>Capital Improvement and Contingency</u>	<u>Community Development</u>	<u>Battlefield River Trail</u>	<u>Gateway Project</u>	<u>1998 TML Loan</u>	<u>1999 TML Loan</u>	<u>2001 TML Loan</u>	<u>2004 TML Loan</u>	<u>2006 TML Loan</u>	<u>2010 TML Loan</u>	<u>Total Nonmajor Capital Projects</u>
<b>ASSETS</b>											
Cash and cash equivalents	\$ 7,005,353	\$ 83	\$ 689		\$ 183,413	\$ 104,195	\$ 1,222,068	\$ 122,844			\$ 8,638,645
Due from other funds		18,457						665,081			683,538
Due from other governments	454,477	201,675					3,300		\$ 15,747		675,199
Due from others							7,254				7,254
Restricted cash	<u>2,280,636</u>										<u>2,280,636</u>
	<u>\$ 9,740,466</u>	<u>\$ 220,215</u>	<u>\$ 689</u>		<u>\$ 183,413</u>	<u>\$ 104,195</u>	<u>\$ 1,232,622</u>	<u>\$ 787,925</u>	<u>\$ 15,747</u>		<u>\$ 12,285,272</u>
<b>LIABILITIES AND FUND BALANCE</b>											
<b>Liabilities-</b>											
Accounts payable	\$ 134,760			\$ 59,386				\$ 10,902		\$ 118,226	\$ 323,274
Due to other funds		\$ 201,675		1,048,071			\$ 3,300			866,563	2,119,609
Deferred revenue	<u>2,333,613</u>										<u>2,333,613</u>
	<u>\$ 2,468,373</u>	<u>\$ 201,675</u>		<u>\$ 1,107,457</u>			<u>\$ 3,300</u>	<u>\$ 10,902</u>		<u>\$ 984,789</u>	<u>\$ 4,776,496</u>
<b>Fund Balance -</b>											
<b>Unreserved -</b>											
Undesignated	\$ 7,272,093	\$ 18,540	\$ 689	\$ (1,107,457)	\$ 183,413	\$ 104,195	\$ 1,229,322	\$ 777,023	\$ 15,747	\$ (984,789)	\$ 7,508,776
	<u>\$ 9,740,466</u>	<u>\$ 220,215</u>	<u>\$ 689</u>	<u>\$ -0-</u>	<u>\$ 183,413</u>	<u>\$ 104,195</u>	<u>\$ 1,232,622</u>	<u>\$ 787,925</u>	<u>\$ 15,747</u>	<u>\$ -0-</u>	<u>\$ 12,285,272</u>

**CITY OF MURFREESBORO, TENNESSEE**

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

**Year Ended June 30, 2009**

	Capital Improvement and Contingency Fund	Community Development Fund	Battlefield River Trail Fund	Gateway Project Fund	1998 TML Loan Fund	1999 TML Loan Fund
<b>Revenue-</b>						
Revenue from federal government	\$ 559,736	\$ 848,874				
Revenue from state government	163,152					
Revenue from county government	6,337,806					
Donations	477,339					
Interest income	70,407		\$ 6		\$ 1,565	\$ 1,663
Program income		38,436				
Miscellaneous					98,251	
	<u>\$ 7,608,440</u>	<u>\$ 887,310</u>	<u>\$ 6</u>		<u>\$ 99,816</u>	<u>\$ 1,663</u>
<b>Expenditures-</b>						
Community development -						
Administration		\$ 117,970				
Housing rehabilitation		341,739				
Housing assistance		174,377				
Emergency shelter grant		109,803				
Other		128,782				
Economic development	\$ 255,587					
Capital outlay -						
Street construction and drainage		8,639			\$ 10,240	
Other projects and costs	961,181			\$ 483,289		
	<u>\$ 1,216,768</u>	<u>\$ 881,310</u>	<u>\$ -0-</u>	<u>\$ 483,289</u>	<u>\$ 10,240</u>	<u>\$ -0-</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 6,391,672</u>	<u>\$ 6,000</u>	<u>\$ 6</u>	<u>\$ (483,289)</u>	<u>\$ 89,576</u>	<u>\$ 1,663</u>
<b>Other Financing Sources (Uses)-</b>						
Issuance of debt						
Proceeds from sale of land				\$ 2,505,060		
Transfers out	\$ (5,000,000)	\$ (6,000)		(682,884)		\$ (99,525)
	<u>\$ (5,000,000)</u>	<u>\$ (6,000)</u>		<u>\$ 1,822,176</u>		<u>\$ (99,525)</u>
Net change in fund balances	<u>\$ 1,391,672</u>	<u>\$ -0-</u>	<u>\$ 6</u>	<u>\$ 1,338,887</u>	<u>\$ 89,576</u>	<u>\$ (97,862)</u>
Fund Balance at beginning of year, as previously stated	\$ 5,880,421	\$ 18,540	\$ 683	\$ (2,446,344)	\$ 93,837	\$ 202,057
Prior period adjustment						
Fund Balance at beginning of year, as restated	<u>\$ 5,880,421</u>	<u>\$ 18,540</u>	<u>\$ 683</u>	<u>\$ (2,446,344)</u>	<u>\$ 93,837</u>	<u>\$ 202,057</u>
Fund Balance at end of year	<u>\$ 7,272,093</u>	<u>\$ 18,540</u>	<u>\$ 689</u>	<u>\$ (1,107,457)</u>	<u>\$ 183,413</u>	<u>\$ 104,195</u>

2001 TML Loan Fund	2002 TML Loan Fund	2004 TML Loan Fund	2005 TML Loan Fund	2006 TML Loan Fund	2010 TML Loan Fund	Total Nonmajor Capital Projects Funds
						\$ 1,408,610
						163,152
						6,337,806
						477,339
\$ 21,357	\$ 59	\$ 2,497	\$ 1,834			99,388
						38,436
<u>143,120</u>			<u>25,024</u>	<u>\$ 10,883</u>		<u>277,278</u>
<u>\$ 164,477</u>	<u>\$ 59</u>	<u>\$ 2,497</u>	<u>\$ 26,858</u>	<u>\$ 10,883</u>		<u>\$ 8,802,009</u>
						\$ 117,970
						341,739
						174,377
						109,803
						128,782
						255,587
\$ 8,379		\$ 60,660			\$ 405,507	493,425
					461,114	1,905,584
<u>\$ 8,379</u>	<u>\$ -0-</u>	<u>\$ 60,660</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 866,621</u>	<u>\$ 3,527,267</u>
<u>\$ 156,098</u>	<u>\$ 59</u>	<u>\$ (58,163)</u>	<u>\$ 26,858</u>	<u>\$ 10,883</u>	<u>\$ (866,621)</u>	<u>\$ 5,274,742</u>
	\$ 65,106	\$ 22,655	\$ 24,550			\$ 112,311
						2,505,060
<u>\$ (699,764)</u>	<u>(4,259)</u>	<u>(118,123)</u>	<u>(262,634)</u>	<u>\$ (16,333)</u>		<u>(6,889,522)</u>
<u>\$ (699,764)</u>	<u>\$ 60,847</u>	<u>\$ (95,468)</u>	<u>\$ (238,084)</u>	<u>\$ (16,333)</u>		<u>\$ (4,272,151)</u>
<u>\$ (543,666)</u>	<u>\$ 60,906</u>	<u>\$ (153,631)</u>	<u>\$ (211,226)</u>	<u>\$ (5,450)</u>	<u>\$ (866,621)</u>	<u>\$ 1,002,591</u>
\$ 1,627,902	\$ (60,906)	\$ 930,654	\$ 211,226	\$ 21,197	\$ (118,168)	\$ 6,361,099
<u>145,086</u>						<u>145,086</u>
<u>\$ 1,772,988</u>	<u>\$ (60,906)</u>	<u>\$ 930,654</u>	<u>\$ 211,226</u>	<u>\$ 21,197</u>	<u>\$ (118,168)</u>	<u>\$ 6,506,185</u>
<u>\$ 1,229,322</u>	<u>\$ -0-</u>	<u>\$ 777,023</u>	<u>\$ -0-</u>	<u>\$ 15,747</u>	<u>\$ (984,789)</u>	<u>\$ 7,508,776</u>

**CITY OF MURFREESBORO, TENNESSEE**

**Capital Improvement and Contingency Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues-</b>				
Interest income	\$ 60,000	\$ 60,000	\$ 70,407	\$ 10,407
Federal funds			559,736	559,736
State funds			163,152	163,152
Revenue from county	4,000,000	4,000,000	6,337,806	2,337,806
Donations received	<u>2,998,362</u>	<u>2,998,362</u>	<u>477,339</u>	<u>(2,521,023)</u>
	<u>\$ 7,058,362</u>	<u>\$ 7,058,362</u>	<u>\$ 7,608,440</u>	<u>\$ 550,078</u>
<b>Expenditures-</b>				
Economic development			\$ 255,587	\$ (255,587)
Capital outlay and other projects	<u>\$ 3,099,362</u>	<u>\$ 3,099,362</u>	<u>961,181</u>	<u>2,138,181</u>
	<u>\$ 3,099,362</u>	<u>\$ 3,099,362</u>	<u>\$ 1,216,768</u>	<u>\$ 1,882,594</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 3,959,000</b>	<b>\$ 3,959,000</b>	<b>\$ 6,391,672</b>	<b>\$ 2,432,672</b>
<b>Other Financing Sources (Uses)-</b>				
Transfers out	<u>(5,000,000)</u>	<u>(5,000,000)</u>	<u>(5,000,000)</u>	<u>-0-</u>
<b>Net change in fund balance</b>	<b><u>\$ (1,041,000)</u></b>	<b><u>\$ (1,041,000)</u></b>	<b>\$ 1,391,672</b>	<b><u>\$ 2,432,672</u></b>
<b>Fund Balance at beginning of year</b>			<u>5,880,421</u>	
<b>Fund Balance at end of year</b>			<u>\$ <u>7,272,093</u></u>	

**CITY OF MURFREESBORO, TENNESSEE**

**Community Development Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues-				
Revenue from federal government	\$ 1,293,922	\$ 1,293,922	\$ 848,874	\$ (445,048)
Program income	50,000	50,000	38,436	(11,564)
	<u>\$ 1,343,922</u>	<u>\$ 1,343,922</u>	<u>\$ 887,310</u>	<u>\$ (456,612)</u>
Expenditures-				
Administration	\$ 120,514	\$ 120,514	\$ 117,970	\$ 2,544
Housing rehabilitation	331,103	331,103	341,739	(10,636)
Housing assistance	168,780	168,780	174,377	(5,597)
Street improvements	500,000	500,000	8,639	491,361
Emergency Shelter Grant	104,661	104,661	109,803	(5,142)
Other	112,864	112,864	128,782	(15,918)
	<u>\$ 1,337,922</u>	<u>\$ 1,337,922</u>	<u>\$ 881,310</u>	<u>\$ 456,612</u>
Excess of Revenues Over (Under) Expenditures	\$ 6,000	\$ 6,000	\$ 6,000	\$ -0-
Other Financing Sources (Uses)				
Transfers out	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-0-</u>
Net change in fund balance	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Fund Balance at beginning of year			<u>18,540</u>	
Fund Balance at end of year			<u>\$ 18,540</u>	

**CITY OF MURFREESBORO, TENNESSEE**

**Battlefield River Trail**

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

**Year Ended June 30, 2009**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues-				
Interest income	\$ -0-	\$ -0-	\$ 6	\$ 6
Expenditures-				
Capital outlay and other projects	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess of Revenues Over (Under) Expenditures	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ 6	\$ <u>6</u>
Fund Balance at beginning of year			<u>683</u>	
Fund Balance at end of year			\$ <u>689</u>	

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**CITY OF MURFREESBORO, TENNESSEE**

**Gateway Project**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues-				
Interest income	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Expenditures-				
Capital outlay and other projects	<u>20,000</u>	<u>485,000</u>	<u>483,289</u>	<u>1,711</u>
Excess of Revenues Over (Under) Expenditures	\$ <u>(20,000)</u>	\$ <u>(485,000)</u>	\$ <u>(483,289)</u>	\$ <u>1,711</u>
Other Financing Source (Use)-				
Proceeds from sale of land	\$ 2,528,658	\$ 2,528,658	\$ 2,505,060	\$ (23,598)
Transfers out	<u>(708,800)</u>	<u>(708,800)</u>	<u>(682,884)</u>	<u>25,916</u>
	\$ <u>1,819,858</u>	\$ <u>1,819,858</u>	\$ <u>1,822,176</u>	\$ <u>2,318</u>
Net change in fund balance	\$ <u>1,799,858</u>	\$ <u>1,334,858</u>	\$ 1,338,887	\$ <u>4,029</u>
Fund Balance at beginning of year			<u>(2,446,344)</u>	
Fund Balance at end of year			\$ <u>(1,107,457)</u>	

**CITY OF MURFREESBORO, TENNESSEE**

**1998 TML Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues-				
Interest income	\$ 2,400	\$ 2,400	\$ 1,565	\$ (835)
Miscellaneous			98,251	98,251
	<u>\$ 2,400</u>	<u>\$ 2,400</u>	<u>\$ 99,816</u>	<u>\$ 97,416</u>
Expenditures-				
Capital Outlay	96,237	96,237	10,240	85,997
Excess of Revenues Over (Under) Expenditures	<u>\$ (93,837)</u>	<u>\$ (93,837)</u>	\$ 89,576	<u>\$ 183,413</u>
Fund Balance at beginning of year			93,837	
Fund Balance at end of year			<u>\$ 183,413</u>	

**CITY OF MURFREESBORO, TENNESSEE**

**1999 TML Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues-				
Interest income	\$ 2,400	\$ 2,400	\$ 1,663	\$ (737)
Expenditures-				
Capital outlay and other projects	<u>104,928</u>	<u>104,928</u>	<u>-0-</u>	<u>104,928</u>
Excess of Revenues Over (Under) Expenditures	\$ (102,528)	\$ (102,528)	\$ 1,663	\$ 104,191
Other Financing Sources (Uses)				
Transfers out	<u>-0-</u>	<u>-0-</u>	<u>(99,525)</u>	<u>(99,525)</u>
Net change in fund balance	\$ <u>(102,528)</u>	\$ <u>(102,528)</u>	(97,862)	\$ <u>4,666</u>
Fund Balance at beginning of year			<u>202,057</u>	
Fund Balance at end of year			\$ <u><u>104,195</u></u>	

**CITY OF MURFREESBORO, TENNESSEE**

**2001 TML Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues-				
Interest income	\$ 25,200	\$ 25,200	\$ 21,357	\$ (3,843)
Miscellaneous			143,120	143,120
	<u>\$ 25,200</u>	<u>\$ 25,200</u>	<u>\$ 164,477</u>	<u>\$ 139,277</u>
Expenditures-				
Capital outlay and other projects	\$ 1,308,757	\$ 1,308,757	\$ 8,379	\$ 1,300,378
Excess of Revenues Over (Under) Expenditures	\$ (1,283,557)	\$ (1,283,557)	\$ 156,098	\$ 1,439,655
Other Financing Sources (Uses)-				
Transfers out	<u>(451)</u>	<u>(451)</u>	<u>(699,764)</u>	<u>(699,313)</u>
Net change in fund balance	<u>\$ (1,284,008)</u>	<u>\$ (1,284,008)</u>	<u>\$ (543,666)</u>	<u>\$ 740,342</u>
Fund Balance at beginning of year, as previously stated			\$ 1,627,902	
Prior period adjustment			145,086	
Fund Balance at beginning of year, as restated			<u>\$ 1,772,988</u>	
Fund Balance at end of year			<u>\$ 1,229,322</u>	

**CITY OF MURFREESBORO, TENNESSEE**

**2002 TML Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues-				
Interest income	\$ -0-	\$ -0-	\$ 59	\$ 59
Expenditures-				
Capital outlay	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess of Revenues Over (Under) Expenditures	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>59</u>	\$ <u>59</u>
Other Financing Sources (Uses)-				
Issuance of debt	\$ 60,000	\$ 60,000	\$ 65,106	\$ 5,106
Transfers out	<u>(4,200)</u>	<u>(4,200)</u>	<u>(4,259)</u>	<u>(59)</u>
	\$ <u>55,800</u>	\$ <u>55,800</u>	\$ <u>60,847</u>	\$ <u>5,047</u>
Net change in fund balance	\$ <u>55,800</u>	\$ <u>55,800</u>	\$ 60,906	\$ <u>5,106</u>
Fund Balance at the beginning of year			<u>(60,906)</u>	
Fund Balance at end of year			\$ <u>-0-</u>	

**CITY OF MURFREESBORO, TENNESSEE**

**2004 TML Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues-				
Interest revenue	\$ 3,300	\$ 3,300	\$ 2,497	\$ (803)
Expenditures-				
Capital outlay and other projects	<u>188,067</u>	<u>188,067</u>	<u>60,660</u>	<u>127,407</u>
Excess of Revenues Over (Under) Expenditures	\$ <u>(184,767)</u>	\$ <u>(184,767)</u>	\$ <u>(58,163)</u>	\$ <u>126,604</u>
Other Financing Sources (Uses)-				
Issuance of debt	\$ 22,655	\$ 22,655	\$ 22,655	
Transfers out	<u>(9,444)</u>	<u>(9,444)</u>	<u>(118,123)</u>	\$ <u>(108,679)</u>
	\$ <u>13,211</u>	\$ <u>13,211</u>	\$ <u>(95,468)</u>	\$ <u>(108,679)</u>
Net change in fund balance	\$ <u><u>(171,556)</u></u>	\$ <u><u>(171,556)</u></u>	\$ (153,631)	\$ <u><u>17,925</u></u>
Fund Balance at beginning of year			<u>930,654</u>	
Fund Balance at end of year			\$ <u><u>777,023</u></u>	

**CITY OF MURFREESBORO, TENNESSEE**

**2005 TML Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues-</b>				
Interest income	\$ -0-	\$ -0-	\$ 1,834	\$ 1,834
Miscellaneous income			25,024	25,024
	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 26,858</u>	<u>\$ 26,858</u>
<b>Expenditures-</b>				
Capital outlay and other projects	\$ 206,614	\$ 206,614	\$ -0-	\$ 206,614
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ (206,614)</u>	<u>\$ (206,614)</u>	<u>\$ 26,858</u>	<u>\$ 233,472</u>
<b>Other Financing Sources (Uses)-</b>				
Issuance of debt	\$ 25,431	\$ 25,431	\$ 24,550	\$ (881)
Transfers out	(30,043)	(30,043)	(262,634)	(232,591)
	<u>\$ (4,612)</u>	<u>\$ (4,612)</u>	<u>\$ (238,084)</u>	<u>\$ (233,472)</u>
<b>Net change in fund balance</b>	<u>\$ (211,226)</u>	<u>\$ (211,226)</u>	<u>\$ (211,226)</u>	<u>\$ -0-</u>
<b>Fund Balance at beginning of year</b>			211,226	
<b>Fund Balance at end of year</b>			<u>\$ -0-</u>	

**CITY OF MURFREESBORO, TENNESSEE**

**2006 TML Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues-				
Miscellaneous income	\$ 100,996	\$ 100,996	\$ 10,883	\$ (90,113)
Expenditures-				
Capital outlay and other projects	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess of Revenues Over (Under) Expenditures	\$ 100,996	\$ 100,996	\$ 10,883	\$ (90,113)
Other Financing Sources (Uses)-				
Transfers out	<u>(100,996)</u>	<u>(100,996)</u>	<u>(16,333)</u>	<u>84,663</u>
Net change in fund balance	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ (5,450)	\$ <u>(5,450)</u>
Fund Balance at beginning of year			<u>21,197</u>	
Fund Balance at end of year			\$ <u><u>15,747</u></u>	

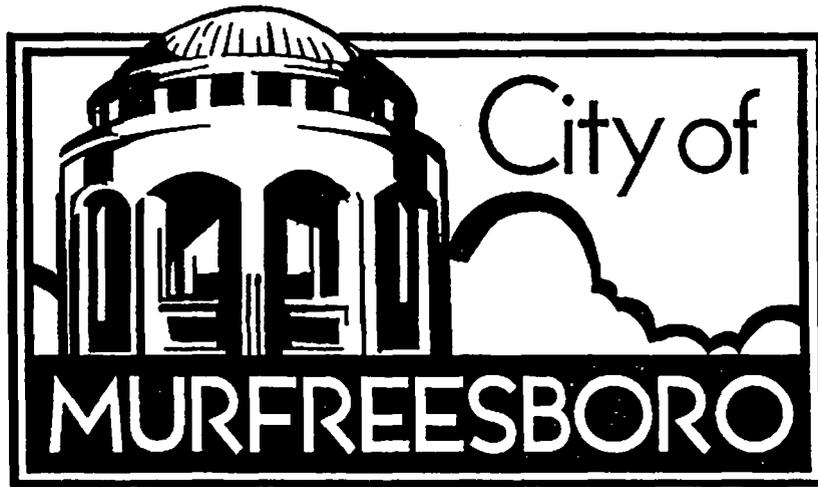
**CITY OF MURFREESBORO, TENNESSEE**

**2010 TML Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues-				
Interest income	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Expenditures-				
Capital outlay and other projects	<u>-0-</u>	<u>867,000</u>	<u>866,621</u>	<u>379</u>
Excess of Revenues Over (Under) Expenditures	\$ <u>-0-</u>	\$ <u>(867,000)</u>	\$ <u>(866,621)</u>	\$ <u>379</u>
Fund Balance at the beginning of year			<u>(118,168)</u>	
Fund Balance at end of year			\$ <u><u>(984,789)</u></u>	



T E N N E S S E E

**MAJOR CAPITAL PROJECTS FUND**

The City has one capital projects fund which it considers to be a major fund.

***2008 TML Fund*** accounts for the proceeds of a loan through the Tennessee Municipal Bond Fund and the expenditures related to various projects funded by the loan.

**CITY OF MURFREESBORO, TENNESSEE**

**2008 TML Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues-</b>				
Interest income	\$ 6,000	\$ 6,000	\$ 7,385	\$ 1,385
Federal funds			548,141	548,141
Miscellaneous revenue			429,225	429,225
	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 984,751</u>	<u>\$ 978,751</u>
<b>Expenditures-</b>				
Capital outlay and other projects	<u>\$ 45,396,101</u>	<u>\$ 45,396,101</u>	<u>\$ 25,441,147</u>	<u>\$ 19,954,954</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (45,390,101)</b>	<b>\$ (45,390,101)</b>	<b>\$ (24,456,396)</b>	<b>\$ 20,933,705</b>
<b>Other Financing Sources (Uses)-</b>				
Issuance of debt	\$ 45,577,283	\$ 45,577,283	\$ 33,343,057	\$ (12,234,226)
Transfers to other funds	(17,225)	(17,225)		17,225
	<u>\$ 45,560,058</u>	<u>\$ 45,560,058</u>	<u>\$ 33,343,057</u>	<u>\$ (12,217,001)</u>
<b>Net change in fund balance</b>	<b><u>\$ 169,957</u></b>	<b><u>\$ 169,957</u></b>	<b>\$ 8,886,661</b>	<b><u>\$ 8,716,704</u></b>
<b>Fund Balance at beginning of year</b>			<u>(10,264,736)</u>	
<b>Fund Balance at end of year</b>			<u><u>\$ (1,378,075)</u></u>	

**MAJOR DEBT SERVICE FUND**

The *Debt Service Fund* accounts for the accumulation of resources for, and payment of, general long-term obligations.

**CITY OF MURFREESBORO, TENNESSEE**

**Debt Service Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues -</b>				
Revenue from others	\$ 3,782	\$ 3,782	\$ 3,818	\$ 36
Interest earned			36,230	36,230
	<u>\$ 3,782</u>	<u>\$ 3,782</u>	<u>\$ 40,048</u>	<u>\$ 36,266</u>
<b>Expenditures -</b>				
Principal retirement	\$ 19,869,723	\$ 19,869,723	\$ 17,148,174	\$ 2,721,549
Interest	8,996,417	8,996,417	2,921,913	6,074,504
Bond issuance cost and fiscal agent fees	230,000	230,000	194,668	35,332
	<u>\$ 29,096,140</u>	<u>\$ 29,096,140</u>	<u>\$ 20,264,755</u>	<u>\$ 8,831,385</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (29,092,358)</b>	<b>\$ (29,092,358)</b>	<b>\$ (20,224,707)</b>	<b>\$ 8,867,651</b>
<b>Other Financing Sources -</b>				
Transfers in	<u>26,092,358</u>	<u>26,092,358</u>	<u>20,576,899</u>	<u>(5,515,459)</u>
<b>Net change in fund balance</b>	<b><u>\$ (3,000,000)</u></b>	<b><u>\$ (3,000,000)</u></b>	<b>\$ 352,192</b>	<b><u>\$ 3,352,192</u></b>
<b>Fund Balance at beginning of year</b>			<u>3,893,462</u>	
<b>Fund Balance at end of year</b>			<u>\$ 4,245,654</u>	

**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.

**CITY OF MURFREESBORO, TENNESSEE**

**School Debt Service Fund**

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

**Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues -				
Interest earned	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
Expenditures -				
Principal retirement	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ 3,970,231	\$ (3,970,231)
Interest	<u>-0-</u>	<u>-0-</u>	<u>423,960</u>	<u>(423,960)</u>
	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>4,394,191</u>	\$ <u>(4,394,191)</u>
Excess of Revenues Over (Under) Expenditures	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ (4,394,191)	\$ (4,394,191)
Other Financing Sources -				
Transfers in	<u>-0-</u>	<u>-0-</u>	<u>4,394,191</u>	<u>4,394,191</u>
Net change in fund balance	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u>-0-</u>	\$ <u><u>-0-</u></u>
Fund Balance at beginning of year			<u>-0-</u>	
Fund Balance at end of year			\$ <u><u>-0-</u></u>	

**Note:**

No separate budget was adopted for the School Debt Service Fund.

### **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.

**CITY OF MURFREESBORO, TENNESSEE**

**Combining Balance Sheet**  
**Nonmajor Enterprise Funds**

**June 30, 2009**

	<u>Murfreesboro</u> <u>Stormwater</u> <u>Fund</u>	<u>Foremost</u> <u>Dairies, Inc.</u> <u>Plant</u>	<u>Alton Box</u> <u>Board Co.</u> <u>Plant</u>	<u>Evergreen</u> <u>Cemetery</u>	<u>Totals</u>
<b><u>ASSETS</u></b>					
<b>Current Assets -</b>					
Cash and cash equivalents				\$ 48,770	\$ 48,770
Accounts receivable				106,618	106,618
Due from other funds	\$ 4,072,222	\$ 21,910	\$ 10,502		4,104,634
Inventories				56,668	56,668
Prepaid items	6,781			3,875	10,656
Other assets	13,019				13,019
<b>Total Current Assets</b>	<b>\$ 4,092,022</b>	<b>\$ 21,910</b>	<b>\$ 10,502</b>	<b>\$ 215,931</b>	<b>\$ 4,340,365</b>
<b>Noncurrent Assets -</b>					
Land		\$ 12,492	\$ 11,000	\$ 935	\$ 24,427
Other capital assets, net of depreciation	\$ 545,303			241,129	786,432
<b>Total Noncurrent Assets</b>	<b>\$ 545,303</b>	<b>\$ 12,492</b>	<b>\$ 11,000</b>	<b>\$ 242,064</b>	<b>\$ 810,859</b>
<b>Total Assets</b>	<b>\$ 4,637,325</b>	<b>\$ 34,402</b>	<b>\$ 21,502</b>	<b>\$ 457,995</b>	<b>\$ 5,151,224</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>					
<b>Current Liabilities -</b>					
Accounts payable	\$ 306,670				\$ 306,670
Accrued and withheld liabilities	703			\$ 14,696	15,399
Due to other funds	2,115,641				2,115,641
<b>Total Current Liabilities</b>	<b>\$ 2,423,014</b>			<b>\$ 14,696</b>	<b>\$ 2,437,710</b>
<b>Net Assets -</b>					
Invested in capital assets		\$ 12,492	\$ 11,000	\$ 242,064	\$ 265,556
Unrestricted	\$ 2,214,311	21,910	\$ 10,502	201,235	2,447,958
<b>Total Net Assets</b>	<b>\$ 2,214,311</b>	<b>\$ 34,402</b>	<b>\$ 21,502</b>	<b>\$ 443,299</b>	<b>\$ 2,713,514</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,637,325</b>	<b>\$ 34,402</b>	<b>\$ 21,502</b>	<b>\$ 457,995</b>	<b>\$ 5,151,224</b>

**CITY OF MURFREESBORO, TENNESSEE**

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

**Year Ended June 30, 2009**

	<u>Murfreesboro Stormwater Fund</u>	<u>Foremost Dairies, Inc. Plant</u>	<u>Alton Box Board Co. Plant</u>	<u>Evergreen Cemetery</u>	<u>Totals</u>
Operating Revenues -					
Charges for services	\$ <u>2,565,368</u>			\$ <u>386,470</u>	\$ <u>2,951,838</u>
Operating Expenses -					
Operating expenses	\$ 374,077			\$ 420,233	\$ 794,310
Depreciation and amortization expense	<u>54,873</u>			<u>26,317</u>	<u>81,190</u>
	\$ <u>428,950</u>			\$ <u>446,550</u>	\$ <u>875,500</u>
Operating Income (Loss)	\$ <u>2,136,418</u>			\$ <u>(60,080)</u>	\$ <u>2,076,338</u>
Nonoperating Revenue (Expenses) -					
Interest				\$ <u>2</u>	\$ <u>2</u>
Income (Loss) Before Transfers	\$ 2,136,418			\$ (60,078)	\$ 2,076,340
Transfers in	<u>-0-</u>			<u>82,887</u>	<u>82,887</u>
Change in Net Assets	\$ 2,136,418			\$ 22,809	\$ 2,159,227
Net Assets at beginning of year	<u>77,893</u>	\$ <u>34,402</u>	\$ <u>21,502</u>	<u>420,490</u>	<u>554,287</u>
Net Assets at end of year	\$ <u><u>2,214,311</u></u>	\$ <u><u>34,402</u></u>	\$ <u><u>21,502</u></u>	\$ <u><u>443,299</u></u>	\$ <u><u>2,713,514</u></u>

**CITY OF MURFREESBORO, TENNESSEE**

**Combining Statement of Cash Flows  
Nonmajor Enterprise Funds**

**Year Ended June 30, 2009**

	Murfreesboro Stormwater Fund	Foremost Dairies, Inc. Plant	Alton Box Board Co. Plant	Evergreen Cemetery	Totals
<b>Cash Flows from Operating Activities -</b>					
Cash received from customers				\$ 356,990	\$ 356,990
Cash payments to suppliers				(164,781)	(164,781)
Cash payments to employees				(279,679)	(279,679)
Net Cash Used by Operating Activities				<u>\$ (87,470)</u>	<u>\$ (87,470)</u>
<b>Cash Flows from Noncapital Financing Activities -</b>					
Transfers in				\$ 64,128	\$ 64,128
Net Cash Provided by Noncapital Financing Activities				<u>\$ 64,128</u>	<u>\$ 64,128</u>
<b>Cash Flows From Capital and Related Financing Activities -</b>					
Acquisition and construction of capital assets				\$ (11,302)	\$ (11,302)
Net Cash Used by Capital and Related Financing Activities				<u>\$ (11,302)</u>	<u>\$ (11,302)</u>
<b>Cash Flows From Investing Activities -</b>					
Interest received				\$ 2	\$ 2
Net Cash Provided by Investing Activities				<u>\$ 2</u>	<u>\$ 2</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	\$ -0-	\$ -0-	\$ -0-	\$ (34,642)	\$ (34,642)
<b>Cash and Cash Equivalents at beginning of year</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 83,412</u>	<u>\$ 83,412</u>
<b>Cash and Cash Equivalents at end of year</b>	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 48,770</u></u>	<u><u>\$ 48,770</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>					
Operating income (loss)	\$ 2,136,418			\$ (60,080)	\$ 2,076,338
Adjustments to reconcile operating income to net cash provided by operating activities -					
Depreciation	54,873			26,317	81,190
Changes in assets and liabilities -					
Accounts receivable				(29,481)	(29,481)
Inventory				1,834	1,834
Prepaid expenses	(6,781)			2,541	(4,240)
Due from other fund	(2,565,368)				(2,565,368)
Other assets	(13,019)				(13,019)
Accounts payable	306,670			(31,236)	275,434
Accrued and withheld liabilities	703			2,635	3,338
Due to other funds	86,504				86,504
Net Cash Used by Operating Activities	<u>\$ -0-</u>			<u>\$ (87,470)</u>	<u>\$ (87,470)</u>
<b>Non-Cash Capital and Related Financing Activities -</b>					
Capital assets transferred in from a governmental fund				\$ 18,758	\$ 18,758
Capital assets acquired with due to other fund	\$ 600,176				600,176
	<u>\$ 600,176</u>			<u>\$ 18,758</u>	<u>\$ 618,934</u>

### **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 worker's 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.

**CITY OF MURFREESBORO, TENNESSEE**

**Combining Balance Sheet**  
**Internal Service Funds**

**June 30, 2009**

	<u>Insurance</u>	<u>Risk Management</u>	<u>Fleet Services</u>	<u>Totals</u>
<b><u>ASSETS</u></b>				
Current Assets -				
Cash and cash equivalents	\$ 2,945,653	\$ 8,685,784		\$ 11,631,437
Accrued interest receivable		15,590		15,590
Due from other funds	10,183		\$ 16,720	26,903
Due from other governments			1,912	1,912
Due from others	35,138	32,734	195	68,067
Prepaid items and deposits	73,862			73,862
Inventory			141,387	141,387
Total Current Assets	\$ 3,064,836	\$ 8,734,108	\$ 160,214	\$ 11,959,158
Noncurrent Asset -				
Restricted certificates of deposit		500,000		500,000
Total Assets	\$ 3,064,836	\$ 9,234,108	\$ 160,214	\$ 12,459,158
<b><u>LIABILITIES AND NET ASSETS</u></b>				
Current Liabilities -				
Accounts payable	\$ 875,092	\$ 336,815		\$ 1,211,907
Accrued liabilities			\$ 3,872	3,872
Due to other funds		3,547	1,799	5,346
Claims and judgments payable		2,270,950		2,270,950
Total Current Liabilities	\$ 875,092	\$ 2,611,312	\$ 5,671	\$ 3,492,075
Noncurrent Liabilities -				
Claims and judgments payable		2,905,050		2,905,050
Total Liabilities	\$ 875,092	\$ 5,516,362	\$ 5,671	\$ 6,397,125
Net Assets -				
Unrestricted	\$ 2,189,744	\$ 3,717,746	\$ 154,543	\$ 6,062,033
Total Net Assets	\$ 2,189,744	\$ 3,717,746	\$ 154,543	\$ 6,062,033
Total Liabilities and Net Assets	\$ 3,064,836	\$ 9,234,108	\$ 160,214	\$ 12,459,158

**CITY OF MURFREESBORO, TENNESSEE**

**Combining Statement of Revenues, Expenses, and Changes in Net Assets**  
**Internal Service Funds**

**Year Ended June 30, 2009**

	<u>Insurance</u>	<u>Risk Management</u>	<u>Fleet Services</u>	<u>Totals</u>
<b>Operating Revenues -</b>				
Premiums from City departments	\$ 7,992,214	\$ 3,486,643		\$ 11,478,857
Premiums from others	1,712,734	2,012		1,714,746
Charges for services			\$ 1,842,137	1,842,137
Revenue from state government			273	273
Revenue from federal government			1,639	1,639
Miscellaneous	25,644		5,221	30,865
	<u>\$ 9,730,592</u>	<u>\$ 3,488,655</u>	<u>\$ 1,849,270</u>	<u>\$ 15,068,517</u>
<b>Operating Expenses -</b>				
Claims and administrative expense	\$ 9,612,537	\$ 2,268,720		\$ 11,881,257
Labor expense		200,883	\$ 590,216	791,099
Parts and lubricants			873,171	873,171
Operation and maintenance			22,847	22,847
Supplies		3,927	35,649	39,576
Insurance			8,246	8,246
Social Security taxes		15,028	42,333	57,361
Group insurance		9,965	101,189	111,154
Retirement		23,583	65,154	88,737
Utilities		1,528	73,290	74,818
Travel		1,423		1,423
Training personnel		209	824	1,033
Professional fees		15,701		15,701
Miscellaneous		507,855	5,197	513,052
Capital outlay		1,140	7,144	8,284
	<u>\$ 9,612,537</u>	<u>\$ 3,049,962</u>	<u>\$ 1,825,260</u>	<u>\$ 14,487,759</u>
<b>Operating Income (Loss)</b>	<b>\$ 118,055</b>	<b>\$ 438,693</b>	<b>\$ 24,010</b>	<b>\$ 580,758</b>
<b>Nonoperating Revenue -</b>				
Interest earned	17,952	67,306	-0-	85,258
<b>Net Income (Loss)</b>	<b>\$ 136,007</b>	<b>\$ 505,999</b>	<b>\$ 24,010</b>	<b>\$ 666,016</b>
<b>Net Assets at beginning of year</b>	<b>2,053,737</b>	<b>3,211,747</b>	<b>130,533</b>	<b>5,396,017</b>
<b>Net Assets at end of year</b>	<b><u>\$ 2,189,744</u></b>	<b><u>\$ 3,717,746</u></b>	<b><u>\$ 154,543</u></b>	<b><u>\$ 6,062,033</u></b>

**CITY OF MURFREESBORO, TENNESSEE**

**Combining Statement of Cash Flows**  
**Internal Service Funds**

**Year Ended June 30, 2009**

	<u>Insurance</u>	<u>Risk Management</u>	<u>Fleet Services</u>	<u>Totals</u>
<b>Cash Flows From Operating Activities-</b>				
Cash received from interfund services provided	\$ 9,694,896	\$ 3,486,643	\$ 1,837,251	\$ 15,018,790
Cash payments to suppliers			(1,254,048)	(1,254,048)
Cash payments to employees		(200,883)	(588,424)	(789,307)
Cash payments of claims and administrative expenses	(9,339,007)	(1,661,167)		(11,000,174)
Other receipts	25,644	2,012	5,221	32,877
Other payments		(603,185)		(603,185)
Net Cash Provided (Used) by Operating Activities	<u>\$ 381,533</u>	<u>\$ 1,023,420</u>	<u>\$ -0-</u>	<u>\$ 1,404,953</u>
<b>Cash Flows From Noncapital Financing Activities -</b>				
Repayment on due from other funds		\$ 2,062,016		\$ 2,062,016
Net Cash Provided by Noncapital Financing Activities		<u>\$ 2,062,016</u>		<u>\$ 2,062,016</u>
<b>Cash Flows From Investing Activities-</b>				
Interest received	\$ 17,952	\$ 67,319		\$ 85,271
Net Cash Provided by Investing Activities	<u>\$ 17,952</u>	<u>\$ 67,319</u>		<u>\$ 85,271</u>
Net Increase in Cash and Cash Equivalents	\$ 399,485	\$ 3,152,755	\$ -0-	\$ 3,552,240
Cash and Cash Equivalents at beginning of year	2,546,168	5,533,029		8,079,197
Cash and Cash Equivalents at end of year	<u>\$ 2,945,653</u>	<u>\$ 8,685,784</u>	<u>\$ -0-</u>	<u>\$ 11,631,437</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 118,055	\$ 438,693	\$ 24,010	\$ 580,758
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities</b>				
<b>Changes in assets and liabilities -</b>				
Due from other funds	(10,053)		(4,886)	(14,939)
Due from others	(3,343)	11,504		8,161
Due from other governments			(1,912)	(1,912)
Prepaid items	(73,862)			(73,862)
Inventory			(20,608)	(20,608)
Accounts payable	350,736	596,050		946,786
Accrued wages			1,792	1,792
Due to other funds		(22,827)	1,604	(21,223)
Net Cash Provided (Used) by Operating Activities	<u>\$ 381,533</u>	<u>\$ 1,023,420</u>	<u>\$ -0-</u>	<u>\$ 1,404,953</u>

### **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.

**CITY OF MURFREESBORO, TENNESSEE**

**Combining Statement of Net Assets**  
**Pension Trust Funds**

**June 30, 2009**

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	<u>Employees'</u> <u>Pension</u>	<u>Electric</u> <u>Department</u> <u>Pension</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 2,419,510	\$ 1,040,668	\$ 3,460,178
Investments, at fair value			
Mutual funds	24,423,050	4,294,472	28,717,522
U.S. Government notes and bonds	14,446,643	1,750,843	16,197,486
Corporate notes and bonds	11,953,579	2,327,592	14,281,171
Common stock	13,627,810		13,627,810
Accrued interest receivable		58,433	58,433
Contributions receivable	301,660	793,813	1,095,473
	<u>\$ 67,172,252</u>	<u>\$ 10,265,821</u>	<u>\$ 77,438,073</u>
<b><u>NET ASSETS</u></b>			
Net Assets -			
Held in trust for pension benefits	<u>\$ 67,172,252</u>	<u>\$ 10,265,821</u>	<u>\$ 77,438,073</u>

**CITY OF MURFREESBORO, TENNESSEE**

**Combining Statement of Changes in Net Assets**  
**Pension Trust Funds**

**Year Ended June 30, 2009**

	<u>Employees'</u> <u>Pension</u>	<u>Electric</u> <u>Department</u> <u>Pension</u>	<u>Totals</u>
<b>Additions -</b>			
<b>Contributions -</b>			
Employer	\$ <u>4,526,033</u>	\$ <u>793,813</u>	\$ <u>5,319,846</u>
<b>Investment income-</b>			
Net depreciation in fair value of investments	\$ <u>(10,088,502)</u>	\$ <u>(1,870,990)</u>	\$ <u>(11,959,492)</u>
Interest	<u>1,339,593</u>	<u>222,202</u>	<u>1,561,795</u>
Dividends	<u>1,330,620</u>	<u>123,022</u>	<u>1,453,642</u>
Total investment income	\$ <u>(7,418,289)</u>	\$ <u>(1,525,766)</u>	\$ <u>(8,944,055)</u>
Less investment fees		<u>(41,601)</u>	<u>(41,601)</u>
Net investment income	\$ <u>(7,418,289)</u>	\$ <u>(1,567,367)</u>	\$ <u>(8,985,656)</u>
Total additions	\$ <u>(2,892,256)</u>	\$ <u>(773,554)</u>	\$ <u>(3,665,810)</u>
<b>Deductions -</b>			
Benefits to participants	\$ <u>2,419,177</u>	\$ <u>526,426</u>	\$ <u>2,945,603</u>
Insurance premiums	<u>536,010</u>		<u>536,010</u>
Total deductions	\$ <u>2,955,187</u>	\$ <u>526,426</u>	\$ <u>3,481,613</u>
<b>Net Increase (Decrease)</b>	\$ <u>(5,847,443)</u>	\$ <u>(1,299,980)</u>	\$ <u>(7,147,423)</u>
<b>Net Assets Held in Trust for Pension Benefits -</b>			
Beginning of year	<u>73,019,695</u>	<u>11,565,801</u>	<u>84,585,496</u>
End of year	\$ <u><u>67,172,252</u></u>	\$ <u><u>10,265,821</u></u>	\$ <u><u>77,438,073</u></u>

**CITY OF MURFREESBORO, TENNESSEE**

**Statement of Changes in Assets and Liabilities**  
**School Activity Agency Fund**

**Year Ended June 30, 2009**

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	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 543,437	\$ 1,574,060	\$ 1,646,213	\$ 471,284
Certificates of deposit	53,456	803		54,259
Other receivables	2,967	1,000	2,967	1,000
Inventory	28,033	25,015	28,033	25,015
<b>Total Assets</b>	<b>\$ <u>627,893</u></b>	<b>\$ <u>1,600,878</u></b>	<b>\$ <u>1,677,213</u></b>	<b>\$ <u>551,558</u></b>
<b><u>LIABILITIES</u></b>				
Due to others	\$ <u>627,893</u>	\$ <u>1,586,963</u>	\$ <u>1,663,298</u>	\$ <u>551,558</u>
<b>Total Liabilities</b>	<b>\$ <u>627,893</u></b>	<b>\$ <u>1,586,963</u></b>	<b>\$ <u>1,663,298</u></b>	<b>\$ <u>551,558</u></b>

## **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.

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Certificates of Deposit by Fund**

**June 30, 2009**

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
<b>Governmental Funds -</b>			
<b>Extended School Program Fund</b>			
Pinnacle National Bank	4.00 %	9/03/2009	\$ 100,000
Pinnacle National Bank	2.85	3/20/2010	118,582
Pinnacle National Bank	2.85	3/20/2010	118,583
			<u>\$ 337,165</u>
<b>School Cafeteria Fund</b>			
Pinnacle National Bank	2.40 %	11/04/2009	<u>\$ 20,000</u>
<b>Enterprise Funds -</b>			
<b>Evergreen Cemetery Commission -</b>			
Pinnacle National Bank	2.30 %	7/03/2009	<u>\$ 7,434</u>
<b>Internal Service Funds -</b>			
<b>Risk Management Fund -</b>			
Midsouth Bank, Murfreesboro	3.69 %	9/23/2009	<u>\$ 500,000</u>
<b>Fiduciary Funds -</b>			
<b>Extended School Program Private Purpose Trust Fund</b>			
Pinnacle National Bank	4.00 %	9/30/2009	<u>\$ 145,418</u>
<b>School Activity Agency Fund</b>			
Suntrust Bank	0.55 %	12/14/2009	\$ 26,523
Suntrust Bank	0.10	N/A	7,736
Pinnacle National Bank	1.75	12/13/2009	10,000
Pinnacle National Bank	1.50	8/20/2009	10,000
			<u>\$ 54,259</u>
<b>Total Certificates of Deposit</b>			<u>\$ 1,064,276</u>

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Investments by Fund**

**June 30, 2009**

	<u>Interest</u>		<u>Maturity</u>	<u>Fair</u>
	<u>Rate</u>		<u>Date</u>	<u>Value</u>
<b>Employees' Pension Trust Fund -</b>				
United States Treasury Notes	3.125 %		11/30/2009	\$ 1,082,412
United States Treasury Notes	3.125		09/30/2013	506,920
United States Treasury Notes	3.750		11/15/2018	974,545
United States Treasury Notes	2.750		02/15/2019	31,843
United States Treasury Notes	1.375		03/15/2012	234,542
Federal Farm Credit Bank	4.600		12/10/2015	201,657
Federal Farm Credit Bank	4.350		01/14/2019	96,531
Federal Farm Credit Bank	3.250		03/03/2014	502,577
Federal Farm Credit Bank	3.850		06/03/2015	252,735
Federal Farm Credit Bank	4.350		06/17/2016	508,515
Federal Farm Credit Bank	4.500		01/05/2018	255,314
Federal Farm Credit Bank	5.500		10/22/2018	323,578
Federal Farm Credit Bank	5.850		09/08/2016	227,075
Federal Home Loan Bank	4.125		02/17/2016	200,157
Federal Home Loan Bank	5.500		07/15/2015	350,658
Federal Home Loan Bank	5.100		11/19/2014	315,938
Federal Home Loan Bank	5.500		09/25/2014	252,735
Federal Home Loan Bank	5.730		07/20/2012	225,597
Federal Home Loan Bank	5.750		06/25/2012	131,016
Federal Home Loan Bank	5.000		12/03/2014	209,032
Federal Home Loan Bank	5.000		06/30/2015	337,087
Federal Home Loan Bank	6.050		08/11/2016	100,594
Federal Home Loan Mortgage Corp	4.500		02/01/2020	58,973
Federal Home Loan Mortgage Corp	4.500		06/01/2019	35,284
Federal Home Loan Mortgage Corp	5.500		10/01/2022	337,621
Federal Home Loan Mortgage Corp	5.500		12/01/2022	825,440
Federal Home Loan Mortgage Corp	6.500		03/01/2038	69,966
Federal Home Loan Mortgage Corp	6.500		06/01/2038	70,127
Federal Home Loan Mortgage Corp	5.500		08/01/2022	319,074
Federal Home Loan Mortgage Corp	4.500		05/01/2023	548,022
Federal Home Loan Mortgage Corp	4.500		07/01/2019	190,970
Federal Home Loan Mortgage Corp	4.500		06/01/2019	33,450
Federal Home Loan Mortgage Corp	4.000		04/15/2019	132,752
Federal Home Loan Mortgage Corp	5.000		07/15/2037	118,107
Federal National Mortgage Assn	5.000		01/25/2034	50,952
Federal National Mortgage Assn	5.000		07/01/2028	136,394
Federal National Mortgage Assn	6.000		10/01/2028	194,876
Federal National Mortgage Assn	5.000		11/01/2033	618,872
Federal National Mortgage Assn	5.500		01/01/2024	18,697
Federal National Mortgage Assn	6.000		08/01/2034	768,226
Federal National Mortgage Assn	5.500		09/01/2034	54,678
Federal National Mortgage Assn	6.000		12/01/2033	162,092
Federal National Mortgage Assn	6.000		03/01/2021	30,772
Federal National Mortgage Assn	4.000		04/25/2019	188,334
Federal National Mortgage Assn	6.000		04/01/2036	142,254
Federal National Mortgage Assn	6.000		06/01/2022	93,230
Federal National Mortgage Assn	6.000		02/01/2023	175,368

(Continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Investments by Fund (continued)**

**June 30, 2009**

	<u>Interest Rate</u>		<u>Maturity Date</u>	<u>Fair Value</u>
Employees' Pension Trust Fund (continued) -				
Federal National Mortgage Assn	6.000	%	08/01/2021	\$ 35,823
Federal National Mortgage Assn	6.000		03/01/2038	152,798
Federal National Mortgage Assn	4.500		01/01/2024	18,546
Federal National Mortgage Assn	5.000		01/01/2024	8,294
Federal National Mortgage Assn	6.500		09/01/2036	262,678
Federal National Mortgage Assn	4.000		07/01/2024	306,511
Federal National Mortgage Assn	6.000		04/28/2021	261,836
Government National Mortgage Assn	4.500		06/15/2039	25,007
Government National Mortgage Assn II	5.652		06/20/2059	74,000
Government National Mortgage Assn II	6.500		04/20/2029	12,646
Government National Mortgage Assn	7.000		09/15/2011	7,209
Government National Mortgage Assn II	6.357		04/20/2058	30,877
Government National Mortgage Assn	5.500		01/15/2039	308,784
Government National Mortgage Assn II	5.467		03/20/2059	40,361
Government National Mortgage Assn	5.500		04/20/2036	59,442
Government National Mortgage Assn	5.500		09/20/2036	66,695
FNMA TBA	6.500		N/A	79,547
American Express Bank	5.500		04/16/2013	490,685
American General Finance	6.500		09/15/2017	133,118
American General Finance	6.000		12/15/2014	64,179
Bellsouth Corporation	6.000		10/15/2011	267,095
CAT Financial	4.050		07/15/2011	101,158
Citicorp	5.000		09/15/2014	167,664
General Electric	5.250		12/06/2017	491,020
Goldman Sachs	6.250		09/01/2017	197,886
John Hancock	4.100		12/15/2012	95,976
McDonalds Corp	4.300		03/01/2013	260,043
Nationsbank Corp	7.750		08/15/2015	248,580
Northern States Power	6.875		08/01/2009	225,716
Verizon Communications	5.550		02/15/2016	258,765
Verizon Virginia Inc.	4.625		03/15/2013	250,548
Wells Fargo	5.250		10/23/2012	103,513
Wells Fargo Bank	4.750		02/09/2015	274,990
Wells Fargo Corp	6.450		02/01/2011	78,417
AT & T Corp	5.200		09/15/2014	364,364
AT & T Inc.	4.950		01/15/2013	39,520
Abbott Labs	5.600		11/30/2017	69,623
Abbott Labs	5.125		04/01/2019	360,370
Air Products and Chemicals	4.150		02/01/2013	16,235
Alabama PWR Co	5.800		11/15/2013	29,252
Bank of New York Mellon	4.950		11/01/2012	41,238
Bank of New York Mellon	4.500		04/01/2013	13,229
Bank of New York Mellon	4.500		04/01/2013	254,407
Berkshire Hathaway FIN	4.600		05/15/2013	31,113
Boeing Company	5.125		02/15/2013	34,031
CME Group	5.400		08/01/2013	27,317
CME Group	5.750		02/15/2014	37,325
Cameron International Corporation	6.375		07/15/2018	20,302
Caterpillar Financial Services Corporation	4.900		08/15/2013	298,869

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Investments by Fund (continued)**

**June 30, 2009**

	<u>Interest Rate</u>		<u>Maturity Date</u>	<u>Fair Value</u>
<b>Employees' Pension Trust Fund (continued) -</b>				
Centerpoint Energy Res Corporation	7.875	%	04/01/2013	\$ 39,467
Cisco Systems Incorporated	5.500		02/22/2016	55,088
Comcast Corporation	4.950		06/15/2016	21,581
Conocophillips	5.750		02/01/2019	367,857
Credit Suisse First Boston USA	6.500		01/15/2012	43,165
DuPont EI DE Nemours & CO	5.000		07/15/2013	31,549
Duke Energy Carolinas	7.000		11/15/2018	12,823
El Paso Nat Gas Company	5.950		04/15/2017	10,588
Energy Transfer Partners	6.700		07/01/2018	37,825
Energy Transfer Partners	9.000		04/15/2019	23,981
Enterprise Products Oper LP	5.600		10/15/2014	66,803
Exelon Generation Co. LLC	6.200		10/01/2017	34,838
Fund American Cos Inc	5.875		05/15/2013	58,403
General Dynamics	5.250		02/01/2014	22,438
General Electric Company	5.000		02/01/2013	22,891
General Electric Company	5.250		12/06/2017	21,605
General Electric Capital Corporation	5.625		05/01/2018	236,445
Georgia PWR Co	6.000		11/01/2013	14,178
Glaxosmithkline Capital Inc.	5.650		05/15/2018	34,954
Goldman Sachs Group Inc	7.500		02/15/2019	21,415
Goldman Sachs Group Inc	6.000		05/01/2014	11,480
Goldman Sachs Group Inc	6.150		04/01/2018	52,573
Halliburton	6.150		09/15/2019	27,064
Hewlett-Packard Company	4.500		03/01/2013	13,516
Hewlett-Packard Company	4.750		06/02/2014	365,379
IBM Corp	7.625		10/15/2018	119,528
IBM International Group	5.050		10/22/2012	267,615
International Lease Finance Corporation	5.625		09/20/2013	14,354
International Lease Finance Corporation	6.375		03/25/2013	21,303
International Lease Finance Corporation	5.250		01/10/2013	14,365
Intuit Incorporated	5.750		03/15/2017	9,501
Jefferies Group Incorporated	5.875		06/08/2014	46,278
Jefferies Group Incorporated	8.500		07/15/2019	35,711
Kellogg Company	4.250		03/06/2013	24,707
Kimberly Clark	7.500		11/01/2018	14,440
Kraft Foods Incorporated	6.125		08/23/2018	28,997
Kroger	7.500		01/15/2014	15,666
Lazard Group LLC	7.125		05/15/2015	43,181
Merill Lynch	6.500		05/16/2016	223,850
Merrill Lynch & Company	4.200		12/22/2010	150,749
MetLife	6.817		08/15/2018	13,092
Midamerican Energy Holdings Company	5.000		02/15/2014	60,273
NYSE Euronext	4.800		06/28/2013	81,778
Nevada Power Company	5.875		01/15/2015	12,293
News America Holdings Incorporated	9.250		02/01/2013	38,766
Northern Trust Company	5.200		11/09/2012	38,660
Northern Trust Company	4.625		05/01/2014	7,193

(Continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Investments by Fund (continued)**

**June 30, 2009**

	<u>Interest Rate</u>		<u>Maturity Date</u>	<u>Fair Value</u>
<b>Employees' Pension Trust Fund (continued) -</b>				
Nucor Corporation	5.850	%	06/01/2018	\$ 14,520
Oracle Corporation	5.750		04/15/2018	36,919
Oracle Corporation	5.250		01/15/2016	366,247
Paccar Incorporated	6.375		02/15/2012	31,361
Pacific Gas & Electric	8.250		10/15/2018	9,763
Pepsico Incorporated	7.900		11/01/2018	34,065
Pfizer Incorporated	6.200		03/15/2019	38,277
Praxair Incorporated	4.625		03/30/2015	38,228
Proctor & Gamble Company	4.600		01/15/2014	52,584
SBC Communications Incorporated	5.100		09/15/2014	51,939
Schering Plough	6.000		09/15/2017	40,470
Smith International Incorporated	9.750		03/15/2019	71,615
Southern Cal Edison	5.750		03/15/2014	34,716
TEVA Pharmaceutical Fin LLC	5.550		02/01/2016	22,755
Time Warner Incorporated New	5.500		11/15/2011	22,719
Time Warner Cable Incorporated	5.850		05/01/2017	79,888
Time Warner Cable Incorporated	8.250		02/14/2014	36,989
Transcontinental Gas Pipe Corporation	6.050		06/15/2018	7,014
Union Pacific Corporation	7.875		01/15/2019	88,140
United Technologies Corporation	6.125		02/01/2019	66,407
Verizon Communications Incorporated	5.500		02/15/2016	24,841
Verizon Communications Incorporated	5.250		04/15/2013	22,039
Verizon Communications Incorporated	8.750		11/01/2018	56,855
Viacom Incorporated	6.125		10/05/2017	11,662
Wal Mart Stores, Incorporated	4.500		07/01/2015	12,511
Wal Mart Stores	5.800		02/15/2018	88,237
Walgreen Corporation	4.875		08/01/2013	23,343
Xerox Corporation	5.500		05/15/2012	20,942
Xerox Corporation	6.350		05/15/2018	24,097
Ameriquest Mtg Secs Incorporated	variable		01/25/2034	16,842
Atlantic City Elec Transition FDG	5.550		10/20/2023	24,871
Chase Coml Mtg Secs Corporation	7.631		07/25/2032	21,197
Chase Coml Mtg Secs Corporation	variable		09/15/2010	41,214
Chase Funding Mtg LN	variable		08/25/2013	55,835
Credit Suisse First Boston Mtg Secs	6.505		02/15/2034	34,389
Credit Suisse First Boston Mrg Secs	6.380		12/16/2035	104,402
First Union NB-BK of America Comm	6.136		03/15/2033	48,336
GE Cap Coml Mtg Corp	6.496		01/15/2033	93,775
GMAC Coml Mtg Secs Incorporated	7.724		03/15/2033	103,598
GMAC Coml Mtg Secs Incorporated	6.465		04/15/2034	45,129
GMAC Capital Coml Mtg Corp	4.819		01/10/2038	18,580
GE Coml Mtg Corp	variable		11/10/2045	40,395
JP Morgan Chase Coml Mtg Secs Corp	4.879		01/12/2038	160,382
JP Morgan Chase Coml Mtg Secs Corp	variable		10/15/2042	25,508
JP Morgan Chase Coml Mtg Secs Corp	variable		12/15/2044	78,621
LB-UBS Coml Mtg Tr	6.510		11/15/2010	54,713
LB-UBS CMBS	4.830		06/15/2013	51,971

(Continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Investments by Fund (continued)**

**June 30, 2009**

	<u>Interest</u>	<u>Maturity</u>	<u>Fair</u>
	<u>Rate</u>	<u>Date</u>	<u>Value</u>
Employees' Pension Trust Fund (continued) -			
LB-UBS Coml Mtg Tr	variable %	11/15/2030	\$ 13,378
LB-UBS Coml Mtg Tr	5.197	11/15/2030	49,813
Morgan JP Coml Mtg Fin Corp	7.371	08/15/2032	75,043
Morgan Stanley Cap I	5.150	06/13/2041	162,591
Nomura Asset Secs Corp	variable	03/15/2030	74,663
USAA Auto Owner Tr	3.020	06/17/2013	67,809
Wachovia Bk Coml Mtg Tr	variable	10/17/2044	109,458
Arcelormittal Sa Lux	6.125	06/01/2018	32,375
Arcelormittal	9.850	06/01/2019	29,139
Astrazeneca PLC	5.900	09/15/2017	89,950
BHP Billiton Fin USA LTD	6.500	04/01/2019	27,763
BP Capital Markets PLC	5.250	11/07/2013	72,985
Barrick Gold Corp	6.950	04/01/2019	15,680
Covidien International	6.000	10/15/2017	37,221
Diageo Capital PLC	5.200	01/30/2013	19,760
LaFarge SA	6.150	07/15/2011	24,258
LaFarge SA	6.500	07/15/2016	33,101
Rio Tinto Fin USA Ltd	6.500	07/15/2018	44,026
Rio Tinto Fin USA Ltd	5.875	07/15/2013	54,339
Rogers Wireless Incorporated	7.500	03/15/2015	17,405
Thomson Reuters Corporation	5.950	07/15/2013	14,322
Transocean Incorporated	6.000	03/15/2018	39,506
Trans-Canada Pipelines	7.125	01/15/2019	31,602
Veolia Environment	6.000	06/01/2018	26,501
Vodafone Group PLC	5.500	06/15/2011	65,236
AT&T Common	N/A	N/A	248,400
Abbott Labs Common	N/A	N/A	131,712
Air Prods & Chems Inc	N/A	N/A	258,360
Alcoa Inc.	N/A	N/A	206,600
Amazon.com, Incorporated	N/A	N/A	167,320
Amgen Incorporated	N/A	N/A	87,616
Apache Corp Com	N/A	N/A	331,890
Apple, Inc	N/A	N/A	284,860
Bank of New York Mellon Corp	N/A	N/A	234,480
Becton Dickinson & Company	N/A	N/A	171,144
Celgene Corporation	N/A	N/A	287,040
Chesapeake Energy Corp	N/A	N/A	198,300
Conocophillips	N/A	N/A	126,180
Corning Inc. Com	N/A	N/A	160,600
Costco Whsl Corp New	N/A	N/A	320,460
Dow Chemical Co.	N/A	N/A	129,120
E M C Corp Mass	N/A	N/A	235,800
Exxon Mobil Corp Com	N/A	N/A	384,505
FPL Group Inc.	N/A	N/A	278,614
Fluor Corp	N/A	N/A	509,053
Gilead Sciences	N/A	N/A	421,560
Goldman Sachs Group Inc	N/A	N/A	538,156

(Continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Investments by Fund (continued)**

**June 30, 2009**

	<u>Interest</u>	<u>Maturity</u>	<u>Fair</u>
	<u>Rate</u>	<u>Date</u>	<u>Value</u>
<b>Employees' Pension Trust Fund (continued) -</b>			
Goodrich Corporation	N/A	N/A	\$ 249,850
Home Depot Inc	N/A	N/A	396,984
Honeywell Intl Inc	N/A	N/A	251,200
Intel Corp Com	N/A	N/A	264,800
Ishares Tr S&P Midcap Value Index	N/A	N/A	260,550
JP Morgan Chase & Company	N/A	N/A	426,375
Johnson & Johnson Com	N/A	N/A	482,800
L3 Communications Holding	N/A	N/A	346,900
Laboratory Corp Common New	N/A	N/A	262,686
Lockheed Martin	N/A	N/A	201,625
Microsoft Corp	N/A	N/A	392,205
Monsanto Co New Common	N/A	N/A	275,058
National Oilwell Incorporated	N/A	N/A	385,388
Nike Inc CL B	N/A	N/A	225,243
Oracle Corporation	N/A	N/A	294,525
Pepsico Incorporated	N/A	N/A	401,208
Phillip Morris International, Inc.	N/A	N/A	287,892
Procter & Gamble Company	N/A	N/A	217,175
Qualcomm Incorporated	N/A	N/A	406,800
Research in Motion	N/A	N/A	195,497
Schering Plough Corporation	N/A	N/A	502,400
SunTrust Bks Inc Com	N/A	N/A	230,300
US Bankcorp Del Com New	N/A	N/A	211,456
Union Pacific Common	N/A	N/A	156,180
Wal-Mart Stores	N/A	N/A	121,100
Wells Fargo & Company New	N/A	N/A	162,542
Verizon Communications Inc	N/A	N/A	307,300
Ridgeworth Fund - Small Cap Val Equity	N/A	N/A	2,332,795
Ridgeworth Fund - Intl Equity Index	N/A	N/A	4,702,435
Ridgeworth Fund - Seix High Yield	N/A	N/A	391,389
Legg Mason Global Opportunities Bond	N/A	N/A	5,157,929
PIMCO Global Bond Fund Unheldged #102	N/A	N/A	4,883,662
Dodge & Cox International Stock Fund #1048	N/A	N/A	4,968,361
Vanguard Small-Cap Growth	N/A	N/A	1,986,480
			<u>\$ 64,451,082</u>
<b>Electric Department Employee Pension Fund -</b>			
Federal Farm Credit Bank	4.600 %	12/10/2015	\$ 100,828
Federal Farm Credit Bank	3.250	03/03/2014	251,289
Federal Farm Credit Bank	4.350	06/17/2016	76,277
Federal Farm Credit Bank	5.500	10/22/2018	107,860
Federal Farm Credit Bank	5.850	09/08/2016	201,844
Federal Home Loan Bank	4.875	12/24/2018	48,523
Federal Home Loan Bank	4.125	02/17/2016	100,079
Federal Home Loan Bank	5.500	07/15/2015	100,188
Federal Home Loan Bank	4.800	07/23/2013	100,281
Federal Home Loan Bank	5.250	02/06/2012	200,876

(Continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Investments by Fund (continued)**

**June 30, 2009**

	<u>Interest</u>		<u>Maturity</u>	<u>Fair</u>
	<u>Rate</u>		<u>Date</u>	<u>Value</u>
<b>Electric Department Employee Pension Fund (continued) -</b>				
Federal Home Loan Bank	5.300	%	09/22/2011	\$ 101,063
Federal Home Loan Bank	5.000		08/24/2016	52,852
Federal Home Loan Bank	6.050		08/11/2016	50,297
Federal Home Loan Bank	6.000		08/22/2017	206,219
Federal National Mortgage	6.000		04/28/2021	52,367
General Electric Capital Corporation	5.625		05/01/2018	94,578
General Electric Company	5.250		12/06/2017	294,612
International Lease Finance Corporation Notes	4.100		10/15/2009	93,822
Merrill Lynch & Company Notes	4.200		12/22/2010	50,250
Oracle Corporation	5.250		01/15/2016	78,481
Abbott Laboratories	5.125		04/01/2019	102,963
American Express Bank	5.500		04/16/2013	245,343
American General Finance	6.000		12/15/2014	55,622
AT & T Corp	5.200		09/15/2014	104,104
Bank of New York Mellon	4.500		04/01/2013	152,645
Caterpillar Financial Services	4.900		08/15/2013	99,623
Citigroup	5.000		09/15/2014	83,832
Conocophillips	5.750		02/01/2019	289,030
Goldman Sachs	6.250		09/01/2017	98,943
Hewlett-Packard Company	4.750		06/02/2014	120,053
IBM International Group	5.050		10/22/2012	107,046
Verizon Communications	5.550		02/15/2016	103,506
Wells Fargo Corporation	6.450		02/01/2011	52,278
Wells Fargo Corporation	4.375		01/31/2013	100,861
DFA U.S. Vector Equity Portfolio	N/A		N/A	1,070,962
DFA U.S. Core Equity 2 Portfolio	N/A		N/A	661,264
DFA U.S. Large Cap Value Portfolio	N/A		N/A	824,940
DFA Emerging Markets Portfolio	N/A		N/A	145,268
DFA Emerging Markets Small Cap	N/A		N/A	210,784
DFA International Small Company Portfolio	N/A		N/A	241,450
DFA International Small Cap Value	N/A		N/A	242,584
DFA Emerging Markets Value	N/A		N/A	127,527
DFA International Value Portfolio	N/A		N/A	453,609
DFA Real Estate Securities Portfolio	N/A		N/A	316,084
				<u>\$ 8,372,907</u>
<b>Evergreen Cemetery Commission -</b>				
Federal Farm Credit Bank	3.250	%	03/03/2014	\$ 25,129
Federal Farm Credit Bank	3.600		05/05/2015	49,813
Federal Farm Credit Bank	3.850		06/03/2015	50,547
Federal Farm Credit Bank	4.500		01/05/2018	30,638
Federal Farm Credit Bank	5.850		09/08/2016	75,692
Federal Home Loan Bank	6.000		08/22/2017	51,555
Federal Home Loan Bank	6.050		08/11/2016	50,297
Federal Home Loan Bank	4.750		03/26/2015	50,977
Federal Home Loan Bank	5.000		04/23/2018	100,422
Federal Home Loan Bank	5.500		07/15/2015	25,047
Federal Home Loan Bank	4.125		02/17/2016	50,039

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Investments by Fund (continued)**

**June 30, 2009**

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Fair Value</u>
<b>Evergreen Cemetery Commission (continued) -</b>			
Federal National Mortgage	5.000 %	10/28/2016	\$ 26,184
Abbott Laboratories	5.125	04/01/2019	25,741
American Express Bank	5.500	04/16/2013	49,068
American General Finance	6.500	09/15/2017	26,623
American General Finance	6.000	12/15/2014	10,696
AT & T Corporation	4.750	11/15/2012	25,883
Bank of New York Mellon	4.500	04/01/2013	25,441
Caterpillar Financial Services	4.900	08/15/2013	24,906
Citigroup	5.000	09/15/2014	20,958
Conocophillips	5.750	02/01/2019	52,551
General Electric Capital Corporation	5.625	05/01/2018	70,933
Goldman Sachs Group Incorporated	5.150	09/15/2014	25,091
International Lease Finance Corporation	4.100	10/15/2009	46,911
JP Morgan & Chase & Company	5.125	09/15/2014	24,879
Oracle Corporation	5.250	01/15/2016	26,160
WAL Mart Stores	4.125	02/15/2011	25,945
Verizon Communications	5.550	02/15/2016	25,877
Vanguard Total Stock Market Index	N/A	N/A	254,485
Federated Prime Obligation Fund	N/A	N/A	1,976
Federated Prime Obligation Fund	N/A	N/A	107,433
			<u>\$ 1,457,897</u>
<b>Total Investments</b>			<b><u>\$ 74,281,886</u></b>

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Debt Service Requirements by Fiscal Year**

June 30, 2009

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Issue</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Principal and</u> <u>Interest</u>
<b><u>General Long-Term Debt -</u></b>					
2010	Tennessee Municipal Bond Fund		\$ 2,235,000	\$ 134,203	\$ 2,369,203
2011	Loan (1)		1,530,000	52,594	1,582,594
			<u>\$ 3,765,000</u>	<u>\$ 186,797</u>	<u>\$ 3,951,797</u>
2010	Tennessee Municipal Bond Fund		\$ 1,688,628	\$ 334,950	\$ 2,023,578
2011	Loan (2)		1,773,026	269,667	2,042,693
2012			1,861,656	201,121	2,062,777
2013			1,954,715	129,148	2,083,863
2014			1,562,686	55,150	1,617,836
			<u>\$ 8,840,711</u>	<u>\$ 990,036</u>	<u>\$ 9,830,747</u>
2010	Tennessee Municipal Bond Fund		\$ 2,471,793	\$ 503,677	\$ 2,975,470
2011	Loan (2)		2,570,664	408,196	2,978,860
2012			2,673,491	308,895	2,982,386
2013			2,780,430	205,623	2,986,053
2014			2,792,123	98,539	2,890,662
			<u>\$ 13,288,501</u>	<u>\$ 1,524,930</u>	<u>\$ 14,813,431</u>
2010	Tennessee Municipal Bond Fund		\$ 2,251,090	\$ 101,065	\$ 2,352,155
2011	Loan (3)		2,340,900	86,836	2,427,736
2012			2,434,310	72,039	2,506,349
2013			2,531,440	56,652	2,588,092
2014			2,632,440	40,651	2,673,091
2015			2,737,480	24,011	2,761,491
2016			1,301,975	7,519	1,309,494
			<u>\$ 16,229,635</u>	<u>\$ 388,773</u>	<u>\$ 16,618,408</u>
2010	Tennessee Municipal Bond Fund		\$ 654,000	\$ 14,278	\$ 668,278
2011	Loan (4)		238,000	10,314	248,314
2012			245,000	8,787	253,787
2013			253,000	7,215	260,215
2014			262,000	5,591	267,591
2015			270,000	3,910	273,910
2016			279,000	2,177	281,177
2017			84,420	495	84,915
			<u>\$ 2,285,420</u>	<u>\$ 52,767</u>	<u>\$ 2,338,187</u>
2010	Tennessee Municipal Bond Fund		\$ 1,982,000	\$ 109,096	\$ 2,091,096
2011	Loan (4)		2,035,000	96,383	2,131,383
2012			1,542,000	83,622	1,625,622
2013			1,583,000	73,731	1,656,731
2014			1,626,000	63,577	1,689,577
2015			1,670,000	53,147	1,723,147
2016			1,715,000	42,435	1,757,435
2017			1,761,000	31,435	1,792,435
2018			1,808,000	20,139	1,828,139
2019			1,489,400	8,738	1,498,138
			<u>\$ 17,211,400</u>	<u>\$ 582,303</u>	<u>\$ 17,793,703</u>

(Continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Debt Service Requirements by Fiscal Year (continued)**

June 30, 2009

Fiscal Year Ended June 30,	Issue	Interest Rate	Principal	Interest	Total Principal and Interest
<b>General Long-Term Debt (continued)-</b>					
2010	Tennessee Municipal Bond Fund		\$ 2,641,000	\$ 182,444	\$ 2,823,444
2011	Loan (4)		2,732,000	165,493	2,897,493
2012			2,828,000	147,957	2,975,957
2013			2,364,000	130,105	2,494,105
2014			2,447,000	114,931	2,561,931
2015			2,553,000	99,214	2,652,214
2016			2,622,000	82,838	2,704,838
2017			2,713,000	66,009	2,779,009
2018			2,808,000	48,595	2,856,595
2019			2,906,000	30,571	2,936,571
2020			2,112,958	12,396	2,125,354
			<u>\$ 28,726,958</u>	<u>\$ 1,080,553</u>	<u>\$ 29,807,511</u>
2010	Tennessee Municipal Bond Fund		\$ 4,300,000	\$ 294,109	\$ 4,594,109
2011	Loan (5)		4,450,000	272,978	4,722,978
2012			4,606,000	251,109	4,857,109
2013			4,545,000	228,565	4,773,565
2014			4,704,000	206,230	4,910,230
2015			4,869,000	183,113	5,052,113
2016			5,040,000	159,185	5,199,185
2017			5,216,000	134,417	5,350,417
2018			5,398,000	108,784	5,506,784
2019			5,587,000	82,257	5,669,257
2020			5,783,000	54,800	5,837,800
2021			5,882,657	26,423	5,909,080
			<u>\$ 60,380,657</u>	<u>\$ 2,001,970</u>	<u>\$ 62,382,627</u>
2010	Tennessee Municipal Bond Fund		\$ 274,000	\$ 20,086	\$ 294,086
2011	Loan (5)		285,000	18,739	303,739
2012			297,000	17,337	314,337
2013			309,000	15,877	324,877
2014			321,000	14,358	335,358
2015			334,000	12,780	346,780
2016			347,000	11,138	358,138
2017			361,000	9,432	370,432
2018			375,000	7,657	382,657
2019			391,000	5,813	396,813
2020			406,000	3,891	409,891
2021			422,000	1,896	423,896
			<u>\$ 4,122,000</u>	<u>\$ 139,004</u>	<u>\$ 4,261,004</u>
2010	Tennessee Municipal Bond Fund		\$ 3,454,000	\$ 340,021	\$ 3,794,021
2011	Loan (6)		3,626,000	314,356	3,940,356
2012			3,808,000	287,411	4,095,411
2013			3,998,000	259,115	4,257,115
2014			4,198,000	229,406	4,427,406
2015			3,253,000	198,924	3,451,924
2016			3,416,000	174,751	3,590,751
2017			3,586,000	149,368	3,735,368
2018			3,766,000	122,720	3,888,720
2019			3,954,000	94,736	4,048,736
2020			4,152,000	65,354	4,217,354
2021			4,359,000	34,502	4,393,502
2022			686,655	4,522	691,177
			<u>\$ 46,256,655</u>	<u>\$ 2,275,186</u>	<u>\$ 48,531,841</u>

(Continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Debt Service Requirements by Fiscal Year (continued)**

June 30, 2009

<u>Fiscal Year Ended June 30,</u>	<u>Issue</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
<b>General Long-Term Debt (continued) -</b>					
2010	Capital Outlay Note	6.55	\$ 124,000	\$ 105,651	\$ 229,651
2011			132,000	97,268	229,268
2012			140,000	88,360	228,360
2013			150,000	78,862	228,862
2014			160,000	68,710	228,710
2015			170,000	57,902	227,902
2016			181,000	46,406	227,406
2017			193,000	34,158	227,158
2018			206,000	21,091	227,091
2019			219,000	7,172	226,172
			<u>\$ 1,675,000</u>	<u>\$ 605,580</u>	<u>\$ 2,280,580</u>
2010	Capital Outlay Note	6.49	\$ 86,000	\$ 82,838	\$ 168,838
2011			92,000	77,060	169,060
2012			97,000	70,925	167,925
2013			104,000	64,401	168,401
2014			110,000	57,454	167,454
2015			118,000	50,054	168,054
2016			125,000	42,165	167,165
2017			133,000	33,791	166,791
2018			142,000	24,864	166,864
2019			151,000	15,353	166,353
2020			161,000	5,226	166,226
			<u>\$ 1,319,000</u>	<u>\$ 524,131</u>	<u>\$ 1,843,131</u>
<b>Total General Long-Term Debt</b>			<u>\$ 204,100,937</u>	<u>\$ 10,352,030</u>	<u>\$ 214,452,967</u>
<b>Murfreesboro Water and Sewer -</b>					
2010	Tennessee Municipal Bond Fund (7)		\$ 427,421	\$ 115,752	\$ 543,173
2011			444,518	94,381	538,899
2012			462,298	72,156	534,454
2013			480,790	49,041	529,831
2014			500,022	25,001	525,023
			<u>\$ 2,315,049</u>	<u>\$ 356,331</u>	<u>\$ 2,671,380</u>
2010	Tennessee Municipal Bond Fund (8)		\$ 365,000	\$ 186,308	\$ 551,308
2011			377,000	175,577	552,577
2012			389,000	164,493	553,493
2013			402,000	153,056	555,056
2014			415,000	141,238	556,238
2015			428,000	129,037	557,037
2016			442,000	116,453	558,453
2017			456,000	103,459	559,459
2018			471,000	90,052	561,052
2019			486,000	76,205	562,205
2020			502,000	61,916	563,916
2021			518,000	47,158	565,158
2022			534,000	31,928	565,928
2023			552,000	16,229	568,229
			<u>\$ 6,337,000</u>	<u>\$ 1,493,109</u>	<u>\$ 7,830,109</u>

(Continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Debt Service Requirements by Fiscal Year (continued)**

June 30, 2009

<u>Fiscal Year Ended June 30,</u>	<u>Issue</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
<b>Murfreesboro Water and Sewer (continued) -</b>					
2010	Tennessee Municipal Bond Fund (7)		\$ 953,000	\$ 875,600	\$ 1,828,600
2011			980,000	827,950	1,807,950
2012			1,008,000	778,950	1,786,950
2013			1,037,000	728,550	1,765,550
2014			1,066,000	676,700	1,742,700
2015			1,096,000	623,400	1,719,400
2016			1,127,000	568,600	1,695,600
2017			1,159,000	512,250	1,671,250
2018			1,192,000	454,300	1,646,300
2019			1,226,000	394,700	1,620,700
2020			1,260,000	333,400	1,593,400
2021			1,296,000	270,400	1,566,400
2022			1,333,000	205,600	1,538,600
2023			1,370,000	138,950	1,508,950
2024			1,409,000	70,450	1,479,450
			<u>\$ 17,512,000</u>	<u>\$ 7,459,800</u>	<u>\$ 24,971,800</u>
2010	Tennessee Municipal Bond Fund (9)		\$ 1,036,000	\$ 823,585	\$ 1,859,585
2011			1,073,000	787,325	1,860,325
2012			1,110,000	749,770	1,859,770
2013			1,149,000	710,920	1,859,920
2014			1,189,000	670,705	1,859,705
2015			1,231,000	629,090	1,860,090
2016			1,274,000	586,005	1,860,005
2017			1,319,000	541,415	1,860,415
2018			1,365,000	595,250	1,960,250
2019			1,412,000	447,475	1,859,475
2020			1,462,000	398,055	1,860,055
2021			1,513,000	346,885	1,859,885
2022			1,566,000	293,930	1,859,930
2023			1,621,000	139,120	1,760,120
2024			1,678,000	182,385	1,860,385
2025			1,736,000	123,655	1,859,655
2026			1,678,505	62,895	1,741,400
			<u>\$ 23,412,505</u>	<u>\$ 8,088,465</u>	<u>\$ 31,500,970</u>
2010	Tennessee Municipal Bond Fund (10)		\$ 1,443,000	\$ 1,339,831	\$ 2,782,831
2011			1,508,000	1,274,896	2,782,896
2012			1,575,000	1,207,035	2,782,035
2013			1,646,000	1,136,161	2,782,161
2014			1,720,000	1,062,091	2,782,091
2015			1,798,000	984,691	2,782,691
2016			1,879,000	903,781	2,782,781
2017			1,963,000	819,226	2,782,226
2018			2,051,000	730,891	2,781,891
2019			2,144,000	638,595	2,782,595
2020			2,240,000	542,116	2,782,116
2021			2,341,000	441,316	2,782,316
2022			2,446,000	225,090	2,671,090
2023			2,556,000	225,901	2,781,901
2024			2,464,016	110,880	2,574,896
			<u>\$ 29,774,016</u>	<u>\$ 11,642,501</u>	<u>\$ 41,416,517</u>

(Continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Debt Service Requirements by Fiscal Year (continued)**

June 30, 2009

<u>Fiscal Year Ended June 30,</u>	<u>Issue</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
<b>Murfreesboro Water and Sewer (continued) -</b>					
2010	State Revolving Loan	4.24 %	\$ 2,543,544	\$ 1,601,808	\$ 4,145,352
2011			2,653,512	1,491,840	4,145,352
2012			2,768,232	1,377,120	4,145,352
2013			2,887,920	1,257,444	4,145,364
2014			3,012,768	1,132,584	4,145,352
2015			3,143,028	1,002,336	4,145,364
2016			3,278,904	866,448	4,145,352
2017			3,420,672	724,692	4,145,364
2018			3,568,560	576,804	4,145,364
2019			3,722,844	422,520	4,145,364
2020			3,883,788	261,564	4,145,352
2021			4,051,709	93,660	4,145,369
			<u>\$ 38,935,481</u>	<u>\$ 10,808,820</u>	<u>\$ 49,744,301</u>
2010	State Revolving Loan	4.28 %	\$ 47,340	\$ 22,320	\$ 69,660
2011			49,404	20,244	69,648
2012			51,564	18,096	69,660
2013			53,808	15,840	69,648
2014			56,160	13,488	69,648
2015			58,608	11,040	69,648
2016			61,164	8,484	69,648
2017			63,840	5,808	69,648
2018			66,624	3,024	69,648
2019			34,390	432	34,822
			<u>\$ 542,902</u>	<u>\$ 118,776</u>	<u>\$ 661,678</u>
2010	State Revolving Loan	3.71 %	\$ 79,140	\$ 56,472	\$ 135,612
2011			82,128	53,496	135,624
2012			85,224	50,388	135,612
2013			88,440	47,172	135,612
2014			91,776	43,836	135,612
2015			95,244	40,368	135,612
2016			98,844	36,780	135,624
2017			102,564	33,048	135,612
2018			106,440	29,184	135,624
2019			110,460	25,164	135,624
2020			114,624	20,988	135,612
2021			118,956	16,668	135,624
2022			123,444	12,180	135,624
2023			128,100	7,524	135,624
2024			132,935	2,688	135,623
			<u>\$ 1,558,319</u>	<u>\$ 475,956</u>	<u>\$ 2,034,275</u>
<b>Total Murfreesboro Water and Sewer</b>			<u>\$ 120,387,272</u>	<u>\$ 40,443,758</u>	<u>\$ 160,831,030</u>

(Continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Debt Service Requirements by Fiscal Year (continued)**

**June 30, 2009**

<u>Fiscal Year Ended June 30,</u>	<u>Issue</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
<b>Murfreesboro Electric Department -</b>					
2010	Electric System Revenue Bonds Series 1995	5.50	\$ 330,000	\$ 18,150	\$ 348,150
			\$ 330,000	\$ 18,150	\$ 348,150
2010	Electric System Revenue Bonds	4.70	\$ 315,000	\$ 85,458	\$ 400,458
2011	Series 1999	4.80	330,000	70,338	400,338
2012		4.88	345,000	54,250	399,250
2013		5.00	360,000	37,000	397,000
2014		5.00	380,000	19,000	399,000
			\$ 1,730,000	\$ 266,046	\$ 1,996,046
2010	Tennessee Municipal Bond Fund (7)		\$ 394,000	\$ 62,150	\$ 456,150
2011			414,000	42,450	456,450
2012			435,000	21,750	456,750
			\$ 1,243,000	\$ 126,350	\$ 1,369,350
2010	Tennessee Municipal Bond Fund (7)		\$ 1,529,000	\$ 403,300	\$ 1,932,300
2011			1,570,000	326,850	1,896,850
2012			1,612,000	248,350	1,860,350
2013			1,655,000	167,750	1,822,750
2014			1,700,000	85,000	1,785,000
			\$ 8,066,000	\$ 1,231,250	\$ 9,297,250
2010	Tennessee Municipal Bond Fund (7)		\$ 303,000	\$ 221,200	\$ 524,200
2011			314,000	206,050	520,050
2012			325,000	190,350	515,350
2013			336,000	174,100	510,100
2014			348,000	157,300	505,300
2015			360,000	139,900	499,900
2016			372,000	121,900	493,900
2017			385,000	103,300	488,300
2018			399,000	84,050	483,050
2019			413,000	64,100	477,100
2020			427,000	43,450	470,450
2021			442,000	22,100	464,100
			\$ 4,424,000	\$ 1,527,800	\$ 5,951,800
2010	Tennessee Municipal Bond Fund (7)		\$ 487,000	\$ 106,620	\$ 593,620
2011			401,888	79,965	481,853
2012			1,776,623	79,965	1,856,588
			\$ 2,665,511	\$ 266,550	\$ 2,932,061
<b>Total Murfreesboro Electric Department</b>			<b>\$ 18,458,511</b>	<b>\$ 3,436,146</b>	<b>\$ 21,894,657</b>
<b>Total Indebtedness</b>			<b>\$ 342,946,720</b>	<b>\$ 54,231,934</b>	<b>\$ 397,178,654</b>

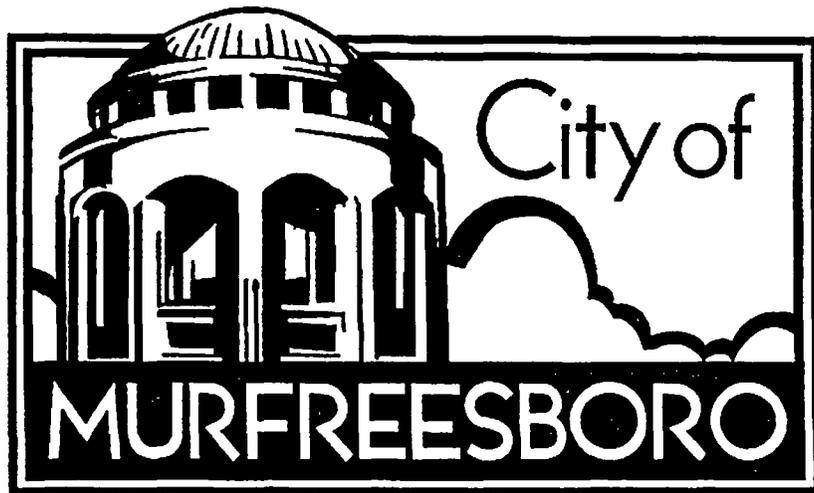
(Continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Debt Service Requirements by Fiscal Year (continued)**

June 30, 2009

Fiscal Year Ended June 30,	Issue	Interest Rate	Principal	Interest	Total Principal and Interest
	(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 3.75% was used which was the rate in effect at June 30, 2009.			
	(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 3.85% was used which was the rate in effect at June 30, 2009.			
	(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 .63% was used which was the rate in effect at June 30, 2009.			
	(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 .64% was used which was the rate in effect at June 30, 2009.			
	(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 .49% was used which was the rate in effect at June 30, 2009.			
	(6)	Interest payments are subject to fluctuation since interest is accrued based on an adjustable rate. For purposes of this schedule, an interest rate of .74% was used which was the rate in effect at June 30, 2009.			
	(7)	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 which was the rate in effect at June 30, 2009.			
	(8)	Interest payments are subject to fluctuation since interest is accrued based on an adjustable rate. For purposes of this schedule, an interest rate of 2.94% was used which was the rate in effect at June 30, 2009.			
	(9)	Interest payments are subject to fluctuation since interest is accrued based on an adjustable rate. For purposes of this schedule, an interest rate of 3.50% was used which was the rate in effect at June 30, 2009.			
	(10)	Interest payments are subject to fluctuation since interest is accrued based on an adjustable rate. For purposes of this schedule, an interest rate of 4.50% was used which was the rate in effect at June 30, 2009.			



T E N N E S S E E

**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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> <i>These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	144
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	152
<b>Debt Capacity</b> <i>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.</i>	156
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	161
<b>Operating Information</b> <i>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.</i>	163
<b>Utility Services Information</b> <i>These schedules contain information regarding the utility services provided by the City including its rate structure.</i>	166

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

**CITY OF MURFREESBORO, TENNESSEE**

**Net Assets by Component**

**Last Ten Fiscal Years (1)**  
**(accrual basis of accounting)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Governmental activities</b>								
Invested in capital assets, net of related debt	\$ 64,817,590	\$ 103,037,574	\$ 130,951,307	\$ 175,428,453	\$ 380,452,965 **	\$ 426,343,309	\$ 441,657,459	\$ 447,516,415
Restricted	17,716,528	22,481,893	25,137,765	24,322,534	27,177,051	24,216,623	25,620,279	28,342,279
Unrestricted	48,059,269	45,734,887	45,201,963	2,820,969 *	14,128,705	1,179,169	1,728,536	15,846,721
<b>Total governmental activities net assets</b>	<b>\$ 130,593,387</b>	<b>\$ 171,254,354</b>	<b>\$ 201,291,035</b>	<b>\$ 202,571,956</b>	<b>\$ 421,758,721</b>	<b>\$ 451,739,101</b>	<b>\$ 469,006,274</b>	<b>\$ 491,705,415</b>
<b>Business-type activities</b>								
Invested in capital assets, net of related debt	\$ 180,697,510	\$ 195,102,675	\$ 215,897,440	\$ 236,151,787	\$ 253,510,019	\$ 278,420,182	\$ 305,980,547	\$ 326,924,482
Restricted	20,345,827	14,906,523	11,293,939	12,339,799	20,608,993	23,549,545	27,152,115	23,665,932
Unrestricted	6,287,687	7,352,672	4,657,462	5,286,813	7,268,772	7,354,573	7,536,734	10,989,579
<b>Total business-type activities net assets</b>	<b>\$ 207,331,024</b>	<b>\$ 217,361,870</b>	<b>\$ 231,848,841</b>	<b>\$ 253,778,399</b>	<b>\$ 281,387,784</b>	<b>\$ 309,324,300</b>	<b>\$ 340,669,396</b>	<b>\$ 361,579,993</b>
<b>Primary Government</b>								
Invested in capital assets, net of related debt	\$ 245,515,100	\$ 298,140,249	\$ 346,848,747	\$ 411,580,240	\$ 633,962,984	\$ 704,763,491	\$ 747,638,006	\$ 774,440,897
Restricted	38,062,355	37,388,416	36,431,704	36,662,333	47,786,044	47,766,168	52,772,394	52,008,211
Unrestricted	54,346,956	53,087,559	49,859,425	8,107,782	21,397,477	8,533,742	9,265,270	26,836,300
<b>Total primary government net assets</b>	<b>\$ 337,924,411</b>	<b>\$ 388,616,224</b>	<b>\$ 433,139,876</b>	<b>\$ 456,350,355</b>	<b>\$ 703,146,505</b>	<b>\$ 761,063,401</b>	<b>\$ 809,675,670</b>	<b>\$ 853,285,408</b>

(1) GASB Statement 34 was implemented for the fiscal year ended June 30, 2002; therefore, the above information is not available prior to June 30, 2002.

\* 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.

**CITY OF MURFREESBORO, TENNESSEE**

**Changes in Net Assets**

**Last Ten Fiscal Years (1)  
(accrual basis of accounting)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Expenses</b>								
<b>Governmental activities:</b>								
General government	\$ 9,466,318	\$ 9,740,938	\$ 10,480,078	\$ 3,441,920	\$ 4,160,902	\$ 11,609,689	\$ 9,827,713	\$ 11,649,426
Police	10,134,174	10,135,170	10,567,162	15,569,351	16,893,470	17,663,308	19,406,692	22,692,847
Fire protection	6,849,872	7,311,950	7,579,266	11,560,354	13,165,975	12,588,799	13,810,394	14,331,112
Judicial	258,396	265,194	265,559	383,250	470,194	413,187	428,682	435,877
Legal	480,855	384,252	396,578	470,674	605,026	656,445	760,004	770,951
Personnel	329,742	344,507	385,962	540,178	667,777	667,665	699,440	641,827
Streets	3,627,182	4,828,104	7,307,752	5,129,327	10,617,678	11,044,955	10,974,387	13,538,620
Planning and engineering	1,453,396	1,550,385	1,591,616	2,147,854	2,577,020	2,719,203	2,838,546	2,626,364
Building inspections	753,094	792,627	848,527	1,309,877	1,516,166	1,720,215	1,698,151	1,725,111
Sanitation	2,815,772	2,885,087	2,960,831	3,657,530	4,232,561	4,321,738	5,551,848	6,135,988
Urban environmental	340,057	360,213	401,802	690,795	746,291	653,438	812,456	902,288
Public health, education and welfare	1,627,425	1,235,539	1,304,758	1,413,132	1,572,061	1,576,043	1,608,823	2,124,575
Community services	3,248,602	4,199,885	4,398,285	3,633,490	5,862,872	5,216,227	9,926,107	8,213,989
Recreation	6,780,898	6,622,259	8,797,250	9,116,288	10,889,653	11,038,185	11,507,834	12,161,486
Community/economic development	734,553	702,044	834,883	825,139	855,376	443,375	1,640,426	1,113,234
Education	38,314,527	38,878,101	42,437,962	46,031,454	50,508,912	52,820,118	54,783,363	56,067,967
Food service	2,006,462	2,026,104	2,083,432	2,261,382	2,604,851	2,969,999	3,387,963	3,424,389
Interest on long-term debt	2,579,226	2,214,072	1,716,071	2,498,568	4,518,117	6,503,457	6,100,927	3,620,010
<b>Total governmental activities expenses</b>	<b>\$ 91,800,551</b>	<b>\$ 94,476,431</b>	<b>\$ 104,357,774</b>	<b>\$ 110,680,563</b>	<b>\$ 132,464,902</b>	<b>\$ 144,626,046</b>	<b>\$ 155,763,756</b>	<b>\$ 162,176,061</b>
<b>Business-type activities:</b>								
Water and sewer	\$ 17,301,578	\$ 18,491,414	\$ 19,669,239	\$ 20,702,532	\$ 22,755,496	\$ 24,550,818	\$ 28,583,063	\$ 28,206,394
Electric	65,674,605	70,820,633	76,598,655	80,608,817	95,002,383	102,920,871	113,398,349	134,543,111
Cemetery	319,380	312,599	344,372	377,487	415,208	409,601	470,903	446,550
<b>Total business-type activities expenses</b>	<b>\$ 83,295,563</b>	<b>\$ 89,624,646</b>	<b>\$ 96,612,266</b>	<b>\$ 101,688,836</b>	<b>\$ 118,173,087</b>	<b>\$ 127,881,290</b>	<b>\$ 142,452,315</b>	<b>\$ 163,196,055</b>
<b>Total primary government expenses</b>	<b>\$ 175,096,114</b>	<b>\$ 184,101,077</b>	<b>\$ 200,970,040</b>	<b>\$ 212,369,399</b>	<b>\$ 250,637,989</b>	<b>\$ 272,507,336</b>	<b>\$ 298,216,071</b>	<b>\$ 325,372,116</b>

(continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Changes in Net Assets (continued)**

**Last Ten Fiscal Years (1)  
(accrual basis of accounting)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Program Revenues</b>								
<b>Governmental activities:</b>								
<b>Charges for services:</b>								
General government	\$ 157,521	\$ 276,038	\$ 219,347	\$ 154,249	\$ 203,514	\$ 187,806	\$ 227,562	\$ 232,252
Police	368,771	301,597	293,093	251,479	201,209	206,978	268,899	336,801
Fire protection	239,617	373,627	366,113	372,120	385,833	389,146	430,312	621,785
Judicial	1,983,892	1,786,322	1,746,298	1,594,058	1,659,996	1,640,284	2,793,451	4,829,049
Streets	9,607	14,382	25,666	12,726	20,508	42,776	18,525	43,846
Planning and engineering	19,659	26,781	27,074	69,549	59,094	72,543	43,769	31,327
Building inspections	1,666,083	1,914,342	2,680,715	2,920,015	3,342,738	3,513,589	2,318,682	2,699,656
Sanitation	15,529	47,209	49,441	41,568	28,502	45,011	31,988	70,379
Urban environmental						4,635	733	3,939
Community services	1,421,814	1,258,406	1,763,362	1,591,030	1,953,102	2,127,197	2,591,282	2,699,471
Recreation	2,410,568	1,921,342	2,026,364	2,694,653	2,719,500	2,824,577	2,984,452	2,912,708
Community/economic development	224	96,044	63,593	102,094	91,528	91,879	34,178	38,436
Education	1,529,442	1,660,386	2,013,851	2,160,500	2,157,619	2,497,306	2,740,414	2,467,801
Food service	1,047,967	1,073,184	1,118,259	1,156,877	1,225,607	1,342,876	1,240,116	1,271,818
Interest on long-term debt	83,973	32,110	36,053	28,161	23,416	3,818	4,667	3,818
Operating grants and contributions	36,035,340	38,795,216	41,163,018	42,948,523	46,551,338	49,527,119	57,771,476	67,462,074
Capital grants and contributions	17,491,210	19,385,562	14,642,477	22,108,525	17,774,729	30,178,990	17,451,108	15,863,275
<b>Total governmental activities program revenues</b>	<b>\$ 64,481,217</b>	<b>\$ 68,962,548</b>	<b>\$ 68,234,724</b>	<b>\$ 78,206,127</b>	<b>\$ 78,398,233</b>	<b>\$ 94,696,530</b>	<b>\$ 90,951,614</b>	<b>\$ 101,588,435</b>
<b>Business-type activities:</b>								
<b>Charges for services:</b>								
Water and sewer	\$ 17,011,842	\$ 17,875,337	\$ 18,501,861	\$ 20,913,599	\$ 23,164,912	\$ 24,845,239	\$ 27,857,208	\$ 30,226,096
Electric	67,698,553	72,951,488	80,121,947	83,693,947	99,549,498	110,253,090	124,542,827	144,887,286
Cemetery	255,088	312,331	332,604	377,258	354,435	319,566	324,331	386,470
Operating grants and contributions	85,815	68,341	14,931	43,458	15,413	76,203	69,514	68,994
Capital grants and contributions	7,856,270	7,726,149	11,866,450	18,274,459	21,864,924	18,831,734	19,826,819	8,119,244
<b>Total business-type activities program revenues</b>	<b>\$ 92,907,568</b>	<b>\$ 98,933,646</b>	<b>\$ 110,837,793</b>	<b>\$ 123,302,721</b>	<b>\$ 144,949,182</b>	<b>\$ 154,325,832</b>	<b>\$ 172,620,699</b>	<b>\$ 183,688,090</b>
<b>Total primary government program revenues</b>	<b>\$ 157,388,785</b>	<b>\$ 167,896,194</b>	<b>\$ 179,072,517</b>	<b>\$ 201,508,848</b>	<b>\$ 223,347,415</b>	<b>\$ 249,022,362</b>	<b>\$ 263,572,313</b>	<b>\$ 285,276,525</b>
<b>Net (expense)/revenue</b>								
Governmental activities	\$ (27,319,334)	\$ (25,513,883)	\$ (36,123,050)	\$ (32,474,436)	\$ (54,066,669)	\$ (49,929,516)	\$ (64,812,142)	\$ (60,587,626)
Business-type activities	9,612,005	9,309,000	14,225,527	21,613,885	26,776,095	26,444,542	30,168,384	20,492,035
<b>Total primary government net expense</b>	<b>\$ (17,707,329)</b>	<b>\$ (16,204,883)</b>	<b>\$ (21,897,523)</b>	<b>\$ (10,860,551)</b>	<b>\$ (27,290,574)</b>	<b>\$ (23,484,974)</b>	<b>\$ (34,643,758)</b>	<b>\$ (40,095,591)</b>

(continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Changes in Net Assets (continued)**

**Last Ten Fiscal Years (1)  
(accrual basis of accounting)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>General Revenues and Other Changes in Net Assets</b>								
<b>Governmental activities:</b>								
<b>Taxes</b>								
Property taxes	\$ 27,838,214	\$ 27,185,759	\$ 27,636,039	\$ 28,344,042	\$ 30,642,673	\$ 31,059,681	\$ 33,141,050	\$ 35,334,174
Sales taxes	16,785,657	17,620,360	20,456,883	21,550,526	24,094,087	26,265,473	30,356,728	28,370,349
Other taxes	4,679,961	5,098,675	5,825,859	6,172,046	6,926,688	7,196,182	7,613,113	7,617,089
Grants and contributions not restricted to specific programs	6,988,901	6,720,868	7,746,526	7,373,394	8,256,056	8,625,079	8,870,859	9,503,830
Unrestricted investment earnings	758,707	514,639	425,609	702,202	1,826,865	2,486,355	1,880,203	505,331
Miscellaneous	249,017	282,589	340,537	75,353	232,735	70,211	164,203	124,835
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	64,185	63,552	17,370	75,933	23,747	78,953	(26,400)	55,257
<b>Total governmental activities</b>	<b>\$ 57,364,642</b>	<b>\$ 62,429,721</b>	<b>\$ 63,525,779</b>	<b>\$ 66,588,314</b>	<b>\$ 80,949,001</b>	<b>\$ 79,992,808</b>	<b>\$ 82,079,315</b>	<b>\$ 83,286,767</b>
<b>Business-type activities:</b>								
Unrestricted investment earnings	\$ 1,207,586	\$ 732,573	\$ 227,051	\$ 310,815	\$ 792,812	\$ 1,514,229	\$ 1,099,560	\$ 404,669
Miscellaneous	4,813							
Contributions to permanent funds	37,300	52,825	51,763	80,791	64,225	56,698	50,752	69,150
Transfers	(64,185)	(63,552)	(17,370)	(75,933)	(23,747)	(78,953)	26,400	(55,257)
<b>Total business-type activities</b>	<b>\$ 1,185,514</b>	<b>\$ 721,846</b>	<b>\$ 261,444</b>	<b>\$ 315,673</b>	<b>\$ 833,290</b>	<b>\$ 1,491,974</b>	<b>\$ 1,176,712</b>	<b>\$ 418,562</b>
<b>Total primary government</b>	<b>\$ 58,550,156</b>	<b>\$ 63,151,567</b>	<b>\$ 63,787,223</b>	<b>\$ 66,903,987</b>	<b>\$ 81,782,291</b>	<b>\$ 81,484,782</b>	<b>\$ 83,256,027</b>	<b>\$ 83,705,329</b>
<b>Change in Net Assets</b>								
Governmental activities	\$ 30,045,308	\$ 36,915,838	\$ 27,402,729	\$ 34,113,878	\$ 26,882,332	\$ 30,063,292	\$ 17,267,173	\$ 22,699,141
Business-type activities	10,797,519	10,030,846	14,486,971	21,929,558	27,609,385	27,936,516	31,345,096	20,910,597
<b>Total primary government</b>	<b>\$ 40,842,827</b>	<b>\$ 46,946,684</b>	<b>\$ 41,889,700</b>	<b>\$ 56,043,436</b>	<b>\$ 54,491,717</b>	<b>\$ 57,999,808</b>	<b>\$ 48,612,269</b>	<b>\$ 43,609,738</b>

(1) GASB Statement 34 was implemented for the fiscal year ended June 30, 2002; therefore, the above information is not available prior to June 30, 2002.

**CITY OF MURFREESBORO, TENNESSEE**

**Governmental Activities Tax Revenue By Source**

**Last Ten Fiscal Years (1)**  
**(accrual basis of accounting)**

<u>Fiscal Year Ended June 30,</u>	<u>Property Taxes</u>	<u>Sales Taxes</u>	<u>Other Taxes</u>	<u>Total</u>
2002	\$ 27,838,214	\$ 16,785,657	\$ 4,679,961	\$ 49,303,832
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

(1) GASB Statement 34 was implemented for the fiscal year ended June 30, 2002; therefore, the above information is not available prior to June 30, 2002.

**CITY OF MURFREESBORO, TENNESSEE**

**Fund Balances of Governmental Funds**

**Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General fund										
Reserved	\$ 21,518	\$ 44,727	\$ 86,277	\$ 104,570	\$ 141,536	\$ 264,004	\$ 2,866,482	\$ 2,251,222	\$ 1,089,753	\$ 540,669
Unreserved	<u>17,269,783</u>	<u>22,088,692</u>	<u>22,685,686</u>	<u>22,086,973</u>	<u>27,379,072</u>	<u>30,912,311</u>	<u>32,596,314</u>	<u>28,461,940</u>	<u>33,424,938</u>	<u>38,052,920</u>
Total general fund	<u>\$ 17,291,301</u>	<u>\$ 22,133,419</u>	<u>\$ 22,771,963</u>	<u>\$ 22,191,543</u>	<u>\$ 27,520,608</u>	<u>\$ 31,176,315</u>	<u>\$ 35,462,796</u>	<u>\$ 30,713,162</u>	<u>\$ 34,514,691</u>	<u>\$ 38,593,589</u>
All other governmental funds										
Reserved	\$ 700,133	\$ 1,185,442	\$ 2,711,084	\$ 2,643,769	\$ 3,145,398	\$ 2,901,392	\$ 1,940,854	\$ 2,355,315	\$ 1,762,700	\$ 1,905,955
Unreserved, reported in:										
Special revenue funds	7,071,742	7,382,019	7,764,893	8,914,132	10,108,544	10,797,880	8,696,080	7,911,903	10,835,989	13,089,586
Debt service fund	1,637,060	1,940,948	3,048,805	3,101,068	2,538,936	2,573,675	3,604,560	3,805,487	3,893,462	4,245,654
Capital projects funds	(1,360,968)	(1,061,620)	3,666,483	3,043,521	(5,469,262)	(15,072,098)	(165,292)	(7,590,144)	(3,758,551)	6,130,701
Permanent funds			<u>137,692</u>	<u>148,419</u>	<u>114,026</u>	<u>109,169</u>	<u>68,691</u>	<u>90,946</u>	<u>13,795</u>	<u>18,660</u>
Total all other governmental funds	<u>\$ 8,047,967</u>	<u>\$ 9,446,789</u>	<u>\$ 17,328,957</u>	<u>\$ 17,850,909</u>	<u>\$ 10,437,642</u>	<u>\$ 1,310,018</u>	<u>\$ 14,144,893</u>	<u>\$ 6,573,507</u>	<u>\$ 12,747,395</u>	<u>\$ 25,390,556</u>

**CITY OF MURFREESBORO, TENNESSEE**

**Changes in Fund Balances of Governmental Funds**

**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues -</b>										
Taxes	\$ 40,183,215	\$ 44,110,406	\$ 45,440,633	\$ 47,724,128	\$ 53,270,607	\$ 55,756,343	\$ 60,863,834	\$ 64,556,511	\$ 70,890,458	\$ 71,160,024
Intergovernmental	42,037,924	44,456,365	43,131,242	44,206,914	48,507,093	55,825,684	58,780,055	58,715,084	71,729,397	82,202,742
Charges for services	4,574,013	4,365,681	5,554,663	5,397,770	5,907,855	6,842,495	6,966,806	7,587,841	8,134,453	8,081,553
Donations									483,125	477,339
Interest and investment earnings	1,172,562	1,461,883	809,012	587,604	446,717	741,017	1,710,245	2,380,139	1,775,554	558,217
Licenses and permits	2,626,750	3,039,720	3,697,069	3,887,346	4,599,889	4,631,835	5,155,404	5,289,916	5,280,673	5,634,636
Miscellaneous	6,496,196	4,528,696	7,630,870	4,072,410	7,836,385	6,099,685	6,131,933	4,969,123	6,346,050	5,446,641
	<u>\$ 97,090,660</u>	<u>\$ 101,962,751</u>	<u>\$ 106,263,489</u>	<u>\$ 105,876,172</u>	<u>\$ 120,568,546</u>	<u>\$ 129,897,059</u>	<u>\$ 139,608,277</u>	<u>\$ 143,498,614</u>	<u>\$ 164,639,710</u>	<u>\$ 173,561,152</u>
<b>Expenditures -</b>										
General government	\$ 7,463,250	\$ 8,368,317	\$ 9,168,864	\$ 10,101,354	\$ 10,492,519	\$ 3,021,553	\$ 3,332,008	\$ 11,414,689	\$ 4,595,923	\$ 6,847,627
Police	8,484,783	8,763,731	9,200,399	9,539,903	9,700,595	15,596,243	15,568,305	17,755,914	18,412,254	21,026,722
Fire protection	6,180,248	6,355,455	6,544,473	6,983,588	7,260,949	11,236,417	11,953,554	12,604,596	13,403,457	13,831,170
Judicial	222,435	218,323	240,725	253,961	265,283	377,283	424,378	412,307	477,728	452,758
Legal	378,836	421,166	482,339	381,265	392,291	477,862	594,253	649,162	754,962	760,019
Personnel	286,638	341,265	316,453	350,039	377,661	527,178	574,204	643,941	711,621	732,321
Streets	7,334,591	6,737,738	3,315,588	4,052,180	5,189,850	4,170,663	6,443,037	6,168,437	6,216,345	6,060,873
Planning and engineering	902,440	1,076,856	1,397,471	1,522,269	1,589,272	2,133,009	2,575,185	2,712,370	2,795,308	2,657,470
Building inspections	636,280	716,417	750,636	789,533	856,370	1,290,743	1,513,775	1,705,737	1,740,183	1,717,686
Sanitation	2,118,620	2,300,637	2,516,470	2,773,945	2,688,687	3,324,471	3,743,192	3,832,817	4,448,056	4,474,894
Urban environmental	279,041	309,603	311,391	337,918	398,062	666,182	771,954	645,641	780,410	868,624
Public health, education and welfare	850,438	879,799	996,071	1,062,603	1,179,909	1,308,056	1,469,631	1,473,700	1,506,480	1,532,308
Community services	2,152,009	2,124,200	3,044,017	3,950,816	4,302,808	3,339,475	5,230,313	4,701,071	9,346,329	7,498,113
Recreation	5,230,224	5,552,647	5,907,853	5,902,100	6,684,636	7,601,274	8,138,001	8,691,484	9,152,060	9,277,740
Community development	671,462	1,042,530	732,989	700,350	852,389	866,010	885,812	441,826	817,301	872,671
Economic development									821,688	255,587
Education	32,542,947	35,468,288	36,782,935	37,854,844	40,827,158	44,139,617	49,680,734	51,587,295	51,009,243	52,770,358
Food service			2,006,462	2,026,104	2,083,432	2,261,382	2,604,851	2,969,999	3,387,963	3,424,389
Capital outlay	16,207,145	13,851,250	22,807,323	21,495,444	30,714,965	53,632,139	38,176,379	57,442,265	40,274,705	32,996,360
Debt service										
Principal	10,653,165	10,360,836	11,460,767	16,402,262	20,167,365	12,555,106	14,316,952	15,066,722	20,842,164	21,118,405
Interest	3,739,847	3,740,561	2,454,062	2,092,591	1,607,220	2,384,025	4,361,936	6,265,007	5,847,716	3,345,873
Debt issuance cost			125,164	121,481	163,453	106,543	128,064	178,981	603,242	194,668
Total expenditures	<u>\$ 106,334,399</u>	<u>\$ 108,629,619</u>	<u>\$ 120,562,452</u>	<u>\$ 128,694,550</u>	<u>\$ 147,794,874</u>	<u>\$ 171,015,231</u>	<u>\$ 172,486,518</u>	<u>\$ 207,363,961</u>	<u>\$ 197,945,138</u>	<u>\$ 192,716,636</u>
Excess of revenues over (under) expenditures	\$ (9,243,739)	\$ (6,666,868)	\$ (14,298,963)	\$ (22,818,378)	\$ (27,226,328)	\$ (41,118,172)	\$ (32,878,241)	\$ (63,865,347)	\$ (33,305,428)	\$ (19,155,484)

(continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Changes in Fund Balances of Governmental Funds (continued)**

**Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Other financing sources (uses) -</b>										
Issuance of debt	\$ 12,529,310	\$ 12,886,126	\$ 21,132,500	\$ 14,888,135	\$ 23,705,100	\$ 32,993,275	\$ 39,412,060	\$ 46,803,601	\$ 42,499,715	\$ 33,455,368
Proceeds from sale of land				7,929,389	1,104,250	2,817,980	10,643,428	4,877,586	927,796	2,505,060
Transfers in	24,527,566	24,910,428	28,591,755	31,024,120	28,037,773	30,110,222	34,590,206	38,462,043	46,098,673	41,826,247
Transfers out	(24,527,566)	(24,910,428)	(28,951,358)	(31,081,734)	(28,087,097)	(30,158,538)	(34,646,097)	(38,515,991)	(46,245,339)	(41,909,134)
	\$ 12,529,310	\$ 12,886,126	\$ 20,772,897	\$ 22,759,910	\$ 24,760,026	\$ 35,762,939	\$ 49,999,597	\$ 51,627,239	\$ 43,280,845	\$ 35,877,541
<b>Net change in fund balances</b>	\$ 3,285,571	\$ 6,219,258	\$ 6,473,934	\$ (58,468)	\$ (2,466,302)	\$ (5,355,233)	\$ 17,121,356	\$ (12,238,108)	\$ 9,975,417	\$ 16,722,057
<b>Debt service as a percentage of noncapital expenditures</b>	15.97%	14.88%	14.36%	17.37%	18.74%	12.82%	14.00%	14.35%	17.31%	15.44%

\*\* 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**

**Last Ten Fiscal Years  
(modified accrual basis of accounting)**

Fiscal Year	Property Tax	Sales Tax	Beer Tax	Liquor Tax	Gross Receipts Tax	Beer Privilege Tax	Liquor Privilege Tax	Hotel/Motel Tax	Cable TV Franchise Tax	Total Tax Revenue
2000	\$ 21,922,224	\$ 14,163,329	\$ 1,776,458	\$ 352,962	\$ 1,145,073	\$ 17,708	\$ 28,163	\$ 459,848	\$ 317,450	\$ 40,183,215
2001	22,793,606	16,748,313	1,866,021	389,591	1,217,401	17,358	32,192	529,993	515,931	44,110,406
2002	24,355,979	16,785,657	1,756,813	379,216	1,192,999	23,506	34,769	472,073	439,621	45,440,633
2003	25,478,328	17,620,360	1,806,197	412,543	1,221,734	18,375	38,512	487,494	640,585	47,724,128
2004	27,076,804	20,456,883	2,063,053	486,880	1,481,835	18,558	37,503	544,874	1,104,217	53,270,607
2005	28,503,582	21,550,526	2,293,265	528,073	1,426,313	17,967	38,047	537,141	861,429	55,756,343
2006	30,434,528	24,094,087	2,434,181	585,620	1,745,143	18,550	37,810	584,877	929,038	60,863,834
2007	31,302,662	26,265,473	2,612,015	640,231	1,917,224	20,800	45,999	652,641	1,099,466	64,556,511
2008	33,073,516	30,356,728	2,708,850	712,160	2,027,972	22,385	49,946	743,601	1,195,300	70,890,458
2009	35,254,735	28,370,349	2,808,781	736,010	1,926,166	23,317	53,935	730,976	1,255,755	71,160,024

**CITY OF MURFREESBORO, TENNESSEE**

**Assessed Value and Estimated Actual Value of Taxable Property**

**Last Ten Fiscal Years**

Year Ended June 30,	Tax Rate (1)	Assessed Valuation			Total Estimated Actual Value	Ratio of Assessed Value to Estimated Actual Value
		Property	Public Utilities	Total		
2000	\$ 1.900	\$ 1,024,583,966	\$ 31,149,479	\$ 1,055,733,445	\$ 3,379,155,672	31.2%
2001	1.900	1,087,344,584	33,371,877	1,120,716,461	3,623,256,503	30.9%
2002	1.900	1,137,883,832	34,117,576	1,172,001,408	3,804,249,039	30.8%
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%

(1) Per \$100 of assessed value.

Source: City of Murfreesboro Tax Department

**CITY OF MURFREESBORO, TENNESSEE**

**Property Tax Rates and Levies - Direct and Overlapping Governments**

**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Tax Rate Per \$100 Assessed Value			Tax Levies		
	City	County	Total	City	County	Total
2000	\$ 1.900	\$ 2.780	\$ 4.680	\$ 19,654,282	\$ 29,349,390	\$ 49,003,672
2001	1.900	2.780	4.680	21,294,122	31,155,918	52,450,040
2002	1.900	2.780	4.680	22,268,457	32,581,639	54,850,096
2003	1.720	2.510	4.230	23,434,512	34,197,530	57,632,042
2004	1.720	2.800	4.520	24,495,265	39,875,411	64,370,676
2005	1.720	2.800	4.520	25,888,134	42,142,670	68,030,804
2006	1.720	2.800	4.520	27,579,046	44,895,290	72,474,336
2007	1.407	2.440	3.847	28,107,445	48,743,283	76,850,728
2008	1.407	2.440	3.847	30,325,680	52,589,917	82,915,597
2009	1.407	2.560	3.967	32,313,095	58,792,214	91,105,309

Source: City of Murfreesboro Tax Department

**CITY OF MURFREESBORO, TENNESSEE**

**Principal Taxpayers**

**June 30, 2009**

<u>Taxpayer</u>	<u>2008 Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>	<u>1999 Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>
General Mills / Pillsbury Company	\$ 41,382,631	1	1.80 %	\$ 26,064,282	1	2.47 %
Tennex Industries, Inc.	20,410,013	2	0.89	9,473,540	5	0.90
CF Murfreesboro Associates	18,755,992	3	0.82			
Transwestern Stones River	17,686,720	4	0.77	8,367,960	6	0.79
Middle TN Electric Membership	15,781,242	5	0.69			
Raiders Ridge Apartments	14,853,320	6	0.65			
Rich Products	14,041,795	7	0.61	6,616,177	8	0.63
Bellsouth Telecommunications	13,305,044	8	0.58	13,591,975	2	1.29
NHR/OP LP	12,661,880	9	0.55			
Woodgate Farms, LLC	12,275,520	10	0.53			
State Farm Insurance Company				12,327,194	4	1.17
Buford C. Throneberry				13,553,495	3	1.28
Tennessee Trust Company				7,296,720	7	0.69
Walmart Stores				6,218,221	10	0.59
Atmos Energy Corporation				6,445,851	9	0.61
	<u>\$ 181,154,157</u>		<u>7.89 %</u>	<u>\$ 109,955,415</u>		<u>10.42 %</u>

Source: City of Murfreesboro tax department.

**CITY OF MURFREESBORO, TENNESSEE**

**Property Tax Levies and Collections**

**Last Ten Fiscal Years**

<u>Fiscal Year Ended June 30,</u>	<u>Total Tax Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>	<u>Percent of Levy Collected</u>	<u>Collections in Subsequent Years</u>	<u>Total Collections To Date</u>	<u>Total Collections as Percent of Current Levy</u>
2000	\$ 19,654,282	\$ 18,903,348	96.18 %	\$ 728,386	\$ 19,631,734	99.89 %
2001	21,294,122	20,430,427	95.94	844,799	21,275,226	99.91
2002	22,268,457	21,462,617	96.38	766,868	22,229,485	99.82
2003	23,434,512	22,591,740	96.40	816,379	23,408,119	99.89
2004	24,495,262	23,783,417	97.09	663,597	24,447,014	99.80
2005	25,888,134	25,199,793	97.34	648,526	25,848,319	99.85
2006	27,579,046	26,659,470	96.67	878,830	27,538,300	99.85
2007	28,107,445	27,444,825	97.64	596,858	28,041,683	99.77
2008	30,325,680	29,565,591	97.49	505,924	30,071,515	99.16
2009	32,313,095	31,354,496	97.03		31,354,496	97.03

Source: City of Murfreesboro Tax Department

**CITY OF MURFREESBORO, TENNESSEE**

**Ratios of Outstanding Debt by Type**

**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	TML Loans	Capital Outlay Notes	Capital Leases	General Obligation Bonds	Matured Bonds	TML Loans	Revenue Bonds	State and Other Loans			
2002	\$ 16,770,000	\$ 73,085,532			\$ 1,585,000	\$ 36,002	\$ 4,281,741	\$ 7,500,000	\$ 54,475,283	\$ 157,733,558	7.82 %	\$ 2,075
2003	12,670,000	75,671,405			1,340,000	36,002	9,629,310	6,725,000	53,583,628	159,655,345	7.89	2,126
2004	8,930,000	82,926,540			1,095,000	36,000	19,310,256	5,915,000	53,647,160	171,859,956	7.60	2,046
2005	5,900,000	106,394,710			805,000	36,000	32,719,429	5,065,000	51,417,220	202,337,359	8.91	2,486
2006	3,845,000	133,544,818		\$ 921,969	500,000	36,000	50,076,719	4,180,000	49,072,989	242,177,495	9.74	2,790
2007	2,585,000	164,641,697	\$ 1,900,000	473,400	335,000	36,000	69,035,189	3,255,000	46,717,955	288,979,241	10.15	3,122
2008	1,305,000	186,288,248	3,191,000		165,000	36,000	94,056,075	2,675,000	44,157,910	331,874,233	10.53	3,300
2009		200,127,211	2,994,000			36,000	96,728,807	2,060,000	41,846,566	343,792,584	10.56	3,379

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

(1) See the Schedule of Demographic and Economic Statistics on page 161 for personal income and population data.

(2) GASB Statement 34 was implemented for the fiscal year ended June 30, 2002; therefore, the above information is not available prior to June 30, 2002.

**CITY OF MURFREESBORO, TENNESSEE**

**Ratios of General Bonded Debt Outstanding**

**Last Ten Fiscal Years**

<u>Fiscal Year Ended June 30,</u>	<u>Estimated Population (1)</u>	<u>Total Estimated Actual Value</u>	<u>General Bonded Debt</u>	<u>Percentage of Estimated Actual Value of Property</u>	<u>Net Bonded Debt Per Capita</u>
2000	68,816	\$ 3,379,155,672	\$ 77,658,509	2.30 %	\$ 1,128.49
2001	72,414	3,623,256,503	80,183,799	2.21	1,107.30
2002	76,012	3,804,249,039	89,855,532	2.36	1,182.12
2003	75,083	4,385,931,670	88,341,405	2.01	1,176.58
2004	84,000	4,577,797,298	91,856,540	2.01	1,093.53
2005	81,393	4,889,014,858	112,294,710	2.30	1,379.66
2006	86,793	5,241,331,422	137,389,818	2.62	1,582.96
2007	92,559	6,561,383,347	167,226,697	2.55	1,806.70
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

Note:

(1) Special Census conducted 1998 , 2003, 2005, and 2008 and federal census conducted 2000, others are estimated.

**CITY OF MURFREESBORO, TENNESSEE**

**Direct and Overlapping Governmental Activities Debt**

**June 30, 2009**

<u>Taxing Jurisdiction</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable (5)</u>	<u>Direct and Overlapping Debt</u>
City of Murfreesboro direct debt			\$ 203,121,211
Rutherford County (2)	\$ 406,405,000	40.82%	<u>165,894,521</u>
Total direct and overlapping debt			<u>\$ 369,015,732</u>
Ratio of direct and estimated overlapping debt to 2008 assessed valuation (3)			<u>16.07%</u>
Per capita direct and estimated overlapping debt (4)			<u>\$ 3,627</u>

(1) As of June 30, 2009.

(2) Source: Rutherford County Comprehensive Annual Financial Report, June 30, 2009, Table 12.

(3) Based upon 2008 Taxable Assessed Valuation of \$2,296,570,855

(4) Based upon estimated population of 101,753

(5) The percentage of overlapping debt applicable is estimated using the city's population as a percentage of the county's population.

**CITY OF MURFREESBORO, TENNESSEE**

**Legal Debt Margin Information**

**Last Ten Fiscal Years**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	\$ 158,360,017	\$ 168,104,281	\$ 175,800,211	\$ 204,367,710	\$ 213,618,272	\$ 225,764,302	\$ 240,510,480	\$ 292,700,311	\$ 323,298,671	\$ 344,485,628
Total net debt applicable to limit	<u>76,021,449</u>	<u>78,242,851</u>	<u>86,806,727</u>	<u>85,240,337</u>	<u>89,317,604</u>	<u>109,721,035</u>	<u>134,707,227</u>	<u>165,794,609</u>	<u>186,890,786</u>	<u>198,875,557</u>
Legal debt margin	\$ <u>82,338,568</u>	\$ <u>89,861,430</u>	\$ <u>88,993,484</u>	\$ <u>119,127,373</u>	\$ <u>124,300,668</u>	\$ <u>116,043,267</u>	\$ <u>105,803,253</u>	\$ <u>126,905,702</u>	\$ <u>136,407,885</u>	\$ <u>145,610,071</u>
Total net debt applicable to the limit as a percentage of the debt limit	48.01%	46.54%	49.38%	41.71%	41.81%	48.60%	56.01%	56.64%	57.81%	57.73%

**Legal Debt Margin Calculation for Fiscal Year 2008**

Assessed Value	\$ <u>2,296,570,855</u>
Debt limit (15% of assessed value)	\$ <u>344,485,628</u>
Debt applicable to limit:	
Capital Outlay Notes	\$ 2,994,000
Tennessee Municipal Bond Fund Loans	200,127,211
Less: debt service fund	(4,245,654)
Total debt applicable to limit	\$ <u>198,875,557</u>
Legal debt margin	\$ <u>145,610,071</u>

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

**CITY OF MURFREESBORO, TENNESSEE**

**Revenue Bond Coverage**

**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Gross Revenues (1)	Net Operating Expenses (2)	Net Revenues Available for Debt Service	Debt Service (3)		Times Coverage
				Principal	Interest	
<b>Water and Sewer -</b>						
2000	\$ 17,615,689	\$ 9,320,737	\$ 8,294,952	\$ 1,595,000	\$ 296,020	4.39
2001	17,497,224	9,875,658	7,621,566	220,000	111,933	22.96
2002	17,934,536	9,899,664	8,034,872	235,000	98,785	24.07
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

The Water and Sewer Department did not have any revenue bonds outstanding at June 30, 2009.

<b>Electric Department -</b>						
2000	\$ 64,378,477	\$ 59,625,745	\$ 4,752,732	\$ 690,000	\$ 591,571	3.71
2001	68,260,667	62,610,100	5,650,567	710,000	556,556	4.46
2002	67,984,679	62,924,428	5,060,251	745,000	398,371	4.43
2003	73,136,230	67,912,598	5,223,632	775,000	363,770	4.59
2004	80,229,784	73,500,606	6,729,178	810,000	327,770	5.91
2005	83,838,324	76,804,735	7,033,589	850,000	289,760	6.17
2006	99,782,994	90,957,776	8,825,218	885,000	249,636	7.78
2007	110,516,205	98,281,799	12,234,406	925,000	208,443	10.79
2008	124,723,858	108,589,583	16,134,275	580,000	164,368	21.68
2009	144,953,670	129,407,626	15,546,044	615,000	135,033	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.

**CITY OF MURFREESBORO, TENNESSEE**

**Demographic and Economic Statistics**

**Last Ten Fiscal Years**

<u>Fiscal Year Ended June 30,</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Income (2)</u>	<u>Median Age (3)</u>	<u>City School Enrollment</u>	<u>Unemployment Rate (2)</u>
2000	68,816	\$ 1,737,948,080	\$ 25,255	29.8	5,672	2.90 %
2001	72,414	1,927,805,508	26,622	31.2	5,729	3.40
2002	76,012	1,999,875,720	26,310	31.2	5,789	4.40
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	2,585,042,712	29,784	31.2	6,600	4.20
2007	92,559	2,847,114,840	30,760	31.2	6,720	3.70
2008	100,575	3,157,049,250	31,390	31.2	6,842	4.40
2009	101,753	3,257,113,530	32,010	31.2	6,900	7.90

**Notes:**

(1) Special Census conducted 1998, 2003, 2005, and 2008, and Federal Census conducted 2000, 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 2000 census and will be determined again after the 2010 census. These figures represent the entire County of which Murfreesboro is a part.

**CITY OF MURFREESBORO, TENNESSEE**

**Principal Employers**

**June 30, 2009**

<u>Employer</u>	<u>2009</u>			<u>2000</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>
Rutherford County Government and Board of Education	5,193	1	3.90	2,911	2	2.80
Nissan Motor Manufacturing Corp. USA	4,400	2	3.31	6,200	1	5.95
Middle Tennessee State University	2,208	3	1.66	1,650	6	1.58
State Farm Insurance	1,665	4	1.25			
Alvin C. York Veterans Administration Medical Center	1,563	5	1.18	1,260	8	1.21
Bridgestone/Firestone, Inc.	1,466	6	1.10	1,900	5	1.82
Middle Tennessee Medical Center	1,300	7		1,100	9	1.06
Verizon	1,122	8	0.84			
Asurion	1,098	9	0.83			
Ingram Book Company	815	10	0.61	2,500	3	2.40
Whirlpool Corporation				2,000	4	1.92
City of Murfreesboro				1,268	7	1.22
Perrigo				1,000	10	0.96
			<u>14.68</u> %			<u>20.92</u> %

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, 2009, Table 14

**CITY OF MURFREESBORO, TENNESSEE**

**Full-time Equivalent City Government Employees by Function**

**Last Ten Fiscal Years**

Function/Program	Full-time Equivalent Employees as of June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government -										
Administrative and General	20	21	21	21	21	20	20	21	23	24
Civic Plaza	1	1	1	1	1	1	1	1	1	1
Police -										
Officers	161	161	162	161	161	163	182	187	203	239
Civilians	34	42	41	41	41	42	48	48	53	58
Fire -										
Firefighters and Officers	150	166	166	165	167	176	176	188	187	202
Civilians	3	3	3	3	3	3	3	3	3	3
Judicial	5	5	5	6	6	6	6	6	6	6
Legal and Risk Management	6	8	9	9	9	9	9	10	10	10
Personnel	6	7	7	7	7	8	8	9	10	9
Streets	26	25	25	25	25	27	28	28	29	29
Planning and Engineering	17	22	22	22	22	26	27	29	31	30
Building Inspections	17	17	17	17	19	20	23	26	26	25
Sanitation	44	48	48	45	45	57	58	58	57	57
Urban Environmental	8	9	9	9	10	12	13	13	16	16
Community Services -										
Fleet Services	-	-	2	11	11	11	11	12	13	13
Senior Citizens	9	8	9	9	9	9	9	9	9	9
Airport	1	1	1	1	1	1	1	1	1	1
Cable Television	3	3	4	4	4	4	4	4	4	4
Mass Transit	-	-	-	-	-	-	1	12	12	12
Recreation and Golf	69	77	79	80	78	78	81	84	84	73
Community Development	3	3	3	3	3	3	3	3	2	2
Education	628	648	652	696	684	715	775	801	859	881
Food Service	35	35	30	31	29	29	25	25	27	28
Water and Sewer	126	121	119	128	130	127	135	143	149	151
Electric	70	70	68	73	74	73	73	73	76	79
Cemetery	7	7	6	6	6	7	7	8	8	9
<b>Total</b>	<b>1,449</b>	<b>1,508</b>	<b>1,509</b>	<b>1,574</b>	<b>1,566</b>	<b>1,627</b>	<b>1,727</b>	<b>1,802</b>	<b>1,899</b>	<b>1,971</b>

Sources: Various city departments

**CITY OF MURFREESBORO, TENNESSEE**

**Operating Indicators by Function**

**Last Ten Fiscal Years**

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Police -</b>										
Arrests	7,947	8,208	7,187	7,562	7,213	7,553	7,741	11,613	8,641	9,111
911 calls	28,250	33,112	30,089	22,737	31,197	33,509	25,922	35,785	37,185	38,664
Traffic violations	15,190	26,730	20,408	20,043	17,002	16,242	13,424	23,360	25,120	26,095
<b>Fire -</b>										
Emergency responses	1,587	1,480	1,798	2,300	5,535	5,577	6,104	8,035	8,241	8,830
Fire safety inspections (a)	4,292	4,715	5,348	4,770	5,484	5,012	4,555	5,486	5,028	4,988
Fire training hours (a)	49,521	55,367	54,874	61,993	60,184	62,578	63,627	64,107	69,771	76,601
<b>Personnel -</b>										
Full time positions/applications	NA	NA	55 / 2,036	NA	56 / 2,285	NA	80 / 3,277	83/3,879	68/3,460	44/2,564
Part time positions/applications	NA	NA	93 / 1,371	NA	115 / 1,881	NA	102 / 1,590	113/1,604	117/2,489	64/1,594
<b>Streets (a) -</b>										
Street repaving (lane miles)	70	87	28	114	64	43	54	58	20	31
<b>Planning and Engineering (b) -</b>										
Preliminary plats reviewed	38	35	49	48	83	73	57	55	27	13
Final plats reviewed	128	111	111	89	133	156	128	144	128	75
Site plans reviewed	124	106	107	111	139	134	131	161	184	157
Annexations studied	17	11	13	22	30	35	20	19	10	9
<b>Building Inspections -</b>										
Single family home permits issued	1,058	1,110	1,053	1,514	1,689	1,814	1,922	1,391	711	430
Total building permits issued	1,888	1,824	1,696	2,149	2,398	2,582	2,511	2,707	1,824	1,433
Substandard and property maintenance complaint notices	942	1,329	1,201	1,131	1,405	2,113	2,102	3,458	3,697	8,425
<b>Sanitation (a) -</b>										
Refuse collected (tons per year)	24,024	25,788	29,350	32,247	31,087	32,265	34,321	36,892	35,227	33,500
<b>Community services -</b>										
Airport										
Gallons of fuel sold	163,594	142,508	166,037	155,895	195,512	208,875	195,244	182,641	184,423	191,152
<b>Education -</b>										
K-6 Enrollment	5,672	5,729	5,789	5,850	6,062	6,260	6,600	6,720	6,842	6,902
<b>Water and Sewer -</b>										
Water sold annually in 100 cubic feet	6,514,560	3,409,400	3,325,765	3,350,118	3,333,846	3,411,762	3,690,312	4,338,296	4,427,024	3,702,460
Sewer sold annually in 100 cubic feet	3,463,070	3,317,490	3,078,940	3,175,410	3,265,520	3,431,040	3,685,630	4,771,612	4,177,764	3,809,040
<b>Electric -</b>										
Number of customers	33,354	35,537	37,299	38,604	40,298	43,525	46,985	47,858	49,960	50,556
Kilowatt hours sold (in thousands)	1,097,397	1,159,949	1,149,358	1,236,829	1,282,229	1,321,732	1,455,524	1,485,484	1,576,120	1,541,000

Sources: Various city departments

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

(a) Calendar year information

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

NA Information is not available

**CITY OF MURFREESBORO, TENNESSEE**

**Capital Asset Statistics by Function**

**Last Ten Fiscal Years**

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Police -</b>										
Patrol Units	86	105	112	112	113	119	124	125	141	137
<b>Fire -</b>										
Fire engines	13	14	15	15	15	15	15	15	18	18
Rescue vehicles	-	-	-	2	2	3	3	3	3	3
Fire stations	7	7	9	9	9	9	9	9	9	9
<b>Streets -</b>										
Streets (miles)	398	406	417	429	458	467	485	503	513	522
Traffic signals	84	88	94	97	103	106	106	110	119	123
<b>Sanitation -</b>										
Collection trucks	22	24	24	28	27	34	36	36	36	36
<b>Community Services -</b>										
Airport										
Tie-downs	66	66	66	66	66	85	85	80	80	80
Hangers	59	59	59	59	59	59	59	59	106	106
Mass transit										
Buses								9	9	9
<b>Recreation -</b>										
Park acreage	806.75	928.86	951.29	1,059.11	1,059.11	1,075.07	1,202.31	1,202.31	1,202.31	1,225.90
Greenway trails (miles)	4.5	4.5	4.5	4.5	4.5	4.5	5.1	5.1	5.1	7.1
<b>Education -</b>										
Elementary schools	10	10	10	10	10	11	11	11	12	12
<b>Water and Sewer -</b>										
Water pipe (miles)	NA	NA	NA	NA	402	406	414	422	426	428
Water storage capacity (millions of gallons)	9.0	9.0	9.0	10.5	10.5	12.0	12.0	12.0	12.0	12.0
Water treatment capacity (millions of gallons per day)	15.70	15.70	15.70	15.70	15.70	15.70	15.70	15.70	15.70	22.00
Sewer pipe (miles)	NA	NA	354.00	NA	456.00	469.00	494.00	524.00	550.00	565.00
Wastewater treatment capacity (millions of gallons per day)	16	16	16	16	16	16	16	16	16	16
Sewage pumping stations	31	31	32	35	35	35	38	42	45	43
Public fire hydrants	2,401	2,512	2,592	2,660	2,751	2,948	3,037	3,122	3,205	3,246
<b>Electric -</b>										
Overhead and underground primary and secondary cable (miles)	461.96	480.17	495.07	510.99	514.47	534.17	572.92	611.67	626.95	649.88
Poles	10,477	10,835	11,002	11,425	11,814	12,079	13,054	13,693	14,221	14,857
Transformers	9,388	9,735	9,896	10,205	10,804	11,320	11,954	12,594	13,226	13,330
Substations	7	7	8	8	9	9	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), Mass Transit, Community Development, Food Service, and Cemetery Functions.

NA Information is not available

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Customers and Rate Structure**

**Year Ended June 30, 2009**

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**Murfreesboro Water and Sewer Department**

As of June 30, 2009, Murfreesboro Water and Sewer Department serves approximately 24,612 water customers and 36,536 sewer customers. The following rate structure was in place during 2008/2009 fiscal year:

**Water:**

\$2.74 per 100 cubic feet of consumption (\$.0274 per cubic foot)

The following minimum monthly water charges apply:

<u>Meter Size</u>	<u>Charge</u>	<u>Allowance</u>
5/8"	\$ 9.22	200 cubic feet
1"	19.18	600 cubic feet
1.5"	41.10	1,400 cubic feet
2"	65.76	2,300 cubic feet
3"	164.40	5,900 cubic feet
4"	328.80	11,900 cubic feet
6"	685.00	24,900 cubic feet

**Sewer:**

100% of the above water rates is charged for sewerage service fee plus \$.0070 per cubic foot is charged for operation and maintenance fee.

**Murfreesboro Electric Department**

As of June 30, 2009, Murfreesboro Electric Department serves approximately 50,556 customers and had the following rate structure in place:

**Residential:**

Customer Charge - \$7.84 per month (also minimum bill)

Energy Charge - \$.08121 per KWH up to 800 KWH, \$.07458 over 800 KWH

**Commercial:**

General Power (GSA)

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

Customer Charge	\$14.77
Energy Charge	\$.08702 per KWH

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Customers and Rate Structure (continued)**

**Year Ended June 30, 2009**

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**Murfreesboro Electric Department (continued)**

**Commercial (continued):**

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

**Customer Charge    \$35.89**

**Energy Charge**

**1st 15,000            \$.08811 per KWH**

**over 15,000        \$.04667 per KWH**

**Demand Charge**

**1st 50                No Charge**

**over 50              \$12.29 per KWH**

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

**Customer Charge    \$102.55**

**Energy Charge        \$.04722 per KWH**

**Demand Charge**

**1st 1,000 KWD      \$11.92 per KW**

**over 1,000 KWH    \$13.84 per KW**

**General Power (GSB)**

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

**Customer Charge    \$1,500.00**

**Energy Charge**

**Up to 620 hrs.**

**use of metered**

**demand per**

**month**

**\$0.03791 per KWH**

**Additional KWH      \$0.03094 per KWH**

**Demand Charge      \$14.21 per K**

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Customers and Rate Structure (continued)**

**Year Ended June 30, 2009**

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**Murfreesboro Electric Department (continued)**

**General Power (GSC)**

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

<b>Customer Charge</b>	<b>\$1,500.00</b>
<b>Demand Charge</b>	<b>\$13.70</b>
<b>Energy Charge</b> Up to 620 hrs. use of metered demand per month	<b>\$.03791 per KWH</b>
<b>Additional Charge</b>	<b>\$.03094 per KWH</b>

**General Power (GSD)**

<b>Customer Charge</b>	<b>\$1,500.00</b>
<b>Demand Charge</b>	<b>\$16.77</b>
<b>Energy Charge</b>	<b>\$.03040 per KWH</b>

**For manufacturing rates, please contact the Murfreesboro Electric Department.**

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Unaccounted for Water**

**June 30, 2009**

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*(All amounts in gallons)*

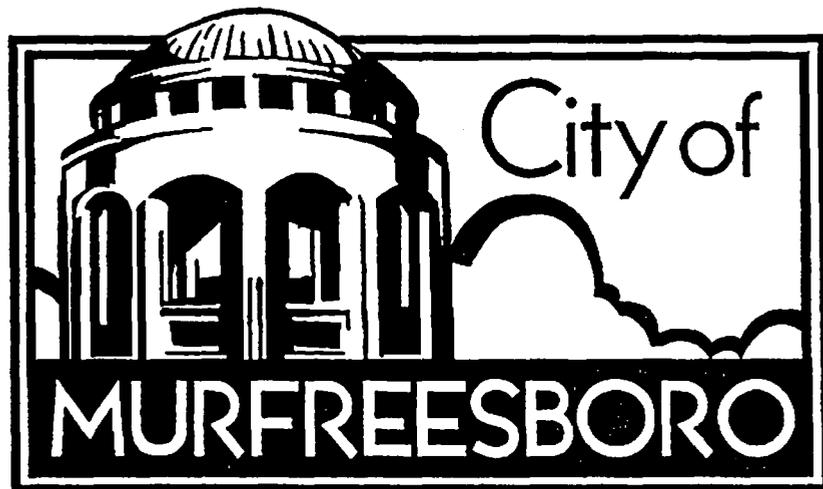
<b>Water Treated and Purchased:</b>		
Water Pumped	3,871,528,485	
Water Purchased		
<b>Total Water Treated and Purchased</b>	<b>3,871,528,485</b>	
 <b>Accounted for Water:</b>		
Water sold	2,773,590,752	
Metered for Consumption	2,113,076	
Fire Department(s) Usage	1,129,680	
Flushing	22,416,118	
Tank Cleaning/Filling	-	
Street Cleaning	45,200	
Bulk Sales	-	
Water Bill Adjustments	-	
Other (explain)	55,669,000	
<b>Total Accounted for Water</b>	<b>2,854,963,826</b>	
<b>Unaccounted for Water</b>		<b>1,016,564,659</b>
 <b>Percent Unaccounted for Water</b>		 <b>26%</b>
 <b>Cost per 1,000 gallons of water</b>		 <b>\$2.20</b>
<b>Cost of Unaccounted for Water</b>		<b>\$2,236,442</b>

**Explain Other:**

<b>Water exchanged between Smyrna and Murfreesboro emergency connection to keep water available for immediate use.</b>
--

<b>From Murfreesboro:</b>	<b>82,919,000</b>
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<b>To Murfreesboro:</b>	<b>27,250,000</b>
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T E N N E S S E E

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Expenditures of Federal Awards**

**Year Ended June 30, 2009**

<u>Program Name</u>	<u>CFDA Number</u>	<u>Contract/Grant Number</u>	<u>Balance June 30, 2008 (Receivable)/ Deferred Revenue</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Adjustments</u>	<u>Balance June 30, 2009 (Receivable)/ Deferred Revenue</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>							
Passed through the Tennessee							
Department of Education -							
National School Breakfast Program	10.553	N/A	\$ (110,063)	\$ 559,287	\$ 502,101		\$ (52,877)
National School Lunch Program	10.555	N/A	(287,374)	1,515,734	1,381,084		(152,724)
Summer Food Service Program	10.559	N/A	(27,838)	175,074	232,839		(85,603)
Emergency Food Assistance Program (Food Commodities)	10.569	N/A		190,648	190,648		
			<u>\$ (425,275)</u>	<u>\$ 2,440,743</u>	<u>\$ 2,306,672</u>		<u>\$ (291,204)</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>							
Community Development Block Grant	14.218	B-07-MC-47-0009	(250,284)	635,475	\$ 459,210		\$ (74,019)
Community Development Block Grant	14.218	B-08-MC-47-0009			98,389		(98,389)
Passed through the Tennessee Department of Human Services -							
Emergency Shelter Grant	14.239	Z-07031500	(11,111)	11,111			
Emergency Shelter Grant	14.239	ESG-08-28		80,536	109,803		(29,267)
Passed through the Tennessee Housing Development Agency -							
HOME Program	14.239	DG0924198	(40,935)	61,964	21,029		
Passed through the Murfreesboro Housing Authority -							
Capital Fund Program	14.872	TN43P02050106		48,469	49,423		(954)
			<u>\$ (302,330)</u>	<u>\$ 837,555</u>	<u>\$ 737,854</u>		<u>\$ (202,629)</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>							
Edward Byrne Memorial Justice Assistance Grant	16.579	2005-DJ-BX-1235	\$ 38,421		\$ 38,421		
Edward Byrne Memorial Justice Assistance Grant	16.579	2006-DJ-BX-0702	7,204				\$ 7,204
Edward Byrne Memorial Justice Assistance Grant	16.579	2008-DJ-BX-1407		\$ 10,536			10,536
Bulletproof Vest Program	16.607	N/A	(12,075)	21,850	9,775		
			<u>\$ 33,550</u>	<u>\$ 32,386</u>	<u>\$ 48,196</u>		<u>\$ 17,740</u>

(Continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Expenditures of Federal Awards (continued)**

**Year Ended June 30, 2009**

<u>Program Name</u>	<u>CFDA Number</u>	<u>Contract/Grant Number</u>	<u>Balance June 30, 2008 (Receivable)/Deferred Revenue</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Adjustments</u>	<u>Balance June 30, 2009 (Receivable)/Deferred Revenue</u>
<b>DEPARTMENT OF TRANSPORTATION</b>							
Passed through the Tennessee Department of Transportation -							
TEA-21 Highway Planning and Construction	20.205	1999879	\$ (177,298)		\$ 90,137		\$ (267,435)
TEA-21 Highway Planning and Construction	20.205	040145	(502,297)	\$ 2,613,394	2,378,254		(267,157)
TEA-21 Highway Planning and Construction	20.205	090012	(2,792,427)	3,742,335	2,327,547	\$ (145,087) (1)	(1,522,726)
TEA-21 Highway Planning and Construction	20.205	090002			100,594		(100,594)
TEA-21 Highway Planning and Construction	20.205	070098		105,259	143,142		(37,883)
TEA-21 Highway Planning and Construction	20.205	2000566			316,000		(316,000)
Section 5303 Metro Planning	20.505	GG-07-26349	(1,305)				(1,305)
Section 5303 Short-range Transit Planning	20.505	GG-08-26388	(21,742)	21,742	7,983		(7,983)
Section 5307 Urbanized Area Formula	20.507	TN-90-X277-00	(1,050,047)	1,055,591	849	(5,544) (2)	(849)
Section 5307 Urbanized Area Formula	20.507	TN-90-X291-00	(123,128)		428,614		(551,742)
Section 5307 Urbanized Area Formula	20.507	N/A			138,147		(138,147)
			<u>\$ (4,668,244)</u>	<u>\$ 7,538,321</u>	<u>\$ 5,931,267</u>	<u>\$ (150,631)</u>	<u>\$ (3,211,821)</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>							
Passed through Tennessee Department of Education -							
Title I 05.01	84.010	N/A	\$ 105,289	\$ 1,298,083	\$ 1,241,652		\$ 161,720
IDEA, Part B Program	84.027	N/A	(244,291)	1,537,715	1,162,371		131,053
Preschool Grant Program 05.01	84.173	N/A	(29,438)	43,836	51,580		(37,182)
Title IVA	84.186	N/A	(13,453)	14,682	14,856		(13,627)
Title IV 21st Century ATLAS	84.287	Z-0401592800	(19,977)	19,977			
Title IV 21st Century Odyssey	84.287	Z-019011009	(20,145)	20,145			
Title IVE 21st Century Project Eagles	84.287	Z-0401594700	(79,438)	248,894	200,000		(30,544)
Title IV 21st Century Triton	84.287	Z-0410154700	(46,166)	142,271	120,000		(23,895)
Title V Program 05.01	84.298	N/A	(5,288)	10,143	417		4,438
Title II Part D 05.01	84.318	N/A	5,958	15,862	15,486		6,334
Title III ELL Program 05.01	84.365	N/A	(21,587)	88,671	80,812		(13,728)
Title II Part A 05.01	84.367	N/A	(107,025)	398,325	338,335		(47,035)
			<u>\$ (475,561)</u>	<u>\$ 3,838,604</u>	<u>\$ 3,225,509</u>		<u>\$ 137,534</u>

(Continued)

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Expenditures of Federal Awards (continued)**

**Year Ended June 30, 2009**

<u>Program Name</u>	<u>CFDA Number</u>	<u>Contract/Grant Number</u>	<u>Balance June 30, 2008 (Receivable)/ Deferred Revenue</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Adjustments</u>	<u>Balance June 30, 2009 (Receivable)/ Deferred Revenue</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
Passed through the Greater Nashville Regional Council -							
Aging Services - Title IIID	93.043	2006-23	\$ (1,250)	\$ 1,250			
Aging Services - Title IIID	93.043	2009-23		2,500	\$ 2,500		
Aging Services - Title IIIB	93.044	2006-23	(11,000)	11,000			
Aging Services - Title IIIB	93.044	2009-23		22,000	22,000		
Adult Day Care Respite - Title IIIE	93.052	2008-34	(2,550)	2,550			
Adult Day Care Respite - Title IIIE	93.052	2009-23		648	648		
			<u>\$ (14,800)</u>	<u>\$ 39,948</u>	<u>\$ 25,148</u>		
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>							
Passed through the Tennessee Emergency Management Agency -							
Public Assistant Grant	97.036	34101-01210			\$ 2,895,287		\$ (2,895,287)
Public Assistant Grant	97.036	34101-01310			608,540		(608,540)
Assistance to Firefighters Grant Program	97.044	EMW-2008-FO-06675		\$ 56,519	53,972		2,547
				<u>\$ 56,519</u>	<u>\$ 3,557,799</u>		<u>\$ (3,501,280)</u>
			<u>\$ (5,852,660)</u>	<u>\$ 14,784,076</u>	<u>\$ 15,832,445</u>	<u>\$ (150,631)</u>	<u>\$ (7,051,660)</u>

Notes -

- (1) These are expenditures that were incurred in a prior year that were eligible for reimbursement from this federal program, however, federal revenue was not recognized for them in the prior year.
- (2) At June 30, 2007, expenditures had been incurred for the new public transportation program of the City; however, a grant contract for these amounts had not been awarded at that date. In the fiscal year ended June 30, 2008, the grant was awarded and accordingly federal revenue was recognized for prior year expenditures. Federal revenue was recognized for this prior year expenditure in the fiscal year ended June 30, 2009.

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

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Expenditures of State Awards**

**Year Ended June 30, 2009**

<u>Program Name</u>	<u>Contract/Grant Number</u>	<u>Balance June 30, 2008 (Receivable/ Deferred Revenue</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Adjustments</u>	<u>Balance June 30, 2009 (Receivable/ Deferred Revenue</u>
<b>TENNESSEE COMMISSION ON AGING</b>						
Passed through the Greater Nashville Regional Council -						
Aging Services	GG-0712724-00	\$ (5,500)	\$ 16,100	\$ 10,600		
		\$ (5,500)	\$ 16,100	\$ 10,600		
<b>TENNESSEE DEPARTMENT OF EDUCATION</b>						
Basic Education Program	N/A	\$ (317,500)	\$ 27,823,500	\$ 27,506,000		
School Food Service	N/A		40,214	27,132		\$ 13,082
Career Ladder Program	N/A	20,419	307,223	303,215		24,427
Career Ladder Extended Contract	N/A	60,557	113,800	112,245		62,112
Lottery PreSchool	N/A	(204,329)	800,210	587,292		8,589
Family Resource Center	N/A	(8,325)	41,625	33,300		
ESP Safe Schools Grant	N/A	(38,600)	38,600	46,400		(46,400)
Nutrition Grant	N/A	(41,327)	114,219	87,429		(14,537)
Bradley Arts Grant	N/A	(5,964)	29,475	28,438		(4,927)
Pilot Lottery (BCB)	N/A	(76,388)	76,388			
Lottery	N/A	(324,762)	633,428	442,718		(134,052)
		\$ (936,219)	\$ 30,018,682	\$ 29,174,169		\$ (91,706)
<b>TENNESSEE DEPARTMENT OF TRANSPORTATION</b>						
Airport Maintenance	Z-09-21-3404-00		\$ 13,000	\$ 13,000		
Airport T-Hangars - Engineering and Design	Z-06-02-9464-00	\$ (20,491)	20,491			
Aircraft Wash Area	Z-07-03-7536-00	(100)	100			
Airport Layout Plan	Z-08-20-0794-00		7,875	38,403		\$ (30,528)
State Match - Section 5303 Metro Planning	GG-07-26349-00	(163)				(163)
State Match - Section 5303 Short-range Transit Planning	GG-08-26388-00	(2,718)	2,718	998		(998)
State Match - Section 5307 Urbanized Area Formula	TN-90-X277-00	(251,456)		106	\$ (693) (1)	(252,255)
State Match - Section 5307 Urbanized Area Formula	TN-90-X291-00	(25,675)		214,037		(239,712)
State Match - Section 5307 Urbanized Area Formula	N/A			17,141		(17,141)
Waterways	GG-08-62348-00		2,000	2,000		
		\$ (300,603)	\$ 46,184	\$ 285,685	\$ (693)	\$ (540,797)
<b>TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT</b>						
Tennessee Industrial Infrastructure Program	GG-08-23641-00	\$ (314,779)	\$ 477,931	\$ 163,152		
<b>TENNESSEE EMERGENCY MANAGEMENT AGENCY</b>						
Public Assistance Grant Award	34101-01210			\$ 482,548		\$ (482,548)
		\$ (1,557,101)	\$ 30,558,897	\$ 30,116,154	\$ (693)	\$ (1,115,051)

Notes -

(1) At June 30, 2007, expenses had been incurred for the new public transportation program of the City; however, a grant contract for these amounts had not been awarded at that date. In the fiscal year ended June 30, 2008, the grant was awarded and accordingly state revenue was recognized. State revenue was recognized for this prior year expenditure in the fiscal year ended June 30, 2009.



# JOB, HASTINGS & ASSOCIATES

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Donna K. Hastings, CPA, CSEP

James R. Jobe, CPA

Joel H. Jobe (1944 - 2006)

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**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 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, 2009 which collectively comprise the City's basic financial statements and have issued our report thereon dated December 30, 2009. Our report was modified to include 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 does include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. 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**

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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Murfreesboro's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Murfreesboro's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Murfreesboro's financial statements that is more than inconsequential will not be prevented or detected by the City of Murfreesboro's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting. (2009-1, 2009-2, 2009-3)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Murfreesboro's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2009-1 and 2009-2 to be material weaknesses.

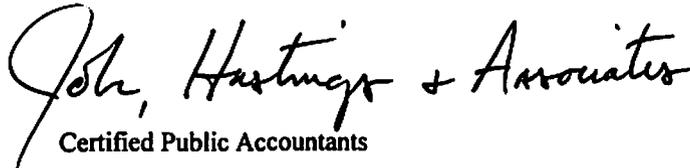
Compliance and Other Matters

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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of the City of Murfreesboro in a separate letter dated December 30, 2009.

The City of Murfreesboro, Tennessee's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City of Murfreesboro, Tennessee's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the 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

Murfreesboro, Tennessee  
December 30, 2009



# JOB, HASTINGS & ASSOCIATES

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO 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 and other auditors have audited the compliance of the City of Murfreesboro, Tennessee, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. 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 and the responsibility of the other auditors is to express an opinion on the City of Murfreesboro, Tennessee's compliance based on our audit.

We and the other auditors 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 and the audit of the other auditors provide 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 and that of the other auditors, the City of Murfreesboro, Tennessee complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

### Internal Control Over Compliance

The management of the City of Murfreesboro, Tennessee is responsible for establishing and maintaining effective internal control over compliance with 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

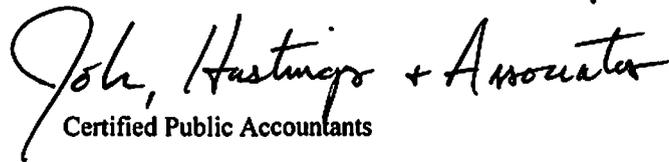
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-4 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We consider the significant deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-4 to be a material weakness.

The City of Murfreesboro, Tennessee's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City of Murfreesboro, Tennessee's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the 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

Murfreesboro, Tennessee  
December 30, 2009

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2009**

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**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*. Two 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. One significant deficiency in internal control over major federal award programs is reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*. The condition is reported as a material weakness.
5. 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. One audit finding required to be reported in accordance with Section 510(a) of OMB Circular A-133 was disclosed during the audit.
7. The programs tested as major programs include the TEA-21 Highway Planning and Construction, CFDA No. 20.205, Section 5307 Urbanized Area Formula, CFDA No. 20.507, Special Education Cluster: IDEA Part B Program, CFDA No. 84.027, Preschool Grant Program 05.01, CFDA No. 84.173, Title IV 21<sup>st</sup> Century, CFDA No. 84.287, Title II Part A 05.01, CFDA No. 84.367 and Public Assistance Grant, CFDA No. 97.036.
8. The threshold for distinguishing 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**

**2009-1. 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.

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

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Findings and Questioned Costs (continued)**

**Year Ended June 30, 2009**

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**2009-1. Evergreen Cemetery Commission – Separation of Duties (continued)**

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

*Response:* Management believes the cost of maintaining this control would exceed its benefits.

**2009-2. 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.

*Response:* 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.

**2009-3. Murfreesboro Electric Department – Accounting for Other Post Retirement Benefits**

*Condition:* The Electric Department's post retirement benefit was not properly accrued.

*Criteria:* Internal controls should be in place to insure proper and timely accruals are made.

*Effect:* Auditor discovered accrual was not complete and an adjusting journal entry was required.

*Recommendation:* Management should put a procedure in place to make sure all accruals are made on a timely basis.

*Response:* Management concurs with the finding and had made the proper accrual for the first four months of the year, but inadvertently failed to set up the accrual as part of the monthly routine journal entries.

**CITY OF MURFREESBORO, TENNESSEE**

**Schedule of Findings and Questioned Costs (continued)**

**Year Ended June 30, 2009**

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**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**U.S. DEPARTMENT OF HOMELAND SECURITY  
Public Assistance Grant – CFDA No. 97.036**

**2009-4. Emergency Purchase Procedures**

*Condition:* In response to the F-4 tornado that came through the City of Murfreesboro on April 10, 2009, the City engaged local contractors to assist in the immediate removal of debris for work that exceeded the capabilities of the City's workforce. This assistance was needed to help maintain the health, safety and welfare of the City's citizens, and as a result, the hiring and approval of these contractors fell under the City's "emergency purchases" policy and did not require executed contracts approved by Council. One of these contractors submitted invoices for their services that exceeded the City's threshold of \$200,000 for these types of emergency purchases. This contractor submitted three separate invoices, with the second invoice causing the amount charged by that contractor to exceed \$200,000. The City did not have controls in place to ensure the \$200,000 threshold was not exceeded for each vendor for this type of emergency expenditure.

*Criteria:* The City's emergency purchase procedures outlined in Section 2-10.4 of the City Code sets a \$200,000 limit for which emergency purchases involving the health, safety or welfare of the City residents can be made without having to follow the City's normal purchasing procedures.

*Effect:* The expenditure in question was reviewed by FEMA personnel and ultimately was approved. The expenditure appears reasonable and necessary for the maintenance of the health, safety and welfare of the City's citizens. However, by not having controls in place to ensure the thresholds for emergency expenditures are not exceeded, the City could pay more than a reasonable amount for services.

*Recommendation:* The City should develop disaster response procedures that include how to contract with local contractors if the work exceeds the capability of the City's workforce to maintain the health, safety and welfare of its citizens in the wake of a disaster. The City could also place local contractors on a pre-approved list with terms agreed to in advance in the event of another disaster. If the City's emergency purchase policy continues to include a \$200,000 threshold for these types of emergencies, a system should be put in place to ensure that the City does not incur charges from a contractor (or vendor) in an amount exceeding \$200,000 without following the City's normal purchasing procedures.

*Response:* Management concurs with the finding. In order to develop a list of contractors to call upon to assist the City in responding to an emergency, the Engineering Department will pre-qualify contractors. The contractors will be advised of the City's method of establishing payment for services, reporting requirements, documentation requirements and the \$200,000 threshold. Additionally, the City Engineer will track the contractor expenditures relative to this requirement.

**CITY OF MURFREESBORO, TENNESSEE**

**Summary Schedule of Prior Audit Findings**

**Year Ended June 30, 2009**

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**DEPARTMENT OF TRANSPORTATION**

**Section 5307, Urbanized Area Formula – CFDA No. 20.507**

**2008-5. Timely Application for Grant Funds, Reimbursement Requests, and Follow-up**

*Condition:* Application for grants from the State and Federal government, as well as, requests for reimbursement of grant expenditures were not filed on a timely basis which delayed the receipt of grant funds.

*Recommendation:* Establish a reminder system to track important application deadlines and to ensure the timely request of funds once an award has been granted.

*Current Status:* The interim Public Transportation Director has taken steps to ensure application deadlines are met and the requests for funds are made timely.