
ANNUAL FINANCIAL REPORT
FRANKLIN COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2009



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ANNUAL FINANCIAL REPORT
FRANKLIN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2009

DEPARTMENT OF AUDIT
JUSTIN P. WILSON
Comptroller of the Treasury

DIVISION OF COUNTY AUDIT
RICHARD V. NORMENT
Assistant to the Comptroller

JAMES R. ARNETTE
Director

CARL LOWE, CGFM
Audit Manager

MICHAEL FORD, CPA, CGFM
Auditor 4

JESSICA L. COX, CPA, CGFM
JENI PALADENI
State Auditors

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

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FRANKLIN COUNTY, TENNESSEE TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		9-10
<u>INTRODUCTORY SECTION</u>		11
Franklin County Officials		13
<u>FINANCIAL SECTION</u>		15
Independent Auditor's Report		17-19
BASIC FINANCIAL STATEMENTS:		21
Government-wide Financial Statements:		
Statement of Net Assets	A	23
Statement of Activities	B	24-25
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	26
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	27
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	28-29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	30
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	31
Notes to the Financial Statements		33-73
REQUIRED SUPPLEMENTARY INFORMATION:		75
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	E-1	77-80
Special Purpose Fund	E-2	81
Highway/Public Works Funds	E-3	82
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Franklin County School Department	E-4	83
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Franklin County School Department	E-5	84
Notes to the Required Supplementary Information		85

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		87
Nonmajor Governmental Funds:		89-90
Combining Balance Sheet	F-1	91
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	92
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Courthouse and Jail Maintenance Fund	F-3	93
Solid Waste/Sanitation Fund	F-4	94
Local Purpose Tax Fund	F-5	95
Drug Control Fund	F-6	96
General Debt Service Fund	F-7	97
Major Governmental Fund:		99
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
Education Debt Service Fund	G	101
Fiduciary Funds:		103
Combining Statement of Fiduciary Assets and Liabilities	H-1	105
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	106
Component Unit:		
Discretely Presented Franklin County School Department:		107
Statement of Activities	I-1	109
Balance Sheet – Governmental Funds	I-2	110
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	I-3	111
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	112
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	113
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	115
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-8	116-118
School Federal Projects Fund	I-9	119
Central Cafeteria Fund	I-10	120
Miscellaneous Schedules:		121
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds – Primary Government and Discretely Presented Franklin County School Department	J-1	123-124

	Exhibit	Page(s)
Schedule of Long-term Debt Requirements by Year – Primary Government and Discretely Presented Franklin County School Department	J-2	125-126
Schedule of Transfers	J-3	127
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Franklin County School Department	J-4	128
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	129-138
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Franklin County School Department	J-6	139-140
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	141-171
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Franklin County School Department	J-8	172-186
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	J-9	187
 <u>SINGLE AUDIT SECTION</u>		 189
Auditor’s Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>		191-193
Auditor’s Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u>		195-197
Schedule of Expenditures of Federal Awards and State Grants		199-200
Schedule of Audit Findings Not Corrected		201
Schedule of Findings and Questioned Costs		203-208
Auditee Reporting Responsibilities		209

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Audit Highlights

Annual Financial Report
Franklin County, Tennessee
For the Year Ended June 30, 2009

Scope

We have audited the basic financial statements of Franklin County as of and for the year ended June 30, 2009.

Results

Our report on Franklin County's financial statements is unqualified.

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

Findings

The following are summaries of the audit findings:

OFFICE OF FINANCE DIRECTOR

- ◆ Amounts withheld from contractor payments were not deposited into an escrow account.
- ◆ A revenue anticipation note was not issued in compliance with state statute.
- ◆ The Public Library Fund was not budgeted.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Some collections for the extended school program were not deposited within three days of collection as required by state statute.
- ◆ A State Department of Education review identified deficiencies in federal programs.

OFFICE OF CLERK AND MASTER

- ◆ The delinquent tax software did not have adequate application controls.
-

OFFICE OF SHERIFF

- ◆ Several arrestee files did not include fingerprint acknowledgments from the Tennessee Bureau of Investigation.
-

OTHER FINDING

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff.

INTRODUCTORY SECTION

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Franklin County Officials

June 30, 2009

Officials

Richard Stewart, County Mayor
John Woodall, Superintendent of Highways
Dr. Rebecca Sharber, Director of Schools
Randy Kelly, Trustee
Phillip Hayes, Assessor of Property
Nina Tucker, County Clerk
Nancy Silvertooth, Circuit, General Sessions, and Juvenile Courts Clerk
Brenda Clark, Clerk and Master
Lydia Johnson, Register
Tim Fuller, Sheriff
Andrea Smith, Finance Director

Board of County Commissioners

Eddie Clark, Chairman
Stanley Bean
James Cantrell
Anthony DeMatteo
Barbara Finney
Angie Fuller
Sue Hill
Johnny Hughes

Arthur Knoll
Scottie Riddle
William Scharber
A.L. Shasteen, Jr.
Jean Snead
Scotty Steele
Bub Wilkenson
Joe Williams

Financial Management Committee

Richard Stewart, County Mayor
John Woodall, Superintendent of Highways
Dr. Rebecca Sharber, Director of Schools
Eddie Clark

Anthony DeMatteo
Sue Hill
A.L. Shasteen, Jr.

Highway Commission

Clyde Hill, Jr., Chairman
Bobby Clark

Joe McBee
Chuck Tipps

Board of Education

Mike Cunningham, Chairman
Mike Abbott
James Caroland
Steve Ford

Mike Holmes
Chris Guess
Cleijo Walker
Michelle Stovall

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FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

January 25, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Franklin County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Franklin County'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 Public Library Fund, a special revenue fund, which represent .33 percent and 3.15 percent, respectively, of the assets and revenues of the aggregate remaining fund information. Also, we did not audit the financial statements of the discretely presented Franklin County Emergency Communications District, which represent 1.18 percent and .75 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. In addition, we did not audit the financial statements of the discretely presented Industrial Development Board of Franklin County, which represent .02 percent and .19 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. These 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 Public Library Fund, the Franklin County Emergency Communications District, and the Industrial Development Board of Franklin County is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing 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 other auditors provide a reasonable basis for our opinions.

In our opinion, based on our report and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Tennessee, as of June 30, 2009, and the respective changes in financial position thereof 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 January 25, 2010, on our consideration of Franklin County's internal control over financial reporting and 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 Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., Franklin County has implemented the provisions of Governmental Accounting Standards Board Statement No. 49 Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments.

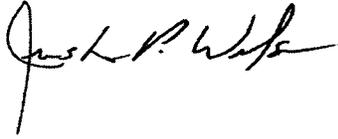
The management of Franklin County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

The budgetary comparison, pension, and other postemployment benefits information on pages 77 through 85 are not required parts of the basic financial statements but they do provide supplementary information required by accounting principles generally accepted in the United States of America. We 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 Franklin County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service

Fund, combining and individual fund financial statements of the Franklin County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Franklin County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a long, sweeping underline.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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BASIC FINANCIAL STATEMENTS

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Exhibit A

Franklin County, Tennessee
Statement of Net Assets
June 30, 2009

	Primary Government Governmental Activities	Component Units		
		Franklin County School Department	Franklin County Emergency Communications District	Industrial Development Board of Franklin County
ASSETS				
Cash	\$ 21,248	\$ 1,843	\$ 659,534	\$ 8,875
Equity in Pooled Cash and Investments	14,475,638	7,128,550	0	0
Accounts Receivable	49,827	57,038	60,435	0
Due from Other Governments	799,170	1,357,528	0	0
Property Taxes Receivable	10,625,971	8,976,240	0	0
Allowance for Uncollectible Property Taxes	(264,697)	(221,355)	0	0
Prepaid Items	41,873	0	0	0
Deferred Charges - Debt Issuance Costs	191,346	0	0	0
Capital Assets:				
Assets Not Depreciated:				
Land	27,427,707	5,451,186	0	0
Construction in Progress	4,451,120	0	0	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	6,523,498	38,473,383	0	0
Other Capital Assets	2,182,455	2,553,556	41,365	1,270
Infrastructure	15,029,079	0	0	0
Total Assets	<u>\$ 81,554,235</u>	<u>\$ 63,777,969</u>	<u>\$ 761,334</u>	<u>\$ 10,145</u>
LIABILITIES				
Accounts Payable	\$ 78,739	\$ 19,452	\$ 19,319	\$ 5,998
Accrued Payroll	151,923	19,949	0	0
Contracts Payable	286,529	0	0	0
Payroll Deductions Payable	151,778	0	0	0
Due to State of Tennessee	7,409	0	0	0
Accrued Interest Payable	214,108	635	0	0
Deferred Revenue - Current Property Taxes	9,987,151	8,458,498	0	0
Noncurrent Liabilities:				
Due Within One Year	4,101,367	163,823	0	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	36,625,116	2,212,115	0	0
Total Liabilities	<u>\$ 51,604,120</u>	<u>\$ 10,874,472</u>	<u>\$ 19,319</u>	<u>\$ 5,998</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	\$ 43,834,298	\$ 46,383,114	\$ 0	\$ 0
Invested in Capital Assets	0	0	41,365	1,270
Restricted for:				
General Purposes	591,972	252,372	0	0
Courthouse and Jail Maintenance	34,647	0	0	0
Public Library	15,630	0	0	0
Solid Waste/Sanitation	41,685	0	0	0
Local Purpose	98,956	0	0	0
Drug Control	29,719	0	0	0
Highway/Public Works	710,821	0	0	0
School Federal Projects	0	434,538	0	0
Central Cafeteria	0	621,619	0	0
Debt Service	5,022,985	0	0	0
Capital Projects	551,091	2,500,560	0	0
Unrestricted	(20,981,689)	2,647,657	700,650	2,877
Total Net Assets	<u>\$ 29,950,115</u>	<u>\$ 52,839,860</u>	<u>\$ 742,015</u>	<u>\$ 4,147</u>

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

Exhibit B

Franklin County, Tennessee
Statement of Activities
For the Year Ended June 30, 2009

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Franklin County School Department	Franklin County Emergency Communications District	Franklin County Board of Industrial Development	Industrial Board of Franklin County	Industrial Board of Franklin County
Primary Government:										
Governmental Activities:										
General Government	\$ 3,057,410	\$ 354,602	\$ 885,708	\$ 13,434	\$ (1,803,666)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,642,156	877,800	34,157	0	(730,199)	0	0	0	0	0
Administration of Justice	1,642,062	1,060,757	11,152	0	(570,153)	0	0	0	0	0
Public Safety	6,055,720	782,842	340,264	51,103	(4,881,511)	0	0	0	0	0
Public Health and Welfare	1,672,517	166,989	153,898	0	(1,351,630)	0	0	0	0	0
Social, Cultural, and Recreational Services	405,886	20,446	72,705	0	(312,735)	0	0	0	0	0
Agriculture and Natural Resources	170,786	0	0	0	(170,786)	0	0	0	0	0
Other Operations	1,092,322	0	89,607	0	(1,002,715)	0	0	0	0	0
Highways/Public Works	3,320,463	918	1,977,201	137,036	(1,205,308)	0	0	0	0	0
Education	2,958,900	0	0	0	(2,958,900)	0	0	0	0	0
Interest on Long-term Debt	1,423,399	0	0	0	(1,423,399)	0	0	0	0	0
Other Debt Service	374,562	0	0	0	(374,562)	0	0	0	0	0
Total Primary Government	\$ 23,816,183	\$ 3,264,354	\$ 3,564,692	\$ 201,573	\$ (16,785,564)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:										
Franklin County School Department	\$ 50,373,006	\$ 1,682,570	\$ 5,316,587	\$ 166,458	\$ 0	\$ (43,207,391)	\$ 0	\$ 0	\$ 0	\$ 0
Franklin County Emergency Communications District	264,907	376,370	0	0	0	0	111,463	0	0	0
Industrial Development Board of Franklin County	95,241	0	95,063	0	0	0	0	0	(178)	0
Total Component Units	\$ 50,733,154	\$ 2,058,940	\$ 5,411,650	\$ 166,458	\$ 0	\$ (43,207,391)	\$ 111,463	\$ 0	\$ (178)	\$ 0

(Continued)

Exhibit B

Franklin County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						
	Program Revenues			Component Units			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total	Franklin County School Department	Franklin County Emergency Communications District	Industrial Development Board of Franklin County
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 7,807,896	\$ 8,893,819	\$ 0	\$ 0
Property Taxes Levied for Debt Service				2,638,167	0	0	0
Local Option Sales Taxes				0	3,870,916	0	0
Hotel/Motel Tax				77,399	0	0	0
Litigation Tax - General				197,859	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse				27,696	0	0	0
Business Tax				239,666	0	0	0
Mineral Severance Tax				35,166	0	0	0
Wholesale Beer Tax				228,165	0	0	0
Other Local Taxes				3,642	5,002	0	0
Grants and Contributions Not Restricted to Specific Programs				1,730,333	30,127,837	0	0
Unrestricted Investment Earnings				305,329	342,407	8,714	0
Miscellaneous				0	137,774	0	0
Sale of Equipment				0	6,131	0	0
Total General Revenues				\$ 13,291,818	\$ 43,383,886	\$ 8,714	\$ 0
Change in Net Assets				\$ (3,493,746)	\$ 176,495	\$ 120,177	\$ (178)
Prior-period Adjustment				(15,133)	0	0	0
Net Assets, July 1, 2008				33,458,994	52,663,365	621,838	4,325
Net Assets, June 30, 2009				\$ 29,950,115	\$ 52,839,860	\$ 742,015	\$ 4,147

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

Franklin County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2009

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Special Purpose	Highway / Public Works	Education Debt Service	Other Capital Projects	Other Governmental Funds		
\$	0	0	0	0	0	0	21,248	\$ 21,248
Cash	2,398,062	5,745,000	475,935	3,181,887	837,620	1,837,134	14,475,638	14,475,638
Equity in Pooled Cash and Investments	15,796	0	12,261	2	0	21,768	49,827	49,827
Accounts Receivable	407,153	0	389,888	617	0	1,512	799,170	799,170
Due from Other Governments	7,202	0	0	0	0	0	7,202	7,202
Property Taxes Receivable	6,276,190	0	345,939	1,816,178	0	2,187,664	10,625,971	10,625,971
Allowance for Uncollectible Property Taxes	(154,059)	0	(8,531)	(44,907)	0	(57,200)	(264,697)	(264,697)
Prepaid Items	32,757	0	4,815	0	0	4,301	41,873	41,873
Total Assets	\$ 8,983,101	\$ 5,745,000	\$ 1,220,307	\$ 4,953,777	\$ 837,620	\$ 4,016,427	\$ 25,756,232	\$ 25,756,232

ASSETS

LIABILITIES AND FUND BALANCES

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Special Purpose	Highway / Public Works	Education Debt Service	Other Capital Projects	Other Governmental Funds		
\$	63,608	0	7,897	0	0	7,234	78,739	78,739
Accounts Payable	136,600	0	5,834	0	0	9,489	151,923	151,923
Accrued Payroll	124,495	0	18,677	0	0	8,606	151,778	151,778
Payroll Deductions Payable	0	0	0	0	286,529	0	286,529	286,529
Contracts Payable	0	0	0	0	0	7,202	7,202	7,202
Due to Other Funds	6,700	0	0	0	0	709	7,409	7,409
Due to State of Tennessee	5,914,184	0	325,985	1,711,422	0	2,035,560	9,987,151	9,987,151
Deferred Revenue - Current Property Taxes	189,047	0	10,642	56,553	0	88,729	344,971	344,971
Deferred Revenue - Delinquent Property Taxes	91,333	0	163,218	0	0	0	254,551	254,551
Other Deferred Revenues	6,525,967	0	532,253	1,767,975	286,529	2,157,529	11,270,253	11,270,253
Total Liabilities	\$ 151,149	\$ 0	\$ 51,685	\$ 0	\$ 1,937,045	\$ 63,820	\$ 2,203,699	\$ 2,203,699
Fund Balances	591,972	0	0	0	0	0	591,972	591,972
Reserved for Encumbrances	1,714,013	0	0	0	0	0	1,714,013	1,714,013
Reserved for Other General Purposes	0	5,745,000	636,369	0	0	433,331	6,814,700	6,814,700
Unreserved, Reported In:	0	0	0	3,185,802	0	1,361,747	4,547,549	4,547,549
General Fund	0	0	0	0	(1,385,954)	0	(1,385,954)	(1,385,954)
Special Revenue Funds	0	0	0	0	0	0	0	0
Debt Service Funds	0	0	0	0	0	0	0	0
Capital Projects Funds (Deficit)	0	0	0	0	0	0	0	0
Total Fund Balances	\$ 2,457,134	\$ 5,745,000	\$ 688,054	\$ 3,185,802	\$ 551,091	\$ 1,858,898	\$ 14,485,979	\$ 14,485,979
Total Liabilities and Fund Balances	\$ 8,983,101	\$ 5,745,000	\$ 1,220,307	\$ 4,953,777	\$ 837,620	\$ 4,016,427	\$ 25,756,232	\$ 25,756,232

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

Exhibit C-2

Franklin County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Assets
June 30, 2009

Amounts reported for governmental activities in the statement of net assets (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	14,485,979
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	27,427,707	
Add: construction in progress		4,451,120	
Add: buildings and improvements net of accumulated depreciation		6,523,498	
Add: infrastructure net of accumulated depreciation		15,029,079	
Add: other capital assets net of accumulated depreciation		<u>2,182,455</u>	55,613,859
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: capital leases payable	\$	(344,751)	
Less: bonds payable		(39,758,000)	
Less: compensated absences payable		(410,954)	
Less: landfill closure/postclosure care costs		(338,488)	
Less: accrued interest on bonds and capital leases		(214,108)	
Less: other deferred revenue - premium on debt		(43,142)	
Less: other postemployment benefits liability		(437,384)	
Add: deferred amount on refunding		606,236	
Add: deferred charges - debt issuance costs		<u>191,346</u>	(40,749,245)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>599,522</u>
Net assets of governmental activities (Exhibit A)		\$	<u>29,950,115</u>

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

Franklin County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Special Purpose	Highway / Public Works	Education Debt Service	Other Capital Projects	Other	Governmental	
<u>Revenues</u>								
Local Taxes	\$ 6,796,395	\$ 0	\$ 376,250	\$ 2,350,691	\$ 0	\$ 2,355,675	\$ 11,879,011	
Licenses and Permits	69,309	0	1,755	8,826	0	35,095	114,985	
Fines, Forfeitures, and Penalties	205,850	0	0	0	0	37,379	243,229	
Charges for Current Services	209,075	0	918	0	0	45,842	255,835	
Other Local Revenues	136,041	0	24,285	0	85,579	386,506	632,411	
Fees Received from County Officials	1,743,038	0	0	0	0	0	1,743,038	
State of Tennessee	2,103,617	0	2,114,242	0	0	31,865	4,249,724	
Federal Government	218,093	0	0	0	0	1,720	219,813	
Other Governments and Citizens Groups	261,285	0	0	860,000	0	69,344	1,190,629	
Total Revenues	\$ 11,742,703	\$ 0	\$ 2,517,450	\$ 3,219,517	\$ 85,579	\$ 2,963,426	\$ 20,528,675	
<u>Expenditures</u>								
Current:								
General Government	\$ 1,963,882	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,963,882	
Finance	1,798,073	0	0	0	0	2,736	1,800,809	
Administration of Justice	1,616,936	0	0	0	0	0	1,616,936	
Public Safety	5,778,254	0	0	0	0	526,880	6,305,134	
Public Health and Welfare	451,810	0	0	0	0	1,289,058	1,740,868	
Social, Cultural, and Recreational Services	240,514	0	0	0	0	126,181	366,695	
Agriculture and Natural Resources	157,960	0	0	0	0	0	157,960	
Other Operations	1,306,815	0	0	0	0	74,921	1,381,736	
Highways	0	0	2,267,842	0	0	0	2,267,842	
Debt Service:								
Principal on Debt	0	0	12,981	1,875,000	0	1,175,000	3,062,981	
Interest on Debt	0	0	163	1,190,235	0	481,491	1,671,889	
Other Debt Service	0	0	0	377,484	41,100	20,129	438,713	
Capital Projects	0	0	0	0	5,091,644	0	5,091,644	
Capital Projects - Donated	0	0	0	0	2,958,900	0	2,958,900	
Total Expenditures	\$ 13,314,244	\$ 0	\$ 2,280,986	\$ 3,442,719	\$ 8,091,644	\$ 3,696,396	\$ 30,825,989	
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,571,541)	\$ 0	\$ 236,464	\$ (223,202)	\$ (8,006,065)	\$ (732,970)	\$ (10,297,314)	

(Continued)

Exhibit C-3

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Special Purpose	Highway / Public Works	Education Debt Service	Other Capital Projects	Other	Governmental Funds	
Other Financing Sources (Uses)								
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,000,000	\$ 0	\$ 0	\$ 3,000,000
Capital Leases Issued	397,191	0	0	0	0	0	0	397,191
Refunding Debt Issued	0	0	0	15,205,000	0	0	0	15,205,000
Premiums on Debt Issued	0	0	0	43,142	0	0	0	43,142
Transfers In	7,606	0	8,213	0	0	436,000	0	451,819
Transfers Out	(8,213)	0	(403,803)	0	0	(39,803)	0	(451,819)
Payments to Refunded Debt Escrow Agent	0	0	0	(14,951,236)	0	0	0	(14,951,236)
Total Other Financing Sources (Uses)	\$ 396,584	\$ 0	\$ (395,590)	\$ 296,906	\$ 3,000,000	\$ 396,197	\$ 0	\$ 3,694,097
Net Change in Fund Balances	\$ (1,174,957)	\$ 0	\$ (159,126)	\$ 73,704	\$ (5,006,065)	\$ (336,773)	\$ (6,603,217)	\$ (6,603,217)
Fund Balance, July 1, 2008	3,632,091	5,745,000	847,180	3,112,098	5,557,156	2,195,671	21,089,196	21,089,196
Fund Balance, June 30, 2009	\$ 2,457,134	\$ 5,745,000	\$ 688,054	\$ 3,185,802	\$ 551,091	\$ 1,858,898	\$ 14,485,979	\$ 14,485,979

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

Exhibit C-4

Franklin County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2009

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3) \$ (6,603,217)

- (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:

Add: capital assets purchased in the current period	\$ 5,893,408	
Less: current year depreciation expense	<u>(2,115,841)</u>	3,777,567

- (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.

Add: gain on disposal of capital assets	\$ 216,847	
Less: decrease in revenue for the sale or insurance recovery of disposed assets	<u>(250,625)</u>	(33,778)

- (3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.

Add: deferred delinquent property taxes and other deferred June 30, 2009	\$ 599,522	
Less: deferred delinquent property taxes and other deferred June 30, 2008	<u>(555,135)</u>	44,387

- (4) The issuance of long-term debt (e.g., bonds, notes, other loans, 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:

Less: capital lease proceeds	\$ (397,191)	
Less: bond proceeds	(3,000,000)	
Less: refunding bond proceeds	(15,205,000)	
Less: premium on debt proceeds	(43,142)	
Add: change in deferred debt issuance costs	64,151	
Add: payment to refunding agent	14,951,236	
Add: principal payments on capital leases	128,976	
Add: principal payments on bonds	<u>3,050,000</u>	(450,970)

- (5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in accrued interest payable	\$ 248,490	
Change in compensated absences payable	(38,908)	
Change in other postemployment benefits liability	(437,384)	
Change in landfill closure/postclosure care costs	<u>67</u>	<u>(227,735)</u>

Change in net assets of governmental activities (Exhibit B) \$ (3,493,746)

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

Exhibit D

Franklin County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2009

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,588,085
Due from Other Governments	<u>484,520</u>
Total Assets	<u>\$ 2,072,605</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 484,520
Due to Litigants, Heirs, and Others	<u>1,588,085</u>
Total Liabilities	<u>\$ 2,072,605</u>

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

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FRANKLIN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Franklin County is a public municipal corporation governed by an elected 16-member board. As required by GAAP, these financial statements present Franklin County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Franklin County School Department operates the public school system in the county, and the voters of Franklin County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

The Industrial Development Board of Franklin County provides assistance in industrial recruitment in Franklin County, and the Franklin County Commission appoints its nine-member board. Franklin County substantially funds the Industrial Development Board through annual appropriations. During the year ended June 30, 2009, the county appropriated an operating subsidy of \$94,860 to the board.

The Franklin County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Franklin County School Department are included in this report as listed in the table of contents. Complete financial statements of the Franklin County Industrial Development Board and the Franklin County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Franklin County Emergency Communications District
305 Edgewater Drive
Winchester, TN 37398

The Industrial Development Board of Franklin County
855 Dinah Shore Blvd, Suite 3
Winchester, TN 37398

B. 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 and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Franklin County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Franklin County School Department component unit only reports governmental activities in the government-wide financial statements.

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

Franklin County issues all debt for the discretely presented Franklin County School Department. Net debt issues of \$2,958,900 were contributed by the county to the School Department during the year ended June 30, 2009.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the 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.

Fund financial statements of Franklin County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Franklin County has no proprietary funds to report.

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

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

amounts have been accumulated in the debt service funds for payments to be made early in the following year.

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

Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Franklin County reports the following major governmental funds:

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

Special Purpose Fund – This fund accounts for proceeds from the sale of the hospital.

Highway/Public Works Fund – This fund accounts for transactions of the county’s Highway Department.

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

Other Capital Projects Fund – This fund is used to account for the construction of the county’s judicial center.

Additionally, Franklin County reports the following fund type:

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received from the state to be forwarded to the various cities in the county. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

Education Capital Projects Fund – This fund is used to account for school renovation projects.

Additionally, the Franklin County School Department reports the following fund type:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Franklin County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the Solid Waste/Sanitation, Other Capital Projects, and

General Purpose School funds. Franklin County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds for unremitted current collections at the end of the fiscal year is referred to as due to/from other funds.

All property taxes receivable are shown net of an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to two percent of total taxes levied.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 days of year end are considered available and accrued. The allowance for

uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Capital Assets

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25-40
Other Capital Assets	5-20
Infrastructure:	
Roads	20
Bridges	40

5. Compensated Absences

It is the policy of the general government (excluding the Highway Department) to permit its employees to accumulate the following hours based on length of employment:

<u>Years of Service</u>	<u>Hours</u>
one	40
two - eight	80
nine plus	120

Earned but unused vacation leave will be paid to the employee upon retirement, resignation, or termination. On each employee's anniversary date, all vacation leave accumulated in excess of the amount earned each year will be converted to sick leave.

It is the policy of the Highway Department to permit its employees to accumulate the following days based on length of employment:

<u>Years of Service</u>	<u>Days</u>
one	5
two - nine	10
ten plus	15

Earned but unused vacation leave will be paid to the employee upon retirement, resignation, or termination. On each employee's anniversary date, all accumulated vacation leave will be converted to sick leave.

All vacation leave is accrued when incurred in the government-wide statements for the general county government. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

It is the policy of the discretely presented Franklin County School Department to permit its 11- and 12-month employees to accumulate up to a maximum of 30 days over a two-year period of earned but unused vacation leave, which will be paid upon retirement,

resignation, or termination. Any accumulated unused vacation leave in excess of two years is forfeited. All vacation leave for 11- and 12-month employees is accrued when incurred in the government-wide statements for the School Department. The policy of the School Department does not allow their ten-month employees to accumulate vacation days beyond June 30. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

A liability for vacation leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

7. Net Assets and Fund Equity

In the government-wide financial statements equity is classified as net assets and displayed in three components:

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

On the government-wide Statement of Net Assets (Exhibit A), the account Restricted for Other General Purposes for the primary government consists of various restrictions totaling \$591,972, comprised of proceeds of prior-year sales of land and buildings to be used for future land purchases.

As of June 30, 2009, Franklin County has \$28,230,000 in outstanding debt for capital purposes for the discretely presented Franklin County School Department. This debt is a liability of Franklin County; however, the capital assets acquired are reported in the financial statements of the School Department. Therefore, Franklin County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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.

8. Prior-period Adjustment

Net assets for Franklin County were restated \$15,133 from the prior-year because the liability for postclosure cost on July 1, 2008, was recalculated due to more accurate data obtained by the county.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Franklin County School Department

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

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

Primary Government

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

Discretely Presented Franklin County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund) and the Public Library Fund (special revenue fund), which are not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be

sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

B. Fund Deficit

The Other Capital Projects Fund had a deficit in unreserved fund balance of \$1,385,954 at June 30, 2009. This fund deficit resulted from the recognition of the unperformed portion of various justice center construction contracts totaling \$1,937,045 being reserved as encumbrances in the financial statements. The County Commission has authorized a \$1,500,000 stimulus loan from the United States Rural Development Agency to fund this justice center project. This fund deficit should be liquidated subsequent to June 30, 2009, as the other financing is received.

C. The Public Library Fund Was Not Budgeted

The Public Library Fund (special revenue fund) was not budgeted as required by Section 5-9-401, Tennessee Code Annotated. See the Schedule of Findings and Questioned Costs section of this report for details.

D. A Revenue Anticipation Note was not Issued in Compliance with State Statutes

During the year, the School Federal Projects Fund borrowed \$100,000 from the General Purpose School Fund to provide cash for operations in anticipation of revenue collections. This loan was not approved by the state director of Local Finance. See the Schedule of Findings and Questioned Costs section of this report for details.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

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

investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state director of Local Finance and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the market value of the securities on the day of purchase.

Investment Balances. As of June 30, 2009, Franklin County had the following investments carried at cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Franklin County and the discretely presented Franklin County School Department since both pool their deposits and investments through the county trustee.

<u>Investment</u>	<u>Maturities</u>	<u>Cost</u>
State Treasurer's Investment Pool	Daily	\$ 57,910

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Franklin County has no investment policy that would further limit its investment choices. As of June 30, 2009, Franklin County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets				
Not Depreciated:				
Land	\$ 27,048,954	\$ 378,753	\$ 0	\$ 27,427,707
Construction in Progress	0	4,451,120	0	4,451,120
Total Capital Assets Not Depreciated	<u>\$ 27,048,954</u>	<u>\$ 4,829,873</u>	<u>\$ 0</u>	<u>\$ 31,878,827</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,213,568	\$ 51,224	\$ (238,960)	\$ 11,025,832
Infrastructure	37,253,197	356,211	0	37,609,408
Other Capital Assets	6,347,118	656,100	(144,240)	6,858,978
Total Capital Assets Depreciated	<u>\$ 54,813,883</u>	<u>\$ 1,063,535</u>	<u>\$ (383,200)</u>	<u>\$ 55,494,218</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,380,318	\$ 340,394	\$ (218,378)	\$ 4,502,334
Infrastructure	21,257,424	1,322,905	0	22,580,329
Other Capital Assets	4,355,025	452,542	(131,044)	4,676,523
Total Accumulated Depreciation	<u>\$ 29,992,767</u>	<u>\$ 2,115,841</u>	<u>\$ (349,422)</u>	<u>\$ 31,759,186</u>
Total Capital Assets Depreciated, Net	<u>\$ 24,821,116</u>	<u>\$ (1,052,306)</u>	<u>\$ (33,778)</u>	<u>\$ 23,735,032</u>
Governmental Activities Capital Assets, Net	<u>\$ 51,870,070</u>	<u>\$ 3,777,567</u>	<u>\$ (33,778)</u>	<u>\$ 55,613,859</u>

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

Governmental Activities:

General Government	\$	55,900
Finance		36,839
Administration of Justice		17,322
Public Safety		354,890
Public Health and Welfare		85,161
Social, Cultural, and Recreational		40,361
Agriculture and Natural Resources		11,937
Other Operations		90,163
Highways		<u>1,423,268</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>2,115,841</u></u>

Discretely Presented Franklin County School Department

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets				
Not Depreciated:				
Land	\$ 5,451,186	\$ 0	\$ 0	\$ 5,451,186
Total Capital Assets Not Depreciated	<u>\$ 5,451,186</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,451,186</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 56,295,346	\$ 41,014	\$ 0	\$ 56,336,360
Other Capital Assets	5,360,957	426,589	0	5,787,546
Total Capital Assets Depreciated	<u>\$ 61,656,303</u>	<u>\$ 467,603</u>	<u>\$ 0</u>	<u>\$ 62,123,906</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 16,513,632	\$ 1,349,345	\$ 0	\$ 17,862,977
Other Capital Assets	2,640,803	593,187	0	3,233,990
Total Accumulated Depreciation	<u>\$ 19,154,435</u>	<u>\$ 1,942,532</u>	<u>\$ 0</u>	<u>\$ 21,096,967</u>
Total Capital Assets Depreciated, Net	<u>\$ 42,501,868</u>	<u>\$ (1,474,929)</u>	<u>\$ 0</u>	<u>\$ 41,026,939</u>
Governmental Activities Capital Assets, Net	<u>\$ 47,953,054</u>	<u>\$ (1,474,929)</u>	<u>\$ 0</u>	<u>\$ 46,478,125</u>

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

Governmental Activities:

Instruction	\$ 1,673,903
Support Services	142,021
Operation of Non-Instructional Services	<u>126,608</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,942,532</u></u>

C. Construction Commitments

At June 30, 2009, the Other Capital Projects Fund had uncompleted construction contracts of approximately \$1,937,045 for the construction of a justice center. Funding for these future expenditures is expected to be received from a \$1,500,000 stimulus loan from the United States Rural Development Agency and from funds already received.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2009, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 7,202
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	3,443
Nonmajor governmental	General Purpose School	3,633

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

The \$3,633 receivable in the School Federal Projects Fund was in transit from the General Purpose School Fund at June 30, 2009.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2009, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	Highway/ Public Works Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 8,213	\$ 0
Highway/Public Works Fund	3,803	0	400,000
Nonmajor governmental funds	3,803	0	36,000
Total	\$ 7,606	\$ 8,213	\$ 436,000

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

E. Operating Leases

Franklin County leases data processing equipment for the Finance Department and Trustee's Office, such as computers, and the maintenance and upgrades for that equipment. The rent expenditures for the year ended June 30, 2009, totaled \$36,487. The county may terminate the lease agreement at the end of a fiscal period by giving notice to the lessor at least 60 days prior to the first day of the fiscal period in which appropriations will not be made. There are no provisions for contingent or sublease rentals in the agreements. The future minimum lease payments for these leases are as follows:

Year Ending June 30	Amount
2010	\$ 36,487
2011	36,487
2012	36,487
2013	<u>27,365</u>
Total	<u>\$ 136,826</u>

F. Capital Leases

Primary Government

On December 21, 2007, Franklin County entered into a five-year lease-purchase agreement for security equipment for the jail. The terms of

the original agreement required total lease payments of \$66,900. On December 21, 2008, an additional \$11,335 of equipment was added to the agreement for total lease payments over the life of the lease of \$78,235. There is no interest on this lease. Title to the security equipment transfers to Franklin County at the end of the lease period. The lease payments are made from the General Fund.

On November 5, 2008, Franklin County entered into a four-year lease-purchase agreement for sheriff's vehicles. The terms of the agreement require total lease payments of \$385,856 plus interest of 4.69 percent. Title to the vehicles transfers to Franklin County at the end of the lease period. The lease payments are made from the General Fund.

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2009, were as follows:

Year Ending June 30	Governmental Funds
2010	\$ 120,875
2011	120,875
2012	120,876
2013	<u>9,461</u>
Total Minimum Lease Payments	\$ 372,087
Less: Amount Representing Interest	<u>(27,336)</u>
Present Value of Minimum Lease Payments	<u>\$ 344,751</u>

Discretely Presented Franklin County School Department

On August 1, 2006, the Franklin County School Department entered into a four-year lease-purchase agreement for computers. The terms of the agreement require total lease payments of \$269,984 plus interest of 7.93 percent. Title to the computers transfers to the Franklin County School Department at the end of the lease period. The lease payments are made from the General Purpose School Fund.

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2009, were as follows:

Year Ending June 30	Governmental Funds
2010	\$ 21,598
Total Minimum Lease Payments	\$ 21,598
Less: Amount Representing Interest	(1,587)
Present Value of Minimum Lease Payments	<u>\$ 20,011</u>

G. Long-term Debt

Primary Government

General Obligation Bonds

The county issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding were issued for original terms of up to 40 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Bonds will be retired from the General Debt Service and Education Debt Service funds.

General obligation bonds and capital leases outstanding as of June 30, 2009, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
General Obligation Bonds	2.5 to 5 %	\$ 30,878,000	\$ 9,738,000
General Obligation Bonds - Refunding	3.13 to 4.75	35,430,000	30,020,000
Capital Leases	0 to 4.69	464,091	344,751

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2009, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	\$ 3,575,000	\$ 1,945,886	\$ 5,520,886
2011	3,545,000	1,305,327	4,850,327
2012	3,655,000	1,192,597	4,847,597
2013	3,758,000	1,075,061	4,833,061
2014	3,885,000	941,316	4,826,316
2015-2019	14,270,000	2,841,029	17,111,029
2020-2024	7,070,000	597,863	7,667,863
Total	\$ 39,758,000	\$ 9,899,079	\$ 49,657,079

There is \$1,361,747 available in the General Debt Service Fund and \$3,185,802 available in the Education Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,012, based on the 2000 federal census. Debt per capita, including bonds and the capital lease, totaled \$1,021, based on the 2000 federal census.

Changes in Long-term Liabilities

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

	Bonds	Capital Leases
Balance, July 1, 2008	\$ 38,948,000	\$ 76,536
Additions	18,205,000	397,191
Deductions	(3,050,000)	(128,976)
Bonds Refunded	(14,345,000)	0
Balance, June 30, 2009	<u>\$ 39,758,000</u>	<u>\$ 344,751</u>
Balance Due Within One Year	<u>\$ 3,575,000</u>	<u>\$ 107,413</u>

	Landfill Postclosure Care Costs	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2008	\$ 323,422	\$ 0	\$ 372,046
Prior-period Adjustments	15,133	0	0
Additions	7,933	470,000	308,432
Deductions	(8,000)	(32,616)	(269,524)
Balance, June 30, 2009	<u>\$ 338,488</u>	<u>\$ 437,384</u>	<u>\$ 410,954</u>
Balance Due Within One Year	<u>\$ 8,000</u>	<u>\$ 0</u>	<u>\$ 410,954</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 41,289,577
Less: Balance Due Within One Year	(4,101,367)
Less: Deferred Amount on Refunding	(606,236)
Add: Unamortized Premium on Debt	<u>43,142</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 36,625,116</u>

Compensated absences will be paid from the employing funds, primarily the General and Highway/Public Works funds. Landfill closure/postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Advance Refunding

On June 15, 2009, Franklin County advance refunded a general obligation bond issue with a separate general obligation bond issue. The county issued \$15,205,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over the next 12 years will be reduced by \$669,760, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$525,738 was obtained.

Discretely Presented Franklin County School Department

Notes

Franklin County issues capital outlay notes for the School Department to fund capital facilities and other capital outlay purchases, such as equipment.

Capital outlay notes are direct obligations and pledge the full faith and credit of the government. The capital outlay note was issued for an original term of six years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The note will be retired from the General Purpose School Fund.

The capital outlay note and the capital lease outstanding as of June 30, 2009, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
Capital Outlay Note	4.3 to 4.55%	\$ 150,000	\$ 75,000
Capital Lease	7.93	269,984	20,011

The annual requirements to amortize the note outstanding as of June 30, 2009, including interest payments, are presented in the following table:

Year Ending June 30	Note		
	Principal	Interest	Total
2010	\$ 25,000	\$ 3,046	\$ 28,046
2011	25,000	1,927	26,927
2012	25,000	683	25,683
Total	\$ 75,000	\$ 5,656	\$ 80,656

Debt per capita, including the note and the capital lease, totaled \$3, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Franklin County School Department for the year ended June 30, 2009, was as follows:

Governmental Activities:

	Note	Capital Lease
Balance, July 1, 2008	\$ 100,000	\$ 102,646
Deductions	(25,000)	(82,635)
Balance, June 30, 2009	<u>\$ 75,000</u>	<u>\$ 20,011</u>
Balance Due Within One Year	<u>\$ 25,000</u>	<u>\$ 20,011</u>

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2008	\$ 185,145	\$ 882,185
Additions	151,194	1,554,060
Deductions	(217,527)	(274,130)
Balance, June 30, 2009	<u>\$ 118,812</u>	<u>\$ 2,162,115</u>
Balance Due Within One Year	<u>\$ 118,812</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 2,375,938
Less: Balance Due Within One Year	<u>(163,823)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 2,212,115</u>

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

H. On-Behalf Payments – Discretely Presented Franklin County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Franklin County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended

June 30, 2009, were \$80,277 and \$33,225, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Short-term Debt

Discretely Presented Franklin County School Department

The Franklin County School Department issued a revenue anticipation note of \$100,000 from the General Purpose School Fund in advance of revenue collections and deposited the proceeds in the School Federal Projects Fund. This note was necessary because funds were not available to meet payments coming due before revenue collections. This loan was not approved by the state director of Local Finance. Short-term debt activity for the year ended June 30, 2009, was as follows:

	Balance			Balance
	7-1-08	Issued	Redeemed	6-30-09
Revenue Anticipation Note	\$ 0	\$ 100,000	\$ (100,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Franklin County's and the discretely presented Franklin County School Department's risks of loss relating to general liability, property, and casualty are covered by participation in a public entity risk pool. The county and the School Department are members of the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The county and School Department pay annual premiums to the TN-RMT for their general liability, property, and casualty coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The discretely presented Franklin County School Department's risks of loss relating to workers' compensation are covered by participation in a public entity risk pool. The School Department is a member of the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays annual premiums to the TN-RMT for its workers' compensation coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The county carries commercial insurance for risks of loss relating to workers' compensation. Settled claims from these risks have not exceeded commercial

insurance coverage in any of the past three fiscal years. The county does not insure against environmental claims or losses.

Franklin County provides health insurance coverage to their employees through the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, Tennessee Code Annotated (TCA), all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by the fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

The discretely presented Franklin County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, TCA, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments became effective for the year ended June 30, 2009.

GASB Statement No. 49 requires county governments to measure and report their pollution remediation liabilities. A county has a pollution remediation problem if one of five obligating events occurs. The statement requires governments to restate beginning net assets in government-wide and proprietary fund financial statements for pollution remediation liabilities that existed as of July 1, 2008. Previous of Statement No. 49, counties were not required to measure and record pollution remediation liabilities. GASB Statement No. 49 had no effect on the financial statements of Franklin County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Franklin County could have pollution remediation liabilities in subsequent years.

GASB Statement No. 52 requires endowments to report land and other real estate investments at fair value. Previous to Statement No. 52, land and other real estate held by endowments were reported at historical cost. Changes in fair value between years will be reported as investment income

(loss). GASB Statement No. 52 had no effect on the financial statement of Franklin County for the year ended June 30, 2009, since the county had no endowment investments. However, it is reasonably expected that Franklin County could have endowment investments in subsequent years.

C. Subsequent Events

Beginning July 1, 2009, the Industrial Development Board of Franklin County will no longer receive contributions from the county. Instead, all salaries and the majority of the expenditures will be made through the county's General Fund. A verbal agreement has been made between the Franklin County Commission and the Board to receive, administer, and account for a minimal amount of money to be spent for costs associated with prospect development.

Beginning July 1, 2009, the Franklin County Library will no longer receive contributions from the county. Instead, all salaries and the majority of the expenditures will be made through the county's Public Library Fund.

On July 2, 2009, the General Purpose School Fund issued a \$100,000 revenue anticipation note to the School Federal Projects Fund for temporary operating funds.

During the period August 2009 through November 2009, the county's Education Debt Service Fund issued \$1,500,000 in revenue anticipation notes to the Other Capital Projects Fund for temporary operating funds.

During October 2009, the county's Education Debt Service Fund issued \$750,000 in tax anticipation notes to the General Fund for temporary operating funds.

On October 20, 2009, Franklin County issued a capital lease totaling \$300,000 for telecommunications, electronics, and security equipment for various county departments.

On October 25, 2009, Franklin County issued a capital lease totaling \$62,860 for computers for the Sheriff's Department.

D. Contingent Liabilities

The county is involved in two pending lawsuits. Attorneys representing the county estimate that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the financial statements of the county.

E. Change in Administration

On September 30, 2008, Dr. Charles Edmonds resigned as director of schools and was succeeded by interim director Linda Foster from October 1, 2008, to

April 8, 2009. Dr. Rebecca Sharber became the new director of schools on April 9, 2009.

F. Landfill Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Franklin County closed its sanitary landfill in 1995. The \$338,488 reported as landfill postclosure care liability at June 30, 2009, represents amounts based on what it would cost to perform all postclosure care in 2009. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Joint Ventures

The Interlocal Solid Waste Authority is jointly operated by the counties of Giles, Franklin, and Lincoln and the municipality of Tullahoma for the purpose of developing a solid waste regional plan. The authority's board was appointed by each participating County Commission or City Council for varying terms of office. Franklin County made no contributions to the authority for the year ended June 30, 2009.

The Twelfth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twelfth Judicial District; Bledsoe, Franklin, Marion, Rhea, and Sequatchie counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors comprised of the district attorney general, sheriffs, and police chiefs of the participating law enforcement agencies within the judicial district. Franklin County made no contributions to the DTF for the year ended June 30, 2009.

Franklin County does not have equity interests in any of the above-noted joint ventures. Complete financial statements for the Interlocal Solid Waste Authority and the Twelfth Judicial District Drug Task Force can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Interlocal Solid Waste Authority
487 Joyce Lane
Winchester, TN 37398

Office of District Attorney General
Twelfth Judicial District Drug Task Force
375 Church Street, Suite 300
Dayton, TN 37321

H. Retirement Commitments

Employees

Plan Description

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

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

Funding Policy

Franklin County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual

covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 11.71 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Franklin County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2009, Franklin County's annual pension cost of \$1,485,490 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as 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 three 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 five-year period. Franklin County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was 18 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-09	\$1,485,490	100%	\$0
6-30-08	1,437,286	100	0
6-30-07	1,378,181	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 85.69 percent funded. The actuarial accrued liability for benefits was \$24.24 million, and the actuarial value of assets was \$20.77 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.47 million. The covered payroll (annual payroll of active employees covered by the plan) was \$12 million, and the ratio of the UAAL to the covered payroll was 29.89 percent.

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 values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The annual required contribution 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.

School Teachers

Plan Description

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury

Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Franklin County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ending June 30, 2009, was 6.42 percent of annual covered payroll. The employer contribution requirement for the Franklin County School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2009, 2008, and 2007, were \$1,373,314, \$1,312,863, and \$1,267,486, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Plan Description

Franklin County and the School Department participate in the state-administered Local Education Group Insurance Plan and Local Government Group Insurance 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 Section 8-27-302, Tennessee Code Annotated for teachers. 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 plan is reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.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 plans are periodically computed using actuarial and statistical techniques to establish premium rates. The employer develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does provide 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. During the year, expenditures totaling \$32,616 and \$274,130 were recognized by Franklin

County and the School Department, respectively, for postemployment health care premiums.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 1,553,000	\$ 470,000
Interest on the NPO	39,698	0
Adjustment to the ARC	(38,638)	0
Annual OPEB cost	\$ 1,554,060	\$ 470,000
Amount of contribution	(274,130)	(32,616)
Increase/decrease in NPO	\$ 1,279,930	\$ 437,384
Net OPEB obligation, 7-1-08	882,185	0
Net OPEB obligation, 6-30-09	\$ 2,162,115	\$ 437,384

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group*	\$ 1,172,000	24.73%	\$ 882,185
6-30-09	"	1,554,060	17.64	2,162,115
6-30-09	Local Government Group**	470,000	6.94	437,384

* Data only available for two years.

** Date only available for one year.

Funded Status and Funding Progress

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

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-07	7-1-07
Actuarial accrued liability (AAL)	\$ 9,332,000	\$ 3,370,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 9,332,000	\$ 3,370,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 20,614,011	\$ 6,460,425
UAAL as a % of covered payroll	45.27%	52.16%

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

Actuarial Methods and Assumptions

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

In the July 1, 2007, 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 six percent after ten years. Both rates include a three 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.

J. Office of Central Accounting and Budgeting

Office of Director of Finance

Franklin County operates under the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act provides for the creation of a Finance Department operated under the direction of the finance director.

K. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by her to serve as the county purchasing agent. The finance director serves as the purchasing agent for Franklin County. All purchase orders are issued by the Finance Department. Purchases exceeding \$10,000 for the Office of County Executive, the discretely presented School Department, and the Office of Highway Superintendent are required to be competitively bid.

VI. OTHER NOTES - DISCRETELY PRESENTED FRANKLIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

Business Activities

The Franklin County Emergency Communications District provides funds and support to procure, lease, and maintain necessary equipment and services related to fielding emergency phone calls in Franklin County.

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, as well as the reported revenues and expenses. Actual results could vary from the estimates that were used.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Franklin County Emergency Communications District. Legally, the district is a separate governmental entity that has considerable legal, financial, and administrative autonomy. However, as the governing board is not elected, but is entirely appointed by the county, the district cannot be a primary government. Instead, it qualifies as a component unit of Franklin County, Tennessee (the primary government).

Three board members of the district are appointed by the Franklin County mayor and confirmed by the Franklin County Commission each year to serve four-year terms. The district must obtain County Commission approval

before the issuance of most debt. The district is primarily funded by user charges.

The district's reports are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual method of accounting, revenues are recorded when earned, and expenses are reported when incurred. The district applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Cash Deposits

The district is authorized to invest in the following types of securities and indebtedness, in accordance with governing statutes:

- (1) Bonds, notes, treasury bills, or similar types of indebtedness to the United States.
- (2) Non-convertible debt including Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Bank, and Student Loan Marketing Association.
- (3) Other obligations not specified above, which provide guaranteed principal and interest by the United States or any of its agencies.
- (4) Repurchase agreements, which involve obligations of the United States or its agencies, provided the term of the repurchase agreement does not extend beyond the maturity date of the obligation, and the market value of the security exceeds the cost of the security.
- (5) Money market funds invested in any of the aforementioned securities.

The district's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the district's custodial bank in the district's name. The carrying amount of total cash deposits for the year ended June 30, 2009, was \$659,534. The amount of deposits collateralized with securities held by pledging financial institutions and federal depository insurance was \$659,534.

Utility Plant

Equipment and property additions are recorded at cost. Depreciation is calculated using the straight-line method over the estimated useful life. The district estimates the useful life of its equipment to be ten years as well as five years for general office equipment.

Cash Flow

For purposes of the Statement of Cash Flows, the district considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Budgetary Data

Formal budgetary accounting is employed as a management control for all funds of the district. Annual operating budgets are adopted each fiscal year through the passage of an annual budget ordinance and amended as required for the proprietary funds. The same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principles basis. Budgetary control is exercised at the departmental level. All unencumbered budget appropriations, except project budgets, lapse at the end of each fiscal year.

B. Utility Plant

A summary of changes in the utility plant is as follows:

	Balance 7-1-08	Additions	Deletions	Balance 6-30-09
Equipment	\$ 85,249	\$ 415	\$ (2,861)	\$ 82,803
Less: Accumulated Depreciation	(36,208)	(8,091)	2,861	(41,438)
Total	\$ 49,041	\$ (7,676)	\$ 0	\$ 41,365

C. Cash Flow

At June 30, 2009, total cash was \$659,534, of which \$290,751 is held in certificates of deposit with maturities of more than three months, leaving \$368,783 considered as cash equivalents.

D. Budgeting Procedures

The official budget for June 30, 2009, was prepared for adoption for the proprietary fund by June 16, 2008.

E. Exposure

The district is included under the county coverage for the risks of losses to which it is exposed. These risks include general liability, property, and casualty. Settlement claims have not exceeded coverage in the past three years, and currently, there are no pending lawsuits.

VII. OTHER NOTES - DISCRETELY PRESENTED INDUSTRIAL DEVELOPMENT BOARD OF FRANKLIN COUNTY, TENNESSEE

A. Summary of Significant Accounting Policies

1. Business Activity

The Industrial Development Board of Franklin County, Tennessee, is responsible for attracting and retaining industrial commerce in Franklin County. The board employs a full-time director, John Payne, to facilitate these developments.

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities as well as the reported revenues and expenses. Actual results could vary from the estimates that were used.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Industrial Development Board of Franklin County, Tennessee. The board is a component unit of Franklin County, Tennessee (the primary government). Board members are appointed by the Franklin County Commission to serve for six years. The board must obtain the Franklin County Commission's approval before the issuance of most debt.

The board's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, that do not conflict with or contradict GASB pronouncements.

2. Basic Financial Statements - Government-wide Statements

The board's basic financial statements include both government-wide reporting and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as governmental or business-type. The board's general administrative services are classified as governmental activities. There are no business-type activities.

In the government-wide Statement of Net Assets, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as

long-term debt and obligations. The board's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and the net cost of the board's functions. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function.

The net costs (by function) are normally covered by general revenue.

The board does not allocate indirect costs.

This government-wide focus is more on the sustainability of the board as an entity and the change in the board's net assets resulting from the current year's activities.

3. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

a. Accrual:

Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

b. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measureable and available. "Available" means collectible within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any are recognized when due.

c. **Capital Assets:**

Equipment and property additions are recorded at cost. Depreciation is calculated using the straight-line method over the estimated useful life.

B. Cash Deposits

The board is authorized to issue bonds and borrow money from banks or other financial institutions by issuing notes.

The board's policy related to deposits and investments requires the financial institution to collateralize deposits over \$250,000 by pledging securities individually or by requiring the financial institution to be a member of the State of Tennessee Bank Collateral Pool during the time period of the deposit. The board's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the custodial bank in the board's name. The carrying amount of total cash deposits for the year ended June 30, 2009, is \$8,875.

C. Capital Assets

A summary of changes in the capital assets is as follows:

	Balance 7-1-08	Additions	Balance 6-30-09
Equipment	\$ 10,211	\$ 0	\$ 10,211
Less: Accumulated Depreciation	(8,070)	(871)	(8,941)
Total	<u>\$ 2,141</u>	<u>\$ (871)</u>	<u>\$ 1,270</u>

D. Pension Plan

Plan Description

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

occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the Industrial Development Board of Franklin County, Tennessee, participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

The Industrial Development Board of Franklin County, Tennessee, has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll.

The Industrial Development Board of Franklin County, Tennessee, is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 11.71 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the Industrial Development Board of Franklin County, Tennessee, is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2009, the Industrial Development Board of Franklin County, Tennessee's annual pension cost of \$7,414 to TCRS was equal to the Industrial Development Board of Franklin County, Tennessee's required and actual contributions. The required contribution was determined as 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 three 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

five-year period. The Industrial Development Board of Franklin County, Tennessee'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 18 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6-30-07	\$5,610	100%	\$0
6-30-08	7,469	100	0
6-30-09	7,414	100	0

E. Contingency

The board receives a substantial amount of its support from local governments. A significant reduction in the level of such support, if this were to occur, may have an effect on the board's programs and activities.

F. Budget

The board does not operate under a mandated budget. A request is submitted to the Franklin County Commission for funds based on certain appropriations. The funds are then remitted to the board by the Franklin County Commission on a monthly basis.

G. Exposure

The board is included under the county coverage for the risks of losses to which it is exposed. These risks include general liability, property, and casualty. Settlement claims have not exceeded coverage in the past three years, and there are currently no lawsuits.

H. Subsequent Events

As of July 1, 2009, the board no longer receives contributions from the county. Instead, all salaries and the majority of expenditures will be made through the county's General Fund. A verbal agreement has been made between the Franklin County Commission and the board to receive, administer, and account for a minimal amount of money to be spent for costs associated with prospect development. At the date of the audit report, it is unclear if an audit will be required in future years.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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Exhibit E-1

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,796,395	\$ 0	\$ 0	\$ 6,796,395	\$ 6,859,243	\$ 6,823,502	\$ (27,107)
Licenses and Permits	69,309	0	0	69,309	37,882	67,482	1,827
Fines, Forfeitures, and Penalties	205,850	0	0	205,850	188,565	192,615	13,235
Charges for Current Services	209,075	0	0	209,075	190,600	212,000	(2,925)
Other Local Revenues	136,041	0	0	136,041	108,081	103,718	32,323
Fees Received from County Officials	1,743,038	0	0	1,743,038	1,857,075	1,743,075	(37)
State of Tennessee	2,103,617	0	0	2,103,617	1,926,820	2,080,414	23,203
Federal Government	218,093	0	0	218,093	33,861	388,417	(170,324)
Other Governments and Citizens Groups	261,285	0	0	261,285	122,000	301,547	(40,262)
Total Revenues	\$ 11,742,703	\$ 0	\$ 0	\$ 11,742,703	\$ 11,324,127	\$ 11,912,770	\$ (170,067)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 259,725	\$ (8,400)	\$ 1,666	\$ 252,991	\$ 213,060	\$ 268,963	\$ 15,972
Beer Board	196	(38)	37	195	561	561	366
County Mayor/Executive	175,115	0	150	175,265	171,590	179,440	4,175
County Attorney	9,012	0	0	9,012	8,965	9,015	3
Election Commission	249,157	(568)	0	248,589	252,468	252,468	3,879
Register of Deeds	300,555	(2,450)	825	298,930	304,130	303,210	4,280
Planning	164,767	(661)	412	164,518	177,429	168,729	4,211
Geographical Information Systems	10,198	(2,555)	0	7,643	17,912	7,643	0
County Buildings	728,568	(13,583)	7,603	722,588	624,382	824,382	101,794
Other General Administration	66,589	0	0	66,589	64,565	67,165	576
<u>Finance</u>							
Property Assessor's Office	426,846	(209)	946	427,583	449,450	432,622	5,039

(Continued)

Exhibit E-1

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Trustee's Office	\$ 270,875	\$ (168)	\$ 0	\$ 270,707	\$ 274,648	\$ 273,118	\$ 2,411
County Clerk's Office	473,945	(1,279)	3,046	475,712	443,238	478,238	2,526
Other Finance	626,407	(140)	397	626,664	643,325	632,340	5,676
<u>Administration of Justice</u>							
Circuit Court	815,564	(2,274)	2,337	815,627	843,702	824,202	8,575
General Sessions Court	266,823	(310)	0	266,513	272,417	267,892	1,379
Drug Court	54,720	0	0	54,720	55,857	55,057	337
Chancery Court	174,429	(355)	0	174,074	178,098	174,629	555
Juvenile Court	96,474	0	0	96,474	97,370	98,220	1,746
Judicial Commissioners	130,301	0	66	130,367	134,701	132,060	1,693
Probation Services	78,625	0	0	78,625	86,263	79,068	443
<u>Public Safety</u>							
Sheriff's Department	3,000,424	(9,320)	13,626	3,004,730	2,783,459	3,057,085	52,355
Administration of the Sexual Offender Registry	6,895	0	0	6,895	12,709	8,759	1,864
Jail	1,542,700	(11,744)	30,516	1,561,472	1,478,875	1,643,926	82,454
Correctional Incentive Program Improvements	98,333	0	0	98,333	98,030	102,030	3,697
Juvenile Services	14,049	0	600	14,649	11,270	15,570	921
Civil Defense	149,490	(1,040)	819	149,269	137,372	150,287	1,018
Rescue Squad	30,000	0	0	30,000	30,000	30,000	0
Other Emergency Management	708,668	(6,442)	874	703,100	707,900	719,800	16,700
County Coroner/Medical Examiner	30,487	0	0	30,487	35,400	35,900	5,413
Public Safety Grant Programs	148,024	(5,019)	71,375	214,380	52,527	270,583	56,203
Other Public Safety	49,184	0	0	49,184	65,000	49,184	0

(Continued)

Exhibit E-1

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare</u>							
Local Health Center	\$ 30,723	\$ (570)	\$ 1,575	\$ 31,728	\$ 35,804	\$ 33,449	\$ 1,721
Rabies and Animal Control	205,366	(1,787)	2,636	206,215	210,338	208,118	1,903
Crippled Children Services	2,683	0	0	2,683	2,683	2,683	0
Other Local Health Services	95,876	0	0	95,876	168,024	103,946	8,070
Regional Mental Health Center	9,000	0	0	9,000	9,000	9,000	0
Appropriation to State	27,963	0	0	27,963	27,963	27,963	0
General Welfare Assistance	17,775	0	0	17,775	17,775	17,775	0
Waste Pickup	59,302	0	7,958	67,260	69,117	69,117	1,857
Other Public Health and Welfare	3,122	(396)	0	2,726	2,466	3,466	740
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	26,650	(1,640)	0	25,010	27,440	25,440	430
Libraries	165,751	0	0	165,751	170,290	167,490	1,739
Parks and Fair Boards	48,113	0	27	48,140	60,443	57,943	9,803
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	96,413	0	700	97,113	90,736	97,170	57
Soil Conservation	61,547	0	0	61,547	68,356	61,916	369
<u>Other Operations</u>							
Industrial Development	571,454	0	800	572,254	192,329	580,952	8,698
Other Economic and Community Development	97,209	0	0	97,209	97,209	97,209	0
Veterans' Services	17,392	0	0	17,392	17,597	17,597	205
Other Charges	556,374	0	2,158	558,532	481,622	681,570	123,038
Contributions to Other Agencies	64,386	0	0	64,386	64,386	64,386	0
Total Expenditures	\$ 13,314,244	\$ (70,948)	\$ 151,149	\$ 13,394,445	\$ 12,540,251	\$ 13,939,336	\$ 544,891

(Continued)

Exhibit E-1

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,571,541)	\$ 70,948	\$ (151,149)	\$ (1,651,742)	\$ (1,216,124)	\$ (2,026,566)	\$ 374,824
Other Financing Sources (Uses)							
Capital Leases Issued	\$ 397,191	\$ 0	\$ 0	\$ 397,191	\$ 0	\$ 397,191	\$ 0
Transfers In	7,606	0	0	7,606	15,406	15,406	(7,800)
Transfers Out	(8,213)	0	0	(8,213)	(15,000)	(15,000)	6,787
Total Other Financing Sources (Uses)	\$ 396,584	\$ 0	\$ 0	\$ 396,584	\$ 406	\$ 397,597	\$ (1,013)
Net Change in Fund Balance	\$ (1,174,957)	\$ 70,948	\$ (151,149)	\$ (1,255,158)	\$ (1,215,718)	\$ (1,628,969)	\$ 373,811
Fund Balance, July 1, 2008	3,632,091	(70,948)	0	3,561,143	3,390,463	3,390,463	170,680
Fund Balance, June 30, 2009	\$ 2,457,134	\$ 0	\$ (151,149)	\$ 2,305,985	\$ 2,174,745	\$ 1,761,494	\$ 544,491

Exhibit E-2

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2008	5,745,000	5,745,000	5,745,000	0
Fund Balance, June 30, 2009	\$ 5,745,000	\$ 5,745,000	\$ 5,745,000	\$ 0

Franklin County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Highway/Public Works Fund
 For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 376,250	\$ 0	\$ 0	\$ 376,250	\$ 395,660	\$ 379,660	\$ (3,410)
Licenses and Permits	1,755	0	0	1,755	1,375	1,375	380
Charges for Current Services	918	0	0	918	20,000	1,000	(82)
Other Local Revenues	24,285	0	0	24,285	7,372	28,372	(4,087)
State of Tennessee	2,114,242	0	0	2,114,242	2,075,579	2,120,578	(6,336)
Federal Government	0	0	0	0	37,000	6,001	(6,001)
Total Revenues	\$ 2,517,450	\$ 0	\$ 0	\$ 2,517,450	\$ 2,536,986	\$ 2,536,986	\$ (19,536)
Expenditures							
Highways							
Administration	\$ 276,497	(501)	1,009	277,005	291,645	291,645	14,640
Highway and Bridge Maintenance	685,233	(2,071)	6,605	689,767	726,612	726,612	36,845
Operation and Maintenance of Equipment	288,751	(3,167)	36,342	321,926	403,293	403,293	81,367
Quarry Operations	240,664	0	1,069	241,733	373,976	373,976	132,243
Other Charges	163,755	0	466	164,221	180,928	180,928	16,707
Capital Outlay	612,942	(251,528)	6,194	367,608	541,592	541,592	173,984
Principal on Debt							
Highways and Streets	12,981	0	0	12,981	55,000	55,000	42,019
Interest on Debt							
Highways and Streets	163	0	0	163	6,000	6,000	5,837
Total Expenditures	\$ 2,280,986	\$ (257,267)	\$ 51,685	\$ 2,075,404	\$ 2,579,046	\$ 2,579,046	\$ 503,642
Excess (Deficiency) of Revenues Over Expenditures	\$ 236,464	\$ 257,267	\$ (51,685)	\$ 442,046	\$ (42,060)	\$ (42,060)	\$ 484,106
Other Financing Sources (Uses)							
Transfers In	\$ 8,213	0	0	8,213	10,000	10,000	(1,787)
Transfers Out	(403,803)	0	0	(403,803)	(403,803)	(403,803)	0
Total Other Financing Sources (Uses)	\$ (395,590)	\$ 0	\$ 0	\$ (395,590)	\$ (393,803)	\$ (393,803)	\$ (1,787)
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (159,126)	\$ 257,267	\$ (51,685)	\$ 46,456	\$ (435,863)	\$ (435,863)	\$ 482,319
	847,180	(257,267)	0	589,913	676,223	676,223	(86,310)
Fund Balance, June 30, 2009	\$ 688,054	\$ 0	\$ (51,685)	\$ 636,369	\$ 240,360	\$ 240,360	\$ 396,009

Exhibit F-4

Franklin County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Franklin County School Department
June 30, 2009

(Dollar amounts in thousands)

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-09	7-1-07	\$ 20,772	\$ 24,240	\$ 3,468	85.69 %	\$11,604	29.89 %
6-30-08	7-1-07	20,772	24,240	3,468	85.69	11,604	29.89

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during 2007-08 year; therefore, data is only presented for two years.

Exhibit E-5

Franklin County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Primary Government and the Discretely Presented Franklin County School Department
June 30, 2009

(Dollar amounts in thousands)

Fiscal Year Ended *	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Government Plan	6-30-08	\$ 0	\$ 0	\$ 0	0 %	0	0 %
"	6-30-09	0	3,370	3,370	0	6,460	52.17
Local Education Group Plan	6-30-08	0	9,332	9,332	0	20,804	44.86
"	6-30-09	0	9,332	9,332	0	20,804	44.86

*Data available for only two years.

FRANKLIN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2009

BUDGETARY INFORMATION

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

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

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

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

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Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation and the recording of certain instruments. The proceeds of the tax must be used to pay for improvements or maintenance on the courthouse and jail.

Public Library Fund – The Public Library Fund is used to account for transactions for the Franklin County Public Library.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund accounts for transactions involving solid waste collection.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for a special property tax levied to provide funding for rural fire protection.

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

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

Debt Service Fund

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs of the general government.

Exhibit F-1

Franklin County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2009

	Special Revenue Funds										Total	Debt Service Fund		Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitutional Officers Fees	Debt Service		Total	Nonmajor Governmental Funds				
							General	Debt						
\$	0	20,368	0	0	0	880	0	0	21,248	0	0	21,248		
Cash	34,647	0	351,629	65,607	29,149	0	1,356,102	0	481,032	1,837,134	0	1,837,134		
Equity in Pooled Cash and Investments	0	0	5,467	9,988	75	6,237	1	0	21,767	1	0	21,768		
Accounts Receivable	0	0	109	59	1,050	0	294	0	1,218	864,847	0	1,512		
Due from Other Governments	0	0	923,403	399,414	0	0	0	0	1,322,817	2,187,664	0	2,187,664		
Property Taxes Receivable	0	0	(24,504)	(11,342)	0	0	0	0	(35,846)	(21,354)	0	(57,200)		
Allowance for Uncollectible Property Taxes	0	0	726	0	0	0	0	0	726	3,575	0	4,301		
Prepaid Items														
Total Assets	\$ 34,647	\$ 20,368	\$ 1,256,830	\$ 463,726	\$ 30,274	\$ 7,117	\$ 2,203,465	\$ 1,812,962	\$ 2,203,465	\$ 4,016,427		\$ 4,016,427		

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities
 Accounts Payable
 Accrued Payroll
 Payroll Deductions Payable
 Due to Other Funds
 Due to State of Tennessee
 Deferred Revenue - Current Property Taxes
 Deferred Revenue - Delinquent Property Taxes
 Total Liabilities

Fund Balances
 Reserved for Encumbrances
 Unreserved
 Total Fund Balances

Total Liabilities and Fund Balances

\$	0	4,738	2,118	0	378	0	0	0	7,234	0	0	7,234	
Accounts Payable	0	0	9,489	0	0	0	0	0	9,489	0	0	9,489	
Accrued Payroll	0	0	8,606	0	0	0	0	0	8,606	0	0	8,606	
Payroll Deductions Payable	0	0	0	0	85	7,117	0	0	7,202	0	0	7,202	
Due to Other Funds	0	0	617	0	92	0	0	0	709	0	0	709	
Due to State of Tennessee	0	0	855,827	364,770	0	0	0	0	1,220,597	814,963	0	2,035,560	
Deferred Revenue - Current Property Taxes	0	0	39,883	22,091	0	0	0	0	61,974	26,755	0	88,729	
Deferred Revenue - Delinquent Property Taxes	0	0	916,540	386,861	555	7,117	1,315,811	841,718	2,157,529				
Total Liabilities	\$ 0	\$ 4,738	\$ 916,540	\$ 386,861	\$ 555	\$ 7,117	\$ 1,315,811	\$ 841,718	\$ 2,157,529				
Fund Balances	\$ 0	\$ 0	\$ 63,372	\$ 150	\$ 298	\$ 0	\$ 63,820	\$ 0	\$ 63,820	0	0	63,820	
Reserved for Encumbrances	34,647	15,630	276,918	76,715	29,421	0	433,331	1,361,747	1,795,078				
Unreserved	34,647	15,630	340,290	76,865	29,719	0	497,151	1,361,747	1,858,898				
Total Fund Balances	\$ 34,647	\$ 20,368	\$ 1,256,830	\$ 463,726	\$ 30,274	\$ 7,117	\$ 1,812,962	\$ 2,203,465	\$ 4,016,427				
Total Liabilities and Fund Balances	\$ 34,647	\$ 20,368	\$ 1,256,830	\$ 463,726	\$ 30,274	\$ 7,117	\$ 1,812,962	\$ 2,203,465	\$ 4,016,427				

Exhibit F-2

Franklin County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2009

	Special Revenue Funds										Debt Service Fund		Total Nonmajor Governmental Funds
	Courtthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitutional Officers - Fees	Total	General Debt Service		Total			
								General	Debt Service				
Revenues													
Local Taxes	\$ 27,696	\$ 0	\$ 906,653	\$ 468,781	\$ 0	\$ 0	\$ 1,403,130	\$ 952,545	\$ 2,355,675				
Licenses and Permits	0	0	6,998	23,802	0	0	30,800	4,295	35,095				
Fines, Forfeitures, and Penalties	0	0	0	0	37,379	0	37,379	0	37,379				
Charges for Current Services	0	20,446	22,660	0	0	2,736	45,842	0	45,842				
Other Local Revenues	0	4,312	364,329	0	17,865	0	386,506	0	386,506				
State of Tennessee	0	0	21,499	0	10,366	0	31,865	0	31,865				
Federal Government	0	1,500	0	0	220	0	1,720	0	1,720				
Other Governments and Citizens Groups	0	67,144	0	0	2,200	0	69,344	0	69,344				
Total Revenues	\$ 27,696	\$ 93,402	\$ 1,322,139	\$ 492,583	\$ 68,030	\$ 2,736	\$ 2,006,586	\$ 956,840	\$ 2,963,426				
Expenditures													
Current:													
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,736	\$ 2,736	\$ 0	\$ 2,736				
Public Safety	0	0	0	459,004	67,876	0	526,880	0	526,880				
Public Health and Welfare	0	0	1,289,058	0	0	0	1,289,058	0	1,289,058				
Social, Cultural, and Recreational Services	0	126,181	0	0	0	0	126,181	0	126,181				
Other Operations	278	0	74,273	0	370	0	74,921	0	74,921				
Debt Service:													
Principal on Debt	0	0	0	0	0	0	0	1,175,000	1,175,000				
Interest on Debt	0	0	0	0	0	0	0	481,491	481,491				
Other Debt Service	0	0	0	0	0	0	0	20,129	20,129				
Total Expenditures	\$ 278	\$ 126,181	\$ 1,363,331	\$ 459,004	\$ 68,246	\$ 2,736	\$ 2,019,776	\$ 1,676,620	\$ 3,696,396				
Excess (Deficiency) of Revenues Over Expenditures	\$ 27,418	\$ (32,779)	\$ (41,192)	\$ 33,579	\$ (216)	\$ 0	\$ (13,190)	\$ (719,780)	\$ (732,970)				
Other Financing Sources (Uses)													
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 436,000	\$ 436,000				
Transfers Out	(36,000)	0	(3,803)	0	0	0	(39,803)	0	(39,803)				
Total Other Financing Sources (Uses)	\$ (36,000)	\$ 0	\$ (3,803)	\$ 0	\$ 0	\$ 0	\$ (39,803)	\$ 436,000	\$ 396,197				
Net Change in Fund Balances Fund Balance, July 1, 2008	\$ (8,582)	\$ (32,779)	\$ (44,995)	\$ 33,579	\$ (216)	\$ 0	\$ (52,993)	\$ (283,780)	\$ (396,773)				
	43,229	48,409	385,285	43,286	29,935	0	550,144	1,645,527	2,195,671				
Fund Balance, June 30, 2009	\$ 34,647	\$ 15,630	\$ 340,290	\$ 76,865	\$ 29,719	\$ 0	\$ 497,151	\$ 1,361,747	\$ 1,858,898				

Exhibit F-3

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 27,696	\$ 31,000	\$ 31,000	\$ (3,304)
Total Revenues	\$ 27,696	\$ 31,000	\$ 31,000	\$ (3,304)
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 278	\$ 350	\$ 350	\$ 72
Total Expenditures	\$ 278	\$ 350	\$ 350	\$ 72
Excess (Deficiency) of Revenues Over Expenditures	\$ 27,418	\$ 30,650	\$ 30,650	\$ (3,232)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (36,000)	\$ (36,000)	\$ (36,000)	\$ 0
Total Other Financing Sources (Uses)	\$ (36,000)	\$ (36,000)	\$ (36,000)	\$ 0
Net Change in Fund Balance	\$ (8,582)	\$ (5,350)	\$ (5,350)	\$ (3,232)
Fund Balance, July 1, 2008	43,229	43,229	43,229	0
Fund Balance, June 30, 2009	\$ 34,647	\$ 37,879	\$ 37,879	\$ (3,232)

Exhibit F-4

Franklin County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Solid Waste/Sanitation Fund
 For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 906,653	\$ 0	\$ 0	\$ 906,653	\$ 899,294	\$ 899,294	\$ 7,359
Licenses and Permits	6,998	0	0	6,998	6,766	6,766	232
Charges for Current Services	22,660	0	0	22,660	18,000	18,000	4,660
Other Local Revenues	364,329	0	0	364,329	421,805	421,805	(57,476)
State of Tennessee	21,499	0	0	21,499	22,600	22,600	(1,101)
Total Revenues	\$ 1,322,139	\$ 0	\$ 0	\$ 1,322,139	\$ 1,368,465	\$ 1,368,465	\$ (46,326)
Expenditures							
Public Health and Welfare							
Sanitation Education/Information	\$ 2,305	\$ 0	\$ 0	\$ 2,305	\$ 2,500	\$ 2,500	\$ 195
Convenience Centers	226,337	(1,606)	1,060	225,791	263,726	263,726	37,935
Transfer Stations	1,052,416	(9,849)	60,022	1,102,589	1,164,781	1,164,781	62,192
Postclosure Care Costs	8,000	0	2,000	10,000	10,000	10,000	0
Other Operations	74,273	0	290	74,563	78,756	78,756	4,193
Other Charges							
Total Expenditures	\$ 1,363,331	\$ (11,455)	\$ 63,372	\$ 1,415,248	\$ 1,519,763	\$ 1,519,763	\$ 104,515
Excess (Deficiency) of Revenues Over Expenditures	\$ (41,192)	\$ 11,455	\$ (63,372)	\$ (93,109)	\$ (151,298)	\$ (151,298)	\$ 58,189
Other Financing Sources (Uses)							
Transfers Out	\$ (3,803)	\$ 0	\$ 0	\$ (3,803)	\$ (3,803)	\$ (3,803)	\$ 0
Total Other Financing Sources (Uses)	\$ (3,803)	\$ 0	\$ 0	\$ (3,803)	\$ (3,803)	\$ (3,803)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (44,995)	\$ 11,455	\$ (63,372)	\$ (96,912)	\$ (155,101)	\$ (155,101)	\$ 58,189
	385,285	(11,455)	0	373,830	364,634	364,634	9,196
Fund Balance, June 30, 2009	\$ 340,290	\$ 0	\$ (63,372)	\$ 276,918	\$ 209,533	\$ 209,533	\$ 67,385

Exhibit F-5

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 468,781	\$ 0	\$ 468,781	\$ 452,236	\$ 452,236	\$ 16,545
Licenses and Permits	23,802	0	23,802	23,680	23,680	122
Total Revenues	\$ 492,583	\$ 0	\$ 492,583	\$ 475,916	\$ 475,916	\$ 16,667
<u>Expenditures</u>						
<u>Public Safety</u>						
Fire Prevention and Control	\$ 459,004	150	\$ 459,154	\$ 459,950	\$ 459,950	\$ 796
Total Expenditures	\$ 459,004	150	\$ 459,154	\$ 459,950	\$ 459,950	\$ 796
Excess (Deficiency) of Revenues Over Expenditures	\$ 33,579	(150)	\$ 33,429	\$ 15,966	\$ 15,966	\$ 17,463
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 33,579	(150)	\$ 33,429	\$ 15,966	\$ 15,966	\$ 17,463
	43,286	0	43,286	42,228	42,228	1,058
Fund Balance, June 30, 2009	\$ 76,865	(150)	\$ 76,715	\$ 58,194	\$ 58,194	\$ 18,521

Exhibit F-6

Franklin County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Drug Control Fund
 For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 37,379	\$ 0	\$ 0	\$ 37,379	\$ 57,200	\$ 57,200	\$ (19,821)
Other Local Revenues	17,865	0	0	17,865	10,175	17,315	550
State of Tennessee	10,366	0	0	10,366	0	12,000	(1,634)
Federal Government	220	0	0	220	0	150	70
Other Governments and Citizens Groups	2,200	0	0	2,200	10,075	5,075	(2,875)
Total Revenues	\$ 68,030	\$ 0	\$ 0	\$ 68,030	\$ 77,450	\$ 91,740	\$ (23,710)
<u>Expenditures</u>							
Public Safety							
Drug Enforcement	\$ 67,876	(1,265)	298	66,909	88,851	103,141	36,232
Other Operations	370	0	0	370	600	600	230
Other Charges							
Total Expenditures	\$ 68,246	(1,265)	298	67,279	89,451	103,741	36,462
Excess (Deficiency) of Revenues Over Expenditures	\$ (216)	1,265	(298)	751	(12,001)	(12,001)	12,752
Net Change in Fund Balance	\$ (216)	1,265	(298)	751	(12,001)	(12,001)	12,752
Fund Balance, July 1, 2008	29,935	(1,265)	0	28,670	30,332	30,332	(1,662)
Fund Balance, June 30, 2009	\$ 29,719	\$ 0	(298)	\$ 29,421	\$ 18,331	\$ 18,331	\$ 11,090

Exhibit F-7

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 952,545	\$ 967,063	\$ 967,063	\$ (14,518)
Licenses and Permits	4,295	3,300	3,300	995
Other Local Revenues	0	180,000	180,000	(180,000)
Total Revenues	<u>\$ 956,840</u>	<u>\$ 1,150,363</u>	<u>\$ 1,150,363</u>	<u>\$ (193,523)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,175,000	\$ 1,175,000	\$ 1,175,000	\$ 0
<u>Interest on Debt</u>				
General Government	481,491	482,091	482,091	600
<u>Other Debt Service</u>				
General Government	20,129	48,000	48,000	27,871
Total Expenditures	<u>\$ 1,676,620</u>	<u>\$ 1,705,091</u>	<u>\$ 1,705,091</u>	<u>\$ 28,471</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (719,780)</u>	<u>\$ (554,728)</u>	<u>\$ (554,728)</u>	<u>\$ (165,052)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 436,000	\$ 436,000	\$ 436,000	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 436,000</u>	<u>\$ 436,000</u>	<u>\$ 436,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (283,780)	\$ (118,728)	\$ (118,728)	\$ (165,052)
Fund Balance, July 1, 2008	<u>1,645,527</u>	<u>1,643,743</u>	<u>1,643,743</u>	<u>1,784</u>
Fund Balance, June 30, 2009	<u>\$ 1,361,747</u>	<u>\$ 1,525,015</u>	<u>\$ 1,525,015</u>	<u>\$ (163,268)</u>

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Major Governmental Fund

Education Debt Service Fund

The Education Debt Service Fund is used to account for the accumulation of resources for, and the payment of, school-related long-term debt principal, interest, and related costs.

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Exhibit G

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Debt Service Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,350,691	\$ 2,334,146	\$ 2,350,874	\$ (183)
Licenses and Permits	8,826	6,100	6,100	2,726
Other Governments and Citizens Groups	860,000	0	860,000	0
Total Revenues	<u>\$ 3,219,517</u>	<u>\$ 2,340,246</u>	<u>\$ 3,216,974</u>	<u>\$ 2,543</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,875,000	\$ 2,005,000	\$ 2,005,000	\$ 130,000
<u>Interest on Debt</u>				
Education	1,190,235	1,268,470	1,268,470	78,235
<u>Other Debt Service</u>				
Education	377,484	79,000	392,635	15,151
Total Expenditures	<u>\$ 3,442,719</u>	<u>\$ 3,352,470</u>	<u>\$ 3,666,105</u>	<u>\$ 223,386</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (223,202)</u>	<u>\$ (1,012,224)</u>	<u>\$ (449,131)</u>	<u>\$ 225,929</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 15,205,000	\$ 0	\$ 15,205,001	\$ (1)
Premiums on Debt Issued	43,142	0	43,142	0
Transfers In	0	860,000	0	0
Payments to Refunded Debt Escrow Agent	(14,951,236)	0	(14,951,236)	0
Total Other Financing Sources (Uses)	<u>\$ 296,906</u>	<u>\$ 860,000</u>	<u>\$ 296,907</u>	<u>\$ (1)</u>
Net Change in Fund Balance	\$ 73,704	\$ (152,224)	\$ (152,224)	\$ 225,928
Fund Balance, July 1, 2008	<u>3,112,098</u>	<u>3,108,721</u>	<u>3,108,721</u>	<u>3,377</u>
Fund Balance, June 30, 2009	<u>\$ 3,185,802</u>	<u>\$ 2,956,497</u>	<u>\$ 2,956,497</u>	<u>\$ 229,305</u>

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Fiduciary Funds

Agency Funds are used to account for assets held by the county in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

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Exhibit H-1

Franklin County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2009

	<u>Agency Funds</u>		
	<u>Cities - Sales Tax</u>	<u>Constitutional Officers - Agency</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,588,085	\$ 1,588,085
Due from Other Governments	484,520	0	484,520
Total Assets	<u>\$ 484,520</u>	<u>\$ 1,588,085</u>	<u>\$ 2,072,605</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 484,520	\$ 0	\$ 484,520
Due to Litigants, Heirs, and Others	0	1,588,085	1,588,085
Total Liabilities	<u>\$ 484,520</u>	<u>\$ 1,588,085</u>	<u>\$ 2,072,605</u>

Exhibit H-2

Franklin County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2009

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,801,888	\$ 2,801,888	\$ 0
Due from Other Governments	516,562	484,520	516,562	484,520
Total Assets	\$ 516,562	\$ 3,286,408	\$ 3,318,450	\$ 484,520
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 516,562	\$ 3,286,408	\$ 3,318,450	\$ 484,520
Total Liabilities	\$ 516,562	\$ 3,286,408	\$ 3,318,450	\$ 484,520
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,519,363	\$ 12,679,110	\$ 12,610,388	\$ 1,588,085
Total Assets	\$ 1,519,363	\$ 12,679,110	\$ 12,610,388	\$ 1,588,085
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,519,363	\$ 12,679,110	\$ 12,610,388	\$ 1,588,085
Total Liabilities	\$ 1,519,363	\$ 12,679,110	\$ 12,610,388	\$ 1,588,085
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,519,363	\$ 12,679,110	\$ 12,610,388	\$ 1,588,085
Equity in Pooled Cash and Investments	0	2,801,888	2,801,888	0
Due from Other Governments	516,562	484,520	516,562	484,520
Total Assets	\$ 2,035,925	\$ 15,965,518	\$ 15,928,838	\$ 2,072,605
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 516,562	\$ 3,286,408	\$ 3,318,450	\$ 484,520
Due to Litigants, Heirs, and Others	1,519,363	12,679,110	12,610,388	1,588,085
Total Liabilities	\$ 2,035,925	\$ 15,965,518	\$ 15,928,838	\$ 2,072,605

Franklin County School Department

This section presents combining and individual fund financial statements for the Franklin County School Department, a discretely presented component unit. The Franklin County School Department uses a General Fund, two Special Revenue Funds, and a Capital Projects Fund.

General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department.

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Exhibit I-1

Franklin County, Tennessee
 Statement of Activities
 Discretely Presented Franklin County School Department
 For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 29,407,454	\$ 312,902	\$ 3,490,003	\$ 166,458	\$ (25,438,091)
Support Services	14,519,397	13,221	0	0	(14,506,176)
Operation of Non-Instructional Services	5,488,699	1,356,447	1,826,584	0	(2,305,668)
Capital Outlay	92,812	0	0	0	(92,812)
Interest on Debt	4,644	0	0	0	(4,644)
Other Debt Service	860,000	0	0	0	(860,000)
Total Governmental Activities	\$ 50,373,006	\$ 1,682,570	\$ 5,316,587	\$ 166,458	\$ (43,207,391)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 8,893,819
Local Option Sales Taxes					3,870,916
Other Local Taxes					5,002
Grants and Contributions Not Restricted to Specific Programs					30,127,837
Unrestricted Investment Earnings					342,407
Miscellaneous					137,774
Sale of Equipment					6,131
Total General Revenues					\$ 43,383,886
Change in Net Assets					\$ 176,495
Net Assets, July 1, 2008					52,663,365
Net Assets, June 30, 2009					\$ 52,839,860

Exhibit I-2

Franklin County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Franklin County School Department
June 30, 2009

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General Purpose School</u>	<u>Education Capital Projects</u>	<u>Other Governmental Funds</u>	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,843	\$ 1,843
Equity in Pooled Cash and Investments	4,043,086	2,501,374	580,457	7,124,917
Accounts Receivable	57,038	0	0	57,038
Due from Other Governments	817,212	0	540,316	1,357,528
Due from Other Funds	3,443	0	3,633	7,076
Property Taxes Receivable	8,976,240	0	0	8,976,240
Allowance for Uncollectible Property Taxes	(221,355)	0	0	(221,355)
Total Assets	\$ 13,675,664	\$ 2,501,374	\$ 1,126,249	\$ 17,303,287
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 16,416	\$ 814	\$ 2,222	\$ 19,452
Accrued Payroll	19,159	0	790	19,949
Due to Other Funds	0	0	3,433	3,443
Due to State of Tennessee	0	0	63,637	63,637
Deferred Revenue - Current Property Taxes	8,458,498	0	0	8,458,498
Deferred Revenue - Delinquent Property Taxes	276,152	0	0	276,152
Other Deferred Revenues	367,619	0	0	367,619
Total Liabilities	\$ 9,137,844	\$ 814	\$ 70,092	\$ 9,208,750
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 738,411	\$ 386,456	\$ 466,714	\$ 1,591,581
Other Local Education Reserves	188,840	0	0	188,840
Reserved for Career Ladder - Extended Contract	42,066	0	0	42,066
Reserved for Career Ladder Program	21,466	0	0	21,466
Reserved for Title I Grants to Local Education Agencies	0	0	2,789	2,789
Reserved for Innovative Education Program Strategies	0	0	4,509	4,509
Reserved for Special Education - Grants to States	0	0	31,512	31,512
Other Federal Reserves	0	0	15,206	15,206
Unreserved, Reported In:				
General Fund	3,547,037	0	0	3,547,037
Special Revenue Funds	0	0	535,427	535,427
Capital Projects Funds	0	2,114,104	0	2,114,104
Total Fund Balances	\$ 4,537,820	\$ 2,500,560	\$ 1,056,157	\$ 8,094,537
Total Liabilities and Fund Balances	\$ 13,675,664	\$ 2,501,374	\$ 1,126,249	\$ 17,303,287

Exhibit I-3

Franklin County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Franklin County School Department
June 30, 2009

Amounts reported for governmental activities in the statement of net assets (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 8,094,537
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 5,451,186	
Add: buildings and improvements net of accumulated depreciation	38,473,383	
Add: other capital assets net of accumulated depreciation	<u>2,553,556</u>	46,478,125
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: note payable	\$ (75,000)	
Less: capital lease payable	(20,011)	
Less: compensated absences payable	(118,812)	
Less: other postemployment benefits liability	(2,162,115)	
Less: accrued interest on note and capital lease	<u>(635)</u>	(2,376,573)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>643,771</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 52,839,860</u>

Exhibit I-4

Franklin County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2009

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Other</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 12,805,578	\$ 0	\$ 0	\$ 12,805,578
Licenses and Permits	50,809	0	0	50,809
Charges for Current Services	259,884	0	1,356,447	1,616,331
Other Local Revenues	546,393	21,069	11,296	578,758
State of Tennessee	26,920,375	0	33,493	26,953,868
Federal Government	380,852	0	4,820,488	5,201,340
Other Governments and Citizens Groups	166,458	2,958,900	0	3,125,358
Total Revenues	\$ 41,130,349	\$ 2,979,969	\$ 6,221,724	\$ 50,332,042
<u>Expenditures</u>				
Current:				
Instruction	\$ 24,497,668	\$ 0	\$ 2,115,491	\$ 26,613,159
Support Services	13,903,425	0	605,418	14,508,843
Operation of Non-Instructional Services	1,922,508	0	3,032,087	4,954,595
Capital Outlay	92,812	0	0	92,812
Debt Service:				
Principal on Debt	107,635	0	0	107,635
Interest on Debt	12,294	0	0	12,294
Other Debt Service	860,000	0	0	860,000
Capital Projects	0	479,409	0	479,409
Total Expenditures	\$ 41,396,342	\$ 479,409	\$ 5,752,996	\$ 47,628,747
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (265,993)	\$ 2,500,560	\$ 468,728	\$ 2,703,295
Net Change in Fund Balances	\$ (265,993)	\$ 2,500,560	\$ 468,728	\$ 2,703,295
Fund Balance, July 1, 2008	4,803,813	0	587,429	5,391,242
Fund Balance, June 30, 2009	\$ 4,537,820	\$ 2,500,560	\$ 1,056,157	\$ 8,094,537

Exhibit I-5

Franklin County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2009

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 2,703,295
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 467,603	
Less: current year depreciation expense	<u>(1,942,532)</u>	(1,474,929)
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2009	\$ 643,771	
Less: deferred delinquent property taxes and other deferred June 30, 2008	<u>(597,330)</u>	46,441
<p>(3) The issuance of long-term debt (e.g., notes and capital 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. This amount is the effect of these differences in the treatment of long-term debt and related items:</p>		
Add: principal payments on note	\$ 25,000	
Add: principal payments on capital lease	<u>82,635</u>	107,635
<p>(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in compensated absences payable	\$ 66,333	
Change in other postemployment benefits liability	(1,279,930)	
Change in accrued interest payable	<u>7,650</u>	<u>(1,205,947)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 176,495</u>

Exhibit I-6

Franklin County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Franklin County School Department
June 30, 2009

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,843	\$ 1,843
Equity in Pooled Cash and Investments	119,088	461,369	580,457
Due from Other Governments	380,372	159,944	540,316
Due from Other Funds	3,633	0	3,633
Total Assets	\$ 503,093	\$ 623,156	\$ 1,126,249
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 1,224	\$ 998	\$ 2,222
Accrued Payroll	251	539	790
Due to Other Funds	3,443	0	3,443
Due to State of Tennessee	63,637	0	63,637
Total Liabilities	\$ 68,555	\$ 1,537	\$ 70,092
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 380,522	\$ 86,192	\$ 466,714
Reserved for Title I Grants to Local Education Agencies	2,789	0	2,789
Reserved for Innovative Education Program Strategies	4,509	0	4,509
Reserved for Special Education - Grants to States	31,512	0	31,512
Other Federal Reserves	15,206	0	15,206
Unreserved	0	535,427	535,427
Total Fund Balances	\$ 434,538	\$ 621,619	\$ 1,056,157
Total Liabilities and Fund Balances	\$ 503,093	\$ 623,156	\$ 1,126,249

Exhibit I-7

Franklin County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2009

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 1,356,447	\$ 1,356,447
Other Local Revenues	0	11,296	11,296
State of Tennessee	0	33,493	33,493
Federal Government	3,198,415	1,622,073	4,820,488
Total Revenues	<u>\$ 3,198,415</u>	<u>\$ 3,023,309</u>	<u>\$ 6,221,724</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 2,115,491	\$ 0	\$ 2,115,491
Support Services	605,418	0	605,418
Operation of Non-Instructional Services	88,265	2,943,822	3,032,087
Total Expenditures	<u>\$ 2,809,174</u>	<u>\$ 2,943,822</u>	<u>\$ 5,752,996</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 389,241</u>	<u>\$ 79,487</u>	<u>\$ 468,728</u>
Net Change in Fund Balances	\$ 389,241	\$ 79,487	\$ 468,728
Fund Balance, July 1, 2008	45,297	542,132	587,429
Fund Balance, June 30, 2009	<u>\$ 434,538</u>	<u>\$ 621,619</u>	<u>\$ 1,056,157</u>

Exhibit I-8

Franklin County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Franklin County School Department
 General Purpose School Fund
 For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 12,805,578	\$ 0	\$ 0	\$ 12,805,578	\$ 12,863,598	\$ 12,863,598	\$ (58,020)
Licenses and Permits	50,809	0	0	50,809	47,800	47,800	3,009
Charges for Current Services	259,884	0	0	259,884	296,453	296,453	(36,569)
Other Local Revenues	546,393	0	0	546,393	612,472	688,023	(141,630)
State of Tennessee	26,920,375	0	0	26,920,375	26,614,276	26,951,859	(31,484)
Federal Government	380,852	0	0	380,852	248,691	407,634	(26,782)
Other Governments and Citizens Groups	166,458	0	0	166,458	229,870	169,176	(2,718)
Total Revenues	\$ 41,130,349	\$ 0	\$ 0	\$ 41,130,349	\$ 40,913,160	\$ 41,424,543	\$ (294,194)
Expenditures							
Instruction							
Regular Instruction Program	\$ 19,463,370	(493,403)	322,674	\$ 19,292,641	\$ 19,389,791	\$ 19,591,544	\$ 298,903
Alternative Instruction Program	227,268	0	0	227,268	226,966	229,084	1,816
Special Education Program	3,275,640	(24,247)	5,691	3,257,084	3,343,276	3,375,091	118,007
Vocational Education Program	1,359,790	(792)	11,964	1,370,962	1,424,289	1,422,524	51,562
Student Body Education Program	139,374	(2,496)	1,771	138,649	162,667	153,047	14,398
Adult Education Program	32,226	(342)	1,247	33,131	30,828	40,382	7,251
Support Services							
Attendance	225,077	0	0	225,077	235,675	235,675	10,598
Health Services	141,848	0	0	141,848	142,895	143,565	1,717
Other Student Support	1,005,477	0	20,394	1,025,871	1,046,421	1,100,234	74,363
Regular Instruction Program	1,055,587	(3,640)	1,557	1,053,504	1,099,900	1,112,752	59,248
Special Education Program	259,889	(928)	1,455	260,416	276,169	285,165	24,749
Vocational Education Program	101,422	(390)	1,017	102,049	106,575	106,575	4,526

(Continued)

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Franklin County School Department
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
<u>Support Services (Cont.)</u>							
Adult Programs	\$ 111,817	\$ 0	\$ 0	\$ 111,817	\$ 114,663	\$ 128,427	\$ 16,610
Other Programs	113,502	0	0	113,502	0	113,502	0
Board of Education	862,325	(8,343)	9,581	863,563	882,055	879,852	16,289
Director of Schools	463,920	(4,683)	5,709	464,946	456,374	514,177	49,231
Office of the Principal	2,309,099	0	0	2,309,099	2,320,031	2,327,277	18,178
Human Services/Personnel	89,574	(324)	217	89,467	91,970	91,970	2,503
Operation of Plant	3,552,079	(2,020)	3,019	3,553,078	3,725,913	3,790,880	237,802
Maintenance of Plant	1,260,501	(117,466)	270,162	1,413,197	1,692,655	1,689,255	276,058
Transportation	1,915,309	(30,302)	41,548	1,926,555	2,158,106	1,981,157	54,602
Central and Other	435,999	(716)	1,395	436,678	426,022	445,574	8,896
<u>Operation of Non-Instructional Services</u>							
Food Service	56,008	0	0	56,008	2,281	70,237	14,229
Community Services	600,218	(6,839)	19,340	612,719	557,226	656,540	43,821
Early Childhood Education	1,266,282	(31,109)	19,670	1,254,843	1,319,992	1,263,250	8,407
<u>Capital Outlay</u>							
Regular Capital Outlay	92,812	(72,491)	0	20,321	280,000	293,100	272,779
<u>Principal on Debt</u>							
Education	107,635	0	0	107,635	967,635	107,635	0
Interest on Debt							
Education	12,294	0	0	12,294	12,295	12,295	1
<u>Other Debt Service</u>							
Education	860,000	0	0	860,000	0	860,000	0
Total Expenditures	\$ 41,396,342	\$ (800,531)	\$ 738,411	\$ 41,334,222	\$ 42,492,670	\$ 43,020,766	\$ 1,686,544

(Continued)

Exhibit I-8

Franklin County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Franklin County School Department
 General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: 6/30/2009 Encumbrances	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (265,993)	\$ 800,531	\$ (738,411)	\$ (203,873)	\$ (1,579,510)	\$ (1,596,223)	\$ 1,392,350
Other Financing Sources (Uses) Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ (235,000)	\$ (235,000)	\$ 235,000
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (235,000)	\$ (235,000)	\$ 235,000
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (265,993)	\$ 800,531	\$ (738,411)	\$ (203,873)	\$ (1,814,510)	\$ (1,831,223)	\$ 1,627,350
Fund Balance, June 30, 2009	\$ 4,803,813	\$ (800,531)	\$ 0	\$ 4,003,282	\$ 3,642,235	\$ 3,642,235	\$ 361,047
	\$ 4,537,820	\$ 0	\$ (738,411)	\$ 3,799,409	\$ 1,827,725	\$ 1,811,012	\$ 1,988,397

Exhibit I-9

Franklin County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Franklin County School Department
 School Federal Projects Fund
 For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Federal Government	\$ 3,198,415	0	\$ 3,198,415	\$ 3,426,521	\$ 3,426,521	\$ (228,106)
Total Revenues	\$ 3,198,415	0	\$ 3,198,415	\$ 3,426,521	\$ 3,426,521	\$ (228,106)
Expenditures						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,110,611	0	\$ 1,110,611	\$ 1,231,507	\$ 1,228,711	\$ 118,100
Special Education Program	924,903	191,082	1,115,985	1,140,048	1,208,244	92,259
Vocational Education Program	79,977	0	79,977	79,977	79,977	0
<u>Support Services</u>						
Health Services	188,364	0	188,364	159,905	188,364	0
Other Student Support	26,327	0	26,327	55,481	32,667	6,340
Regular Instruction Program	202,096	0	202,096	238,956	228,290	26,194
Special Education Program	188,631	0	188,631	284,895	224,315	35,684
Transportation	0	189,290	189,290	189,290	189,290	0
<u>Operation of Non-Instructional Services</u>						
Community Services	88,265	150	88,415	92,000	92,000	3,585
Total Expenditures	\$ 2,809,174	\$ 380,522	\$ 3,189,696	\$ 3,472,059	\$ 3,471,858	\$ 282,162
Excess (Deficiency) of Revenues Over Expenditures	\$ 389,241	(380,522)	\$ 8,719	(45,538)	(45,337)	\$ 54,056
<u>Other Financing Sources (Uses)</u>						
Transfers In	0	0	0	216,393	0	0
Transfers Out	0	0	0	(216,193)	0	0
Total Other Financing Sources (Uses)	0	0	0	200	0	0
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 389,241	(380,522)	\$ 8,719	(45,338)	(45,337)	\$ 54,056
	45,297	0	45,297	45,338	45,338	(41)
Fund Balance, June 30, 2009	\$ 434,538	(380,522)	\$ 54,016	0	1	\$ 54,015

Exhibit I-10

Franklin County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Franklin County School Department
 Central Cafeteria Fund
 For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,356,447	\$ 0	\$ 1,356,447	\$ 1,432,300	\$ 1,357,300	\$ (853)
Other Local Revenues	11,296	0	11,296	21,000	21,000	(9,704)
State of Tennessee	33,493	0	33,493	33,880	33,880	(387)
Federal Government	1,622,073	0	1,622,073	1,512,575	1,587,575	34,498
Total Revenues	\$ 3,023,309	\$ 0	\$ 3,023,309	\$ 2,999,755	\$ 2,999,755	\$ 23,554
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 2,943,822	\$ 86,192	\$ 3,030,014	\$ 3,572,802	\$ 3,572,802	\$ 542,788
Total Expenditures	\$ 2,943,822	\$ 86,192	\$ 3,030,014	\$ 3,572,802	\$ 3,572,802	\$ 542,788
Excess (Deficiency) of Revenues Over Expenditures	\$ 79,487	\$ (86,192)	\$ (6,705)	\$ (573,047)	\$ (573,047)	\$ 566,342
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 235,000	\$ 235,000	\$ (235,000)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 235,000	\$ 235,000	\$ (235,000)
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 79,487	\$ (86,192)	\$ (6,705)	\$ (338,047)	\$ (338,047)	\$ 331,342
	542,132	0	542,132	529,051	529,051	13,081
Fund Balance, June 30, 2009	\$ 621,619	\$ (86,192)	\$ 535,427	\$ 191,004	\$ 191,004	\$ 344,423

MISCELLANEOUS SCHEDULES

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Franklin County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds
Primary Government and Discretely Presented Franklin County School Department
For the Year Ended June 30, 2009

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-09
PRIMARY GOVERNMENT									
CAPITAL LEASES									
<u>Payable through General Fund</u>									
Jail Security Equipment	\$ 78,235	0 %	12-21-07	12-21-12	\$ 63,555	\$ 11,335	\$ 16,103	\$ 0	\$ 58,787
Sheriff's Vehicles	385,856	4.69	11-5-08	3-5-12	0	385,856	99,892	0	285,964
<u>Payable through Highway/Public Works Fund</u>									
Grader	114,148	5	10-5-04	11-8-08	12,981	0	12,981	0	0
Total Capital Leases					\$ 76,536	\$ 397,191	\$ 128,976	\$ 0	\$ 344,751
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Industrial Revenue	378,000	5	11-18-1978	1-1-17	\$ 158,000	0	\$ 15,000	0	\$ 143,000
General Obligation Jail Refunding Bonds, Series 2003	3,545,000	3.13	6-26-03	6-30-16	2,560,000	0	295,000	0	2,265,000
General Obligation Highway Refunding Bonds, Series 2006B	5,440,000	3.8	12-29-06	6-1-14	4,185,000	0	655,000	0	3,530,000
General Obligation Series 2007	6,000,000	4.19	8-15-07	4-1-23	5,800,000	0	210,000	0	5,590,000
Total Payable through General Debt Service Fund					\$ 12,703,000	\$ 0	\$ 1,175,000	\$ 0	\$ 11,528,000
<u>Payable through Education Debt Service Fund</u>									
School Bonds, Series 2001	21,500,000	3.25 to 4.75	11-28-01	3-1-21	\$ 16,315,000	0	\$ 965,000	\$ 14,345,000	\$ 1,005,000
Refunding School Bonds, Series 2002	7,430,000	3.25 to 4.75	5-15-02	6-30-16	6,585,000	0	690,000	0	5,845,000
Refunding School Bonds, Series 2006A	3,810,000	3.8 to 4	12-29-06	6-1-21	3,395,000	0	220,000	0	3,175,000
School Bonds, Series 2008	3,000,000	2.5 to 4.5	12-17-08	6-1-24	0	3,000,000	0	0	3,000,000
Refunding School Bonds, Series 2009	15,205,000	2 to 3.75	6-15-09	3-1-21	0	15,205,000	0	0	15,205,000
Total Payable through Education Debt Service Fund					\$ 26,245,000	\$ 18,205,000	\$ 1,875,000	\$ 14,345,000	\$ 28,230,000
Total Bonds Payable					\$ 38,948,000	\$ 18,205,000	\$ 3,050,000	\$ 14,345,000	\$ 39,758,000

(Continued)

Exhibit J-1

Franklin County, Tennessee
 Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds
 Primary Government and Discretely Presented Franklin County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-09
<u>DISCRETELY PRESENTED FRANKLIN COUNTY SCHOOL DEPARTMENT</u>									
<u>NOTES PAYABLE</u>									
Payable through General Purpose School Fund									
Lighting	\$ 150,000	4.3 to 4.55 %	10-14-05	10-14-11	\$ 100,000	0 \$	25,000 \$	0 \$	75,000
<u>CAPITAL LEASES</u>									
Payable through General Purpose School Fund									
Computers	269,984	7.93	8-1-06	8-1-09	\$ 102,646	0 \$	82,635 \$	0 \$	20,011

Exhibit J-2

Franklin County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented
Franklin County School Department

PRIMARY GOVERNMENT

Year Ending June 30	Lease Principal	Lease Interest	Total Lease Requirements
2010	\$ 107,413	\$ 13,462	\$ 120,875
2011	111,696	9,179	120,875
2012	116,181	4,695	120,876
2013	9,461	0	9,461
Total	\$ 344,751	\$ 27,336	\$ 372,087

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2010	\$ 3,575,000	\$ 1,945,886	\$ 5,520,886
2011	3,545,000	1,305,327	4,850,327
2012	3,655,000	1,192,597	4,847,597
2013	3,758,000	1,075,061	4,833,061
2014	3,885,000	941,316	4,826,316
2015	3,435,000	799,574	4,234,574
2016	3,585,000	672,623	4,257,623
2017	2,330,000	537,752	2,867,752
2018	2,410,000	458,508	2,868,508
2019	2,510,000	372,572	2,882,572
2020	2,585,000	280,918	2,865,918
2021	2,665,000	182,115	2,847,115
2022	775,000	77,960	852,960
2023	785,000	45,170	830,170
2024	260,000	11,700	271,700
Total	\$ 39,758,000	\$ 9,899,079	\$ 49,657,079

(Continued)

Exhibit J-2

Franklin County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented
Franklin County School Department (Cont.)

DISCRETELY PRESENTED FRANKLIN COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2010	\$ 25,000	\$ 3,046	\$ 28,046
2011	25,000	1,927	26,927
2012	25,000	683	25,683
Total	<u>\$ 75,000</u>	<u>\$ 5,656</u>	<u>\$ 80,656</u>

Year Ending June 30	Lease Principal	Lease Interest	Total Lease Requirements
2010	\$ 20,011	\$ 1,587	\$ 21,598
Total	<u>\$ 20,011</u>	<u>\$ 1,587</u>	<u>\$ 21,598</u>

Exhibit J-3

Franklin County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2009

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Highway/Public Works	Reimbursement	\$ 8,213
Courthouse and Jail Maintenance	General Debt Service	Debt payments	36,000
Solid Waste/Sanitation	General	Reimbursement	3,803
Highway/Public Works	General	Reimbursement	3,803
Highway/Public Works	General Debt Service	Debt payments	<u>400,000</u>
Total Transfers			<u>\$ 451,819</u>

Exhibit J-4

Franklin County, Tennessee
 Schedule of Salaries and Official Bonds of Principal Officials
 Primary Government and Discretely Presented Franklin County School Department
 For the Year Ended June 30, 2009

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 73,866	\$ 50,000	Western Surety Company
Superintendent of Highways	Section 8-24-102, <u>TCA</u>	70,350	100,000	"
Director of Schools:				
Dr. Charles Edmonds (7-1-08 through 9-25-08)	State Board of Education and Franklin County Board of Education Franklin County	156,135	(2) (1)	
Linda Foster (9-26-08 through 4-9-09)	Board of Education Franklin County	15,404	(1)	
Dr. Rebecca Sharber (4-10-09 through 6-30-09)	State Board of Education and Franklin County Board of Education County Commission	18,185	(4) (1)	
Finance Director	Board of Education	60,000	50,000	"
Trustee	County Commission	63,954	1,306,000	RLI Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	63,954	10,000	Western Surety Company
County Clerk	Section 8-24-102, <u>TCA</u>	63,954	50,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	63,954	50,000	RLI Insurance Company
Clerk and Master	Section 8-24-102, <u>TCA</u>	63,954	50,000	Western Surety Company
Register	Section 8-24-102, <u>TCA</u>	63,954	25,000	"
Sheriff	Section 8-24-102, <u>TCA</u>	70,350	25,000	RLI Insurance Company
Other Bonds:				
Public Employee Dishonesty			150,000	Tennessee Risk Management Trust

- (1) Director of schools is covered under the public employee dishonesty bond.
- (2) Includes vacation pay of \$50,191.
- (3) Does not include a chief executive officer training supplement of \$250.
- (4) Does not include a chief executive officer training supplement of \$167.
- (5) Does not include a law enforcement training supplement of \$600.

Franklin County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2009

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	
Local Taxes							
County Property Taxes							
Current Property Tax	\$ 5,899,619	\$ 0	\$ 0	\$ 859,222	\$ 369,923	\$ 0	
Trustee's Collections - Prior Year	126,212	0	0	17,434	7,352	0	
Circuit/Clerk & Master Collections - Prior Years	84,059	0	0	14,537	6,069	0	
Interest and Penalty	22,717	0	0	3,373	1,467	0	
Payments in-Lieu-of Taxes - T.V.A.	3,461	0	0	715	359	0	
Payments in-Lieu-of Taxes - Local Utilities	21,521	0	0	0	0	0	
Payments in-Lieu-of Taxes - Other	16,524	0	0	92	80	0	
County Local Option Taxes							
Hotel/Motel Tax	0	0	0	0	77,399	0	
Litigation Tax - General	96,465	0	0	0	0	0	
Litigation Tax - Jail, Workhouse, or Courthouse	0	27,696	0	0	0	0	
Business Tax	239,666	0	0	0	0	0	
Mineral Severance Tax	0	0	0	0	0	0	
Statutory Local Taxes							
Bank Excise Tax	54,344	0	0	11,280	6,132	0	
Wholesale Beer Tax	228,165	0	0	0	0	0	
Interstate Telecommunications Tax	2,879	0	0	0	0	0	
Other Statutory Local Taxes	763	0	0	0	0	0	
Total Local Taxes	\$ 6,796,895	\$ 27,696	\$ 0	\$ 906,653	\$ 468,781	\$ 0	
Licenses and Permits							
Licenses							
Cable TV Franchise	\$ 33,937	\$ 0	\$ 0	\$ 6,998	\$ 3,802	\$ 0	
Permits							
Beer Permits	4,177	0	0	0	0	0	
Building Permits	28,255	0	0	0	20,000	0	
Other Permits	2,940	0	0	0	0	0	
Total Licenses and Permits	\$ 69,309	\$ 0	\$ 0	\$ 6,998	\$ 23,802	\$ 0	

(Continued)

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	
Fines, Forfeitures, and Penalties							
<u>Circuit Court</u>							
Fines	\$ 21,664	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	16,223	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	8,665
Drug Court Fees	2,427	0	0	0	0	0	0
Jail Fees	3,739	0	0	0	0	0	0
DUI Treatment Fines	3,362	0	0	0	0	0	0
Data Entry Fee - Circuit Court	2,764	0	0	0	0	0	0
Courtroom Security Fee	124	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	38,560	0	0	0	0	0	0
Officers Costs	55,853	0	0	0	0	0	0
Game and Fish Fines	1,139	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	8,540
Drug Court Fees	5,494	0	0	0	0	0	0
Jail Fees	18,848	0	0	0	0	0	0
DUI Treatment Fines	9,324	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	6,004	0	0	0	0	0	0
Courtroom Security Fee	3,335	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	870	0	0	0	0	0	0
Officers Costs	2,269	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,333	0	0	0	0	0	0
Courtroom Security Fee	24	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	2,616	0	0	0	0	0	0
Data Entry Fee - Chancery Court	758	0	0	0	0	0	0
Other Fines, Forfeitures, and Penalties							
Proceeds from Confiscated Property	4,050	0	0	0	0	0	20,174
Other Fines, Forfeitures, and Penalties	5,070	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 205,850	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,379

(Continued)

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	
Charges for Current Services							
General Service Charges							
Transfer Waste Stations Collection Charge	\$ 0	\$ 0	\$ 0	\$ 10,000	\$ 0	\$ 0	0
Tipping Fees	0	0	0	12,660	0	0	0
Other General Service Charges	8,650	0	0	0	0	0	0
Fees							
Copy Fees	49	0	0	0	0	0	0
Library Fees	0	0	20,446	0	0	0	0
Greenbelt Late Application Fee	400	0	0	0	0	0	0
Telephone Commissions	19,350	0	0	0	0	0	0
Vending Machine Collections	250	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0
Data Processing Fee - Register	16,894	0	0	0	0	0	0
Probation Fees	154,023	0	0	0	0	0	0
Data Processing Fee - Sheriff	5,555	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,400	0	0	0	0	0	0
Data Processing Fee - County Clerk	2,504	0	0	0	0	0	0
Total Charges for Current Services	\$ 209,075	\$ 0	\$ 20,446	\$ 22,660	\$ 0	\$ 0	0
Other Local Revenues							
Recurring Items							
Investment Income	\$ 0	\$ 0	\$ 250	\$ 220,000	\$ 0	\$ 0	0
Lease/Rentals	17,700	0	0	0	0	0	0
Sale of Maps	525	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	144,329	0	0	0
Miscellaneous Refunds	36,111	0	0	0	0	0	1,225
Nonrecurring Items							
Sale of Equipment	0	0	0	0	0	0	5,215
Contributions and Gifts	10,357	0	4,062	0	0	0	1,925
Other Local Revenues							
Other Local Revenues	71,348	0	0	0	0	0	9,500
Total Other Local Revenues	\$ 136,041	\$ 0	\$ 4,312	\$ 364,329	\$ 0	\$ 0	17,865

(Continued)

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	
Fees Received from County Officials							
Fees in-Lieu-of-Salary							
County Clerk	\$ 299,703	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	235,237	0	0	0	0	0	0
General Sessions Court Clerk	277,416	0	0	0	0	0	0
Clerk and Master	104,968	0	0	0	0	0	0
Juvenile Court Clerk	40,685	0	0	0	0	0	0
Register	198,739	0	0	0	0	0	0
Sheriff	11,329	0	0	0	0	0	0
Trustee	574,961	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,743,038	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State of Tennessee							
General Government Grants							
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	13,434	0	0	0	0	0	0
State Reappraisal Grant	14,821	0	0	0	0	0	0
Solid Waste Grants	0	0	0	21,499	0	0	0
Public Safety Grants							
Law Enforcement Training Programs	19,800	0	0	0	0	0	0
Health and Welfare Grants							
Health Department Programs	104,153	0	0	0	0	0	0
Public Works Grants							
Bridge Program	0	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0	0
Litter Program	28,246	0	0	0	0	0	0
Other Public Works Grants	0	0	0	0	0	0	0
Other State Revenues							
Income Tax	131,010	0	0	0	0	0	0
Beer Tax	18,701	0	0	0	0	0	0
Alcoholic Beverage Tax	47,063	0	0	0	0	0	0
Mixed Drink Tax	10,400	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	
State of Tennessee (Cont.)							
<u>Other State Revenues (Cont.)</u>							
State Revenue Sharing - T.V.A.	\$ 960,612	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Prisoner Boarding	731,465	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	14,912	0	0	0	0	0	0
Other State Grants	0	0	0	0	0	0	0
Other State Revenues	0	0	0	0	0	0	10,366
Total State of Tennessee	\$ 2,103,617	\$ 0	\$ 0	\$ 21,499	\$ 0	\$ 0	\$ 10,366
Federal Government							
<u>Federal Through State</u>							
Civil Defense Reimbursement	\$ 29,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	51,103	0	0	0	0	0	0
Other Federal through State	132,545	0	1,500	0	0	0	0
<u>Direct Federal Revenue</u>							
Forest Service	643	0	0	0	0	0	0
Other Direct Federal Revenue	4,802	0	0	0	0	0	220
Total Federal Government	\$ 218,093	\$ 0	\$ 1,500	\$ 0	\$ 0	\$ 0	\$ 220
Other Governments and Citizens Groups							
<u>Other Governments</u>							
Prisoner Board	\$ 10,989	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	91,637	0	67,144	0	0	0	500
Contracted Services	89,607	0	0	0	0	0	0
<u>Citizens Groups</u>							
Donations	1,700	0	0	0	0	0	1,700
Other	67,352	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 261,285	\$ 0	\$ 67,144	\$ 0	\$ 0	\$ 0	\$ 2,200
Total	\$ 11,742,703	\$ 27,696	\$ 93,402	\$ 1,322,189	\$ 492,588	\$ 68,030	

(Continued)

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

	Special Revenue Funds			Debt Service Funds			Capital Projects Fund
	Constitutional Officers - Fees	Highway / Public Works	Education Debt Service	General Debt Service	Education Debt Service	Other Capital Projects	Total
Local Taxes							
County Property Taxes							
Current Property Tax	\$ 0	\$ 325,189	\$ 1,707,199	\$ 812,958	\$ 0	\$ 0	\$ 9,974,110
Trustee's Collections - Prior Year	0	5,171	21,798	11,768	0	0	189,735
Circuit/Clerk & Master Collections - Prior Years	0	4,409	22,435	10,856	0	0	142,365
Interest and Penalty	0	1,077	4,931	2,532	0	0	36,097
Payments in-Lieu-of Taxes - T.V.A.	0	183	936	452	0	0	6,106
Payments in-Lieu-of Taxes - Local Utilities	0	1,142	5,867	2,827	0	0	31,357
Payments in-Lieu-of Taxes - Other	0	909	571,800	2,273	0	0	591,678
County Local Option Taxes							
Hotel/Motel Tax	0	0	0	0	0	0	77,399
Litigation Tax - General	0	0	0	101,394	0	0	197,859
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	27,696
Business Tax	0	0	0	0	0	0	239,666
Mineral Severance Tax	0	35,166	0	0	0	0	35,166
Statutory Local Taxes							
Bank Excise Tax	0	3,004	15,725	7,485	0	0	97,970
Wholesale Beer Tax	0	0	0	0	0	0	228,165
Interstate Telecommunications Tax	0	0	0	0	0	0	2,879
Other Statutory Local Taxes	0	0	0	0	0	0	763
Total Local Taxes	\$ 0	\$ 376,250	\$ 2,350,691	\$ 952,545	\$ 0	\$ 0	\$ 11,879,011
Licenses and Permits							
Licenses							
Cable TV Franchise	\$ 0	\$ 1,755	\$ 8,826	\$ 4,295	\$ 0	\$ 0	\$ 59,613
Permits							
Beer Permits	0	0	0	0	0	0	4,177
Building Permits	0	0	0	0	0	0	48,255
Other Permits	0	0	0	0	0	0	2,940
Total Licenses and Permits	\$ 0	\$ 1,755	\$ 8,826	\$ 4,295	\$ 0	\$ 0	\$ 114,985

(Continued)

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

	Special Revenue Funds			Debt Service Funds			Capital Projects Fund	Total
	Constitutional Officers Fees	Highway / Public Works	General Debt Service	Education Debt Service	Other Capital Projects			
Fines, Forfeitures, and Penalties								
<u>Circuit Court</u>								
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	21,664
Officers Costs	0	0	0	0	0	0	0	16,223
Drug Control Fines	0	0	0	0	0	0	0	8,665
Drug Court Fees	0	0	0	0	0	0	0	2,427
Jail Fees	0	0	0	0	0	0	0	3,739
DUI Treatment Fines	0	0	0	0	0	0	0	3,962
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	2,764
Courtroom Security Fee	0	0	0	0	0	0	0	124
<u>General Sessions Court</u>								
Fines	0	0	0	0	0	0	0	38,560
Officers Costs	0	0	0	0	0	0	0	55,853
Game and Fish Fines	0	0	0	0	0	0	0	1,139
Drug Control Fines	0	0	0	0	0	0	0	8,540
Drug Court Fees	0	0	0	0	0	0	0	5,494
Jail Fees	0	0	0	0	0	0	0	18,848
DUI Treatment Fines	0	0	0	0	0	0	0	9,324
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	6,004
Courtroom Security Fee	0	0	0	0	0	0	0	3,335
<u>Juvenile Court</u>								
Fines	0	0	0	0	0	0	0	870
Officers Costs	0	0	0	0	0	0	0	2,269
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	0	1,338
Courtroom Security Fee	0	0	0	0	0	0	0	24
<u>Chancery Court</u>								
Officers Costs	0	0	0	0	0	0	0	2,616
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	758
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	0	0	0	0	0	24,224
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0	5,070
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	243,229

(Continued)

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

	Special Revenue Funds			Debt Service Funds			Capital Projects Fund		Total
	Constitutional Officers Fees	Highway / Public Works	General Debt Service	Education Debt Service	Other Capital Projects				
Charges for Current Services									
General Service Charges									
Transfer Waste Stations Collection Charge	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	10,000
Tippling Fees	0	0	0	0	0	0	0	0	12,660
Other General Service Charges	0	918	0	0	0	0	0	0	9,568
Fees									
Copy Fees	0	0	0	0	0	0	0	0	49
Library Fees	0	0	0	0	0	0	0	0	20,446
Greenbelt Late Application Fee	0	0	0	0	0	0	0	0	400
Telephone Commissions	0	0	0	0	0	0	0	0	19,350
Vending Machine Collections	0	0	0	0	0	0	0	0	250
Constitutional Officers' Fees and Commissions	2,736	0	0	0	0	0	0	0	2,736
Data Processing Fee - Register	0	0	0	0	0	0	0	0	16,894
Probation Fees	0	0	0	0	0	0	0	0	154,023
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	0	5,555
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	0	1,400
Data Processing Fee - County Clerk	0	0	0	0	0	0	0	0	2,504
Total Charges for Current Services	2,736 \$	918 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	255,835
Other Local Revenues									
Recurring Items									
Investment Income	0	0	0	0	85,579	0	0	0	305,829
Lease/Rentals	0	0	0	0	0	0	0	0	17,700
Sale of Maps	0	0	0	0	0	0	0	0	525
Sale of Recycled Materials	0	0	0	0	0	0	0	0	144,329
Miscellaneous Refunds	0	23,625	0	0	0	0	0	0	60,961
Nonrecurring Items									
Sale of Equipment	0	660	0	0	0	0	0	0	5,875
Contributions and Gifts	0	0	0	0	0	0	0	0	16,344
Other Local Revenues									
Other Local Revenues	0	0	0	0	0	0	0	0	80,848
Total Other Local Revenues	0 \$	24,285 \$	0 \$	0 \$	85,579 \$	0 \$	0 \$	0 \$	632,411

(Continued)

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

	Special Revenue Funds		Debt Service Funds			Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	Other Capital Projects		
Fees Received from County Officials							
<u>Fees in-Lieu-of-Salary</u>							
County Clerk	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	299,703
Circuit Court Clerk	0	0	0	0	0	0	235,237
General Sessions Court Clerk	0	0	0	0	0	0	277,416
Clerk and Master	0	0	0	0	0	0	104,968
Juvenile Court Clerk	0	0	0	0	0	0	40,685
Register	0	0	0	0	0	0	198,739
Sheriff	0	0	0	0	0	0	11,329
Trustee	0	0	0	0	0	0	574,961
Total Fees Received from County Officials	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,743,038
State of Tennessee							
<u>General Government Grants</u>							
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	9,000
Airport Maintenance Program	0	0	0	0	0	0	13,434
State Reappraisal Grant	0	0	0	0	0	0	14,821
Solid Waste Grants	0	0	0	0	0	0	21,499
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	0	19,800
<u>Health and Welfare Grants</u>							
Health Department Programs	0	0	0	0	0	0	104,153
<u>Public Works Grants</u>							
Bridge Program	0	1,624	0	0	0	0	1,624
State Aid Program	0	135,412	0	0	0	0	135,412
Litter Program	0	0	0	0	0	0	28,246
Other Public Works Grants	0	44,999	0	0	0	0	44,999
<u>Other State Revenues</u>							
Income Tax	0	0	0	0	0	0	131,010
Beer Tax	0	0	0	0	0	0	18,701
Alcoholic Beverage Tax	0	0	0	0	0	0	47,063
Mixed Drink Tax	0	0	0	0	0	0	10,400

(Continued)

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

	Special Revenue Funds			Debt Service Funds			Capital Projects Fund	Total
	Constitutional Officers Fees	Highway / Public Works	General Debt Service	Education Debt Service	Other Capital Projects			
<u>State of Tennessee (Cont.)</u>								
<u>Other State Revenues (Cont.)</u>								
State Revenue Sharing - T.V.A.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 960,612
Contracted Prisoner Boarding	0	0	0	0	0	0	0	731,465
Gasoline and Motor Fuel Tax	0	1,852,832	0	0	0	0	0	1,852,832
Petroleum Special Tax	0	31,538	0	0	0	0	0	31,538
Registrar's Salary Supplement	0	0	0	0	0	0	0	14,912
Other State Grants	0	47,837	0	0	0	0	0	47,837
Other State Revenues	0	0	0	0	0	0	0	10,366
Total State of Tennessee	\$ 0	\$ 2,114,242	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,249,724
<u>Federal Government</u>								
<u>Federal Through State</u>								
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,000
Homeland Security Grants	0	0	0	0	0	0	0	51,103
Other Federal through State	0	0	0	0	0	0	0	134,045
<u>Direct Federal Revenue</u>								
Forest Service	0	0	0	0	0	0	0	643
Other Direct Federal Revenue	0	0	0	0	0	0	0	5,022
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 219,813
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,989
Contributions	0	0	0	860,000	0	0	0	1,019,281
Contracted Services	0	0	0	0	0	0	0	89,607
<u>Citizens Groups</u>								
Donations	0	0	0	0	0	0	0	3,400
<u>Other</u>								
Other	0	0	0	0	0	0	0	67,352
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 860,000	\$ 0	\$ 0	\$ 0	\$ 1,190,629
Total	\$ 2,736	\$ 2,517,450	\$ 956,840	\$ 3,219,517	\$ 85,579	\$ 20,528,675		

Exhibit J-6

Franklin County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2009

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 8,437,670	\$ 0	\$ 0	\$ 0	\$ 8,437,670
Trustee's Collections - Prior Year	186,752	0	0	0	186,752
Circuit/Clerk & Master Collections - Prior Years	119,291	0	0	0	119,291
Interest and Penalty	34,167	0	0	0	34,167
Payments in-Lieu-of Taxes - T.V.A.	4,552	0	0	0	4,552
Payments in-Lieu-of Taxes - Local Utilities	30,663	0	0	0	30,663
Payments in-Lieu-of Taxes - Other	23,147	0	0	0	23,147
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,886,604	0	0	0	3,886,604
<u>Statutory Local Taxes</u>					
Bank Excise Tax	77,730	0	0	0	77,730
Interstate Telecommunications Tax	5,002	0	0	0	5,002
Total Local Taxes	\$ 12,805,578	\$ 0	\$ 0	\$ 0	\$ 12,805,578
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,612	\$ 0	\$ 0	\$ 0	\$ 2,612
Cable TV Franchise	48,197	0	0	0	48,197
Total Licenses and Permits	\$ 50,809	\$ 0	\$ 0	\$ 0	\$ 50,809
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Summer School	\$ 4,005	\$ 0	\$ 0	\$ 0	\$ 4,005
Tuition - Other	255,879	0	0	0	255,879
Lunch Payments - Children	0	0	829,890	0	829,890
Lunch Payments - Adults	0	0	71,171	0	71,171
Income from Breakfast	0	0	60,917	0	60,917
Special Milk Sales	0	0	18,409	0	18,409
A la carte Sales	0	0	376,060	0	376,060
Total Charges for Current Services	\$ 259,884	\$ 0	\$ 1,356,447	\$ 0	\$ 1,616,331
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 311,992	\$ 0	\$ 9,346	\$ 21,069	\$ 342,407
Lease/Rentals	13,221	0	0	0	13,221
Refund of Telecommunication & Internet Fees (E-Rate)	53,018	0	0	0	53,018
Miscellaneous Refunds	135,824	0	1,950	0	137,774
<u>Nonrecurring Items</u>					
Sale of Equipment	6,131	0	0	0	6,131
Contributions and Gifts	26,207	0	0	0	26,207
Total Other Local Revenues	\$ 546,393	\$ 0	\$ 11,296	\$ 21,069	\$ 578,758
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 113,502	\$ 0	\$ 0	\$ 0	\$ 113,502
<u>State Education Funds</u>					
Basic Education Program	24,830,999	0	0	0	24,830,999
Early Childhood Education	1,085,469	0	0	0	1,085,469

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
School Food Service	\$ 0	\$ 0	\$ 33,493	\$ 0	\$ 33,493
Driver Education	5,178	0	0	0	5,178
Other State Education Funds	353,411	0	0	0	353,411
Career Ladder Program	315,979	0	0	0	315,979
Career Ladder - Extended Contract	127,300	0	0	0	127,300
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	50,000	0	0	0	50,000
Other State Grants	38,537	0	0	0	38,537
Total State of Tennessee	\$ 26,920,375	\$ 0	\$ 33,493	\$ 0	\$ 26,953,868
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,252,092	\$ 0	\$ 1,252,092
Breakfast	0	0	369,373	0	369,373
USDA - Other	0	0	608	0	608
Adult Education State Grant Program	111,757	0	0	0	111,757
Vocational Education - Basic Grants to States	0	95,477	0	0	95,477
Title I Grants to Local Education Agencies	0	1,004,634	0	0	1,004,634
Special Education - Grants to States	25,000	1,656,822	0	0	1,681,822
Special Education Preschool Grants	0	48,650	0	0	48,650
Safe and Drug-Free Schools - State Grants	0	108,020	0	0	108,020
Eisenhower Professional Development State Grants	0	274,267	0	0	274,267
Job Training Partnership Act	100,626	0	0	0	100,626
Other Federal through State	101,233	10,545	0	0	111,778
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	42,236	0	0	0	42,236
Total Federal Government	\$ 380,852	\$ 3,198,415	\$ 1,622,073	\$ 0	\$ 5,201,340
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 2,958,900	\$ 2,958,900
<u>Other</u>					
Other	166,458	0	0	0	166,458
Total Other Governments and Citizens Groups	\$ 166,458	\$ 0	\$ 0	\$ 2,958,900	\$ 3,125,358
Total	\$ 41,130,349	\$ 3,198,415	\$ 3,023,309	\$ 2,979,969	\$ 50,332,042

Exhibit J-7

Franklin County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2009

General Fund

General Government

County Commission

Other Salaries and Wages	\$	4,489	
Board and Committee Members Fees		67,475	
Social Security		4,446	
Employer Medicare		1,040	
Audit Services		14,612	
Contracts with Private Agencies		1,000	
Dues and Memberships		13,384	
Legal Services		5,797	
Legal Notices, Recording, and Court Costs		2,315	
Travel		988	
Other Contracted Services		5,000	
Office Supplies		7,739	
Refunds		8,351	
In Service/Staff Development		870	
Tax Relief Program		79,885	
Other Charges		37,884	
Office Equipment		4,450	
Total County Commission			\$ 259,725

Beer Board

Legal Notices, Recording, and Court Costs	\$	153	
Travel		43	
Total Beer Board			196

County Mayor/Executive

County Official/Administrative Officer	\$	73,866
Assistant(s)		32,529
Educational Incentive - Other County Employees		1,000
Longevity Pay		1,200
Overtime Pay		2,525
Other Salaries and Wages		12,035
Social Security		7,534
State Retirement		13,098
Life Insurance		94
Medical Insurance		10,927
Disability Insurance		950
Unemployment Compensation		189
Employer Medicare		1,763
Communication		5,942
Dues and Memberships		1,600

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Maintenance Agreements	\$	2,540	
Postal Charges		376	
Travel		4,074	
Office Supplies		1,386	
Premiums on Corporate Surety Bonds		239	
In Service/Staff Development		50	
Furniture and Fixtures		348	
Office Equipment		850	
Total County Mayor/Executive			\$ 175,115

County Attorney

Dues and Memberships	\$	100	
Legal Services		8,400	
Travel		362	
In Service/Staff Development		150	
Total County Attorney			9,012

Election Commission

County Official/Administrative Officer	\$	57,559	
Deputy(ies)		29,963	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		960	
Overtime Pay		3,860	
Other Salaries and Wages		16,469	
Election Commission		2,640	
Election Workers		49,493	
Social Security		7,667	
State Retirement		10,858	
Life Insurance		94	
Medical Insurance		5,500	
Disability Insurance		777	
Unemployment Compensation		438	
Employer Medicare		1,794	
Communication		1,420	
Data Processing Services		26,406	
Dues and Memberships		225	
Legal Notices, Recording, and Court Costs		4,412	
Maintenance Agreements		1,597	
Postal Charges		5,130	
Printing, Stationery, and Forms		7,553	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Travel	\$	2,185	
Other Contracted Services		5,000	
Data Processing Supplies		430	
Office Supplies		3,717	
Other Supplies and Materials		790	
In Service/Staff Development		1,220	
Total Election Commission			\$ 249,157

Register of Deeds

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		111,276	
Part-time Personnel		1,130	
Educational Incentive - Other County Employees		4,000	
Longevity Pay		2,340	
Overtime Pay		3,940	
Social Security		11,171	
State Retirement		22,009	
Life Insurance		234	
Medical Insurance		27,499	
Disability Insurance		1,517	
Unemployment Compensation		292	
Employer Medicare		2,615	
Communication		1,250	
Data Processing Services		16,895	
Dues and Memberships		637	
Maintenance and Repair Services - Office Equipment		777	
Postal Charges		2,679	
Travel		1,555	
Other Contracted Services		7,144	
Office Supplies		10,707	
Premiums on Corporate Surety Bonds		164	
In Service/Staff Development		350	
Furniture and Fixtures		6,420	
Total Register of Deeds			300,555

Planning

Assistant(s)	\$	49,411	
Supervisor/Director		53,014	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		1,000	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Longevity Pay	\$	780	
Social Security		6,458	
State Retirement		11,411	
Life Insurance		140	
Medical Insurance		5,500	
Disability Insurance		806	
Unemployment Compensation		265	
Employer Medicare		1,511	
Communication		1,452	
Contracts with Government Agencies		11,250	
Dues and Memberships		675	
Legal Notices, Recording, and Court Costs		1,719	
Maintenance Agreements		1,100	
Maintenance and Repair Services - Office Equipment		2,775	
Maintenance and Repair Services - Vehicles		2,276	
Postal Charges		988	
Travel		750	
Gasoline		1,188	
Library Books/Media		329	
Office Supplies		8,219	
In Service/Staff Development		750	
Total Planning			\$ 164,767

Geographical Information Systems

Instructional Computer Personnel	\$	5,747	
Social Security		352	
State Retirement		862	
Life Insurance		20	
Medical Insurance		448	
Disability Insurance		130	
Employer Medicare		84	
Data Processing Supplies		100	
Office Supplies		85	
Data Processing Equipment		2,370	
Total Geographical Information Systems			10,198

County Buildings

Assistant(s)	\$	123,058
Supervisor/Director		28,508
Longevity Pay		1,260

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Overtime Pay	\$	12,741	
Social Security		9,956	
State Retirement		19,744	
Life Insurance		328	
Medical Insurance		38,240	
Disability Insurance		1,389	
Unemployment Compensation		490	
Employer Medicare		2,331	
Communication		10,519	
Maintenance Agreements		10,038	
Maintenance and Repair Services - Buildings		46,407	
Maintenance and Repair Services - Equipment		2,052	
Maintenance and Repair Services - Vehicles		2,743	
Pest Control		8,696	
Rentals		1,650	
Other Contracted Services		32,843	
Custodial Supplies		19,269	
Gasoline		2,080	
Uniforms		3,727	
Utilities		185,404	
Other Supplies and Materials		754	
Other Charges		127	
Building Improvements		113,294	
Other Capital Outlay		50,920	
Total County Buildings			\$ 728,568

Other General Administration

Instructional Computer Personnel	\$	36,185
Longevity Pay		1,020
Overtime Pay		808
Social Security		2,340
State Retirement		4,451
Life Insurance		35
Medical Insurance		5,500
Disability Insurance		243
Unemployment Compensation		70
Employer Medicare		547
Communication		1,150
Maintenance Agreements		2,653
Other Contracted Services		880

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration (Cont.)

Data Processing Supplies	\$	1,583	
Gasoline		139	
Office Supplies		193	
Data Processing Equipment		8,792	
Total Other General Administration			\$ 66,589

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		130,351	
Educational Incentive - Other County Employees		6,000	
Longevity Pay		3,480	
Overtime Pay		3,095	
Other Salaries and Wages		49,305	
Board and Committee Members Fees		3,410	
Social Security		15,801	
State Retirement		30,481	
Life Insurance		328	
Medical Insurance		32,998	
Disability Insurance		2,118	
Unemployment Compensation		420	
Employer Medicare		3,699	
Communication		708	
Contracts with Government Agencies		18,165	
Contracts with Private Agencies		18,349	
Dues and Memberships		1,280	
Legal Notices, Recording, and Court Costs		344	
Maintenance Agreements		5,832	
Maintenance and Repair Services - Vehicles		2,365	
Postal Charges		3,495	
Travel		1,077	
Gasoline		2,687	
Office Supplies		2,831	
Premiums on Corporate Surety Bonds		490	
In Service/Staff Development		360	
Other Charges		124	
Motor Vehicles		23,000	
Office Equipment		299	
Total Property Assessor's Office			426,846

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		106,509	
Educational Incentive - Other County Employees		2,000	
Longevity Pay		2,280	
Other Salaries and Wages		880	
Social Security		10,041	
State Retirement		20,735	
Life Insurance		234	
Medical Insurance		27,499	
Disability Insurance		1,513	
Unemployment Compensation		289	
Employer Medicare		2,350	
Communication		893	
Data Processing Services		11,011	
Dues and Memberships		647	
Maintenance Agreements		830	
Postal Charges		8,027	
Travel		1,553	
Office Supplies		5,505	
Premiums on Corporate Surety Bonds		3,000	
In Service/Staff Development		1,125	
Total County Trustee's Office			\$ 270,875

County Clerk's Office

County Official/Administrative Officer	\$	63,954
Deputy(ies)		211,091
Part-time Personnel		43,992
Educational Incentive - Other County Employees		4,000
Longevity Pay		5,700
Overtime Pay		1,208
Social Security		19,978
State Retirement		34,534
Life Insurance		374
Medical Insurance		44,070
Disability Insurance		2,166
Unemployment Compensation		781
Employer Medicare		4,678
Communication		1,025
Data Processing Services		14,833
Dues and Memberships		662

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Maintenance Agreements	\$	2,320	
Postal Charges		8,976	
Travel		1,101	
Office Supplies		5,053	
Premiums on Corporate Surety Bonds		175	
In Service/Staff Development		1,385	
Furniture and Fixtures		1,889	
Total County Clerk's Office			\$ 473,945

Other Finance

Supervisor/Director	\$	60,000	
Deputy(ies)		50,000	
Accountants/Bookkeepers		288,420	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		8,000	
Longevity Pay		6,240	
Social Security		24,910	
State Retirement		49,209	
Life Insurance		539	
Medical Insurance		57,148	
Disability Insurance		3,541	
Unemployment Compensation		792	
Employer Medicare		5,832	
Communication		1,421	
Data Processing Services		26,016	
Dues and Memberships		560	
Maintenance Agreements		3,745	
Postal Charges		8,146	
Travel		2,728	
Other Contracted Services		6,494	
Gasoline		162	
Office Supplies		17,635	
Premiums on Corporate Surety Bonds		175	
In Service/Staff Development		3,396	
Other Charges		298	
Total Other Finance			626,407

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,954	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Deputy(ies)	\$	432,485	
Part-time Personnel		58,263	
Longevity Pay		5,760	
Overtime Pay		4,834	
Jury and Witness Fees		11,503	
Social Security		33,267	
State Retirement		58,198	
Life Insurance		694	
Medical Insurance		74,631	
Disability Insurance		4,174	
Unemployment Compensation		1,312	
Employer Medicare		7,891	
Communication		5,395	
Data Processing Services		9,214	
Dues and Memberships		512	
Maintenance Agreements		5,739	
Postal Charges		9,239	
Travel		667	
Other Contracted Services		3,197	
Library Books/Media		679	
Office Supplies		16,555	
Premiums on Corporate Surety Bonds		166	
Data Processing Equipment		7,235	
Total Circuit Court			\$ 815,564

General Sessions Court

County Official/Administrative Officer	\$	133,599
Deputy(ies)		69,175
Longevity Pay		540
Social Security		10,631
State Retirement		23,991
Life Insurance		140
Medical Insurance		16,499
Disability Insurance		1,605
Unemployment Compensation		140
Employer Medicare		2,902
Communication		2,047
Maintenance and Repair Services - Equipment		1,537
Postal Charges		222
Travel		1,900

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Library Books/Media	\$	572	
Office Supplies		948	
Other Supplies and Materials		160	
In Service/Staff Development		215	
Total General Sessions Court			\$ 266,823

Drug Court

Supervisor/Director	\$	39,797	
Social Security		2,397	
State Retirement		4,660	
Life Insurance		47	
Medical Insurance		5,500	
Disability Insurance		353	
Unemployment Compensation		70	
Employer Medicare		561	
Communication		1,335	
Total Drug Court			54,720

Chancery Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		55,744	
Longevity Pay		1,800	
Social Security		7,162	
State Retirement		14,419	
Life Insurance		140	
Medical Insurance		16,946	
Disability Insurance		1,066	
Unemployment Compensation		210	
Employer Medicare		1,676	
Communication		636	
Data Processing Services		4,052	
Dues and Memberships		512	
Maintenance Agreements		1,049	
Postal Charges		1,624	
Travel		103	
Other Contracted Services		500	
Library Books/Media		423	
Office Supplies		2,282	
Premiums on Corporate Surety Bonds		131	
Total Chancery Court			174,429

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

Assistant(s)	\$	43,282	
Deputy(ies)		26,449	
Educational Incentive - Other County Employees		1,000	
Longevity Pay		960	
Social Security		4,153	
State Retirement		8,510	
Life Insurance		70	
Medical Insurance		5,500	
Disability Insurance		607	
Unemployment Compensation		105	
Employer Medicare		972	
Communication		612	
Dues and Memberships		70	
Travel		1,199	
Office Supplies		1,330	
In Service/Staff Development		1,655	
Total Juvenile Court			\$ 96,474

Judicial Commissioners

County Official/Administrative Officer	\$	92,518	
Longevity Pay		360	
Social Security		5,636	
State Retirement		10,113	
Life Insurance		128	
Medical Insurance		15,007	
Disability Insurance		771	
Unemployment Compensation		277	
Employer Medicare		1,318	
Communication		1,545	
Dues and Memberships		140	
Travel		395	
Office Supplies		1,356	
In Service/Staff Development		737	
Total Judicial Commissioners			130,301

Probation Services

Supervisor/Director	\$	41,823	
Part-time Personnel		19,103	
Longevity Pay		540	
Social Security		3,714	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

State Retirement	\$	5,073	
Life Insurance		47	
Medical Insurance		5,500	
Disability Insurance		380	
Unemployment Compensation		140	
Employer Medicare		870	
Communication		216	
Postal Charges		84	
Drugs and Medical Supplies		91	
Office Supplies		1,044	
Total Probation Services			\$ 78,625

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	70,350
Assistant(s)		58,297
Supervisor/Director		63,879
Deputy(ies)		519,297
Investigator(s)		183,683
Captain(s)		92,272
Sergeant(s)		140,582
Accountants/Bookkeepers		57,733
Salary Supplements		28,950
Guards		185,113
Part-time Personnel		17,848
School Resource Officer		98,601
Longevity Pay		11,520
Overtime Pay		44,976
Social Security		94,935
State Retirement		160,480
Life Insurance		1,511
Medical Insurance		171,125
Disability Insurance		10,432
Unemployment Compensation		3,626
Employer Medicare		22,346
Communication		29,519
Contracts with Private Agencies		560
Dues and Memberships		2,957
Maintenance Agreements		26,505
Maintenance and Repair Services - Equipment		4,704

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Maintenance and Repair Services - Vehicles	\$	70,839	
Postal Charges		1,299	
Travel		8,353	
Gasoline		107,256	
Law Enforcement Supplies		13,408	
Office Supplies		10,135	
Tires and Tubes		8,984	
Uniforms		16,700	
Other Supplies and Materials		404	
Building and Contents Insurance		30,069	
Liability Insurance		50,887	
Premiums on Corporate Surety Bonds		531	
Vehicle and Equipment Insurance		34,695	
In Service/Staff Development		2,100	
Other Charges		14,771	
Principal on Capital Leases		99,892	
Interest on Capital Leases		4,541	
Communication Equipment		169	
Data Processing Equipment		1,207	
Law Enforcement Equipment		29,710	
Motor Vehicles		392,673	
Total Sheriff's Department			\$ 3,000,424

Administration of the Sexual Offender Registry

Guards	\$	5,777	
Social Security		358	
Unemployment Compensation		59	
Employer Medicare		84	
Remittance of Revenue Collected		400	
In Service/Staff Development		217	
Total Administration of the Sexual Offender Registry			6,895

Jail

Assistant(s)	\$	48,170	
Deputy(ies)		31,238	
Medical Personnel		71,416	
Guards		429,748	
Clerical Personnel		27,297	
Cafeteria Personnel		43,255	
Part-time Personnel		28,558	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Longevity Pay	\$	4,380	
Overtime Pay		21,696	
Social Security		42,651	
State Retirement		75,931	
Life Insurance		1,221	
Medical Insurance		113,564	
Disability Insurance		5,635	
Unemployment Compensation		2,084	
Employer Medicare		9,989	
Maintenance Agreements		8,228	
Maintenance and Repair Services - Buildings		20,941	
Maintenance and Repair Services - Equipment		19,423	
Medical and Dental Services		17,015	
Transportation - Other than Students		5,003	
Travel		2,931	
Custodial Supplies		33,386	
Food Supplies		157,013	
Law Enforcement Supplies		189	
Prisoners Clothing		14,288	
Uniforms		4,635	
Utilities		113,462	
Other Supplies and Materials		1,605	
Medical Claims		128,451	
In Service/Staff Development		1,475	
Other Charges		4,429	
Principal on Capital Leases		16,103	
Data Processing Equipment		9,500	
Other Equipment		27,790	
Total Jail			\$ 1,542,700

Correctional Incentive Program Improvements

Other Salaries and Wages	\$	10,400
Social Security		645
Unemployment Compensation		84
Employer Medicare		151
Communication		1,200
Postal Charges		596
Travel		1,748
Other Contracted Services		76,115
Office Supplies		2,591

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Correctional Incentive Program Improvements (Cont.)

In Service/Staff Development	\$	85	
Data Processing Equipment		4,718	
Total Correctional Incentive Program Improvements			\$ 98,333

Juvenile Services

Contracts with Private Agencies	\$	5,775	
Other Contracted Services		8,274	
Total Juvenile Services			14,049

Civil Defense

Assistant(s)	\$	24,796	
Supervisor/Director		43,806	
Longevity Pay		600	
Overtime Pay		13,446	
Social Security		5,094	
State Retirement		9,859	
Life Insurance		94	
Medical Insurance		5,500	
Disability Insurance		609	
Unemployment Compensation		140	
Employer Medicare		1,193	
Communication		3,272	
Dues and Memberships		105	
Maintenance Agreements		1,040	
Maintenance and Repair Services - Buildings		1,970	
Maintenance and Repair Services - Equipment		3,912	
Maintenance and Repair Services - Vehicles		1,780	
Postal Charges		126	
Travel		210	
Other Contracted Services		4,118	
Diesel Fuel		1,447	
Gasoline		1,838	
Office Supplies		2,127	
Other Supplies and Materials		6,170	
In Service/Staff Development		200	
Other Charges		2,143	
Other Equipment		13,895	
Total Civil Defense			149,490

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad

Contributions	\$ 30,000	
Total Rescue Squad		\$ 30,000

Other Emergency Management

Assistant(s)	\$ 26,418	
Supervisor/Director	42,242	
Dispatchers/Radio Operators	319,083	
Part-time Personnel	57,767	
Longevity Pay	4,920	
Overtime Pay	21,207	
Social Security	27,848	
State Retirement	48,390	
Life Insurance	593	
Medical Insurance	61,428	
Disability Insurance	3,209	
Unemployment Compensation	1,441	
Employer Medicare	6,521	
Other Fringe Benefits	3,713	
Communication	18,268	
Contracts with Private Agencies	44,112	
Maintenance and Repair Services - Equipment	1,145	
Maintenance and Repair Services - Vehicles	241	
Postal Charges	57	
Travel	4,763	
Gasoline	1,668	
Office Supplies	3,223	
Other Supplies and Materials	1,726	
In Service/Staff Development	2,523	
Other Charges	787	
Communication Equipment	5,375	
Total Other Emergency Management		708,668

County Coroner/Medical Examiner

Other Contracted Services	\$ 6,509	
Medical Claims	23,978	
Total County Coroner/Medical Examiner		30,487

Public Safety Grant Programs

Overtime Pay	\$ 11,347
Social Security	1,503

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Public Safety Grant Programs (Cont.)

Maintenance and Repair Services - Equipment	\$	100	
Other Contracted Services		5,100	
Instructional Supplies and Materials		22,744	
Other Supplies and Materials		1,456	
In Service/Staff Development		695	
Communication Equipment		22,163	
Other Equipment		82,916	
Total Public Safety Grant Programs			\$ 148,024

Other Public Safety

Matching Share	\$	49,184	
Total Other Public Safety			49,184

Public Health and Welfare

Local Health Center

Communication	\$	1,103	
Janitorial Services		7,645	
Maintenance and Repair Services - Buildings		407	
Postal Charges		1,000	
Other Contracted Services		478	
Custodial Supplies		1,555	
Office Supplies		497	
Utilities		14,560	
Building and Contents Insurance		2,999	
Liability Insurance		479	
Total Local Health Center			30,723

Rabies and Animal Control

Assistant(s)	\$	49,754	
Supervisor/Director		33,984	
Overtime Pay		2,367	
Social Security		5,332	
State Retirement		9,815	
Life Insurance		140	
Medical Insurance		16,946	
Disability Insurance		718	
Unemployment Compensation		210	
Employer Medicare		1,248	
Communication		2,109	
Licenses		100	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Maintenance and Repair Services - Buildings	\$	56	
Maintenance and Repair Services - Vehicles		969	
Postal Charges		150	
Travel		746	
Other Contracted Services		37,144	
Animal Food and Supplies		1,655	
Drugs and Medical Supplies		1,569	
Gasoline		8,277	
Office Supplies		1,209	
Uniforms		1,474	
Other Supplies and Materials		5,587	
In Service/Staff Development		470	
Building Improvements		3,974	
Motor Vehicles		9,479	
Other Equipment		9,884	
Total Rabies and Animal Control			\$ 205,366

Crippled Children Services

Contracts with Government Agencies	\$	2,683	
Total Crippled Children Services			2,683

Other Local Health Services

Secretary(ies)	\$	20,813	
Longevity Pay		540	
Other Salaries and Wages		41,903	
Social Security		3,845	
State Retirement		6,038	
Life Insurance		94	
Medical Insurance		10,999	
Disability Insurance		453	
Unemployment Compensation		222	
Employer Medicare		901	
Travel		6,190	
Other Contracted Services		3,878	
Total Other Local Health Services			95,876

Regional Mental Health Center

Contributions	\$	9,000	
Total Regional Mental Health Center			9,000

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Appropriation to State

Contracts with Government Agencies	\$ 27,963	
Total Appropriation to State		\$ 27,963

General Welfare Assistance

Contributions	\$ 17,775	
Total General Welfare Assistance		17,775

Waste Pickup

Laborers	\$ 43,746	
Social Security	2,670	
State Retirement	5,233	
Life Insurance	62	
Medical Insurance	5,500	
Disability Insurance	276	
Unemployment Compensation	140	
Employer Medicare	625	
Travel	230	
Other Supplies and Materials	470	
In Service/Staff Development	350	
Total Waste Pickup		59,302

Other Public Health and Welfare

Other Supplies and Materials	\$ 2,749	
Other Charges	373	
Total Other Public Health and Welfare		3,122

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 22,050	
Maintenance and Repair Services - Buildings	2,150	
Custodial Supplies	2,450	
Total Senior Citizens Assistance		26,650

Libraries

Assistant(s)	\$ 28,411
Supervisor/Director	39,797
Librarians	20,850
Longevity Pay	1,560
Overtime Pay	1,948
Social Security	5,596

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

State Retirement	\$	10,270	
Life Insurance		140	
Medical Insurance		16,946	
Disability Insurance		734	
Unemployment Compensation		245	
Employer Medicare		1,310	
Contributions		37,944	
Total Libraries			\$ 165,751

Parks and Fair Boards

Supervisor/Director	\$	7,181	
Other Salaries and Wages		9,715	
Social Security		1,047	
Unemployment Compensation		176	
Employer Medicare		246	
Communication		196	
Contributions		20,952	
Maintenance Agreements		484	
Maintenance and Repair Services - Buildings		3,812	
Other Supplies and Materials		3,844	
Other Charges		460	
Total Parks and Fair Boards			48,113

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	79,706	
Other Fringe Benefits		11,762	
Communication		2,001	
Travel		2,500	
Other Contracted Services		444	
Total Agriculture Extension Service			96,413

Soil Conservation

Secretary to Board	\$	21,767	
Other Salaries and Wages		19,428	
Social Security		2,424	
State Retirement		3,672	
Life Insurance		82	
Medical Insurance		10,104	
Disability Insurance		247	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Unemployment Compensation	\$	210	
Employer Medicare		567	
Contributions		2,930	
Other Charges		116	
Total Soil Conservation			\$ 61,547

Other Operations

Industrial Development

Assistant(s)	\$	32,907	
Longevity Pay		1,200	
Social Security		2,075	
State Retirement		4,080	
Life Insurance		47	
Medical Insurance		5,723	
Disability Insurance		291	
Unemployment Compensation		70	
Employer Medicare		486	
Advertising		3,336	
Audit Services		2,000	
Communication		1,004	
Contributions		94,860	
Dues and Memberships		705	
Maintenance Agreements		1,788	
Postal Charges		616	
Rentals		5,782	
Travel		20,515	
Other Contracted Services		9,870	
Office Supplies		1,081	
Premiums on Corporate Surety Bonds		100	
In Service/Staff Development		570	
Other Charges		3,595	
Land		378,753	
Total Industrial Development			571,454

Other Economic and Community Development

Contracts with Government Agencies	\$	97,209	
Total Other Economic and Community Development			97,209

Veterans' Services

Supervisor/Director	\$	15,108	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Social Security	\$	937	
Unemployment Compensation		70	
Employer Medicare		219	
Communication		265	
Postal Charges		84	
Travel		646	
Office Supplies		<u>63</u>	
Total Veterans' Services	\$		17,392

Other Charges

Other Salaries and Wages	\$	80,490	
Other Fringe Benefits		4,192	
Medical and Dental Services		3,066	
Building and Contents Insurance		42,105	
Liability Insurance		52,142	
Medical Claims		33,533	
Trustee's Commission		146,563	
Vehicle and Equipment Insurance		52,621	
Workers' Compensation Insurance		132,323	
Liability Claims		7,514	
Other Charges		<u>1,825</u>	
Total Other Charges			556,374

Contributions to Other Agencies

Contributions	\$	<u>64,386</u>	
Total Contributions to Other Agencies			<u>64,386</u>

Total General Fund \$ 13,314,244

Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

Trustee's Commission	\$	<u>278</u>	
Total Other Charges			<u>\$ 278</u>

Total Courthouse and Jail Maintenance Fund 278

(Continued)

Exhibit J-7

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

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Librarians	\$	29,887	
Social Security		2,423	
Contributions		19,707	
Maintenance and Repair Services - Buildings		9,451	
Rentals		3,754	
Other Contracted Services		4,491	
Library Books/Media		24,940	
Utilities		22,853	
Other Supplies and Materials		4,933	
Other Charges		3,742	
Total Libraries			\$ 126,181

Total Public Library Fund \$ 126,181

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Advertising	\$	1,820	
Other Supplies and Materials		485	
Total Sanitation Education/Information			\$ 2,305

Convenience Centers

Laborers	\$	163,720	
Social Security		10,148	
Unemployment Compensation		1,376	
Employer Medicare		2,377	
Communication		3,898	
Maintenance and Repair Services - Buildings		5,005	
Maintenance and Repair Services - Equipment		14,284	
Utilities		11,484	
Other Supplies and Materials		3,703	
Building Construction		80	
Solid Waste Equipment		10,262	
Total Convenience Centers			226,337

Transfer Stations

Supervisor/Director	\$	53,014	
Deputy(ies)		32,992	
Foremen		29,959	
Mechanic(s)		27,207	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Transfer Stations (Cont.)

Equipment Operators - Light	\$	44,923	
Truck Drivers		24,428	
Laborers		87,453	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		1,000	
Longevity Pay		6,180	
Overtime Pay		4,173	
Social Security		18,819	
State Retirement		36,026	
Life Insurance		511	
Medical Insurance		60,273	
Disability Insurance		2,591	
Unemployment Compensation		840	
Employer Medicare		4,407	
Communication		3,157	
Contracts with Government Agencies		385,138	
Contracts with Private Agencies		61,291	
Dues and Memberships		171	
Maintenance and Repair Services - Equipment		16,957	
Maintenance and Repair Services - Vehicles		1,287	
Postal Charges		26	
Travel		765	
Diesel Fuel		27,012	
Gasoline		3,131	
Lubricants		2,810	
Office Supplies		3,035	
Tires and Tubes		6,489	
Uniforms		1,599	
Utilities		6,825	
Vehicle Parts		2,369	
Other Supplies and Materials		12,340	
In Service/Staff Development		330	
Solid Waste Equipment		81,888	
Total Transfer Stations			\$ 1,052,416
 <u>Postclosure Care Costs</u>			
Contracts with Private Agencies	\$	8,000	
Total Postclosure Care Costs			8,000

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Other Operations

Other Charges

Medical and Dental Services	\$	172	
Building and Contents Insurance		12,722	
Liability Insurance		14,842	
Medical Claims		343	
Trustee's Commission		19,345	
Vehicle and Equipment Insurance		14,842	
Workers' Compensation Insurance		10,596	
Other Charges		1,411	
Total Other Charges			\$ 74,273

Total Solid Waste/Sanitation Fund \$ 1,363,331

Local Purpose Tax Fund

Public Safety

Fire Prevention and Control

Maintenance and Repair Services - Vehicles	\$	231	
Other Contracted Services		450,000	
Trustee's Commission		8,648	
Other Charges		125	
Total Fire Prevention and Control			\$ 459,004

Total Local Purpose Tax Fund 459,004

Drug Control Fund

Public Safety

Drug Enforcement

Other Salaries and Wages	\$	9,187	
Social Security		570	
Unemployment Compensation		92	
Employer Medicare		133	
Confidential Drug Enforcement Payments		15,000	
Maintenance and Repair Services - Vehicles		908	
Travel		1,086	
Animal Food and Supplies		64	
Instructional Supplies and Materials		1,823	
Law Enforcement Supplies		3,860	
Other Supplies and Materials		298	
Refunds		4,146	
Other Charges		4,728	
Law Enforcement Equipment		8,555	

(Continued)

Exhibit J-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Motor Vehicles	\$ 17,426	
Total Drug Enforcement		\$ 67,876

Other Operations

Other Charges

Trustee's Commission	\$ 370	
Total Other Charges		<u>370</u>

Total Drug Control Fund		\$ 68,246
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Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 2,736	
Total County Trustee's Office		<u>\$ 2,736</u>

Total Constitutional Officers - Fees Fund		2,736
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 70,350
Assistant(s)	103,016
Longevity Pay	2,460
Overtime Pay	183
Other Salaries and Wages	2,798
Board and Committee Members Fees	18,240
Social Security	12,223
State Retirement	20,917
Life Insurance	191
Medical Insurance	24,806
Dental Insurance	875
Disability Insurance	1,586
Unemployment Compensation	2,236
Employer Medicare	2,859
Other Fringe Benefits	887
Dues and Memberships	4,228
Legal Services	500
Legal Notices, Recording, and Court Costs	175
Maintenance and Repair Services - Office Equipment	1,798

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Postal Charges	\$	216	
Travel		1,216	
Other Contracted Services		239	
Office Supplies		2,114	
In Service/Staff Development		1,041	
Other Charges		1,343	
Total Administration			\$ 276,497

Highway and Bridge Maintenance

Foremen	\$	29,156	
Mechanic(s)		25,052	
Equipment Operators - Heavy		83,540	
Equipment Operators - Light		183,944	
Truck Drivers		87,434	
Longevity Pay		8,880	
Overtime Pay		5,797	
Social Security		26,228	
State Retirement		48,360	
Life Insurance		842	
Medical Insurance		101,332	
Dental Insurance		3,611	
Disability Insurance		3,966	
Employer Medicare		6,134	
Other Fringe Benefits		3,137	
Other Contracted Services		3,125	
Asphalt - Cold Mix		14,180	
Crushed Stone		1,174	
General Construction Materials		3,143	
Other Road Supplies		18,547	
Road Signs		20,859	
Small Tools		3,598	
Other Supplies and Materials		3,194	
Total Highway and Bridge Maintenance			685,233

Operation and Maintenance of Equipment

Foremen	\$	29,385
Longevity Pay		840
Overtime Pay		506
Other Salaries and Wages		24,774
Social Security		3,495

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

State Retirement	\$	6,539	
Life Insurance		94	
Medical Insurance		12,222	
Dental Insurance		438	
Disability Insurance		469	
Employer Medicare		811	
Other Fringe Benefits		399	
Maintenance and Repair Services - Buildings		1,071	
Maintenance and Repair Services - Equipment		12,976	
Diesel Fuel		69,985	
Equipment and Machinery Parts		69,694	
Garage Supplies		15,284	
Gasoline		16,757	
Lubricants		3,454	
Small Tools		1,381	
Tires and Tubes		18,147	
Other Supplies and Materials		30	
Total Operation and Maintenance of Equipment			\$ 288,751

Quarry Operations

Foremen	\$	29,128
Equipment Operators - Light		34,665
Longevity Pay		1,260
Overtime Pay		126
Other Salaries and Wages		4,332
Social Security		4,214
State Retirement		8,044
Life Insurance		47
Medical Insurance		15,263
Dental Insurance		548
Disability Insurance		264
Employer Medicare		992
Other Fringe Benefits		270
Communication		1,649
Engineering Services		325
Explosive and Drilling Services		17,577
Operating Lease Payments		15,600
Maintenance and Repair Services - Buildings		1,126
Maintenance and Repair Services - Equipment		9,003
Diesel Fuel		9,100

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Quarry Operations (Cont.)

Electricity	\$	40,636	
Equipment and Machinery Parts		29,767	
Garage Supplies		8,006	
Lubricants		2,126	
Tires and Tubes		5,868	
Water and Sewer		728	
Total Quarry Operations			\$ 240,664

Other Charges

Communication	\$	6,518	
Evaluation and Testing		927	
Medical and Dental Services		819	
Disposal Fees		2,639	
Permits		1,982	
Uniforms		7,346	
Utilities		15,932	
Building and Contents Insurance		23,130	
Liability Insurance		26,985	
Medical Claims		3,856	
Premiums on Corporate Surety Bonds		772	
Trustee's Commission		25,984	
Vehicle and Equipment Insurance		26,985	
Workers' Compensation Insurance		18,269	
Other Charges		1,611	
Total Other Charges			163,755

Capital Outlay

Engineering Services	\$	510	
Bridge Construction		116,437	
Communication Equipment		7,000	
Highway Construction		221,743	
Motor Vehicles		16,933	
Office Equipment		200	
State Aid Projects		201,828	
Other Equipment		3,510	
Other Construction		39,033	
Other Capital Outlay		5,748	
Total Capital Outlay			612,942

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$ 12,981	
Total Highways and Streets		\$ 12,981

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$ 163	
Total Highways and Streets		<u>163</u>

Total Highway/Public Works Fund		\$ 2,280,986
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General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 1,175,000	
Total General Government		\$ 1,175,000

Interest on Debt

General Government

Interest on Bonds	\$ 481,491	
Total General Government		481,491

Other Debt Service

General Government

Trustee's Commission	\$ 19,379	
Other Debt Service	<u>750</u>	
Total General Government		<u>20,129</u>

Total General Debt Service Fund		1,676,620
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Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 1,875,000	
Total Education		\$ 1,875,000

Interest on Debt

Education

Interest on Bonds	\$ 1,190,235	
Total Education		1,190,235

(Continued)

Exhibit J-7

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

Education Debt Service Fund (Cont.)

Other Debt Service

Education

Trustee's Commission	\$ 41,618	
Underwriter's Discount	152,050	
Other Debt Issuance Charges	183,335	
Other Debt Service	481	
Total Education		\$ 377,484

Total Education Debt Service Fund \$ 3,442,719

Other Capital Projects Fund

Other Debt Service

Education

Underwriter's Discount	\$ 41,100	
Total Education		\$ 41,100

Capital Projects

Administration of Justice Projects

Other Contracted Services	\$ 430,530	
Building Construction	4,661,114	
Total Administration of Justice Projects		5,091,644

Capital Projects - Donated

Capital Projects Donated to School Department

Contributions	\$ 2,958,900	
Total Capital Projects Donated to School Department		2,958,900

Total Other Capital Projects Fund 8,091,644

Total Governmental Funds - Primary Government \$ 30,825,989

Exhibit J-8

Franklin County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2009

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 12,676,261	
Career Ladder Program	184,195	
Career Ladder Extended Contracts	114,387	
Homebound Teachers	20,184	
Educational Assistants	471,349	
Other Salaries and Wages	68,299	
Certified Substitute Teachers	163,918	
Non-certified Substitute Teachers	136,854	
Social Security	822,623	
State Retirement	892,920	
Medical Insurance	1,768,030	
Disability Insurance	4,558	
Unemployment Compensation	15,906	
Employer Medicare	192,932	
Tuition	319,510	
Other Contracted Services	80,729	
Instructional Supplies and Materials	489,332	
Textbooks	886,302	
Other Supplies and Materials	5,801	
Other Charges	7,125	
Regular Instruction Equipment	142,155	
Total Regular Instruction Program		\$ 19,463,370

Alternative Instruction Program

Teachers	\$ 175,605	
Career Ladder Program	4,000	
Certified Substitute Teachers	1,960	
Non-certified Substitute Teachers	165	
Social Security	11,125	
State Retirement	11,531	
Medical Insurance	20,280	
Employer Medicare	2,602	
Total Alternative Instruction Program		227,268

Special Education Program

Teachers	\$ 2,040,930	
Career Ladder Program	20,999	
Homebound Teachers	25,336	
Educational Assistants	180,936	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Salaries and Wages	\$	22,457	
Certified Substitute Teachers		1,160	
Non-certified Substitute Teachers		18,672	
Social Security		138,814	
State Retirement		157,720	
Medical Insurance		282,918	
Disability Insurance		1,584	
Unemployment Compensation		832	
Employer Medicare		32,474	
Contracts with Private Agencies		252,199	
Maintenance and Repair Services - Equipment		15,836	
Other Contracted Services		8,658	
Instructional Supplies and Materials		56,610	
Special Education Equipment		17,505	
Total Special Education Program			\$ 3,275,640

Vocational Education Program

Teachers	\$	970,911	
Career Ladder Program		12,000	
Certified Substitute Teachers		10,994	
Non-certified Substitute Teachers		19,022	
Social Security		59,549	
State Retirement		63,103	
Medical Insurance		141,062	
Employer Medicare		13,985	
Instructional Supplies and Materials		38,131	
Textbooks		2,392	
Other Supplies and Materials		2,052	
Vocational Instruction Equipment		26,589	
Total Vocational Education Program			1,359,790

Student Body Education Program

Other Salaries and Wages	\$	51,226	
Social Security		2,994	
State Retirement		2,278	
Medical Insurance		4,485	
Employer Medicare		699	
Travel		1,728	
Other Contracted Services		58,531	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Student Body Education Program (Cont.)

Other Supplies and Materials	\$	13,610	
Other Charges		<u>3,823</u>	
Total Student Body Education Program	\$		139,374

Adult Education Program

Teachers	\$	11,412	
Social Security		569	
State Retirement		733	
Employer Medicare		165	
Instructional Supplies and Materials		<u>19,347</u>	
Total Adult Education Program			32,226

Support Services

Attendance

Supervisor/Director	\$	47,197	
Clerical Personnel		83,770	
Other Salaries and Wages		37,881	
Social Security		7,367	
State Retirement		14,245	
Medical Insurance		27,098	
Disability Insurance		1,179	
Employer Medicare		2,407	
Travel		87	
Other Supplies and Materials		580	
In Service/Staff Development		1,290	
Attendance Equipment		<u>1,976</u>	
Total Attendance			225,077

Health Services

Medical Personnel	\$	109,945	
Social Security		6,564	
State Retirement		12,874	
Medical Insurance		9,117	
Disability Insurance		964	
Employer Medicare		1,535	
Travel		284	
In Service/Staff Development		<u>565</u>	
Total Health Services			141,848

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Career Ladder Program	\$	7,000	
Guidance Personnel		628,497	
Assessment Personnel		9,018	
Secretary(ies)		54,084	
School Resource Officer		53,200	
Other Salaries and Wages		49,286	
Certified Substitute Teachers		55	
Non-certified Substitute Teachers		278	
Social Security		45,211	
State Retirement		50,984	
Medical Insurance		66,909	
Disability Insurance		562	
Employer Medicare		10,574	
Evaluation and Testing		28,901	
Travel		805	
In Service/Staff Development		113	
Total Other Student Support			\$ 1,005,477

Regular Instruction Program

Supervisor/Director	\$	123,389	
Career Ladder Program		10,000	
Librarians		577,342	
Clerical Personnel		15,666	
Educational Assistants		61,795	
Certified Substitute Teachers		440	
Non-certified Substitute Teachers		2,338	
Social Security		47,407	
State Retirement		54,733	
Medical Insurance		84,599	
Disability Insurance		829	
Employer Medicare		11,095	
Travel		11,426	
Other Supplies and Materials		10,778	
In Service/Staff Development		34,064	
Other Equipment		9,686	
Total Regular Instruction Program			1,055,587

Special Education Program

Supervisor/Director	\$	73,404	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Career Ladder Program	\$	1,000	
Clerical Personnel		80,847	
Social Security		9,500	
State Retirement		14,243	
Medical Insurance		14,309	
Disability Insurance		732	
Employer Medicare		2,222	
Travel		16,543	
Other Supplies and Materials		24,080	
In Service/Staff Development		16,808	
Other Charges		6,201	
Total Special Education Program			\$ 259,889

Vocational Education Program

Supervisor/Director	\$	43,342	
Secretary(ies)		34,828	
Social Security		2,159	
State Retirement		4,078	
Medical Insurance		5,527	
Disability Insurance		314	
Employer Medicare		1,133	
Maintenance and Repair Services - Equipment		390	
Travel		6,348	
Other Contracted Services		888	
In Service/Staff Development		2,299	
Other Charges		116	
Total Vocational Education Program			101,422

Adult Programs

Supervisor/Director	\$	61,226	
Clerical Personnel		2,160	
Other Salaries and Wages		22,258	
Social Security		5,303	
State Retirement		6,676	
Medical Insurance		9,497	
Disability Insurance		172	
Employer Medicare		1,240	
In Service/Staff Development		3,285	
Total Adult Programs			111,817

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Programs

On-Behalf Payments to OPEB	\$ 113,502	
Total Other Programs		\$ 113,502

Board of Education

Board and Committee Members Fees	\$ 30,875	
Social Security	1,914	
Employer Medicare	448	
Other Fringe Benefits	53,064	
Audit Services	16,750	
Dues and Memberships	30,055	
Legal Services	18,385	
Other Contracted Services	18,454	
Other Supplies and Materials	2,377	
Liability Insurance	145,753	
Premiums on Corporate Surety Bonds	175	
Trustee's Commission	284,706	
Workers' Compensation Insurance	239,248	
In Service/Staff Development	7,039	
Criminal Investigation of Applicants - TBI	9,720	
Other Charges	3,362	
Total Board of Education		862,325

Director of Schools

County Official/Administrative Officer	\$ 189,724
Assistant(s)	76,789
Career Ladder Program	417
Secretary(ies)	26,438
Clerical Personnel	13,313
Other Salaries and Wages	5,288
Social Security	17,162
State Retirement	16,195
Medical Insurance	13,388
Disability Insurance	694
Employer Medicare	4,462
Communication	55,218
Dues and Memberships	2,367
Maintenance and Repair Services - Equipment	491
Postal Charges	3,542
Travel	1,068

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Other Contracted Services	\$	2,235	
Office Supplies		19,167	
Other Supplies and Materials		68	
In Service/Staff Development		1,333	
Other Charges		14,561	
Total Director of Schools			\$ 463,920

Office of the Principal

Principals	\$	705,594	
Career Ladder Program		25,000	
Assistant Principals		598,457	
Secretary(ies)		401,820	
Other Salaries and Wages		69,933	
Certified Substitute Teachers		165	
Non-certified Substitute Teachers		4,395	
Social Security		109,463	
State Retirement		140,567	
Medical Insurance		223,797	
Disability Insurance		4,302	
Employer Medicare		25,606	
Total Office of the Principal			2,309,099

Human Services/Personnel

Clerical Personnel	\$	65,846	
Social Security		4,082	
State Retirement		7,710	
Medical Insurance		5,065	
Disability Insurance		585	
Employer Medicare		955	
Other Contracted Services		1,936	
Office Supplies		509	
Other Supplies and Materials		700	
In Service/Staff Development		1,327	
Administration Equipment		859	
Total Human Services/Personnel			89,574

Operation of Plant

Supervisor/Director	\$	42,649	
Guards		38,261	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Custodial Personnel	\$	862,200	
Other Salaries and Wages		55,994	
Non-certified Substitute Teachers		2,182	
Social Security		59,384	
State Retirement		103,409	
Medical Insurance		161,621	
Disability Insurance		7,747	
Unemployment Compensation		3,791	
Employer Medicare		14,086	
Disposal Fees		29,334	
Other Contracted Services		9,348	
Custodial Supplies		111,937	
Electricity		1,527,086	
Natural Gas		198,973	
Water and Sewer		127,737	
Boiler Insurance		9,225	
Building and Contents Insurance		168,074	
Other Charges		92	
Plant Operation Equipment		18,949	
Total Operation of Plant			\$ 3,552,079

Maintenance of Plant

Supervisor/Director	\$	52,877
Secretary(ies)		24,116
Maintenance Personnel		561,344
Other Salaries and Wages		6,336
Social Security		37,792
State Retirement		73,884
Medical Insurance		95,736
Disability Insurance		6,044
Employer Medicare		8,839
Communication		2,853
Laundry Service		9,909
Maintenance and Repair Services - Buildings		257,277
Maintenance and Repair Services - Equipment		2,476
Maintenance and Repair Services - Vehicles		13,032
Other Contracted Services		58,045
Gasoline		20,913
Other Supplies and Materials		1,819

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Other Charges	\$	18	
Administration Equipment		713	
Maintenance Equipment		26,478	
Total Maintenance of Plant			\$ 1,260,501

Transportation

Supervisor/Director	\$	40,554	
Bus Drivers		184,671	
Non-certified Substitute Teachers		5,660	
Social Security		13,906	
State Retirement		24,036	
Medical Insurance		32,915	
Disability Insurance		1,648	
Employer Medicare		3,290	
Communication		4,307	
Contracts with Vehicle Owners		1,361,843	
Maintenance and Repair Services - Vehicles		122,580	
Other Contracted Services		3,185	
Gasoline		41,466	
Vehicle and Equipment Insurance		21,600	
In Service/Staff Development		1,164	
Other Charges		184	
Transportation Equipment		52,300	
Total Transportation			1,915,309

Central and Other

Supervisor/Director	\$	81,349	
Clerical Personnel		34,828	
Other Salaries and Wages		173,303	
Social Security		16,839	
State Retirement		33,896	
Medical Insurance		30,852	
Disability Insurance		2,626	
Employer Medicare		3,938	
Other Fringe Benefits		4,698	
Data Processing Services		11,561	
Travel		2,540	
Other Supplies and Materials		20,057	
In Service/Staff Development		17,539	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other (Cont.)

Other Charges	\$ 1,973	
Total Central and Other		\$ 435,999

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 2,356	
Career Ladder Program	2,000	
Cafeteria Personnel	7,296	
Social Security	598	
State Retirement	446	
Employer Medicare	169	
Food Preparation Supplies	1,208	
Food Supplies	22,887	
Other Supplies and Materials	19,048	
Total Food Service		56,008

Community Services

Supervisor/Director	\$ 114,952	
Teachers	54,695	
Other Salaries and Wages	232,350	
Social Security	24,769	
State Retirement	25,851	
Medical Insurance	16,377	
Disability Insurance	699	
Employer Medicare	5,793	
Communication	457	
Travel	5,052	
Other Contracted Services	964	
Other Supplies and Materials	65,843	
In Service/Staff Development	2,311	
Other Charges	50,105	
Total Community Services		600,218

Early Childhood Education

Supervisor/Director	\$ 33,218
Teachers	498,831
Educational Assistants	323,320
Other Salaries and Wages	44,514
Non-certified Substitute Teachers	165

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Social Security	\$	53,661	
State Retirement		75,707	
Medical Insurance		132,524	
Disability Insurance		2,891	
Employer Medicare		12,550	
Travel		705	
Other Contracted Services		1,906	
Other Supplies and Materials		62,841	
In Service/Staff Development		1,851	
Other Charges		844	
Other Equipment		20,754	
Total Early Childhood Education			\$ 1,266,282

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	68,188	
Other Capital Outlay		24,624	
Total Regular Capital Outlay			92,812

Principal on Debt

Education

Principal on Notes	\$	25,000	
Principal on Capital Leases		82,635	
Total Education			107,635

Interest on Debt

Education

Interest on Notes	\$	4,152	
Interest on Capital Leases		8,142	
Total Education			12,294

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	860,000	
Total Education			860,000

Total General Purpose School Fund			\$ 41,396,342
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(Continued)

Exhibit J-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	751,590	
Educational Assistants		89,976	
Non-certified Substitute Teachers		1,028	
Social Security		49,319	
State Retirement		58,816	
Medical Insurance		127,170	
Disability Insurance		781	
Employer Medicare		11,534	
Instructional Supplies and Materials		579	
Other Supplies and Materials		1,804	
Other Charges		13,343	
Regular Instruction Equipment		4,671	
Total Regular Instruction Program			\$ 1,110,611

Special Education Program

Teachers	\$	124,542	
Educational Assistants		508,198	
Certified Substitute Teachers		268	
Non-certified Substitute Teachers		13,020	
Social Security		37,817	
State Retirement		67,506	
Medical Insurance		159,596	
Disability Insurance		4,359	
Employer Medicare		8,857	
Other Supplies and Materials		740	
Total Special Education Program			924,903

Vocational Education Program

Other Supplies and Materials	\$	40,000	
Other Charges		4,000	
Vocational Instruction Equipment		35,977	
Total Vocational Education Program			79,977

Support Services

Health Services

Medical Personnel	\$	144,977	
Non-certified Substitute Teachers		50	
Social Security		8,881	
State Retirement		16,977	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Medical Insurance	\$	14,091	
Disability Insurance		1,311	
Employer Medicare		2,077	
Total Health Services			\$ 188,364

Other Student Support

Other Salaries and Wages	\$	8,849	
Social Security		680	
State Retirement		556	
Employer Medicare		1	
Travel		2,000	
Other Supplies and Materials		3,496	
In Service/Staff Development		3,500	
Other Charges		7,245	
Total Other Student Support			26,327

Regular Instruction Program

Supervisor/Director	\$	55,179	
Other Salaries and Wages		46,575	
Non-certified Substitute Teachers		50	
Social Security		6,033	
State Retirement		6,544	
Medical Insurance		12,269	
Employer Medicare		1,411	
Maintenance and Repair Services - Equipment		1,363	
Travel		6,210	
Library Books/Media		61,239	
Other Supplies and Materials		52	
In Service/Staff Development		4,095	
Other Charges		1,076	
Total Regular Instruction Program			202,096

Special Education Program

Psychological Personnel	\$	150,609	
Social Security		9,007	
State Retirement		9,669	
Medical Insurance		13,540	
Employer Medicare		2,106	
Other Contracted Services		3,700	
Total Special Education Program			188,631

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	35,696	
Other Salaries and Wages		21,514	
Social Security		3,516	
State Retirement		5,426	
Medical Insurance		4,559	
Disability Insurance		326	
Employer Medicare		822	
Travel		691	
Other Supplies and Materials		7,885	
In Service/Staff Development		6,948	
Other Charges		882	
Total Community Services			\$ <u>88,265</u>

Total School Federal Projects Fund \$ 2,809,174

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	73,957
Clerical Personnel		58,882
Cafeteria Personnel		877,463
Other Salaries and Wages		61,563
In-Service Training		625
Social Security		62,815
State Retirement		113,090
Medical Insurance		226,969
Disability Insurance		8,749
Unemployment Compensation		1,409
Employer Medicare		14,933
Communication		5,566
Maintenance and Repair Services - Equipment		24,977
Transportation - Other than Students		214
Travel		6,912
Other Contracted Services		5,865
Food Preparation Supplies		77,585
Food Supplies		1,268,009
Office Supplies		5,780
Other Supplies and Materials		23,877
In Service/Staff Development		12,789

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Food Service Equipment	\$ 11,793	
Total Food Service		\$ 2,943,822

Total Central Cafeteria Fund		\$ 2,943,822
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Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$ 41,537	
Consultants	62,900	
Building Construction	181,331	
Building Improvements	53,096	
Food Service Equipment	138,328	
Maintenance Equipment	2,217	
Total Education Capital Projects		\$ 479,409

Total Education Capital Projects Fund		<u>479,409</u>
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Total Governmental Funds - Franklin County School Department		<u>\$ 47,628,747</u>
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Exhibit J-9

Franklin County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2009

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,801,888
Total Cash Receipts	<u>\$ 2,801,888</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 2,773,869
Trustee's Commission	28,019
Total Cash Disbursements	<u>\$ 2,801,888</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2008	<u>0</u>
 Cash Balance, June 30, 2009	 <u><u>\$ 0</u></u>

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SINGLE AUDIT SECTION

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

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

January 25, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Franklin County's basic financial statements and have issued our report thereon dated January 25, 2010. 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 auditing 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 Public Library Fund, a special revenue fund, and the Franklin County Emergency Communications District and the Industrial Development Board of Franklin County, discretely presented component units, as described in our report on Franklin County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Franklin County'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 Franklin County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Franklin County'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 entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 09.06 and 09.08.

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 Franklin County'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, we believe that none of the significant deficiencies described above are material weaknesses.

Compliance and Other Matters

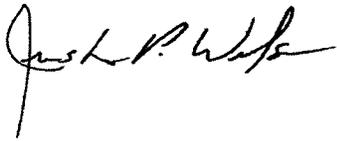
As part of obtaining reasonable assurance about whether Franklin County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items: 09.01, 09.02, 09.03, 09.04, 09.05, and 09.07.

We also noted certain matters that we reported to management of Franklin County in separate communications.

Franklin County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Franklin County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the county mayor, County Commission, superintendent of highways, director of schools, Board of Education, others within Franklin County, 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.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a large initial "J" and "W".

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

January 25, 2010

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

To the Franklin County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Franklin County 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. Franklin County'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 Franklin County's management. Our responsibility is to express an opinion on Franklin County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Franklin County's compliance with those requirements and

performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Franklin County's compliance with those requirements.

In our opinion, Franklin County 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. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and are described in the accompanying Schedule of Findings and Questioned Costs as items 09.05 and 09.09.

Internal Control Over Compliance

The management of Franklin County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Franklin County'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 Franklin County's internal control over compliance.

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.

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.

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

Schedule of Expenditures of Federal Awards

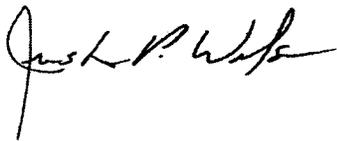
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County as of and for the year ended June 30, 2009, and have issued our report thereon dated January 25, 2010. Our audit was performed for the purpose of

forming our opinions on the financial statements that collectively comprise Franklin County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Franklin County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Franklin County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the county mayor, County Commission, superintendent of highways, director of schools, Board of Education, others within Franklin County, 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.

Yours very truly,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke at the beginning.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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Franklin County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2009

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 171,018 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	369,373
National School Lunch Program	10.555	N/A	1,252,700 (3)
Fresh Fruit and Vegetable Program	10.582	(2)	52,249
Total U.S. Department of Agriculture			<u>\$ 1,845,340</u>
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(4)	\$ 88,004
Total U.S. Department of Justice			<u>\$ 88,004</u>
U.S. Department of Labor:			
Passed-through Workforce Solutions:			
WIA Youth Activities	17.259	(2)	\$ 62,765
Passed-through Valley Innovation Alliance:			
WIA Pilots, Demonstrations, and Research Projects	17.261	(2)	37,861
Total U.S. Department of Labor:			<u>\$ 100,626</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	Z-08-200127-00	\$ 4,376
Alcohol Open Container Requirements	20.607	(5)	40,165
Total U.S. Department of Transportation			<u>\$ 44,541</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.31	Z-09-217824-00	\$ 1,500
Total U.S. Institute of Museum and Library Services			<u>\$ 1,500</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(6)	\$ 111,757
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,015,652
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,278,379
Special Education - Preschool Grants	84.173	N/A	48,520
Career and Technical Education - Basic Grants to States	84.048	N/A	95,477
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	27,796
Twenty-first Century Community Learning Centers	84.287	(2)	76,811
State Grants for Innovative Programs	84.298	(2)	101
Education Technology State Grants	84.318	(2)	281,889
Improving Teacher Quality State Grants	84.367	(2)	9,549
Total U.S. Department of Education			<u>\$ 2,945,931</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Mental Health and Developmental Disabilities:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	GG-09-26344-00	\$ 42,875
Total U.S. Department of Health and Human Services			<u>\$ 42,875</u>
U.S. Cooperation for National and Community Service:			
Passed-through State Department of Education:			
Learn and Serve America - School and Community Based Programs	94.004	Z-07-037215-00	\$ 6,109
Total U.S. Cooperation for National and Community Service			<u>\$ 6,109</u>

(Continued)

Franklin County, Tennessee
 Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	GG-08-25945-00	\$ 29,000
Homeland Security Grant Program	97.067	GG-07-20684-00	51,103
Total U.S. Department of Homeland Security			<u>\$ 80,103</u>
Total Expenditures of Federal Awards			<u>\$ 5,155,029</u>
		<u>Contract Number</u>	
<u>State Grants</u>			
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 14,821
Juvenile Services Program - State Department of Children's Services	N/A	Z-09-022850-00	9,000
Litter Program - State Department of Transportation	N/A	(7)	28,246
Rural Local Health Services - State Department of Health	N/A	(8)	104,153
Airport Maintenance - State Department of Transportation	N/A	Z-08-200640-00	13,434
Family Resource - State Department of Education	N/A	(2)	33,300
Early Childhood Education - State Department of Education	N/A	(2)	1,085,469
Safe Schools Act - State Department of Education	N/A	(2)	33,200
Adult Education - State Department of Labor and Workforce Development	N/A	Z-08-201206-00	5,237
Coordinated School Health Program - State Department of Health	N/A	(2)	132,000
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	21,499
Total State Grants			<u>\$ 1,480,359</u>

CFDA - Catalog of Federal Domestic Assistance
 N/A - Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$1,423,718.
- (4) Z-06-027525-00: \$71,094; Z-06-027519-00: \$16,910.
- (5) Z-08-024022-00: \$24,964; Z-09-214606-00: \$15,201.
- (6) Z-08-020778-00: \$18,619; Z-09-213461-00: \$93,138.
- (7) Z-08-020991-00: \$755; Z-09-212744-00: \$27,491.
- (8) Z-08-020342-00: \$26,467; Z-09-216858-00: \$77,686.

Franklin County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2009

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Franklin County, Tennessee, for the year ended June 30, 2008, which have not been corrected.

OFFICE OF FINANCE DIRECTOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.02	220	The Public Library Fund was not budgeted

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.04	222	Collections for the extended school program were not deposited within three days of collection

OFFICE OF CLERK AND MASTER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.06	222	The delinquent tax software did not have adequate application controls

OTHER FINDING

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.08	224	Duties were not segregated adequately in the Offices of Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff

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FRANKLIN COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Franklin County is unqualified.
2. The audit of the financial statements of Franklin County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Franklin County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed one finding that is required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: the School Breakfast Program and the National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Title I Grants to Local Educational Agencies (CFDA No. 84.010), and the Special Education Cluster: the Special Education – Grants to States and the Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Franklin County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written response of the current director of schools is paraphrased in this report.

OFFICE OF FINANCE DIRECTOR

**FINDING 09.01 AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS
WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT**
(Noncompliance Under Government Auditing Standards)

The office did not deposit amounts withheld (\$165,972) from contractor payments into an escrow account. Section 66-34-104, Tennessee Code Annotated requires that funds withheld from contractor payments be deposited into an escrow account for contracts of \$500,000 or more. Management advised that they were not aware of the statute requiring amounts withheld from contractor payments to be deposited into an escrow account. This noncompliance could result in the loss of interest earning for the contractor.

RECOMMENDATION

Amounts withheld from contractor payments on contracts of \$500,000 or more should be deposited into an escrow account in compliance with state statute.

**FINDING 09.02 A REVENUE ANTICIPATION NOTE WAS NOT ISSUED IN
COMPLIANCE WITH STATE STATUTE**
(Noncompliance Under Government Auditing Standards)

During the year, the School Federal Projects Fund borrowed \$100,000 from the General Purpose School Fund to provide cash for operations in anticipation of revenue collections. This loan was not approved by the state director of Local Finance. Section 9-21-801, Tennessee Code Annotated allows the County Commission to issue revenue anticipation notes with the approval of the state director of Local Finance. This deficiency resulted from a lack of oversight by management.

RECOMMENDATION

Revenue anticipation notes should be approved by the state director of Local Finance as required by state statute.

**FINDING 09.03 THE PUBLIC LIBRARY FUND WAS NOT BUDGETED
(Noncompliance Under Government Auditing Standards)**

The Public Library Fund (special revenue fund) was not budgeted. Section 5-9-401, Tennessee Code Annotated states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies." This deficiency exists because management failed to correct this finding noted in the prior-year audit report and resulted in unauthorized expenditures.

RECOMMENDATION

The Public Library Fund should be budgeted as required by state statute.

OFFICE OF DIRECTOR OF SCHOOLS

**FINDING 09.04 COLLECTIONS FOR THE EXTENDED SCHOOL PROGRAM
WERE NOT DEPOSITED WITHIN THREE DAYS OF
COLLECTION
(Noncompliance Under Government Auditing Standards)**

Some collections for the extended school program were not deposited within three days of collection as required by Section 5-8-207, Tennessee Code Annotated. This operating deficiency is the result of management's decisions and their failure to correct the finding noted in the prior-year audit report. The failure to make timely deposits increases the risks of unauthorized transactions and theft.

RECOMMENDATION

The extended school program should deposit all funds intact within three days of collection.

MANAGEMENT'S RESPONSE – CURRENT DIRECTOR OF SCHOOLS

The Franklin County School Department will make every effort to ensure that the extended school program deposit all funds intact within three days of collection. A new administrator of the extended school program was appointed July 1, 2009, and she has taken the responsibility seriously. She is making site visits and helping the site directors in their efforts to host good programs for the children and to comply with requirements. She will work with the site directors to ensure that the collections are deposited as required.

FINDING 09.05

A STATE DEPARTMENT OF EDUCATION REVIEW IDENTIFIED DEFICIENCIES IN FEDERAL PROGRAMS
(Noncompliance Under Government Auditing Standards and OMB Circular A-133)

The Tennessee Department of Education conducted a review because of a complaint filed by the U.S. Department of Education, Office of Inspector General that identified the following deficiencies in the Title I-A (CFDA No. 84.010), Title II-A (CFDA No. 84.367), and Title II-D (CFDA No. 84.318) federal programs for parts of 2007-08 and 2008-09:

- A. The district did not have adequate procedures in place to ensure employees whose salaries and benefits were charged to federal programs prepared monthly personnel activity reports or semi-annual attestations to document their work assignments.
- B. The salaries and benefits of some employees had not been accurately allocated to federal programs.

Management agreed with the above-noted findings, has implemented a process of preparing the personnel activity reports, and repaid the federal programs \$17,387 plus benefits from local funds on April 28, 2009. For details of the state report dated March 20, 2009, contact the Tennessee Department of Education.

OFFICE OF CLERK AND MASTER

FINDING 09.06

THE DELINQUENT TAX SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application did not provide a record of changes made to delinquent tax information. Users had the capability to change information leaving no evidence of the original information. Sound business practices dictate that proper application controls be implemented. The vendor had implemented an audit log to record these changes; however, this audit log feature had not been installed on the version of the software used by the office. This deficiency is a result of management's failure to contact the vendor to implement adequate controls in the software. When this application weakness was brought to the attention of management, the vendor was contacted to install the audit log. Procedures for reviewing this log are currently in place.

OFFICE OF SHERIFF

FINDING 09.07 SEVERAL ARRESTEE FILES DID NOT INCLUDE FINGERPRINT ACKNOWLEDGMENTS FROM THE TENNESSEE BUREAU OF INVESTIGATION
(Noncompliance Under Government Auditing Standards)

The Sheriff's Department uses an electronic imaging fingerprint machine to fingerprint arrestees at the time of their arrest. This machine is designed to electronically store the fingerprint images, generate records of the images taken, and transmit the images to the Tennessee Bureau of Investigation (TBI). Section 8-4-115, Tennessee Code Annotated, states "If fingerprints are transmitted to the TBI electronically, the booking agency shall maintain with the arrest report one (1) hard copy of the fingerprints along with an acknowledgment from the TBI that a copy of the fingerprints has been received and accepted." During our examination of arrestee files, we found several instances where an acknowledgment from the TBI that a copy of the fingerprints had been received and accepted was not always on hand. This deficiency can be attributed to the lack of follow-up by management on this procedure after the fingerprints are transmitted to the TBI.

RECOMMENDATION

An acknowledgment from the TBI that a copy of the fingerprints has been received and accepted should be maintained for all arrestees as required by state statute.

OTHER FINDING AND RECOMMENDATION

FINDING 09.08 DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF TRUSTEE; COUNTY CLERK; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; REGISTER; AND SHERIFF
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Offices of Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff. The officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

**PART III, FINDINGS AND QUESTIONED
COSTS FOR FEDERAL AWARDS**

Federal Agency	Finding Number	Federal CFDA Number	Criteria	Explanation	Amount Questioned
U.S. Department of Education Passed-through State Department of Education: Title I Grants to Local Educational Agencies Education Technology State Grants Improving Teacher Quality State Grants	09.09	84.010 84.318 84.367	<u>Circular A-133</u> Section 500(c)(3)	Noncompliance See Finding 09.05 - A State Department of Education review identified deficiencies in federal programs	\$ 0

**FRANKLIN COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2009**

There were no audit findings relative to federal awards presented in the prior year's Schedule of Findings and Questioned Costs. There were audit findings relative to federal awards presented in the current year's Schedule of Findings and Questioned Costs.

Office of Director of Schools – Corrective Action for Current-Year's Findings

FINDINGS 09.05 and 09.09

Contact person:

Dr. Rebecca Sharber

Corrective action:

Management agreed with the findings in the review and has implemented a process of preparing the personnel activity reports. The School Department repaid the federal programs \$17,387 plus benefits from local funds on April 28, 2009.