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**ANNUAL FINANCIAL REPORT**  
**FRANKLIN COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2010**



**ANNUAL FINANCIAL REPORT**  
**FRANKLIN COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2010**

*DEPARTMENT OF AUDIT*  
*JUSTIN P. WILSON*  
*Comptroller of the Treasury*

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

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*Director*

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*Auditor 4*

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

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

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# ***Audit Highlights***

Annual Financial Report  
Franklin County, Tennessee  
For the Year Ended June 30, 2010

## ***Scope***

We have audited the basic financial statements of Franklin County as of and for the year ended June 30, 2010.

## ***Results***

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

Our audit resulted in four 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 and Best Practice***

The following are summaries of the audit findings and best practice:

### **OFFICE OF SUPERINTENDENT OF HIGHWAYS**

- ◆ A county road list was not submitted to the County Commission for approval.
- 

### **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ The Extended School Program did not deposit some collections within three days of receipt.
- 

### **OFFICE OF SHERIFF**

- ◆ Some collections were not deposited within three days of receipt.
- 

### **OTHER FINDING**

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

## **BEST PRACTICE**

Franklin County does not have an Audit Committee. The Division of County Audit strongly believes that an Audit Committee is a best practice that should be adopted by the governing body to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

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# INTRODUCTORY SECTION

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# Franklin County Officials

## June 30, 2010

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### **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  
Michelle Stovall  
Cleijo Walker

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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 20, 2011

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, 2010, 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 Franklin County Emergency Communications District, which represent 1.27 percent and .89 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Franklin County Emergency Communications District, is based on the report of 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 report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our report and the report 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, 2010, 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 20, 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.

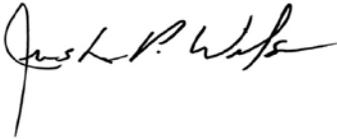
As described in Note V.B., Franklin County has adopted the provisions of Governmental Accounting Standards Board Statement 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 62 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 fluid and cursive, with a long vertical stroke at the end.

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, 2010

	Primary Governmental Activities	Component Units	
		Franklin County School Department	Franklin County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 905	\$ 1,634	\$ 764,036
Equity in Pooled Cash and Investments	11,805,150	5,603,155	0
Accounts Receivable	106,605	127,704	13,171
Due from Other Governments	817,799	1,780,108	0
Property Taxes Receivable	10,948,447	9,244,977	0
Allowance for Uncollectible Property Taxes	(282,343)	(236,435)	0
Prepaid Items	23,837	3,449	0
Deferred Charges - Debt Issuance Costs	179,756	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	28,247,693	5,451,186	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	13,702,966	38,001,221	0
Other Capital Assets	2,727,666	3,033,086	33,378
Infrastructure	14,018,070	0	0
Total Assets	<u>\$ 82,296,551</u>	<u>\$ 63,010,085</u>	<u>\$ 810,585</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 62,638	\$ 82,015	\$ 320
Accrued Payroll	143,251	26,750	0
Payroll Deductions Payable	161,288	0	0
Due to State of Tennessee	5,200	0	0
Contracts Payable	0	761,388	0
Accrued Interest Payable	349,496	517	0
Deferred Revenue - Current Property Taxes	10,198,701	8,638,970	0
Noncurrent Liabilities:			
Due Within One Year	4,286,719	154,107	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	36,088,234	1,678,963	0
Total Liabilities	<u>\$ 51,295,527</u>	<u>\$ 11,342,710</u>	<u>\$ 320</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 45,417,503	\$ 46,435,493	\$ 0
Invested in Capital Assets	0	0	33,378
Restricted for:			
General Purposes	6,353,681	226,492	0
Courthouse and Jail Maintenance	0	0	0
Public Library	22,516	0	0
Solid Waste/Sanitation	105,476	0	0
Local Purpose	119,665	0	0
Drug Control	19,997	0	0
Highway/Public Works	630,113	0	0
School Federal Projects	0	12,628	0
Central Cafeteria	0	784,798	0
Debt Service	4,449,289	0	0
Capital Projects	0	609,533	0
Unrestricted	(26,117,216)	3,598,431	776,887
Total Net Assets	<u>\$ 31,001,024</u>	<u>\$ 51,667,375</u>	<u>\$ 810,265</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, 2010

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													
Primary Government:																				
Governmental Activities:																				
General Government	\$ 32,784	\$ 311,526	\$ 267,763	\$ 0	\$ 546,505	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,784,425	878,496	11,960	0	(893,969)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administration of Justice	3,812,885	942,460	9,000	0	(2,861,425)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Public Safety	5,621,432	549,878	592,624	131,078	(4,347,852)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Public Health and Welfare	1,731,116	187,602	291,114	0	(1,252,400)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Social, Cultural, and Recreational Services	317,746	16,343	22,061	0	(279,342)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Agriculture and Natural Resources	154,435	0	0	0	(154,435)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Operations	1,379,793	0	0	13,700	(1,366,093)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Highways/Public Works	3,183,861	1,588	1,911,447	0	(1,270,826)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Education	0	0	0	760,000	760,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Long-term Debt	1,443,579	0	0	0	(1,443,579)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Debt Service	109,758	0	0	0	(109,758)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Primary Government	\$ 19,571,814	\$ 2,887,893	\$ 3,105,969	\$ 904,778	\$ (12,673,174)	\$ 904,778	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:																				
Franklin County School Department	\$ 50,646,827	\$ 1,555,728	\$ 5,548,495	\$ 158,523	\$ 0	\$ (43,384,081)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Franklin County Emergency Communications District	362,694	407,175	16,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	60,481
Total Component Units	\$ 51,009,521	\$ 1,962,903	\$ 5,564,495	\$ 158,523	\$ 0	\$ (43,384,081)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60,481

(Continued)

Exhibit B

Franklin County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	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	
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes			\$ 7,895,210	\$ 8,975,206	\$	0		
Property Taxes Levied for Debt Service			2,668,576	0		0		
Local Option Sales Taxes			0	3,913,970		0		
Hotel/Motel Tax			64,679	0		0		
Litigation Tax - General			186,358	0		0		
Litigation Tax - Jail, Workhouse, or Courthouse			25,151	0		0		
Business Tax			248,940	0		0		
Mineral Severance Tax			40,186	0		0		
Wholesale Beer Tax			219,077	0		0		
Other Local Taxes			2,850	3,660		0		
Grants and Contributions Not Restricted to Specific Programs			1,928,409	27,478,260		0		
Unrestricted Investment Earnings			221,115	82,177		7,769		
Miscellaneous			211,925	167,170		0		
Sale of Equipment			11,299	4,142		0		
<b>Total General Revenues</b>			<b>\$ 13,723,775</b>	<b>\$ 40,624,585</b>	<b>\$</b>	<b>7,769</b>		
Insurance Recovery			\$ 308	\$ 295,368	\$	0		
Change in Net Assets			\$ 1,050,909	\$ (2,464,128)	\$	68,250		
Net Assets, July 1, 2009			29,950,115	52,839,860		742,015		
Prior-period Adjustment			0	1,291,643		0		
<b>Net Assets, June 30, 2010</b>			<b>\$ 31,001,024</b>	<b>\$ 51,667,375</b>	<b>\$</b>	<b>810,265</b>		

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

Exhibit C-1

Franklin County, Tennessee  
 Balance Sheet  
 Governmental Funds  
 June 30, 2010

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 905	\$ 905
Equity in Pooled Cash and Investments	6,725,446	433,458	3,024,895	1,621,351	11,805,150
Accounts Receivable	87,672	1	3	18,929	106,605
Due from Other Governments	453,541	363,585	456	217	817,799
Due from Other Funds	2,168	2,196	0	0	4,364
Property Taxes Receivable	6,464,091	356,296	1,870,551	2,257,509	10,948,447
Allowance for Uncollectible Property Taxes	(164,158)	(9,049)	(47,503)	(61,633)	(282,343)
Prepaid Items	18,276	1,327	0	4,234	23,837
Total Assets	<u>\$ 13,587,036</u>	<u>\$ 1,147,814</u>	<u>\$ 4,848,402</u>	<u>\$ 3,841,512</u>	<u>\$ 23,424,764</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 54,499	\$ 4,227	\$ 0	\$ 3,912	\$ 62,638
Accrued Payroll	122,375	7,431	0	13,445	143,251
Payroll Deductions Payable	133,434	16,144	0	11,710	161,288
Due to Other Funds	2,196	0	0	2,168	4,364
Due to State of Tennessee	4,246	0	0	954	5,200
Deferred Revenue - Current Property Taxes	6,040,371	332,940	1,747,937	2,077,453	10,198,701
Deferred Revenue - Delinquent Property Taxes	231,684	12,770	67,044	108,995	420,493
Other Deferred Revenues	158,914	168,654	0	0	327,568
Total Liabilities	<u>\$ 6,747,719</u>	<u>\$ 542,166</u>	<u>\$ 1,814,981</u>	<u>\$ 2,218,637</u>	<u>\$ 11,323,503</u>
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 189,490	\$ 49,195	\$ 0	\$ 60,285	\$ 298,970
Reserved for Other General Purposes	6,353,681	0	0	0	6,353,681
Unreserved, Reported In:					
General Fund	296,146	0	0	0	296,146
Special Revenue Funds	0	556,453	0	467,790	1,024,243
Debt Service Funds	0	0	3,033,421	1,094,800	4,128,221
Total Fund Balances	<u>\$ 6,839,317</u>	<u>\$ 605,648</u>	<u>\$ 3,033,421</u>	<u>\$ 1,622,875</u>	<u>\$ 12,101,261</u>
Total Liabilities and Fund Balances	<u>\$ 13,587,036</u>	<u>\$ 1,147,814</u>	<u>\$ 4,848,402</u>	<u>\$ 3,841,512</u>	<u>\$ 23,424,764</u>

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, 2010

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)		\$	12,101,261
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	28,247,693	
Add: buildings and improvements net of accumulated depreciation		13,702,966	
Add: infrastructure net of accumulated depreciation		14,018,070	
Add: other capital assets net of accumulated depreciation		<u>2,727,666</u>	58,696,395
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(818,371)	
Less: capital leases payable		(718,432)	
Less: bonds payable		(37,683,000)	
Less: compensated absences payable		(447,041)	
Less: landfill closure/postclosure care costs		(337,490)	
Less: accrued interest on bonds, notes, and capital leases		(349,496)	
Less: other deferred revenue - premium on debt		(39,455)	
Less: other postemployment benefits liability		(902,758)	
Add: deferred amount on refunding		571,594	
Add: deferred charges - debt issuance costs		<u>179,756</u>	(40,544,693)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>748,061</u>
Net assets of governmental activities (Exhibit A)		\$	<u>31,001,024</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, 2010

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Special Purpose	Highway / Public Works	Education Debt Service	Other Capital Projects	Other		
						Governmental Funds	Governmental Funds	
<b>Revenues</b>								
Local Taxes	\$ 6,844,654	\$ 0	\$ 386,444	\$ 2,362,372	\$ 0	\$ 2,346,694	\$ 11,940,164	
Licenses and Permits	62,194	0	1,634	8,550	0	33,537	105,915	
Fines, Forfeitures, and Penalties	187,816	0	0	0	0	28,107	215,923	
Charges for Current Services	185,005	0	0	0	0	41,564	226,569	
Other Local Revenues	178,346	0	8,139	0	3,498	397,030	587,013	
Fees Received from County Officials	1,645,993	0	0	0	0	0	1,645,993	
State of Tennessee	1,937,529	0	1,906,011	0	0	17,585	3,861,125	
Federal Government	530,911	0	106,480	0	0	5,418	642,809	
Other Governments and Citizens Groups	422,055	0	0	760,000	0	20,786	1,202,841	
<b>Total Revenues</b>	<b>\$ 11,994,503</b>	<b>\$ 0</b>	<b>\$ 2,408,708</b>	<b>\$ 3,130,922</b>	<b>\$ 3,498</b>	<b>\$ 2,890,721</b>	<b>\$ 20,428,352</b>	
<b>Expenditures</b>								
Current:								
General Government	\$ 2,559,447	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,559,447	
Finance	1,745,868	0	0	0	0	4,811	1,750,679	
Administration of Justice	1,743,799	0	0	0	0	0	1,743,799	
Public Safety	5,655,394	0	0	0	0	513,097	6,168,491	
Public Health and Welfare	470,304	0	0	0	0	1,209,803	1,680,107	
Social, Cultural, and Recreational Services	70,160	0	0	0	0	214,489	284,649	
Agriculture and Natural Resources	141,630	0	0	0	0	0	141,630	
Other Operations	2,016,925	0	0	0	0	94,200	2,111,125	
Highways	0	0	2,266,260	0	0	0	2,266,260	
Debt Service:								
Principal on Debt	0	0	10,911	2,380,000	0	1,199,295	3,590,206	
Interest on Debt	0	0	2,803	861,152	0	444,236	1,308,191	
Other Debt Service	0	0	0	42,151	0	25,062	67,213	
Capital Projects	0	0	0	0	2,054,589	0	2,054,589	
<b>Total Expenditures</b>	<b>\$ 14,403,527</b>	<b>\$ 0</b>	<b>\$ 2,279,974</b>	<b>\$ 3,283,303</b>	<b>\$ 2,054,589</b>	<b>\$ 3,704,993</b>	<b>\$ 25,726,386</b>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (2,409,024)</b>	<b>\$ 0</b>	<b>\$ 128,734</b>	<b>\$ (152,381)</b>	<b>\$ (2,051,091)</b>	<b>\$ (814,272)</b>	<b>\$ (5,298,034)</b>	

(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		
<u>Other Financing Sources (Uses)</u>								
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,500,000	\$ 0	\$ 0	\$ 1,500,000
Notes Issued	822,666	0	0	0	0	0	0	822,666
Capital Leases Issued	357,321	0	183,021	0	0	0	0	540,342
Proceeds from Sale of Capital Assets	50,000	0	0	0	0	0	0	50,000
Insurance Recovery	308	0	0	0	0	0	0	308
Transfers In	5,770,554	0	9,642	0	0	0	640,000	6,420,196
Transfers Out	(209,642)	(5,745,000)	(403,803)	0	0	0	(61,751)	(6,420,196)
Total Other Financing Sources (Uses)	\$ 6,791,207	\$ (5,745,000)	\$ (211,140)	\$ 0	\$ 1,500,000	\$ 578,249	\$ 0	\$ 2,913,316
Net Change in Fund Balances	\$ 4,382,183	\$ (5,745,000)	\$ (82,406)	\$ (152,381)	\$ (551,091)	\$ (236,023)	\$ 0	\$ (2,384,718)
Fund Balance, July 1, 2009	2,457,134	5,745,000	688,054	3,185,802	551,091	1,858,898	14,485,979	24,422,058
Fund Balance, June 30, 2010	\$ 6,839,317	\$ 0	\$ 605,648	\$ 3,033,421	\$ 0	\$ 1,622,875	\$ 0	\$ 12,101,261

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

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, 2010

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)		\$ (2,384,718)
<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	\$ 5,273,294	
Less: current year depreciation expense	<u>(2,189,928)</u>	3,083,366
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.</p>		
Add: gain on disposal of capital assets	\$ 3,646	
Less: decrease in revenue for the sale or insurance recovery of disposed assets	<u>(4,476)</u>	(830)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2010	\$ 748,061	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(599,522)</u>	148,539
<p>(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:</p>		
Less: note proceeds	\$ (822,666)	
Less: capital lease proceeds	(540,342)	
Less: bond proceeds	(1,500,000)	
Less: change in deferred amount on refunding debt	(34,642)	
Add: change in premium on debt issuance	3,687	
Less: change in deferred debt issuance costs	(11,590)	
Add: principal payments on notes	4,295	
Add: principal payments on capital leases	166,661	
Add: principal payments on bonds	<u>3,575,000</u>	840,403
<p>(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.</p>		
Change in accrued interest payable	\$ (135,388)	
Change in compensated absences payable	(36,087)	
Change in other postemployment benefits liability	(465,374)	
Change in landfill closure/postclosure care costs	<u>998</u>	<u>(635,851)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,050,909</u>

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, 2010

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,675,609
Due from Other Governments	<u>481,163</u>
Total Assets	<u><u>\$ 2,156,772</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 481,163
Due to Litigants, Heirs, and Others	<u>1,675,609</u>
Total Liabilities	<u><u>\$ 2,156,772</u></u>

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

**FRANKLIN COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2010**

**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. During the year ended June 30, 2010, the county appropriated an operating subsidy of \$10,000 to the board, which was substantially all the revenue the board received for the year. Based on the amount of revenue received, the state Comptroller

permitted the board to have a two year audit performed for the period July 1, 2009, through June 30, 2011. Therefore, audited financial statements of the Industrial Development Board of Franklin County were not available for the year ended June 30, 2010, for inclusion in this report. The omission of the financial statement of the Industrial Development Board of Franklin County does not have a material effect on the financial statement of the discretely presented component units of Franklin County.

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 (when available) 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. During the year ended June 30, 2010, no debt issues were contributed by the county to the School Department.

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. This fund was closed into the General Fund during the year.

**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. This fund was closed during the year.

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 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 of vacation leave 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 of vacation leave 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 General Purposes for the primary government consists of various restrictions totaling \$6,353,681, with the primary restrictions being for: (1) proceeds from the sale of the hospital totaling \$5,745,000; and (2) proceeds of prior-year sales of land and buildings to be used for future land purchases totaling \$608,681.

As of June 30, 2010, Franklin County has \$25,850,000 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**

**Discretely Presented Franklin County School Department**

Noncurrent liabilities of the discretely presented Franklin County School Department were restated \$1,291,643 from the prior year because the liability for other postemployment benefits was overstated.

**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**

**Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund) which is not budgeted, and the 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.

#### **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 Comptroller’s Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

**Investment Balances.** As of June 30, 2010, 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.

Investment	Maturities	Cost
State Treasurer's Investment Pool	Daily	\$ 58,136

**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, 2010, 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, 2010, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 27,427,707	\$ 819,986	\$ 0	\$ 28,247,693
Construction in Progress	4,451,120	0	(4,451,120)	0
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 31,878,827</b>	<b>\$ 819,986</b>	<b>\$ (4,451,120)</b>	<b>\$ 28,247,693</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,025,832	\$ 7,582,781	\$ 0	\$ 18,608,613
Infrastructure	37,609,408	298,954	0	37,908,362
Other Capital Assets	6,858,978	1,022,693	(45,723)	7,835,948
<b>Total Capital Assets Depreciated</b>	<b>\$ 55,494,218</b>	<b>\$ 8,904,428</b>	<b>\$ (45,723)</b>	<b>\$ 64,352,923</b>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 4,502,334	\$ 403,313	\$ 0	\$ 4,905,647
Infrastructure	22,580,329	1,309,963	0	23,890,292
Other Capital Assets	4,676,523	476,652	(44,893)	5,108,282
<b>Total Accumulated Depreciation</b>	<b>\$ 31,759,186</b>	<b>\$ 2,189,928</b>	<b>\$ (44,893)</b>	<b>\$ 33,904,221</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 23,735,032</b>	<b>\$ 6,714,500</b>	<b>\$ (830)</b>	<b>\$ 30,448,702</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 55,613,859</b>	<b>\$ 7,534,486</b>	<b>\$ (4,451,950)</b>	<b>\$ 58,696,395</b>

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

**Governmental Activities:**

General Government	\$	129,079
Finance		29,661
Administration of Justice		17,995
Public Safety		386,104
Public Health and Welfare		90,145
Social, Cultural, and Recreational Services		32,549
Agriculture and Natural Resources		11,937
Other General Government		90,163
Highways/Public Works		<u>1,402,295</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>2,189,928</u></u>

**Discretely Presented Franklin County School Department**

**Governmental Activities:**

	Balance 7-1-09	Increases	Balance 6-30-10
Capital Assets Not Depreciated:			
Land	\$ 5,451,186	\$ 0	\$ 5,451,186
Total Capital Assets Not Depreciated	<u>\$ 5,451,186</u>	<u>\$ 0</u>	<u>\$ 5,451,186</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 56,336,360	\$ 882,479	\$ 57,218,839
Other Capital Assets	5,787,546	1,099,384	6,886,930
Total Capital Assets Depreciated	<u>\$ 62,123,906</u>	<u>\$ 1,981,863</u>	<u>\$ 64,105,769</u>
Less Accumulated Depreciated For:			
Buildings and Improvements	\$ 17,862,977	\$ 1,354,641	\$ 19,217,618
Other Capital Assets	3,233,990	619,854	3,853,844
Total Accumulated Depreciation	<u>\$ 21,096,967</u>	<u>\$ 1,974,495</u>	<u>\$ 23,071,462</u>
Total Capital Assets Depreciated, Net	<u>\$ 41,026,939</u>	<u>\$ 7,368</u>	<u>\$ 41,034,307</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,478,125</u>	<u>\$ 7,368</u>	<u>\$ 46,485,493</u>

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

**Governmental Activities:**

Instruction	\$ 1,696,598
Support Services	135,387
Operation of Non-Instructional Services	<u>142,510</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,974,495</u></u>

**C. Insurance Recovery**

**Primary Government**

During the year, Franklin County had damage to a vehicle. Insurance recovery of \$308 was used to repair the damage.

**Discretely Presented Franklin County School Department**

During the year, the School Department had damage to a roof, an awning, and a baseball field. Insurance recoveries of \$295,368 were used to repair the damage.

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

The composition of interfund balances as of June 30, 2010, is as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 2,168
Highway/Public Works	General	2,196

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.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2010, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In		
	General Fund	Highway/ Public Works Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 9,642	\$ 200,000
Special Purpose Fund	5,745,000	0	0
Highway/Public Works Fund	3,803	0	400,000
Nonmajor governmental funds	21,751	0	40,000
<b>Total</b>	<b>\$ 5,770,554</b>	<b>\$ 9,642</b>	<b>\$ 640,000</b>

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, including the maintenance and upgrades for that equipment. The rent expenditures for the year ended June 30, 2010, totaled \$36,487. The county may terminate the lease agreement at the end of a fiscal year by giving notice to the lessor at least 60 days prior to the first day of the fiscal year 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
2011	\$ 36,487
2012	36,487
2013	<u>27,365</u>
<b>Total</b>	<b>\$ <u>100,339</u></b>

**F. Capital Leases**

On April 27, 2010, Franklin County entered into a five-year lease-purchase agreement for two trucks for the Highway Department. The terms of the original agreement required total lease payments of \$183,021 plus interest of 4.7 percent. Title to the trucks transfers to Franklin County

at the end of the lease period. The lease payments are made from the Highway/Public Works Fund.

On October 25, 2009, Franklin County entered into a three-year lease-purchase agreement for computers for the Sheriff's Department. The terms of the original agreement required total lease payments of \$57,321. There is no interest on this lease. Title to the computers transfers to Franklin County at the end of the lease period. The lease payments are made from the General Fund.

On October 20, 2009, Franklin County entered into a five-year lease-purchase agreement for telecommunications, electronics, and security equipment for the justice center. The terms of the original agreement required total lease payments of \$300,000 plus interest of 5.265 percent. Title to the 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 Department 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.

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 equipment 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, 2010, were as follows:

Year Ending June 30	Governmental Funds
2011	\$ 249,501
2012	249,501
2013	125,345
2014	109,519
2015	50,222
Total Minimum Lease Payments	\$ 784,088
Less: Amount Representing Interest	(65,656)
Present Value of Minimum Lease Payments	<u>\$ 718,432</u>

**G. Long-term Debt**

**Primary Government**

**General Obligation Bonds and Notes**

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. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and the capital outlay note outstanding were issued for original terms of up to 40 years for bonds and 12 years for the note. 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 and the note will be retired from the General Debt Service Fund.

General obligation bonds, the note, and capital leases outstanding as of June 30, 2010, for governmental activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-10</u>
General Obligation Bonds	2.5 to 5 %	\$ 10,878,000	\$ 9,848,000
General Obligation Bonds - Refunding	3.13 to 4.75	35,430,000	27,835,000
Capital Outlay Note	4.75	822,666	818,371
Capital Leases	0 to 5.265	1,004,433	718,432

The annual requirements to amortize all general obligation bonds and the note outstanding as of June 30, 2010, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 3,561,970	\$ 1,367,202	\$ 4,929,172
2012	3,672,670	1,253,772	4,926,442
2013	3,776,399	1,135,507	4,911,906
2014	3,904,158	1,001,003	4,905,161
2015	3,454,948	858,471	4,313,419
2016-2020	13,532,784	2,603,814	16,136,598
2021-2025	4,623,045	574,025	5,197,070
2026-2030	168,966	255,260	424,226
2031-2035	206,812	187,413	394,225
2036-2040	253,134	141,093	394,227
2041-2045	309,830	84,395	394,225
2046-2048	218,284	18,251	236,535
Total	\$ 37,683,000	\$ 9,480,206	\$ 47,163,206

Year Ending June 30	Note		
	Principal	Interest	Total
2011	\$ 52,341	\$ 37,746	\$ 90,087
2012	54,786	35,301	90,087
2013	57,542	32,545	90,087
2014	60,335	29,752	90,087
2015	63,264	26,823	90,087
2016-2020	365,381	85,055	450,436
2021-2022	164,722	7,944	172,666
Total	\$ 818,371	\$ 255,166	\$ 1,073,537

There is \$1,094,800 available in the General Debt Service Fund and \$3,033,421 available in the Education Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$960, based on the 2000 federal census. Debt per capita, including bonds, the note, and capital leases, totaled \$1,024, based on the 2000 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Bonds	Note	Capital Leases
Balance, July 1, 2009	\$ 39,758,000	\$ 0	\$ 344,751
Additions	1,500,000	822,666	540,342
Deductions	(3,575,000)	(4,295)	(166,661)
Balance, June 30, 2010	<u>\$ 37,683,000</u>	<u>\$ 818,371</u>	<u>\$ 718,432</u>
Balance Due Within One Year	<u>\$ 3,561,970</u>	<u>\$ 52,341</u>	<u>\$ 220,367</u>

	Landfill Postclosure Care Costs	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2009	\$ 338,488	\$ 437,384	\$ 410,954
Additions	4,002	499,039	332,052
Deductions	(5,000)	(33,665)	(295,965)
Balance, June 30, 2010	<u>\$ 337,490</u>	<u>\$ 902,758</u>	<u>\$ 447,041</u>
Balance Due Within One Year	<u>\$ 5,000</u>	<u>\$ 0</u>	<u>\$ 447,041</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 40,907,092
Less: Balance Due Within One Year	(4,286,719)
Less: Deferred Amount on Refunding	(571,594)
Add: Unamortized Premium on Debt	<u>39,455</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 36,088,234</u>

Compensated absences and other postemployment benefits 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.

**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 outstanding as of June 30, 2010, for governmental activities is as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
Capital Outlay Note	4.3 to 4.55%	\$ 150,000	\$ 50,000

The annual requirements to amortize the note outstanding as of June 30, 2010, including interest payments, are presented in the following table:

Year Ending June 30	Note		
	Principal	Interest	Total
2011	\$ 25,000	\$ 1,927	\$ 26,927
2012	25,000	683	25,683
Total	\$ 50,000	\$ 2,610	\$ 52,610

Debt per capita, including the note and the capital lease, totaled \$1, 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, 2010, was as follows:

Governmental Activities:

	Note	Capital Lease
Balance, July 1, 2009	\$ 75,000	\$ 20,011
Deductions	(25,000)	(20,011)
Balance, June 30, 2010	\$ 50,000	\$ 0
Balance Due Within One Year	\$ 25,000	\$ 0

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2009	\$ 118,812	\$ 2,162,115
Prior-period Adjustment	0	(1,291,643)
Additions	146,720	1,209,068
Deductions	(136,425)	(425,577)
	<hr/>	<hr/>
Balance, June 30, 2010	<u>\$ 129,107</u>	<u>\$ 1,653,963</u>
	<hr/>	<hr/>
Balance Due Within One Year	<u>\$ 129,107</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 1,833,070
Less: Balance Due Within One Year	<u>(154,107)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,678,963</u>

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

**H. 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, 2010, were \$85,761 and \$34,928, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**I. Short-term Debt**

**Primary Government**

Franklin County issued tax anticipation notes of \$750,000 from the Education Debt Service Fund in advance of property tax collections and

deposited the proceeds in the General Fund. Also, Franklin County issued bond anticipation notes of \$1,500,000 from the Education Debt Service Fund in advance of issuing bonds and deposited the proceeds in the Other Capital Projects Fund. These notes were necessary because funds were not available to meet obligations before current tax collections and the issuance of debt. Short-term debt activity for the year ended June 30, 2010, was as follows:

	Balance			Balance
	7-1-09	Issued	Paid	6-30-10
Tax Anticipation Note	\$ 0	\$ 750,000	\$ (750,000)	\$ 0
Bond Anticipation Note	0	1,500,000	(1,500,000)	0

**Discretely Presented Franklin County School Department**

Franklin County issued revenue anticipation notes of \$100,000 from the General Purpose School Fund in advance of revenue collections and deposited the proceeds in the School Federal Projects Fund. These notes were necessary because funds were not available to meet obligations coming due before grant reimbursement collections. Short-term debt activity for the year ended June 30, 2010, was as follows:

	Balance			Balance
	7-1-09	Issued	Paid	6-30-10
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 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 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 discretely presented 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. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments became effective for the year ended June 30, 2010.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets. Intangible assets have three characteristics: lack of physical substance; nonfinancial in nature; and a useful life that extends beyond a single reporting period. Assets that have these characteristics and are identifiable to the government should be recorded as capital assets and amortized over their useful lives. Easements, water rights, patents, and computer software are examples of intangible assets that should be recognized under GASB Statement No. 51. Franklin County and the Franklin County School Department had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably

expected that Franklin County and the School Department may acquire intangible assets in subsequent years.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by county governments. Derivative instruments are financial arrangements used by governments as investments; hedges against identified financial risks; or to lower the costs of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. For the same reasons, derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with Franklin County's derivative transactions. GASB Statement No. 53 requires most derivatives to be reported at fair value in the Statement of Net Assets. Changes in fair value for derivative instruments that are intended for investment purposes or that are reported like investment derivative instruments because of ineffectiveness are reported as investment revenues in the Statement of Activities. Alternatively, the changes in fair value of derivative instruments that are classified as hedging (i.e., effective) derivative instruments are reported in the Statement of Net Assets as deferrals. Franklin County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that Franklin County may enter into derivative transactions in subsequent years.

**C. Subsequent Events**

On August 17, 2010, Franklin County entered into two lease-purchase agreements for \$500,000 and \$385,152, for energy efficient lighting programs for school buildings. Also, on August 17, 2011, Franklin County entered into a lease-purchase agreement for approximately \$582,000 for energy efficient lighting programs for school buildings. The final amount will not be determined until the projects are complete subsequent to the date of this report.

On August 31, 2010, Nina Tucker left the Office of County Clerk and was succeeded by Phillip Custer, and Nancy Silvertooth left the Office of Circuit, General Sessions, and Juvenile Courts Clerk and was succeeded by Robert Baggett.

On December 6, 2010, Franklin County entered into a lease-purchase agreement for \$308,473 for an energy efficient lighting program for county buildings.

**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. 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 \$337,490 reported as landfill postclosure care liability at June 30, 2010, represents amounts based on what it would cost to perform all postclosure care in 2010. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. 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, 2010.

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, 2010.

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

**G. 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/PS](http://www.tn.gov/treasury/tcrs/PS).

## 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, 2010, 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, 2010, Franklin County's annual pension cost of \$1,491,824 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, 2009, which established contribution rates effective July 1, 2010.

### Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$1,491,824	100%	\$0
6-30-09	1,485,490	100	0
6-30-08	1,437,286	100	0

## Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 80.28 percent funded. The actuarial accrued liability for benefits was \$28.63 million, and the actuarial value of assets was \$22.99 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$5.65 million. The covered payroll (annual payroll of active employees covered by the plan) was

\$12.41 million, and the ratio of the UAAL to the covered payroll was 45.51 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The TCRS uses the frozen entry age cost method to calculate the annual required contribution. Effective July 1, 2009, the TCRS reestablished the unfunded accrued liabilities for all groups.

## **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/Schools](http://www.tn.gov/treasury/tcrs/Schools).

## **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, 2010, 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, 2010, 2009, and 2008, were \$1,337,867, \$1,373,314, and \$1,312,863, respectively, equal to the required contributions for each year.

### **H. Other Postemployment Benefits (OPEB)**

#### Plan Description

Franklin County and the Franklin County School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education 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 8-27-207, Tennessee Code Annotated (TCA), for local governments and Section 8-27-302, TCA, 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 plans are 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 plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, 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. Currently, the required contribution rate for retirees is ten percent of the single premium. During the year ended June 30, 2010, the county and the discretely presented

School Department contributed \$33,665 and \$425,577, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 1,207,000	\$ 498,000
Interest on the NPO	39,171	19,682
Adjustment to the ARC	(37,103)	(18,643)
Annual OPEB cost	\$ 1,209,068	\$ 499,039
Amount of contribution	(425,577)	(33,665)
Increase/decrease in NPO	\$ 783,491	\$ 465,374
Net OPEB obligation, 7-1-09	2,162,115	437,384
Prior-period Adjustment	(1,291,643)	0
Net OPEB obligation, 6-30-10	<u>\$ 1,653,963</u>	<u>\$ 902,758</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group	\$ 680,102	39.58%	\$ 410,942
6-30-09	"	680,595	33.98	870,472
6-30-10	"	1,209,068	35.2	1,653,963
6-30-09	Local Government Group*	470,000	6.94	437,384
6-30-10	"	499,039	6.74	902,758

\* Data only available for two years.

### Funded Status and Funding Progress

The funded status of the plan as of June 30, 2010, was as follows:

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-09	7-1-09
Actuarial accrued liability (AAL)	\$ 9,728,000	\$ 3,265,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 9,728,000	\$ 3,265,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 20,919,797	\$ 6,590,645
UAAL as a % of covered payroll	46.5%	49.54%

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

### Actuarial Methods and Assumptions

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

In the July 1, 2009, actuarial valuation, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses). The annual healthcare cost trend rate for the Local Education Group Plan was four percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual health care cost trend rate for the Local Government Group Plan was three percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. 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.

**I. 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, 2010, was \$764,036. The amount of deposits collateralized with securities held by pledging financial institutions and federal depository insurance was \$764,036.

#### 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 7-1-09	Additions	Deletions	Balance 6-30-10
Equipment	\$ 82,803	\$ 0	\$ 0	\$ 82,803
Less: Accumulated Depreciation	(41,438)	(7,987)	0	(49,425)
<b>Total</b>	<b>\$ 41,365</b>	<b>\$ (7,987)</b>	<b>\$ 0</b>	<b>\$ 33,378</b>

**C. Cash Flow**

At June 30, 2010, total cash was \$764,036, of which \$299,074 is held in certificates of deposit with maturities of more than three months, leaving \$464,962 considered as cash equivalents.

**D. Budgeting Procedures**

The official budget for June 30, 2010, was prepared for adoption for the proprietary fund by June 15, 2009.

**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.

**F. Grants and Reimbursements**

The district received a dispatcher training grant totaling \$16,000 during the year from the Tennessee Emergency Communications Board.

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**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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,844,654	\$ 0	\$ 0	\$ 6,844,654	\$ 6,938,431	\$ 6,821,881	\$ 22,773
Licenses and Permits	62,194	0	0	62,194	66,030	66,805	(4,611)
Fines, Forfeitures, and Penalties	187,816	0	0	187,816	205,994	211,655	(23,839)
Charges for Current Services	185,005	0	0	185,005	209,123	210,138	(25,133)
Other Local Revenues	178,346	0	0	178,346	125,940	149,754	28,592
Fees Received from County Officials	1,645,993	0	0	1,645,993	1,741,813	1,745,913	(99,920)
State of Tennessee	1,937,529	0	0	1,937,529	2,485,098	2,553,098	(615,569)
Federal Government	530,911	0	0	530,911	122,059	891,784	(360,873)
Other Governments and Citizens Groups	422,055	0	0	422,055	177,000	387,138	34,917
Total Revenues	\$ 11,994,503	\$ 0	\$ 0	\$ 11,994,503	\$ 12,071,488	\$ 13,038,166	\$ (1,043,663)
<u>Expenditures</u>							
General Government							
County Commission	\$ 275,158	\$ (1,666)	\$ 2,939	\$ 276,431	\$ 240,753	\$ 307,477	\$ 31,046
Beer Board	67	(37)	0	30	550	550	520
County Mayor/Executive	159,816	(150)	0	159,666	155,284	159,833	167
County Attorney	8,859	0	0	8,859	8,965	8,965	106
Election Commission	204,911	0	30	204,941	225,427	217,077	12,136
Register of Deeds	287,134	(825)	4,040	290,349	314,921	300,461	10,112
Planning	164,608	(412)	838	165,034	177,956	170,621	5,587
County Buildings	1,382,198	(7,603)	6,720	1,381,315	666,518	1,419,539	38,224
Other General Administration	76,696	0	0	76,696	70,975	79,505	2,809
<u>Finance</u>							
Property Assessor's Office	413,431	(946)	7,463	419,948	464,160	424,610	4,662
County Trustee's Office	275,789	0	0	275,789	275,972	277,404	1,615

(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 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Clerk's Office	\$ 463,297	\$ (3,046)	\$ 184	\$ 460,435	\$ 497,740	\$ 470,110	\$ 9,675
Other Finance	593,351	(397)	5,065	598,019	607,672	604,487	6,468
<u>Administration of Justice</u>							
Circuit Court	899,928	(2,337)	8,556	906,147	841,557	918,802	12,655
General Sessions Court	272,540	0	797	273,337	280,210	280,210	6,873
Drug Court	56,407	0	0	56,407	61,481	57,981	1,574
Chancery Court	186,138	0	1,780	187,918	188,872	189,003	1,085
Juvenile Court	95,391	0	0	95,391	98,839	96,264	873
Judicial Commissioners	130,959	(66)	0	130,893	131,066	131,066	173
Other Administration of Justice	11,700	0	0	11,700	0	20,000	8,300
Probation Services	90,736	0	0	90,736	95,377	93,789	3,053
<u>Public Safety</u>							
Sheriff's Department	2,810,663	(13,626)	22,937	2,819,974	2,761,178	2,868,499	48,525
Administration of the Sexual Offender Registry	9,675	0	0	9,675	13,709	11,709	2,034
Jail	1,611,593	(30,516)	14,194	1,595,271	1,558,290	1,639,192	43,921
Correctional Incentive Program Improvements	99,114	0	804	99,918	94,680	102,140	2,222
Juvenile Services	15,317	(600)	0	14,717	15,500	19,000	4,283
Civil Defense	139,822	(819)	1,953	140,956	137,950	147,030	6,074
Rescue Squad	18,144	0	1,247	19,391	30,000	30,000	10,609
Other Emergency Management	714,680	(874)	239	714,045	757,200	733,157	19,112
County Coroner/Medical Examiner	21,400	0	0	21,400	34,900	31,900	10,500
Public Safety Grant Programs	214,986	(71,375)	73,689	217,300	23,180	295,504	78,204
<u>Public Health and Welfare</u>							
Local Health Center	33,557	(1,575)	1,001	33,283	36,404	36,404	3,121

(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 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Rabies and Animal Control	\$ 195,392	\$ (2,636)	7,482	\$ 200,238	\$ 205,924	\$ 211,124	\$ 10,886
Crippled Children Services	2,683	0	0	2,683	2,683	2,683	0
Other Local Health Services	109,451	0	8,050	117,501	113,466	229,206	111,705
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	73,613	(7,958)	7,133	72,788	69,301	76,389	3,601
Other Public Health and Welfare	570	0	0	570	739	739	169
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	24,706	0	583	25,289	27,440	27,440	2,151
Parks and Fair Boards	45,454	(27)	5,748	51,175	61,981	58,631	7,456
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	70,156	(700)	0	69,456	91,515	85,035	15,579
Soil Conservation	71,474	0	1,407	72,881	71,196	74,274	1,393
<u>Other Operations</u>							
Industrial Development	993,826	(800)	2,631	995,657	198,455	1,003,121	7,464
Other Economic and Community Development	110,909	0	0	110,909	423,492	437,192	326,283
Veterans' Services	17,433	0	0	17,433	17,572	17,572	139
Other Charges	599,609	(2,158)	252	597,703	562,815	648,698	50,995
Contributions to Other Agencies	63,126	0	0	63,126	63,126	63,126	0
ARRA Grant # 1	0	0	0	0	93,059	0	0
ARRA Grant # 2	37,744	0	1,200	38,944	0	50,000	11,056
ARRA Grant # 3	24,515	0	0	24,515	0	24,515	0
ARRA Grant # 4	46,315	0	0	46,315	0	55,000	8,685

(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 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
ARRA Grant # 5	\$ 114,760	\$ 0	\$ 0	\$ 114,760	\$ 0	\$ 383,158	\$ 268,398
ARRA Grant # 6	8,688	0	528	9,216	0	9,216	0
Total Expenditures	\$ 14,403,527	\$ (151,149)	\$ 189,490	\$ 14,441,868	\$ 12,924,788	\$ 15,654,146	\$ 1,212,278
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,409,024)	\$ 151,149	\$ (189,490)	\$ (2,447,365)	\$ (853,300)	\$ (2,615,980)	\$ 168,615
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 822,666	\$ 0	\$ 0	\$ 822,666	\$ 0	\$ 822,666	\$ 0
Capital Leases Issued	357,321	0	0	357,321	0	357,321	0
Proceeds from Sale of Capital Assets	50,000	0	0	50,000	0	50,000	0
Insurance Recovery	308	0	0	308	0	0	308
Transfers In	5,770,554	0	0	5,770,554	7,606	5,800,277	(29,723)
Transfers Out	(209,642)	0	0	(209,642)	(181,000)	(214,953)	5,311
Total Other Financing Sources (Uses)	\$ 6,791,207	\$ 0	\$ 0	\$ 6,791,207	\$ (173,394)	\$ 6,815,311	\$ (24,104)
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 4,382,183	\$ 151,149	\$ (189,490)	\$ 4,343,842	\$ (1,026,694)	\$ 4,199,331	\$ 144,511
Fund Balance, June 30, 2010	2,457,134	(151,149)	0	2,305,985	2,283,665	2,283,665	22,320
	\$ 6,839,317	\$ 0	\$ (189,490)	\$ 6,649,827	\$ 1,256,971	\$ 6,482,996	\$ 166,831

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, 2010

	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
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (5,745,000)	\$ 0	\$ (5,745,000)	\$ 0
Total Other Financing Sources (Uses)	\$ (5,745,000)	\$ 0	\$ (5,745,000)	\$ 0
Net Change in Fund Balance	\$ (5,745,000)	\$ 0	\$ (5,745,000)	\$ 0
Fund Balance, July 1, 2009	5,745,000	5,745,000	5,745,000	0
Fund Balance, June 30, 2010	\$ 0	\$ 5,745,000	\$ 0	\$ 0

Exhibit E-3

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	Original	Final	
<b>Revenues</b>								
Local Taxes	\$ 386,444	\$ 0	\$ 0	\$ 386,444	\$ 392,206	\$ 388,940	\$ 392,206	\$ (5,762)
Licenses and Permits	1,634	0	0	1,634	1,900	1,900	1,900	(266)
Charges for Current Services	0	0	0	0	2,000	2,000	2,000	(2,000)
Other Local Revenues	8,139	0	0	8,139	24,500	22,500	24,500	(16,361)
State of Tennessee	1,906,011	0	0	1,906,011	1,995,610	1,862,417	1,995,610	(89,599)
Federal Government	106,480	0	0	106,480	0	0	106,480	0
<b>Total Revenues</b>	<b>\$ 2,408,708</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,408,708</b>	<b>\$ 2,522,696</b>	<b>\$ 2,277,757</b>	<b>\$ 2,522,696</b>	<b>\$ (113,988)</b>
<b>Expenditures</b>								
<b>Highways</b>								
Administration	\$ 281,589	(1,009)	246	280,826	285,483	283,483	285,483	4,657
Highway and Bridge Maintenance	690,418	(6,605)	1,138	684,951	746,649	746,649	746,649	61,698
Operation and Maintenance of Equipment	271,107	(36,342)	28,609	263,374	375,148	375,148	375,148	111,774
Quarry Operations	257,592	(1,069)	11,485	268,008	337,302	337,302	337,302	69,293
Other Charges	212,478	(466)	204	212,216	242,301	183,501	242,301	30,085
Capital Outlay	553,076	(6,194)	7,513	554,395	283,200	283,200	809,112	254,717
Principal on Debt								
Highways and Streets	10,911	0	0	10,911	55,000	55,000	11,000	89
Interest on Debt								
Highways and Streets	2,803	0	0	2,803	6,000	6,000	2,810	7
<b>Total Expenditures</b>	<b>\$ 2,279,974</b>	<b>\$ (51,685)</b>	<b>\$ 49,195</b>	<b>\$ 2,277,484</b>	<b>\$ 2,809,804</b>	<b>\$ 2,270,283</b>	<b>\$ 2,809,804</b>	<b>\$ 532,320</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 128,734</b>	<b>\$ 51,685</b>	<b>\$ (49,195)</b>	<b>\$ 131,224</b>	<b>\$ (287,108)</b>	<b>\$ 7,474</b>	<b>\$ (287,108)</b>	<b>\$ 418,332</b>

(Continued)

Exhibit E-3

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 183,021	\$ 0	\$ 0	\$ 183,021	\$ 0	\$ 183,021	\$ 0
Transfers In	9,642	0	0	9,642	10,000	10,000	(358)
Transfers Out	(403,803)	0	0	(403,803)	(403,803)	(403,803)	0
Total Other Financing Sources (Uses)	\$ (211,140)	\$ 0	\$ 0	\$ (211,140)	\$ (393,803)	\$ (210,782)	\$ (358)
Net Change in Fund Balance	\$ (82,406)	\$ 51,685	\$ (49,195)	\$ (79,916)	\$ (386,329)	\$ (497,890)	\$ 417,974
Fund Balance, July 1, 2009	688,054	(51,685)	0	636,369	855,126	855,126	(218,757)
Fund Balance, June 30, 2010	\$ 605,648	\$ 0	\$ (49,195)	\$ 556,453	\$ 468,797	\$ 357,236	\$ 199,217

Exhibit E-4

Franklin County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Franklin County School Department  
June 30, 2010

(Dollar amounts in thousands)

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)
7-1-09	\$ 22,986	\$ 28,634	5,648	80.28 %	\$ 12,410	45.51 %
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 frozen entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the frozen entry age actuarial cost method went into effect during the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit E-5

Franklin County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Franklin County School Department  
June 30, 2010

(Dollar amounts in thousands)

Plans	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 Group	7-1-07	\$ 0	\$ 3,370	\$ 3,370	0 %	\$ 6,460	52.17 %
"	7-1-09	0	3,265	3,265	0	6,591	49.54
Local Education Group	7-1-07	0	9,332	9,332	0	20,804	44.86
"	7-1-09	0	9,728	9,728	0	20,920	46.50

\* Data for three actuarial valuations will be presented when available.

**FRANKLIN COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2010**

**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

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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.

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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. This fund was closed during the year.

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

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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.

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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, 2010

	Special Revenue Funds							Total	Debt Service Fund		Total Nonmajor Governmental Funds
	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitutional Officers - Fees	905 \$	0 \$		Fund		
									General Debt	Service	
\$	0	0	0	0	0	905	0	0	0	905	
	30,643	403,342	79,829	19,997	0	533,811	1,087,540			1,621,351	
	0	7,127	10,793	0	1,007	18,927	2			18,929	
	0	0	0	0	0	0	217			217	
	0	953,321	413,449	0	0	1,366,770	890,739			2,257,509	
	0	(26,597)	(12,415)	0	0	(39,012)	(22,621)			(61,633)	
	207	827	0	0	0	1,034	3,200			4,234	
\$	30,850	1,338,020	491,656	19,997	1,912	1,882,435	1,959,077			3,841,512	

ASSETS

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

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

\$	2,672	\$	1,240	\$	0	\$	0	\$	0	\$	3,912	\$	0	\$	0	\$	3,912
	2,294		11,151		0		0		0		13,445		0		0		13,445
	2,961		8,749		0		0		0		11,710		0		0		11,710
	256		0		0		0		1,912		2,168		0		0		2,168
	151		803		0		0		0		954		0		0		954
	0		873,111		371,991		0		0		1,245,102		832,351				2,077,453
	0		49,740		27,329		0		0		77,069		31,926				108,995
\$	8,334	\$	944,794	\$	399,320	\$	0	\$	1,912	\$	1,354,360	\$	864,277	\$		\$	2,218,637
\$	5,724	\$	52,997	\$	448	\$	1,116	\$	0	\$	60,285	\$	0	\$	0	\$	60,285
	16,792		340,229		91,888		18,881		0		467,790		1,094,800				1,562,590
\$	22,516	\$	393,226	\$	92,336	\$	19,997	\$	0	\$	528,075	\$	1,094,800	\$		\$	1,622,875
\$	30,850	\$	1,338,020	\$	491,656	\$	19,997	\$	1,912	\$	1,882,435	\$	1,959,077	\$		\$	3,841,512

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, 2010

	Special Revenue Funds										Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Total	Debt Service Fund			
								General Debt	Service		
<b>Revenues</b>											
Local Taxes	\$ 23,557	\$ 0	\$ 908,663	\$ 456,898	\$ 0	\$ 0	\$ 1,389,118	\$ 957,576	\$ 4,070	\$ 2,346,694	
Licenses and Permits	0	0	6,133	23,334	0	0	29,467	0	0	33,537	
Fines, Forfeitures, and Penalties	0	0	0	0	28,107	0	28,107	0	0	28,107	
Changes for Current Services	0	16,343	19,640	0	770	4,811	41,564	0	0	41,564	
Other Local Revenues	0	1,940	390,494	0	4,596	0	397,030	0	0	397,030	
State of Tennessee	0	1,300	16,285	0	0	0	17,585	0	0	17,585	
Federal Government	0	0	0	0	5,418	0	5,418	0	0	5,418	
Other Governments and Citizens Groups	0	20,761	0	0	25	0	20,786	0	0	20,786	
<b>Total Revenues</b>	\$ 23,557	\$ 40,344	\$ 1,341,215	\$ 480,232	\$ 38,916	\$ 4,811	\$ 1,929,075	\$ 961,646	\$ 4,070	\$ 2,890,721	
<b>Expenditures</b>											
Current:											
Finance	0	0	0	0	0	4,811	4,811	0	0	4,811	
Public Safety	0	0	0	464,761	48,336	0	513,097	0	0	513,097	
Public Health and Welfare	0	0	1,209,803	0	0	0	1,209,803	0	0	1,209,803	
Social, Cultural, and Recreational Services	0	214,489	0	0	0	0	214,489	0	0	214,489	
Other Operations	256	18,969	74,673	0	302	0	94,200	0	0	94,200	
Debt Service:											
Principal on Debt	0	0	0	0	0	0	0	1,199,295	0	1,199,295	
Interest on Debt	0	0	0	0	0	0	0	444,236	0	444,236	
Other Debt Service	0	0	0	0	0	0	0	25,062	0	25,062	
<b>Total Expenditures</b>	\$ 256	\$ 233,458	\$ 1,284,476	\$ 464,761	\$ 48,638	\$ 4,811	\$ 2,036,400	\$ 1,668,593	\$ 25,062	\$ 3,704,993	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 23,301	\$ (193,114)	\$ 56,739	\$ 15,471	\$ (9,722)	\$ 0	\$ (107,325)	\$ (706,947)	\$ 0	\$ (814,272)	
<b>Other Financing Sources (Uses)</b>											
Transfers In	0	200,000	0	0	0	0	200,000	440,000	0	640,000	
Transfers Out	(57,948)	0	(3,803)	0	0	0	(61,751)	0	0	(61,751)	
<b>Total Other Financing Sources (Uses)</b>	\$ (57,948)	\$ 200,000	\$ (3,803)	\$ 0	\$ 0	\$ 0	\$ 138,249	\$ 440,000	\$ 0	\$ 578,249	
<b>Net Change in Fund Balances Fund Balance, July 1, 2009</b>	\$ (34,647)	\$ 6,886	\$ 52,936	\$ 15,471	\$ (9,722)	\$ 0	\$ 30,924	\$ (266,947)	\$ 0	\$ (236,023)	
<b>Fund Balance, July 1, 2009</b>	34,647	15,630	340,290	76,865	29,719	0	497,151	1,361,747	0	1,858,898	
<b>Fund Balance, June 30, 2010</b>	\$ 0	\$ 22,516	\$ 393,226	\$ 92,336	\$ 19,997	\$ 0	\$ 528,075	\$ 1,094,800	\$ 0	\$ 1,622,875	

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 23,557	\$ 28,000	\$ 23,557	\$ 0
Total Revenues	\$ 23,557	\$ 28,000	\$ 23,557	\$ 0
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 256	\$ 350	\$ 256	\$ 0
Total Expenditures	\$ 256	\$ 350	\$ 256	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 23,301	\$ 27,650	\$ 23,301	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (57,948)	\$ (40,000)	\$ (57,948)	\$ 0
Total Other Financing Sources (Uses)	\$ (57,948)	\$ (40,000)	\$ (57,948)	\$ 0
Net Change in Fund Balance	\$ (34,647)	\$ (12,350)	\$ (34,647)	\$ 0
Fund Balance, July 1, 2009	34,647	34,414	34,647	0
Fund Balance, June 30, 2010	\$ 0	\$ 22,064	\$ 0	\$ 0

Exhibit F-4

Franklin County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Public Library Fund  
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 16,343	\$ 0	\$ 16,343	\$ 19,900	\$ 19,900	\$ (3,557)
Other Local Revenues	1,940	0	1,940	100	2,150	(210)
State of Tennessee	1,300	0	1,300	0	1,300	0
Other Governments and Citizens Groups	20,761	0	20,761	30,750	31,952	(11,191)
Total Revenues	\$ 40,344	\$ 0	\$ 40,344	\$ 50,750	\$ 55,302	\$ (14,958)
<u>Expenditures</u>						
<u>Social, Cultural, and Recreational Services</u>						
Libraries	\$ 214,489	\$ 5,724	\$ 220,213	\$ 167,101	\$ 226,692	\$ 6,479
Other Operations	18,969	0	18,969	28,850	21,050	2,081
Other Charges	\$ 233,458	\$ 5,724	\$ 239,182	\$ 195,951	\$ 247,742	\$ 8,560
Total Expenditures	\$ (193,114)	\$ (5,724)	\$ (198,838)	\$ (145,201)	\$ (192,440)	\$ (6,398)
Excess (Deficiency) of Revenues Over Expenditures	\$ 200,000	\$ 0	\$ 200,000	\$ 165,000	\$ 210,891	\$ (10,891)
<u>Other Financing Sources (Uses)</u>	\$ 200,000	\$ 0	\$ 200,000	\$ 165,000	\$ 210,891	\$ (10,891)
Transfers In	\$ 6,886	\$ (5,724)	\$ 1,162	\$ 19,799	\$ 18,451	\$ (17,289)
Total Other Financing Sources (Uses)	15,630	0	15,630	0	0	15,630
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 22,516	\$ (5,724)	\$ 16,792	\$ 19,799	\$ 18,451	\$ (1,659)
Fund Balance, June 30, 2010						

Exhibit F-5

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 908,663	\$ 0	\$ 0	\$ 908,663	\$ 920,477	\$ 920,477	\$ (11,814)
Licenses and Permits	6,133	0	0	6,133	6,766	6,766	(633)
Charges for Current Services	19,640	0	0	19,640	18,000	18,000	1,640
Other Local Revenues	390,494	0	0	390,494	371,700	371,700	18,794
State of Tennessee	16,285	0	0	16,285	22,600	22,600	(6,315)
Total Revenues	\$ 1,341,215	\$ 0	\$ 0	\$ 1,341,215	\$ 1,339,543	\$ 1,339,543	\$ 1,672
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,500	\$ 2,500	\$ 2,500
Convenience Centers	211,456	(1,060)	635	211,031	245,726	245,726	34,695
Transfer Stations	993,347	(60,022)	47,565	980,890	1,097,116	1,097,116	116,226
Postclosure Care Costs	5,000	(2,000)	4,720	7,720	10,000	10,000	2,280
Other Operations	74,673	(290)	77	74,460	81,175	81,175	6,715
Other Charges	1,284,476	(63,372)	52,997	1,274,101	1,436,517	1,436,517	162,416
Total Expenditures	\$ 1,284,476	\$ (63,372)	\$ 52,997	\$ 1,274,101	\$ 1,436,517	\$ 1,436,517	\$ 162,416
Excess (Deficiency) of Revenues Over Expenditures	\$ 56,739	\$ 63,372	\$ (52,997)	\$ 67,114	\$ (96,974)	\$ (96,974)	\$ 164,088
<u>Other Financing Sources (Uses)</u>							
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, 2009	\$ 52,936	\$ 63,372	\$ (52,997)	\$ 63,311	\$ (100,777)	\$ (100,777)	\$ 164,088
Fund Balance, July 1, 2009	340,290	(63,372)	0	276,918	263,688	263,688	13,230
Fund Balance, June 30, 2010	\$ 393,226	\$ 0	\$ (52,997)	\$ 340,229	\$ 162,911	\$ 162,911	\$ 177,318

Exhibit F-6

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 456,898 \$	0 \$	0 \$	456,898 \$	463,993 \$	464,343 \$	(7,445)
Licenses and Permits	23,334	0	0	23,334	23,800	23,800	(466)
Total Revenues	\$ 480,232 \$	0 \$	0 \$	480,232 \$	487,793 \$	488,143 \$	(7,911)
<u>Expenditures</u>							
<u>Public Safety</u>							
Fire Prevention and Control	\$ 464,761 \$	(150) \$	448 \$	465,059 \$	460,075 \$	466,075 \$	1,016
Total Expenditures	\$ 464,761 \$	(150) \$	448 \$	465,059 \$	460,075 \$	466,075 \$	1,016
<u>Excess (Deficiency) of Revenues Over Expenditures</u>							
	\$ 15,471 \$	150 \$	(448) \$	15,173 \$	27,718 \$	22,068 \$	(6,895)
<u>Net Change in Fund Balance Fund Balance, July 1, 2009</u>							
	\$ 15,471 \$	150 \$	(448) \$	15,173 \$	27,718 \$	22,068 \$	(6,895)
	76,865	(150)	0	76,715	65,146	65,146	11,569
<u>Fund Balance, June 30, 2010</u>							
	\$ 92,336 \$	0 \$	(448) \$	91,888 \$	92,864 \$	87,214 \$	4,674

Exhibit F-7

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 28,107 \$	0 \$	0 \$	28,107 \$	58,500 \$	42,500 \$	(14,393)
Charges for Current Services	770	0	0	770	0	900	(130)
Other Local Revenues	4,596	0	0	4,596	175	4,055	541
State of Tennessee	0	0	0	0	25,000	5,000	(5,000)
Federal Government	5,418	0	0	5,418	0	5,419	(1)
Other Governments and Citizens Groups	25	0	0	25	10,075	6,477	(6,452)
Total Revenues	\$ 38,916 \$	0 \$	0 \$	38,916 \$	93,750 \$	64,351 \$	(25,435)
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 48,336 \$	(298) \$	1,116 \$	49,154 \$	90,350 \$	60,951 \$	11,797
<u>Other Operations</u>							
Other Charges	302	0	0	302	600	600	298
Total Expenditures	\$ 48,638 \$	(298) \$	1,116 \$	49,456 \$	90,950 \$	61,551 \$	12,095
Excess (Deficiency) of Revenues Over Expenditures	\$ (9,722) \$	298 \$	(1,116) \$	(10,540) \$	2,800 \$	2,800 \$	(13,340)
Net Change in Fund Balance	\$ (9,722) \$	298 \$	(1,116) \$	(10,540) \$	2,800 \$	2,800 \$	(13,340)
Fund Balance, July 1, 2009	29,719	(298)	0	29,421	28,836	28,836	585
Fund Balance, June 30, 2010	\$ 19,997 \$	0 \$	(1,116) \$	18,881 \$	31,636 \$	31,636 \$	(12,755)

Exhibit F-8

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 957,576	\$ 971,851	\$ 971,851	\$ (14,275)
Licenses and Permits	4,070	4,200	4,200	(130)
Total Revenues	<u>\$ 961,646</u>	<u>\$ 976,051</u>	<u>\$ 976,051</u>	<u>\$ (14,405)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,199,295	\$ 1,195,000	\$ 1,199,295	\$ 0
<u>Interest on Debt</u>				
General Government	444,236	441,024	444,236	0
<u>Other Debt Service</u>				
General Government	25,062	47,250	47,250	22,188
Total Expenditures	<u>\$ 1,668,593</u>	<u>\$ 1,683,274</u>	<u>\$ 1,690,781</u>	<u>\$ 22,188</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (706,947)</u>	<u>\$ (707,223)</u>	<u>\$ (714,730)</u>	<u>\$ 7,783</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 440,000	\$ 440,000	\$ 447,507	\$ (7,507)
Total Other Financing Sources (Uses)	<u>\$ 440,000</u>	<u>\$ 440,000</u>	<u>\$ 447,507</u>	<u>\$ (7,507)</u>
Net Change in Fund Balance	\$ (266,947)	\$ (267,223)	\$ (267,223)	\$ 276
Fund Balance, July 1, 2009	1,361,747	1,353,771	1,353,771	7,976
Fund Balance, June 30, 2010	<u>\$ 1,094,800</u>	<u>\$ 1,086,548</u>	<u>\$ 1,086,548</u>	<u>\$ 8,252</u>

# **Major Governmental Fund**

## **Education Debt Service Fund**

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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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,362,372	\$ 2,356,848	\$ 2,356,848	\$ 5,524
Licenses and Permits	8,550	8,823	8,823	(273)
Other Governments and Citizens Groups	760,000	0	760,000	0
Total Revenues	<u>\$ 3,130,922</u>	<u>\$ 2,365,671</u>	<u>\$ 3,125,671</u>	<u>\$ 5,251</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 2,380,000	\$ 1,375,000	\$ 2,380,000	\$ 0
<u>Interest on Debt</u>				
Education	861,152	1,162,907	1,203,107	341,955
<u>Other Debt Service</u>				
Education	42,151	71,000	71,000	28,849
Total Expenditures	<u>\$ 3,283,303</u>	<u>\$ 2,608,907</u>	<u>\$ 3,654,107</u>	<u>\$ 370,804</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (152,381)</u>	<u>\$ (243,236)</u>	<u>\$ (528,436)</u>	<u>\$ 376,055</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 2,260,000	\$ 0	\$ 0
Transfers Out	0	(1,500,000)	0	0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 760,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (152,381)	\$ 516,764	\$ (528,436)	\$ 376,055
Fund Balance, July 1, 2009	<u>3,185,802</u>	<u>3,155,590</u>	<u>3,155,590</u>	<u>30,212</u>
Fund Balance, June 30, 2010	<u>\$ 3,033,421</u>	<u>\$ 3,672,354</u>	<u>\$ 2,627,154</u>	<u>\$ 406,267</u>

# Fiduciary Funds

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

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

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.

Exhibit H-1

Franklin County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2010

	Agency Funds		
	Cities - Sales Tax	Constitutional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,675,609	\$ 1,675,609
Due from Other Governments	481,163	0	481,163
Total Assets	<u>\$ 481,163</u>	<u>\$ 1,675,609</u>	<u>\$ 2,156,772</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 481,163	\$ 0	\$ 481,163
Due to Litigants, Heirs, and Others	0	1,675,609	1,675,609
Total Liabilities	<u>\$ 481,163</u>	<u>\$ 1,675,609</u>	<u>\$ 2,156,772</u>

Exhibit H-2

Franklin County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,783,997	\$ 2,783,997	\$ 0
Due from Other Governments	484,520	481,163	484,520	481,163
Total Assets	\$ 484,520	\$ 3,265,160	\$ 3,268,517	\$ 481,163
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 484,520	\$ 3,265,160	\$ 3,268,517	\$ 481,163
Total Liabilities	\$ 484,520	\$ 3,265,160	\$ 3,268,517	\$ 481,163
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,588,085	\$ 12,119,207	\$ 12,031,683	\$ 1,675,609
Total Assets	\$ 1,588,085	\$ 12,119,207	\$ 12,031,683	\$ 1,675,609
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,588,085	\$ 12,119,207	\$ 12,031,683	\$ 1,675,609
Total Liabilities	\$ 1,588,085	\$ 12,119,207	\$ 12,031,683	\$ 1,675,609
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,588,085	\$ 12,119,207	\$ 12,031,683	\$ 1,675,609
Equity in Pooled Cash and Investments	0	2,783,997	2,783,997	0
Due from Other Governments	484,520	481,163	484,520	481,163
Total Assets	\$ 2,072,605	\$ 15,384,367	\$ 15,300,200	\$ 2,156,772
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 484,520	\$ 3,265,160	\$ 3,268,517	\$ 481,163
Due to Litigants, Heirs, and Others	1,588,085	12,119,207	12,031,683	1,675,609
Total Liabilities	\$ 2,072,605	\$ 15,384,367	\$ 15,300,200	\$ 2,156,772

# Franklin County School Department

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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.

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

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

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

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

Exhibit I-1

Franklin County, Tennessee  
 Statement of Activities  
 Discretely Presented Franklin County School Department  
 For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 28,805,138	\$ 301,801	\$ 3,400,605	\$ 158,523	\$ (24,944,209)
Support Services	15,033,566	12,204	0	0	(15,021,362)
Operation of Non-Instructional Services	5,282,219	1,241,723	2,147,890	0	(1,892,606)
Capital Outlay	761,388	0	0	0	(761,388)
Interest on Debt	4,516	0	0	0	(4,516)
Other Debt Service	760,000	0	0	0	(760,000)
Total Governmental Activities	\$ 50,646,827	\$ 1,555,728	\$ 5,548,495	\$ 158,523	\$ (43,384,081)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 8,975,206
Local Option Sales Taxes					3,913,970
Other Local Taxes					3,660
Grants and Contributions Not Restricted to Specific Programs					27,478,260
Unrestricted Investment Earnings					82,177
Miscellaneous					167,170
Sale of Equipment					4,142
Total General Revenues					\$ 40,624,585
Insurance Recovery					\$ 295,368
Change in Net Assets					\$ (2,464,128)
Net Assets, July 1, 2009					52,839,860
Prior-period Adjustment					1,291,643
Net Assets, June 30, 2010					\$ 51,667,375

Exhibit I-2

Franklin County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Franklin County School Department  
June 30, 2010

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Other</u>	
	<u>School</u>	<u>Projects</u>	<u>Govern-</u>	<u>Governmental</u>
			<u>mental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,634	\$ 1,634
Equity in Pooled Cash and Investments	4,192,092	609,456	801,607	5,603,155
Accounts Receivable	126,550	77	1,077	127,704
Due from Other Governments	1,778,535	0	1,573	1,780,108
Property Taxes Receivable	9,244,977	0	0	9,244,977
Allowance for Uncollectible Property Taxes	(236,435)	0	0	(236,435)
Prepaid Items	3,449	0	0	3,449
<b>Total Assets</b>	<b>\$ 15,109,168</b>	<b>\$ 609,533</b>	<b>\$ 805,891</b>	<b>\$ 16,524,592</b>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 73,946	\$ 0	\$ 8,069	\$ 82,015
Accrued Payroll	26,354	0	396	26,750
Contracts Payable	761,388	0	0	761,388
Deferred Revenue - Current Property Taxes	8,638,970	0	0	8,638,970
Deferred Revenue - Delinquent Property Taxes	340,730	0	0	340,730
Other Deferred Revenues	367,619	0	0	367,619
<b>Total Liabilities</b>	<b>\$ 10,209,007</b>	<b>\$ 0</b>	<b>\$ 8,465</b>	<b>\$ 10,217,472</b>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 1,405,535	\$ 266,963	\$ 159,911	\$ 1,832,409
Other Local Education Reserves	220,163	0	0	220,163
Reserved for Career Ladder - Extended Contract	3,429	0	0	3,429
Reserved for Career Ladder Program	2,900	0	0	2,900
Reserved for Title I Grants to Local Education Agencies	0	0	10,203	10,203
Reserved for Special Education - Grants to States	0	0	2,425	2,425
Unreserved, Reported In:				
General Fund	3,268,134	0	0	3,268,134
Special Revenue Funds	0	0	624,887	624,887
Capital Projects Funds	0	342,570	0	342,570
<b>Total Fund Balances</b>	<b>\$ 4,900,161</b>	<b>\$ 609,533</b>	<b>\$ 797,426</b>	<b>\$ 6,307,120</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 15,109,168</b>	<b>\$ 609,533</b>	<b>\$ 805,891</b>	<b>\$ 16,524,592</b>

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, 2010

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)		\$ 6,307,120
(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	38,001,221	
Add: other capital assets net of accumulated depreciation	<u>3,033,086</u>	46,485,493
(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	\$ (50,000)	
Less: compensated absences payable	(129,107)	
Less: other postemployment benefits liability	(1,653,963)	
Less: accrued interest on note and capital lease	<u>(517)</u>	(1,833,587)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>708,349</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 51,667,375</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, 2010

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</u>	
			<u>Other</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 12,881,890	\$ 0	\$ 0	\$ 12,881,890
Licenses and Permits	45,124	0	0	45,124
Charges for Current Services	276,093	0	1,241,723	1,517,816
Other Local Revenues	366,653	1,928	19,783	388,364
State of Tennessee	26,791,612	0	32,754	26,824,366
Federal Government	593,531	0	5,413,139	6,006,670
Other Governments and Citizens Groups	158,523	0	0	158,523
<b>Total Revenues</b>	<b>\$ 41,113,426</b>	<b>\$ 1,928</b>	<b>\$ 6,707,399</b>	<b>\$ 47,822,753</b>
<u>Expenditures</u>				
Current:				
Instruction	\$ 23,605,809	\$ 0	\$ 2,719,240	\$ 26,325,049
Support Services	13,746,969	0	1,147,278	14,894,247
Operation of Non-Instructional Services	2,122,642	0	3,099,612	5,222,254
Capital Outlay	761,388	0	0	761,388
Debt Service:				
Principal on Debt	45,011	0	0	45,011
Interest on Debt	4,634	0	0	4,634
Other Debt Service	760,000	0	0	760,000
Capital Projects	0	1,892,955	0	1,892,955
<b>Total Expenditures</b>	<b>\$ 41,046,453</b>	<b>\$ 1,892,955</b>	<b>\$ 6,966,130</b>	<b>\$ 49,905,538</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 66,973	\$ (1,891,027)	\$ (258,731)	\$ (2,082,785)
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 295,368	\$ 0	\$ 0	\$ 295,368
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 295,368</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 295,368</b>
Net Change in Fund Balances	\$ 362,341	\$ (1,891,027)	\$ (258,731)	\$ (1,787,417)
Fund Balance, July 1, 2009	4,537,820	2,500,560	1,056,157	8,094,537
<b>Fund Balance, June 30, 2010</b>	<b>\$ 4,900,161</b>	<b>\$ 609,533</b>	<b>\$ 797,426</b>	<b>\$ 6,307,120</b>

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, 2010

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)		\$ (1,787,417)
<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	\$ 1,981,863	
Less: current year depreciation expense	<u>(1,974,495)</u>	7,368
<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, 2010	\$ 708,349	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(643,771)</u>	64,578
<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>20,011</u>	45,011
<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	\$ (10,295)	
Change in other postemployment benefits liability	(783,491)	
Change in accrued interest payable	<u>118</u>	<u>(793,668)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (2,464,128)</u>

Exhibit I-6

Franklin County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Franklin County School Department  
June 30, 2010

	<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	\$ 1,634	\$ 1,634
Equity in Pooled Cash and Investments	19,040	782,567	801,607
Accounts Receivable	0	1,077	1,077
Due from Other Governments	1,573	0	1,573
<b>Total Assets</b>	<b>\$ 20,613</b>	<b>\$ 785,278</b>	<b>\$ 805,891</b>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 7,589	\$ 480	\$ 8,069
Accrued Payroll	396	0	396
<b>Total Liabilities</b>	<b>\$ 7,985</b>	<b>\$ 480</b>	<b>\$ 8,465</b>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 0	\$ 159,911	\$ 159,911
Reserved for Title I Grants to Local Education Agencies	10,203	0	10,203
Reserved for Special Education - Grants to States	2,425	0	2,425
Unreserved	0	624,887	624,887
<b>Total Fund Balances</b>	<b>\$ 12,628</b>	<b>\$ 784,798</b>	<b>\$ 797,426</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 20,613</b>	<b>\$ 785,278</b>	<b>\$ 805,891</b>

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, 2010

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 1,241,723	\$ 1,241,723
Other Local Revenues	0	19,783	19,783
State of Tennessee	0	32,754	32,754
Federal Government	3,451,630	1,961,509	5,413,139
Total Revenues	<u>\$ 3,451,630</u>	<u>\$ 3,255,769</u>	<u>\$ 6,707,399</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 2,719,240	\$ 0	\$ 2,719,240
Support Services	1,147,278	0	1,147,278
Operation of Non-Instructional Services	7,022	3,092,590	3,099,612
Total Expenditures	<u>\$ 3,873,540</u>	<u>\$ 3,092,590</u>	<u>\$ 6,966,130</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (421,910)</u>	<u>\$ 163,179</u>	<u>\$ (258,731)</u>
Net Change in Fund Balances	\$ (421,910)	\$ 163,179	\$ (258,731)
Fund Balance, July 1, 2009	<u>434,538</u>	<u>621,619</u>	<u>1,056,157</u>
Fund Balance, June 30, 2010	<u>\$ 12,628</u>	<u>\$ 784,798</u>	<u>\$ 797,426</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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 12,881,890	\$ 0	\$ 0	\$ 12,881,890	\$ 12,863,598	\$ 12,863,598	\$ 18,292
Licenses and Permits	45,124	0	0	45,124	47,800	47,800	(2,676)
Charges for Current Services	276,093	0	0	276,093	296,453	296,453	(20,360)
Other Local Revenues	366,653	0	0	366,653	446,598	717,328	(350,675)
State of Tennessee	26,791,612	0	0	26,791,612	26,610,503	27,454,736	(663,124)
Federal Government	593,531	0	0	593,531	216,419	471,759	121,772
Other Governments and Citizens Groups	158,523	0	0	158,523	158,806	161,041	(2,518)
<b>Total Revenues</b>	<b>\$ 41,113,426</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 41,113,426</b>	<b>\$ 40,640,177</b>	<b>\$ 42,012,715</b>	<b>\$ (899,289)</b>
<b>Expenditures</b>							
<u>Instruction</u>							
Regular Instruction Program	\$ 18,655,982	(322,674)	337,011	\$ 18,670,319	\$ 18,985,734	\$ 18,996,936	\$ 326,617
Alternative Instruction Program	126,330	0	2,744	129,074	132,557	133,566	4,492
Special Education Program	3,325,966	(5,691)	16,518	3,336,793	3,365,873	3,496,993	160,200
Vocational Education Program	1,398,265	(11,964)	2,383	1,388,684	1,378,425	1,399,105	10,421
Student Body Education Program	90,731	(1,771)	6,917	95,877	109,225	128,395	32,518
Adult Education Program	8,535	(1,247)	0	7,288	9,901	20,805	13,517
<u>Support Services</u>							
Attendance	194,608	0	0	194,608	180,435	200,319	5,711
Health Services	174,337	0	0	174,337	170,728	177,354	3,017
Other Student Support	1,055,816	(20,394)	801	1,036,223	1,039,593	1,080,432	44,209
Regular Instruction Program	1,046,028	(1,557)	0	1,044,471	1,054,129	1,075,621	31,150
Special Education Program	249,940	(1,455)	12,287	260,772	272,302	278,175	17,403
Vocational Education Program	55,839	(1,017)	795	55,617	60,106	60,634	5,017

(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 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Adult Programs	\$ 119,401	\$ 0	\$ 0	\$ 119,401	\$ 117,745	\$ 131,415	\$ 12,014
Other Programs	120,689	0	0	120,689	0	120,689	0
Board of Education	875,165	(9,581)	6,409	871,993	941,708	934,563	62,570
Director of Schools	344,205	(5,709)	6,089	344,585	384,391	392,236	47,651
Office of the Principal	2,140,214	0	0	2,140,214	2,139,179	2,160,848	20,634
Human Services/Personnel	89,906	(217)	76	89,765	92,023	93,079	3,314
Operation of Plant	3,439,548	(3,019)	1,881	3,438,410	3,872,528	3,866,281	427,871
Maintenance of Plant	1,462,676	(270,162)	151,701	1,344,215	1,574,090	1,583,059	238,844
Transportation	1,941,369	(41,548)	6,891	1,906,712	2,050,205	2,057,660	150,948
Central and Other	437,228	(1,395)	2,606	438,439	429,417	458,111	19,672
<u>Operation of Non-Instructional Services</u>							
Food Service	89,538	0	0	89,538	2,281	89,746	208
Community Services	759,773	(19,340)	6,400	746,833	599,906	954,409	207,576
Early Childhood Education	1,273,331	(19,670)	10,001	1,263,662	1,248,928	1,274,063	10,401
<u>Capital Outlay</u>							
Regular Capital Outlay	761,388	0	834,025	1,595,413	344,881	1,831,897	236,484
<u>Principal on Debt</u>							
Education	45,011	0	0	45,011	805,011	45,011	0
<u>Interest on Debt</u>							
Education	4,634	0	0	4,634	4,634	4,634	0
<u>Other Debt Service</u>							
Education	760,000	0	0	760,000	0	760,000	0
<b>Total Expenditures</b>	<b>\$ 41,046,453</b>	<b>\$ (738,411)</b>	<b>\$ 1,405,535</b>	<b>\$ 41,713,577</b>	<b>\$ 41,365,935</b>	<b>\$ 43,806,036</b>	<b>\$ 2,092,459</b>

(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 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 66,973	\$ 738,411	\$ (1,405,535)	\$ (600,151)	\$ (725,758)	\$ (1,793,321)	\$ 1,193,170
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 295,368	0	0	295,368	32,550	282,550	12,818
Total Other Financing Sources (Uses)	\$ 295,368	0	0	295,368	32,550	282,550	12,818
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 362,341	738,411	(1,405,535)	(304,783)	(693,208)	(1,510,771)	1,205,988
	4,537,820	(738,411)	0	3,799,409	2,576,793	2,576,793	1,222,616
Fund Balance, June 30, 2010	\$ 4,900,161	0	(1,405,535)	3,494,626	1,883,585	1,066,022	2,428,604

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 3,451,630	0	\$ 3,451,630	\$ 3,832,663	\$ 4,846,482	\$ (1,394,852)
Total Revenues	\$ 3,451,630	0	\$ 3,451,630	\$ 3,832,663	\$ 4,846,482	\$ (1,394,852)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,289,248	0	\$ 1,289,248	\$ 1,796,286	\$ 1,873,466	\$ 584,218
Special Education Program	1,348,893	(191,082)	1,157,811	1,120,309	1,490,468	332,657
Vocational Education Program	81,099	0	81,099	78,890	81,099	0
<u>Support Services</u>						
Health Services	229,794	0	229,794	169,234	244,587	14,793
Other Student Support	80,281	0	80,281	98,279	95,830	15,549
Regular Instruction Program	223,192	0	223,192	347,116	285,409	62,217
Special Education Program	330,076	0	330,076	270,759	725,180	395,104
Transportation	283,935	(189,290)	94,645	0	94,645	0
<u>Operation of Non-Instructional Services</u>						
Community Services	7,022	(150)	6,872	11,999	11,999	5,127
Total Expenditures	\$ 3,873,540	\$ (380,522)	\$ 3,493,018	\$ 3,892,872	\$ 4,902,683	\$ 1,409,665
Excess (Deficiency) of Revenues Over Expenditures	\$ (421,910)	\$ 380,522	\$ (41,388)	\$ (60,209)	\$ (56,201)	\$ 14,813
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	0	\$ 0	\$ 177,394	\$ 0	\$ 0
Transfers Out	0	0	0	(173,384)	0	0
Total Other Financing Sources (Uses)	\$ 0	0	\$ 0	\$ 4,010	\$ 0	\$ 0
Net Change in Fund Balance	\$ (421,910)	\$ 380,522	\$ (41,388)	\$ (56,199)	\$ (56,201)	\$ 14,813
Fund Balance, July 1, 2009	434,538	(380,522)	54,016	434,538	434,538	(380,522)
Fund Balance, June 30, 2010	\$ 12,628	0	\$ 12,628	\$ 378,339	\$ 378,337	\$ (365,709)

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, 2010

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2009	Encumbrances 6/30/2010			Original	Final	
<u>Revenues</u>								
Charges for Current Services	\$ 1,241,723	\$ 0	\$ 0	\$ 0	\$ 1,241,723	\$ 1,372,500	\$ 1,372,500	\$ (130,777)
Other Local Revenues	19,783	0	0	0	19,783	10,000	10,000	9,783
State of Tennessee	32,754	0	0	0	32,754	33,493	33,493	(739)
Federal Government	1,961,509	0	0	0	1,961,509	1,619,560	1,859,827	101,682
Total Revenues	\$ 3,255,769	\$ 0	\$ 0	\$ 0	\$ 3,255,769	\$ 3,035,553	\$ 3,275,820	\$ (20,051)
<u>Expenditures</u>								
Operation of Non-Instructional Services								
Food Service	\$ 3,092,590	\$ (86,192)	\$ 159,911	\$ 159,911	\$ 3,166,309	\$ 3,242,993	\$ 3,483,260	\$ 316,951
Total Expenditures	\$ 3,092,590	\$ (86,192)	\$ 159,911	\$ 159,911	\$ 3,166,309	\$ 3,242,993	\$ 3,483,260	\$ 316,951
Excess (Deficiency) of Revenues Over Expenditures	\$ 163,179	\$ 86,192	\$ (159,911)	\$ (159,911)	\$ 89,460	\$ (207,440)	\$ (207,440)	\$ 296,900
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 163,179	\$ 86,192	\$ (159,911)	\$ (159,911)	\$ 89,460	\$ (207,440)	\$ (207,440)	\$ 296,900
	621,619	(86,192)	0	0	535,427	523,964	523,964	11,463
Fund Balance, June 30, 2010	\$ 784,798	\$ 0	\$ (159,911)	\$ (159,911)	\$ 624,887	\$ 316,524	\$ 316,524	\$ 308,363

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Franklin County, Tennessee  
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds  
Primary Government and Discretely Presented Franklin County School Department  
For the Year Ended June 30, 2010

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-10	
									5-28-10
<u>PRIMARY GOVERNMENT</u>									
<u>NOTE PAYABLE</u>									
Payable through General Debt Service Fund									
Industrial Development Board - Land	\$ 822,666	4.75	%	5-28-10	5-27-22	\$ 0	\$ 822,666	\$ 4,295	\$ 818,371
<u>CAPITAL LEASES</u>									
Payable through General Fund									
Jail Security Equipment	78,235	0		12-21-07	12-21-12	\$ 58,787	\$ 0	\$ 16,442	\$ 42,345
Sheriff's Vehicles	385,856	4.69		11-5-08	3-5-12	285,964	0	90,971	194,993
Telecommunications, Electronics, and Security Equipment	300,000	5.265		10-20-09	10-20-14	0	300,000	35,596	264,404
Sheriff Department Computers	57,321	0		10-25-09	10-25-12	0	57,321	12,741	44,580
Total Payable through General Debt Service Fund						\$ 344,751	\$ 357,321	\$ 155,750	\$ 546,322
Payable through Highway/Public Works Fund									
Highway Equipment - 2 Trucks	183,021	4.7		4-27-10	2-12-15	\$ 0	\$ 183,021	\$ 10,911	\$ 172,110
Total Capital Leases						\$ 344,751	\$ 540,342	\$ 166,661	\$ 718,432
<u>BONDS PAYABLE</u>									
Payable through General Debt Service Fund									
Industrial Revenue	378,000	5		11-18-1978	1-1-17	\$ 143,000	\$ 0	\$ 15,000	\$ 128,000
General Obligation Jail Refunding Bonds, Series 2003	3,545,000	3.13		6-26-03	6-30-16	2,265,000	0	295,000	1,970,000
General Obligation Highway Refunding Bonds, Series 2006B	5,440,000	3.8		12-29-06	6-1-14	3,530,000	0	670,000	2,860,000
General Obligation Series 2007	6,000,000	4.19		8-15-07	4-1-23	5,590,000	0	215,000	5,375,000
General Obligation Judicial Center, Series 2010	1,500,000	4.13		5-21-10	5-21-48	0	1,500,000	0	1,500,000
Total Payable through General Debt Service Fund						\$ 11,528,000	\$ 1,500,000	\$ 1,195,000	\$ 11,833,000

(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 7-1-09	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-10
<u>PRIMARY GOVERNMENT (CONT.)</u>								
<u>BONDS PAYABLE (CONT.)</u>								
<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	\$ 1,005,000	0	\$ 1,005,000	0
Refunding School Bonds, Series 2002	7,430,000	3.25 to 4.75	5-15-02	6-30-16	5,845,000	0	730,000	5,115,000
Refunding School Bonds, Series 2006A	3,810,000	3.8 to 4	12-29-06	6-1-21	3,175,000	0	225,000	2,950,000
School Bonds, Series 2008	3,000,000	2.5 to 4.5	12-17-08	6-1-24	3,000,000	0	155,000	2,845,000
Refunding School Bonds, Series 2009	15,205,000	2 to 3.75	6-15-09	3-1-21	15,205,000	0	265,000	14,940,000
Total Payable through Education Debt Service Fund					\$ 28,230,000	0	\$ 2,380,000	\$ 25,850,000
Total Bonds Payable					\$ 39,758,000	\$ 1,500,000	\$ 3,575,000	\$ 37,683,000
<u>DISCRETELY PRESENTED FRANKLIN COUNTY SCHOOL DEPARTMENT</u>								
<u>NOTE PAYABLE</u>								
Payable through General Purpose School Fund	150,000	4.3 to 4.55	10-14-05	10-14-11	75,000	0	25,000	50,000
Lighting								
<u>CAPITAL LEASE</u>								
Payable through General Purpose School Fund	269,984	7.93	8-1-06	8-1-09	20,011	0	20,011	0
Computers								

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	Note		Total
	Principal	Interest	
2011	\$ 52,341	\$ 37,746	\$ 90,087
2012	54,786	35,301	90,087
2013	57,542	32,545	90,087
2014	60,335	29,752	90,087
2015	63,264	26,823	90,087
2016	66,271	23,816	90,087
2017	69,553	20,534	90,087
2018	72,930	17,158	90,088
2019	76,470	13,617	90,087
2020	80,157	9,930	90,087
2021	84,074	6,013	90,087
2022	80,648	1,931	82,579
Total	\$ 818,371	\$ 255,166	\$ 1,073,537

Year Ending June 30	Capital Leases		Total
	Principal	Interest	
2011	\$ 220,367	\$ 29,134	\$ 249,501
2012	229,483	20,018	249,501
2013	114,894	10,451	125,345
2014	104,191	5,328	109,519
2015	49,497	725	50,222
Total	\$ 718,432	\$ 65,656	\$ 784,088

Year Ending June 30	Bonds		Total
	Principal	Interest	
2011	\$ 3,561,970	\$ 1,367,202	\$ 4,929,172
2012	3,672,670	1,253,772	4,926,442
2013	3,776,399	1,135,507	4,911,906
2014	3,904,158	1,001,003	4,905,161
2015	3,454,948	858,471	4,313,419
2016	3,605,771	730,697	4,336,468
2017	2,351,628	594,969	2,946,597
2018	2,432,520	514,833	2,947,353
2019	2,533,449	427,968	2,961,417
2020	2,609,416	335,347	2,944,763
2021	2,690,423	235,537	2,925,960
2022	801,472	130,333	931,805

(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.)

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2023	\$ 812,564	\$ 97,351	\$ 909,915
2024	288,701	61,844	350,545
2025	29,885	48,960	78,845
2026	31,118	47,727	78,845
2027	32,401	46,444	78,845
2028	33,738	45,107	78,845
2029	35,130	43,716	78,846
2030	36,579	42,266	78,845
2031	38,088	40,757	78,845
2032	39,659	39,186	78,845
2033	41,295	37,550	78,845
2034	42,998	35,847	78,845
2035	44,772	34,073	78,845
2036	46,619	32,227	78,846
2037	48,542	30,304	78,846
2038	50,544	28,301	78,845
2039	52,629	26,216	78,845
2040	54,800	24,045	78,845
2041	57,060	21,785	78,845
2042	59,414	19,431	78,845
2043	61,865	16,980	78,845
2044	64,417	14,428	78,845
2045	67,074	11,771	78,845
2046	69,841	9,004	78,845
2047	72,722	6,123	78,845
2048	75,721	3,124	78,845
Total	\$ 37,683,000	\$ 9,450,206	\$ 47,133,206

DISCRETELY PRESENTED FRANKLIN  
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Note		
	Principal	Interest	Total
2011	\$ 25,000	\$ 1,927	\$ 26,927
2012	25,000	683	25,683
Total	\$ 50,000	\$ 2,610	\$ 52,610

Exhibit J-3

Franklin County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2010

From Fund	To Fund	Purpose	Amount
General	Public Library	Operations	\$ 200,000
General	Highway/Public Works	Reimbursement	9,642
Courthouse and Jail Maintenance	General	Close fund	17,948
Courthouse and Jail Maintenance	General Debt Service	Debt payments	40,000
Solid Waste/Sanitation	General	Reimbursement	3,803
Special Purpose	General	Close fund	5,745,000
Highway/Public Works	General	Reimbursement	3,803
Highway/Public Works	General Debt Service	Debt payments	400,000
<b>Total Transfers</b>			<b>\$ 6,420,196</b>

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, 2010

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	State Board of Education and Franklin County Board of Education	110,550 (2)	(1)	"
Finance Director	County Commission	60,000	50,000	"
Trustee	Section 8-24-102, <u>TCA</u>	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 (3)	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 chief executive officer training supplement of \$1,000.

(3) 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, 2010

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste/ Sanitation	Local Purpose Tax	Drug Control	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 5,945,703	\$ 0	\$ 0	\$ 862,810	\$ 371,894	\$ 0	\$ 0
Trustee's Collections - Prior Year	155,967	0	0	21,240	9,335	0	0
Trustee's Collections - Bankruptcy	428	0	0	27	0	0	0
Circuit/Clerk & Master Collections - Prior Years	75,612	0	0	13,028	5,134	0	0
Interest and Penalty	26,433	0	0	3,864	1,672	0	0
Payments in-Lieu-of Taxes - T.V.A.	2,896	0	0	601	327	0	0
Payments in-Lieu-of Taxes - Local Utilities	16,979	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	19,552	0	0	21	12	0	0
<u>County Local Option Taxes</u>							
Hotel/Motel Tax	0	0	0	0	64,679	0	0
Litigation Tax - General	94,550	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	1,594	23,557	0	0	0	0	0
Business Tax	248,940	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	34,073	0	0	7,072	3,845	0	0
Wholesale Beer Tax	219,077	0	0	0	0	0	0
Interstate Telecommunications Tax	2,056	0	0	0	0	0	0
Other Statutory Local Taxes	794	0	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 6,844,654</b>	<b>\$ 23,557</b>	<b>\$ 0</b>	<b>\$ 908,663</b>	<b>\$ 456,898</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 29,548	\$ 0	\$ 0	\$ 6,133	\$ 3,334	\$ 0	\$ 0
<u>Permits</u>							
Beer Permits	4,326	0	0	0	0	0	0
Building Permits	24,945	0	0	0	20,000	0	0
Other Permits	3,375	0	0	0	0	0	0
<b>Total Licenses and Permits</b>	<b>\$ 62,194</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 6,133</b>	<b>\$ 23,334</b>	<b>\$ 0</b>	<b>\$ 0</b>

(Continued)

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

	General	Special Revenue Funds					Drug Control
		Courthouse and Jail Maintenance	Public Library	Solid Waste/ Sanitation	Local Purpose Tax		
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 14,136	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	17,236	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	5,159
Drug Court Fees	1,750	0	0	0	0	0	0
Jail Fees	4,094	0	0	0	0	0	0
DUI Treatment Fines	2,716	0	0	0	0	0	0
Data Entry Fee - Circuit Court	2,414	0	0	0	0	0	0
Courtroom Security Fee	351	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	34,140	0	0	0	0	0	0
Officers Costs	52,094	0	0	0	0	0	0
Game and Fish Fines	1,124	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	10,665
Drug Court Fees	4,313	0	0	0	0	0	0
Jail Fees	20,912	0	0	0	0	0	0
DUI Treatment Fines	9,963	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	5,514	0	0	0	0	0	0
Courtroom Security Fee	3,679	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	1,516	0	0	0	0	0	0
Officers Costs	3,645	0	0	0	0	0	0
Game and Fish Fines	225	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,469	0	0	0	0	0	0
Courtroom Security Fee	8	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	2,445	0	0	0	0	0	0
Data Entry Fee - Chancery Court	610	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	12,283
Other Fines, Forfeitures, and Penalties	3,462	0	0	0	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 187,816</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>28,107</b>

(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
<b>Charges for Current Services</b>						
<u>General Service Charges</u>						
Transfer Waste Stations Collection Charge	\$ 0	\$ 0	\$ 0	10,000	\$ 0	0
Tipping Fees	0	0	0	9,640	0	0
Other General Service Charges	3,192	0	16,343	0	0	770
<u>Fees</u>						
Copy Fees	104	0	0	0	0	0
Greenbelt Late Application Fee	450	0	0	0	0	0
Telephone Commissions	20,961	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	14,786	0	0	0	0	0
Probation Fees	135,736	0	0	0	0	0
Data Processing Fee - Sheriff	5,106	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	2,350	0	0	0	0	0
Data Processing Fee - County Clerk	2,320	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 185,005</b>	<b>\$ 0</b>	<b>\$ 16,343</b>	<b>\$ 19,640</b>	<b>\$ 0</b>	<b>\$ 770</b>
<b>Other Local Revenues</b>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 449	\$ 220,000	\$ 0	\$ 0
Lease/Rentals	17,230	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0
Sale of Maps	1,695	0	0	0	0	0
Sale of Recycled Materials	0	0	0	167,962	0	0
Miscellaneous Refunds	90,707	0	61	1,227	0	716
<u>Nonrecurring Items</u>						
Sale of Equipment	5,505	0	0	0	0	2,530
Sale of Property	3,264	0	0	0	0	0
Contributions and Gifts	3,098	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	56,847	0	1,430	1,305	0	1,350
<b>Total Other Local Revenues</b>	<b>\$ 178,346</b>	<b>\$ 0</b>	<b>\$ 1,940</b>	<b>\$ 390,494</b>	<b>\$ 0</b>	<b>\$ 4,596</b>

(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	
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 298,740	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	200,488	0	0	0	0	0	0
General Sessions Court Clerk	250,567	0	0	0	0	0	0
Clerk and Master	95,135	0	0	0	0	0	0
Juvenile Court Clerk	44,611	0	0	0	0	0	0
Register	171,979	0	0	0	0	0	0
Sheriff	9,978	0	0	0	0	0	0
Trustee	574,495	0	0	0	0	0	0
<b>Total Fees Received from County Officials</b>	<b>\$ 1,645,993</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
State Reappraisal Grant	11,960	0	0	0	0	0	0
Solid Waste Grants	0	0	0	16,285	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	25,200	0	0	0	0	0	0
Health and Welfare Grants							
Health Department Programs	129,938	0	0	0	0	0	0
Other Health and Welfare Grants	540	0	0	0	0	0	0
<u>Public Works Grants</u>							
Litter Program	36,851	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	140,504	0	0	0	0	0	0
Beer Tax	17,778	0	0	0	0	0	0
Alcoholic Beverage Tax	64,729	0	0	0	0	0	0
Mixed Drink Tax	1,817	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	971,341	0	0	0	0	0	0
Contracted Prisoner Boarding	502,775	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	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	
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues (Cont.)</u>							
Petroleum Special Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Registrar's Salary Supplement	16,380	0	0	0	0	0	0
Other State Grants	8,688	0	1,300	0	0	0	0
Other State Revenues	28	0	0	0	0	0	0
Total State of Tennessee	\$ 1,937,529	\$ 0	\$ 1,300	\$ 16,285	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 13,700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	29,000	0	0	0	0	0	0
Disaster Relief	4,910	0	0	0	0	0	0
Homeland Security Grants	131,078	0	0	0	0	0	0
ARRA Grant # 2	38,464	0	0	0	0	0	0
ARRA Grant # 3	24,515	0	0	0	0	0	0
ARRA Grant # 4	46,313	0	0	0	0	0	0
ARRA Grant # 5	114,760	0	0	0	0	0	0
Other Federal through State	115,753	0	0	0	0	0	0
<u>Direct Federal Revenue</u>	12,418	0	0	0	0	0	5,418
Other Direct Federal Revenue	\$ 530,911	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,418
Total Federal Government							
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 5,618	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	211,211	0	19,324	0	0	0	0
Contracted Services	42,427	0	0	0	0	0	0
<u>Citizens Groups</u>							
Donations	107,500	0	1,437	0	0	0	25
<u>Other</u>	55,299	0	0	0	0	0	0
Other	\$ 422,055	\$ 0	\$ 20,761	\$ 0	\$ 0	\$ 0	\$ 25
Total Other Governments and Citizens Groups							
Total	\$ 11,994,503	\$ 23,557	\$ 40,344	\$ 1,341,215	\$ 480,232	\$ 0	\$ 38,916

(Continued)

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

	Special Revenue Funds			Debt Service Funds			Capital Projects		
	Constituti- onal Officers - Fees	Highway / Public Works		General Debt Service	Education Debt Service	Fund		Total	
						Other Capital Projects			
<u>Local Taxes</u>									
<u>County Property Taxes</u>									
Current Property Tax	\$ 0	\$ 327,730	\$ 819,308	\$ 1,720,533	\$ 0	\$ 10,047,978			
Trustee's Collections - Prior Year	0	8,858	22,321	47,306	0	265,027			
Trustee's Collections - Bankruptcy	0	24	59	124	0	662			
Circuit/Clerk & Master Collections - Prior Years	0	4,134	10,313	21,659	0	129,880			
Interest and Penalty	0	1,457	3,642	7,649	0	44,717			
Payments in-Lieu-of Taxes - T.V.A.	0	160	399	838	0	5,221			
Payments in-Lieu-of Taxes - Local Utilities	0	935	2,339	4,916	0	25,169			
Payments in-Lieu-of Taxes - Other	0	1,076	2,694	5,49,487	0	572,842			
<u>County Local Option Taxes</u>									
Hotel/Motel Tax	0	0	0	0	0	64,679			
Litigation Tax - General	0	0	91,808	0	0	186,358			
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	25,151			
Business Tax	0	0	0	0	0	248,940			
Mineral Severance Tax	0	40,186	0	0	0	40,186			
<u>Statutory Local Taxes</u>									
Bank Excise Tax	0	1,884	4,693	9,860	0	61,427			
Wholesale Beer Tax	0	0	0	0	0	219,077			
Interstate Telecommunications Tax	0	0	0	0	0	2,056			
Other Statutory Local Taxes	0	0	0	0	0	794			
Total Local Taxes	\$ 0	\$ 386,444	\$ 957,576	\$ 2,362,372	\$ 0	\$ 11,940,164			
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Cable TV Franchise	\$ 0	\$ 1,634	\$ 4,070	\$ 8,550	\$ 0	\$ 53,269			
<u>Permits</u>									
Beer Permits	0	0	0	0	0	4,326			
Building Permits	0	0	0	0	0	44,945			
Other Permits	0	0	0	0	0	3,375			
Total Licenses and Permits	\$ 0	\$ 1,634	\$ 4,070	\$ 8,550	\$ 0	\$ 105,915			

(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	Fund			
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	14,136
Officers Costs	0	0	0	0	0	0	0	0	17,236
Drug Control Fines	0	0	0	0	0	0	0	0	5,159
Drug Court Fees	0	0	0	0	0	0	0	0	1,750
Jail Fees	0	0	0	0	0	0	0	0	4,094
DUI Treatment Fines	0	0	0	0	0	0	0	0	2,716
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	0	2,414
Courtroom Security Fee	0	0	0	0	0	0	0	0	351
<u>General Sessions Court</u>									
Fines	0	0	0	0	0	0	0	0	34,140
Officers Costs	0	0	0	0	0	0	0	0	52,094
Game and Fish Fines	0	0	0	0	0	0	0	0	1,124
Drug Control Fines	0	0	0	0	0	0	0	0	10,665
Drug Court Fees	0	0	0	0	0	0	0	0	4,313
Jail Fees	0	0	0	0	0	0	0	0	20,912
DUI Treatment Fines	0	0	0	0	0	0	0	0	9,963
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	0	5,514
Courtroom Security Fee	0	0	0	0	0	0	0	0	3,679
<u>Juvenile Court</u>									
Fines	0	0	0	0	0	0	0	0	1,516
Officers Costs	0	0	0	0	0	0	0	0	3,645
Game and Fish Fines	0	0	0	0	0	0	0	0	225
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	0	0	1,469
Courtroom Security Fee	0	0	0	0	0	0	0	0	8
<u>Chancery Court</u>									
Officers Costs	0	0	0	0	0	0	0	0	2,445
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	0	610
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	0	0	0	0	0	0	0	0	12,283
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0	0	3,462
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>215,923</b>

(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>Charges for Current Services</u>									
<u>General Service Charges</u>									
Transfer Waste Stations Collection Charge	\$	0	0	0	0	0	0	0	10,000
Tipping Fees		0	0	0	0	0	0	0	9,640
Other General Service Charges		0	0	0	0	0	0	0	20,305
<u>Fees</u>									
Copy Fees		0	0	0	0	0	0	0	104
Greenbelt Late Application Fee		0	0	0	0	0	0	0	450
Telephone Commissions		0	0	0	0	0	0	0	20,961
Constitutional Officers' Fees and Commissions		4,811	0	0	0	0	0	0	4,811
Data Processing Fee - Register		0	0	0	0	0	0	0	14,786
Probation Fees		0	0	0	0	0	0	0	135,736
Data Processing Fee - Sheriff		0	0	0	0	0	0	0	5,106
Sexual Offender Registration Fees - Sheriff		0	0	0	0	0	0	0	2,350
Data Processing Fee - County Clerk		0	0	0	0	0	0	0	2,320
Total Charges for Current Services	\$	4,811	0	0	0	0	0	0	226,569
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	\$	0	0	0	0	0	666	\$	221,115
Lease/Rentals		0	0	0	0	0	0	0	17,230
Sale of Materials and Supplies		0	1,588	0	0	0	0	0	1,588
Sale of Maps		0	0	0	0	0	0	0	1,695
Sale of Recycled Materials		0	0	0	0	0	0	0	167,962
Miscellaneous Refunds		0	4,079	0	0	0	2,832	0	99,622
<u>Nonrecurring Items</u>									
Sale of Equipment		0	0	0	0	0	0	0	8,035
Sale of Property		0	0	0	0	0	0	0	3,264
Contributions and Gifts		0	0	0	0	0	0	0	3,098
<u>Other Local Revenues</u>									
Other Local Revenues		0	2,472	0	0	0	0	0	63,404
Total Other Local Revenues	\$	0	8,139	\$	0	\$	3,498	\$	587,013

(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>Fees Received from County Officials</u>									
<u>Fees in-Lieu-of Salary</u>									
County Clerk	0	0	0	0	0	0	0	0	298,740
Circuit Court Clerk	0	0	0	0	0	0	0	0	200,488
General Sessions Court Clerk	0	0	0	0	0	0	0	0	250,567
Clerk and Master	0	0	0	0	0	0	0	0	95,135
Juvenile Court Clerk	0	0	0	0	0	0	0	0	44,611
Register	0	0	0	0	0	0	0	0	171,979
Sheriff	0	0	0	0	0	0	0	0	9,978
Trustee	0	0	0	0	0	0	0	0	574,495
<b>Total Fees Received from County Officials</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,645,993</b>
<u>State of Tennessee</u>									
<u>General Government Grants</u>									
Juvenile Services Program	0	0	0	0	0	0	0	0	9,000
State Reappraisal Grant	0	0	0	0	0	0	0	0	11,960
Solid Waste Grants	0	0	0	0	0	0	0	0	16,285
<u>Public Safety Grants</u>									
Law Enforcement Training Programs	0	0	0	0	0	0	0	0	25,200
Health and Welfare Grants									
Health Department Programs	0	0	0	0	0	0	0	0	129,938
Other Health and Welfare Grants	0	0	0	0	0	0	0	0	540
<u>Public Works Grants</u>									
Litter Program	0	0	0	0	0	0	0	0	36,851
<u>Other State Revenues</u>									
Income Tax	0	0	0	0	0	0	0	0	140,504
Beer Tax	0	0	0	0	0	0	0	0	17,778
Alcoholic Beverage Tax	0	0	0	0	0	0	0	0	64,729
Mixed Drink Tax	0	0	0	0	0	0	0	0	1,817
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0	0	971,341
Contracted Prisoner Boarding	0	0	0	0	0	0	0	0	502,775
Gasoline and Motor Fuel Tax	0	1,874,473	0	0	0	0	0	0	1,874,473

(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>									
Petroleum Special Tax	0 \$	31,538 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	31,538
Registrar's Salary Supplement	0	0	0	0	0	0	0	0	16,380
Other State Grants	0	0	0	0	0	0	0	0	9,988
Other State Revenues	0	0	0	0	0	0	0	0	28
Total State of Tennessee	0 \$	1,906,011 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	3,861,125
<u>Federal Government</u>									
<u>Federal Through State</u>									
Community Development	0	0	0	0	0	0	0	0	13,700
Civil Defense Reimbursement	0	0	0	0	0	0	0	0	29,000
Disaster Relief	0	0	0	0	0	0	0	0	4,910
Homeland Security Grants	0	0	0	0	0	0	0	0	131,078
ARRA Grant # 2	0	0	0	0	0	0	0	0	38,464
ARRA Grant # 3	0	0	0	0	0	0	0	0	24,515
ARRA Grant # 4	0	0	0	0	0	0	0	0	46,313
ARRA Grant # 5	0	0	0	0	0	0	0	0	114,760
Other Federal through State	0	106,480	0	0	0	0	0	0	222,233
Direct Federal Revenue	0	0	0	0	0	0	0	0	17,836
Other Direct Federal Revenue	0	106,480	0	0	0	0	0	0	642,809
Total Federal Government	0 \$	106,480 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,202,841
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Prisoner Board	0	0	0	0	0	0	0	0	5,618
Contributions	0	0	0	0	760,000	0	0	0	990,535
Contracted Services	0	0	0	0	0	0	0	0	42,427
<u>Citizens Groups</u>									
Donations	0	0	0	0	0	0	0	0	108,962
Other	0	0	0	0	0	0	0	0	55,299
Total Other Governments and Citizens Groups	0 \$	0 \$	0 \$	0 \$	760,000 \$	0 \$	0 \$	0 \$	1,202,841
Total	4,811 \$	2,408,708 \$	961,646 \$	3,130,922 \$	3,498 \$	20,428,352	3,498 \$	20,428,352	

## 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, 2010

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 8,503,579	\$ 0	\$ 0	\$ 0	\$ 8,503,579
Trustee's Collections - Prior Year	207,804	0	0	0	207,804
Trustee's Collections - Bankruptcy	612	0	0	0	612
Circuit/Clerk & Master Collections - Prior Years	107,061	0	0	0	107,061
Interest and Penalty	37,017	0	0	0	37,017
Payments in-Lieu-of Taxes - T.V.A.	4,896	0	0	0	4,896
Payments in-Lieu-of Taxes - Local Utilities	28,827	0	0	0	28,827
Payments in-Lieu-of Taxes - Other	25,728	0	0	0	25,728
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,913,970	0	0	0	3,913,970
<u>Statutory Local Taxes</u>					
Bank Excise Tax	48,736	0	0	0	48,736
Interstate Telecommunications Tax	3,660	0	0	0	3,660
Total Local Taxes	\$ 12,881,890	\$ 0	\$ 0	\$ 0	\$ 12,881,890
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,850	\$ 0	\$ 0	\$ 0	\$ 2,850
Cable TV Franchise	42,274	0	0	0	42,274
Total Licenses and Permits	\$ 45,124	\$ 0	\$ 0	\$ 0	\$ 45,124
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Summer School	\$ 1,400	\$ 0	\$ 0	\$ 0	\$ 1,400
Tuition - Other	274,693	0	0	0	274,693
Lunch Payments - Children	0	0	721,612	0	721,612
Lunch Payments - Adults	0	0	76,245	0	76,245
Income from Breakfast	0	0	58,901	0	58,901
Special Milk Sales	0	0	15,478	0	15,478
A la carte Sales	0	0	369,487	0	369,487
Total Charges for Current Services	\$ 276,093	\$ 0	\$ 1,241,723	\$ 0	\$ 1,517,816
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 74,295	\$ 0	\$ 5,954	\$ 1,928	\$ 82,177
Lease/Rentals	12,204	0	0	0	12,204
Refund of Telecommunication & Internet Fees (E-Rate)	25,708	0	0	0	25,708
Miscellaneous Refunds	153,341	0	13,829	0	167,170
<u>Nonrecurring Items</u>					
Sale of Equipment	4,142	0	0	0	4,142
Contributions and Gifts	96,963	0	0	0	96,963
Total Other Local Revenues	\$ 366,653	\$ 0	\$ 19,783	\$ 1,928	\$ 388,364
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 120,689	\$ 0	\$ 0	\$ 0	\$ 120,689
<u>State Education Funds</u>					
Basic Education Program	23,769,201	0	0	0	23,769,201

(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>					
Basic Education Program - ARRA	\$ 1,083,800	\$ 0	\$ 0	\$ 0	\$ 1,083,800
Early Childhood Education	1,087,272	0	0	0	1,087,272
School Food Service	0	0	32,754	0	32,754
Energy Efficient School Initiative	128,380	0	0	0	128,380
Driver Education	1,508	0	0	0	1,508
Other State Education Funds	13,019	0	0	0	13,019
Coordinated School Health - ARRA	124,712	0	0	0	124,712
Internet Connectivity - ARRA	16,761	0	0	0	16,761
Family Resource Centers - ARRA	33,300	0	0	0	33,300
Statewide Student Management System (SSMS) - ARRA	14,663	0	0	0	14,663
Career Ladder Program	258,081	0	0	0	258,081
Career Ladder - Extended Contract - ARRA	58,026	0	0	0	58,026
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	50,000	0	0	0	50,000
Safe Schools - ARRA	32,200	0	0	0	32,200
<b>Total State of Tennessee</b>	<b>\$ 26,791,612</b>	<b>\$ 0</b>	<b>\$ 32,754</b>	<b>\$ 0</b>	<b>\$ 26,824,366</b>
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,329,323	\$ 0	\$ 1,329,323
USDA - Commodities	0	0	240,267	0	240,267
Breakfast	0	0	391,919	0	391,919
USDA Food Service Equipment Grant - ARRA	25,247	0	0	0	25,247
Adult Education State Grant Program	83,693	0	0	0	83,693
Vocational Education - Basic Grants to States	0	94,099	0	0	94,099
Title I Grants to Local Education Agencies	0	1,260,068	0	0	1,260,068
Special Education - Grants to States	79,189	1,740,553	0	0	1,819,742
Special Education Preschool Grants	0	42,997	0	0	42,997
Safe and Drug-free Schools - State Grants	0	17,533	0	0	17,533
Eisenhower Professional Development State Grants	0	258,270	0	0	258,270
Job Training Partnership Act	94,434	0	0	0	94,434
Other Federal through State	188,172	38,110	0	0	226,282
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	45,854	0	0	0	45,854
Other Direct Federal Revenue	76,942	0	0	0	76,942
<b>Total Federal Government</b>	<b>\$ 593,531</b>	<b>\$ 3,451,630</b>	<b>\$ 1,961,509</b>	<b>\$ 0</b>	<b>\$ 6,006,670</b>
<u>Other Governments and Citizens Groups</u>					
<u>Other</u>					
Other	\$ 158,523	\$ 0	\$ 0	\$ 0	\$ 158,523
<b>Total Other Governments and Citizens Groups</b>	<b>\$ 158,523</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 158,523</b>
<b>Total</b>	<b>\$ 41,113,426</b>	<b>\$ 3,451,630</b>	<b>\$ 3,255,769</b>	<b>\$ 1,928</b>	<b>\$ 47,822,753</b>

Exhibit J-7

Franklin County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2010

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	66,560	
Social Security		4,336	
Employer Medicare		1,014	
Audit Services		11,781	
Dues and Memberships		12,024	
Legal Services		35,869	
Legal Notices, Recording, and Court Costs		5,634	
Travel		1,128	
Other Contracted Services		6,899	
Office Supplies		5,470	
Premiums on Corporate Surety Bonds		768	
Refunds		1,205	
In Service/Staff Development		280	
Tax Relief Program		84,101	
Other Charges		38,089	
Total County Commission			\$ 275,158

Beer Board

Legal Notices, Recording, and Court Costs	\$	67	
Total Beer Board			67

County Mayor/Executive

County Official/Administrative Officer	\$	73,866	
Assistant(s)		32,844	
Educational Incentive - Other County Employees		1,000	
Longevity Pay		1,200	
Overtime Pay		2,143	
Other Salaries and Wages		1,355	
Social Security		6,863	
State Retirement		13,020	
Life Insurance		94	
Medical Insurance		11,374	
Disability Insurance		970	
Unemployment Compensation		127	
Employer Medicare		1,605	
Communication		1,578	
Dues and Memberships		1,600	
Maintenance Agreements		1,552	
Postal Charges		264	
Travel		5,024	

(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.)

Office Supplies	\$	2,262	
Premiums on Corporate Surety Bonds		175	
Furniture and Fixtures		900	
Total County Mayor/Executive			\$ 159,816

County Attorney

Dues and Memberships	\$	100	
Legal Services		8,400	
Travel		209	
In Service/Staff Development		150	
Total County Attorney			8,859

Election Commission

County Official/Administrative Officer	\$	57,559	
Deputy(ies)		27,486	
Educational Incentive - Official/Admin Officer		1,850	
Longevity Pay		480	
Overtime Pay		3,074	
Other Salaries and Wages		13,627	
Election Commission		1,925	
Election Workers		24,015	
Social Security		6,828	
State Retirement		9,338	
Life Insurance		94	
Medical Insurance		5,927	
Disability Insurance		705	
Unemployment Compensation		467	
Employer Medicare		1,597	
Communication		1,526	
Data Processing Services		18,025	
Dues and Memberships		214	
Legal Notices, Recording, and Court Costs		3,580	
Maintenance Agreements		1,368	
Maintenance and Repair Services - Equipment		3,171	
Postal Charges		3,110	
Printing, Stationery, and Forms		5,622	
Travel		2,838	
Other Contracted Services		5,000	
Data Processing Supplies		274	
Office Supplies		1,672	

(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.)

Other Supplies and Materials	\$	2,136	
Premiums on Corporate Surety Bonds		50	
In Service/Staff Development		1,353	
Total Election Commission			\$ 204,911

Register of Deeds

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		111,160	
Educational Incentive - Other County Employees		4,000	
Longevity Pay		2,520	
Overtime Pay		7,085	
Social Security		11,289	
State Retirement		22,099	
Life Insurance		234	
Medical Insurance		28,436	
Disability Insurance		1,563	
Unemployment Compensation		440	
Employer Medicare		2,640	
Communication		1,127	
Data Processing Services		13,312	
Dues and Memberships		637	
Maintenance and Repair Services - Office Equipment		975	
Postal Charges		2,147	
Travel		1,659	
Other Contracted Services		3,500	
Office Supplies		3,268	
Premiums on Corporate Surety Bonds		100	
In Service/Staff Development		506	
Furniture and Fixtures		4,483	
Total Register of Deeds			287,134

Planning

Assistant(s)	\$	49,609	
Supervisor/Director		53,014	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		1,000	
Longevity Pay		840	
Other Salaries and Wages		1,136	
Social Security		6,542	
State Retirement		12,246	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Life Insurance	\$	140	
Medical Insurance		5,687	
Disability Insurance		953	
Unemployment Compensation		350	
Employer Medicare		1,530	
Communication		1,517	
Contracts with Government Agencies		11,250	
Dues and Memberships		865	
Legal Notices, Recording, and Court Costs		2,330	
Maintenance Agreements		1,100	
Maintenance and Repair Services - Office Equipment		2,580	
Maintenance and Repair Services - Vehicles		204	
Postal Charges		925	
Travel		973	
Other Contracted Services		275	
Gasoline		1,573	
Library Books/Media		277	
Office Supplies		3,537	
Premiums on Corporate Surety Bonds		100	
In Service/Staff Development		214	
Data Processing Equipment		2,841	
Total Planning			\$ 164,608

County Buildings

Assistant(s)	\$	127,137
Supervisor/Director		28,508
Longevity Pay		1,980
Overtime Pay		10,142
Other Salaries and Wages		29
Social Security		10,070
State Retirement		17,378
Life Insurance		367
Medical Insurance		39,880
Disability Insurance		1,400
Unemployment Compensation		878
Employer Medicare		2,355
Communication		31,676
Maintenance Agreements		3,452
Maintenance and Repair Services - Buildings		80,193
Maintenance and Repair Services - Equipment		1,228

(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.)

Maintenance and Repair Services - Vehicles	\$	1,123	
Pest Control		3,440	
Disposal Fees		3,833	
Other Contracted Services		12,331	
Custodial Supplies		19,850	
Gasoline		2,428	
Uniforms		4,457	
Utilities		202,821	
Other Supplies and Materials		1,072	
In Service/Staff Development		95	
Other Charges		22	
Principal on Capital Leases		35,596	
Interest on Capital Leases		9,987	
Building Construction		53,992	
Building Improvements		374,478	
Office Equipment		300,000	
Total County Buildings			\$ 1,382,198

Other General Administration

Instructional Computer Personnel	\$	36,116	
Longevity Pay		1,080	
Overtime Pay		17	
Other Salaries and Wages		69	
Social Security		2,272	
State Retirement		4,366	
Life Insurance		47	
Medical Insurance		5,687	
Disability Insurance		328	
Unemployment Compensation		110	
Employer Medicare		531	
Communication		1,655	
Maintenance Agreements		1,299	
Other Contracted Services		1,745	
Data Processing Supplies		649	
Office Supplies		167	
Other Charges		121	
Data Processing Equipment		20,437	
Total Other General Administration			76,696

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		130,509	
Educational Incentive - Other County Employees		6,000	
Longevity Pay		3,780	
Overtime Pay		3,957	
Other Salaries and Wages		49,316	
Board and Committee Members Fees		3,530	
Social Security		15,874	
State Retirement		30,155	
Life Insurance		328	
Medical Insurance		34,123	
Disability Insurance		2,214	
Unemployment Compensation		660	
Employer Medicare		3,712	
Communication		829	
Contracts with Government Agencies		18,289	
Contracts with Private Agencies		19,978	
Dues and Memberships		1,280	
Legal Notices, Recording, and Court Costs		351	
Maintenance Agreements		5,917	
Maintenance and Repair Services - Vehicles		764	
Postal Charges		4,308	
Travel		607	
Gasoline		3,234	
Office Supplies		3,579	
Premiums on Corporate Surety Bonds		22	
In Service/Staff Development		330	
Other Charges		100	
Office Equipment		5,731	
Total Property Assessor's Office			\$ 413,431

County Trustee's Office

County Official/Administrative Officer	\$	63,954
Deputy(ies)		106,509
Educational Incentive - Other County Employees		3,700
Longevity Pay		2,520
Other Salaries and Wages		1,329
Social Security		10,158
State Retirement		20,845
Life Insurance		234

(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 (Cont.)

Medical Insurance	\$	28,742	
Disability Insurance		1,548	
Unemployment Compensation		452	
Employer Medicare		2,376	
Communication		963	
Data Processing Services		10,946	
Dues and Memberships		647	
Maintenance Agreements		659	
Postal Charges		9,931	
Travel		1,888	
Office Supplies		4,205	
Premiums on Corporate Surety Bonds		3,000	
In Service/Staff Development		1,183	
Total County Trustee's Office			\$ 275,789

County Clerk's Office

County Official/Administrative Officer	\$	63,954
Deputy(ies)		212,321
Part-time Personnel		30,634
Educational Incentive - Other County Employees		4,850
Longevity Pay		6,060
Overtime Pay		956
Social Security		19,255
State Retirement		33,732
Life Insurance		374
Medical Insurance		45,497
Disability Insurance		2,180
Unemployment Compensation		1,018
Employer Medicare		4,503
Communication		911
Data Processing Services		16,287
Dues and Memberships		662
Maintenance Agreements		3,417
Postal Charges		7,500
Travel		1,207
Other Contracted Services		450
Office Supplies		4,074
Premiums on Corporate Surety Bonds		175
In Service/Staff Development		360
Furniture and Fixtures		410

(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.)

Office Equipment	\$ 2,510	
Total County Clerk's Office		\$ 463,297

Other Finance

Supervisor/Director	\$ 60,000	
Deputy(ies)	50,000	
Accountants/Bookkeepers	266,682	
Educational Incentive - Official/Admin Officer	1,000	
Educational Incentive - Other County Employees	6,000	
Longevity Pay	6,180	
Social Security	23,468	
State Retirement	45,595	
Life Insurance	468	
Medical Insurance	56,565	
Disability Insurance	3,193	
Unemployment Compensation	1,217	
Employer Medicare	5,488	
Other Fringe Benefits	115	
Communication	4,831	
Data Processing Services	25,953	
Dues and Memberships	974	
Maintenance Agreements	3,149	
Postal Charges	6,401	
Travel	4,817	
Other Contracted Services	736	
Gasoline	67	
Office Supplies	15,356	
Premiums on Corporate Surety Bonds	225	
In Service/Staff Development	4,309	
Other Charges	562	
Total Other Finance		593,351

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 63,954
Deputy(ies)	447,917
Part-time Personnel	51,086
Longevity Pay	5,460
Overtime Pay	14,202
Other Salaries and Wages	50,000

(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.)

Jury and Witness Expense	\$	14,884	
Social Security		37,818	
State Retirement		66,795	
Life Insurance		692	
Medical Insurance		74,394	
Disability Insurance		4,452	
Unemployment Compensation		1,990	
Employer Medicare		8,980	
Communication		2,888	
Data Processing Services		10,193	
Dues and Memberships		512	
Legal Notices, Recording, and Court Costs		805	
Maintenance Agreements		9,564	
Postal Charges		7,983	
Travel		95	
Other Contracted Services		2,818	
Library Books/Media		857	
Office Supplies		12,509	
Premiums on Corporate Surety Bonds		116	
Other Charges		121	
Data Processing Equipment		8,843	
Total Circuit Court			\$ 899,928

General Sessions Court

County Official/Administrative Officer	\$	138,676
Deputy(ies)		69,175
Longevity Pay		900
Social Security		10,993
State Retirement		24,445
Life Insurance		140
Medical Insurance		17,061
Disability Insurance		1,610
Unemployment Compensation		220
Employer Medicare		2,978
Communication		1,724
Maintenance and Repair Services - Equipment		922
Postal Charges		160
Travel		1,160
Library Books/Media		15
Office Supplies		2,146

(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.)

In Service/Staff Development	\$ 215	
Total General Sessions Court		\$ 272,540

Drug Court

Supervisor/Director	\$ 40,777	
Longevity Pay	300	
Other Salaries and Wages	919	
Social Security	2,538	
State Retirement	4,228	
Life Insurance	43	
Medical Insurance	5,207	
Disability Insurance	332	
Unemployment Compensation	169	
Employer Medicare	594	
Communication	1,300	
Total Drug Court		56,407

Chancery Court

County Official/Administrative Officer	\$ 63,954	
Deputy(ies)	56,105	
Longevity Pay	1,860	
Social Security	7,195	
State Retirement	14,276	
Life Insurance	140	
Medical Insurance	17,523	
Disability Insurance	1,091	
Unemployment Compensation	330	
Employer Medicare	1,683	
Communication	265	
Data Processing Services	3,210	
Dues and Memberships	512	
Maintenance Agreements	1,266	
Postal Charges	2,110	
Travel	479	
Other Contracted Services	280	
Library Books/Media	452	
Office Supplies	2,339	
Premiums on Corporate Surety Bonds	131	
Data Processing Equipment	10,937	
Total Chancery Court		186,138

(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)	\$	44,289	
Deputy(ies)		26,449	
Educational Incentive - Other County Employees		500	
Longevity Pay		1,050	
Social Security		4,349	
State Retirement		8,465	
Life Insurance		70	
Medical Insurance		5,687	
Disability Insurance		638	
Unemployment Compensation		166	
Employer Medicare		1,017	
Communication		649	
Dues and Memberships		60	
Travel		628	
Office Supplies		949	
In Service/Staff Development		150	
Office Equipment		275	
Total Juvenile Court			\$ 95,391

Judicial Commissioners

County Official/Administrative Officer	\$	93,448	
Educational Incentive - Other County Employees		500	
Longevity Pay		1,890	
Social Security		5,687	
State Retirement		10,569	
Life Insurance		147	
Medical Insurance		13,044	
Disability Insurance		800	
Unemployment Compensation		389	
Employer Medicare		1,330	
Communication		508	
Dues and Memberships		140	
Travel		1,613	
Office Supplies		624	
In Service/Staff Development		270	
Total Judicial Commissioners			130,959

Other Administration of Justice

Other Contracted Services	\$	11,700	
Total Other Administration of Justice			11,700

(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

Supervisor/Director	\$	41,823	
Part-time Personnel		20,980	
Longevity Pay		600	
Other Salaries and Wages		311	
Social Security		3,817	
State Retirement		5,678	
Life Insurance		78	
Medical Insurance		9,977	
Disability Insurance		440	
Unemployment Compensation		222	
Employer Medicare		893	
Communication		81	
Postal Charges		132	
Drugs and Medical Supplies		2,975	
Office Supplies		2,129	
Data Processing Equipment		600	
Total Probation Services			\$ 90,736

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	70,350
Assistant(s)		58,297
Supervisor/Director		80,128
Deputy(ies)		523,107
Investigator(s)		183,573
Captain(s)		96,340
Sergeant(s)		147,889
Accountants/Bookkeepers		55,708
Salary Supplements		27,722
Guards		185,681
Part-time Personnel		30,136
School Resource Officer		99,524
Longevity Pay		14,580
Overtime Pay		66,643
Social Security		98,871
State Retirement		168,196
Life Insurance		1,494
Medical Insurance		187,037
Disability Insurance		11,149
Unemployment Compensation		5,205

(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.)

Employer Medicare	\$	23,262	
Communication		28,818	
Contracts with Private Agencies		6,476	
Dues and Memberships		2,717	
Maintenance Agreements		14,276	
Maintenance and Repair Services - Equipment		3,086	
Maintenance and Repair Services - Vehicles		71,037	
Postal Charges		1,036	
Travel		5,059	
Gasoline		131,951	
Law Enforcement Supplies		3,721	
Office Supplies		9,083	
Tires and Tubes		14,385	
Uniforms		13,264	
Other Supplies and Materials		1,321	
Building and Contents Insurance		30,118	
Liability Insurance		50,969	
Premiums on Corporate Surety Bonds		481	
Vehicle and Equipment Insurance		34,751	
In Service/Staff Development		4,425	
Constitutional Officers' Operating Expenses		113	
Other Charges		24,324	
Principal on Capital Leases		103,712	
Interest on Capital Leases		13,462	
Communication Equipment		2,741	
Data Processing Equipment		59,660	
Law Enforcement Equipment		14,588	
Motor Vehicles		30,197	
Total Sheriff's Department			\$ 2,810,663

Administration of the Sexual Offender Registry

Guards	\$	8,383	
Social Security		520	
Unemployment Compensation		84	
Employer Medicare		122	
Travel		225	
Remittance of Revenue Collected		250	
Office Supplies		91	
Total Administration of the Sexual Offender Registry			9,675

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

Assistant(s)	\$	48,170	
Deputy(ies)		27,068	
Medical Personnel		60,016	
Guards		411,378	
Clerical Personnel		27,448	
Cafeteria Personnel		40,597	
Part-time Personnel		32,635	
Longevity Pay		6,060	
Overtime Pay		28,228	
Social Security		41,102	
State Retirement		65,141	
Life Insurance		1,322	
Medical Insurance		116,102	
Disability Insurance		5,580	
Unemployment Compensation		3,324	
Employer Medicare		9,612	
Maintenance Agreements		9,193	
Maintenance and Repair Services - Buildings		25,207	
Maintenance and Repair Services - Equipment		27,428	
Medical and Dental Services		18,450	
Transportation - Other than Students		2,588	
Travel		1,241	
Custodial Supplies		42,314	
Food Supplies		182,382	
Law Enforcement Supplies		67	
Prisoners Clothing		6,360	
Uniforms		7,596	
Utilities		88,632	
Other Supplies and Materials		1,908	
Medical Claims		247,102	
In Service/Staff Development		410	
Other Charges		3,988	
Principal on Capital Leases		16,442	
Data Processing Equipment		1,360	
Other Equipment		5,142	
Total Jail			\$ 1,611,593
<u>Correctional Incentive Program Improvements</u>			
Other Salaries and Wages	\$	2,941	
Social Security		183	

(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.)

Employer Medicare	\$	43	
Communication		1,200	
Postal Charges		600	
Travel		1,894	
Other Contracted Services		79,047	
Office Supplies		4,576	
Other Supplies and Materials		4,859	
In Service/Staff Development		1,000	
Data Processing Equipment		2,771	
Total Correctional Incentive Program Improvements			\$ 99,114

Juvenile Services

Contracts with Private Agencies	\$	7,875	
Other Contracted Services		7,442	
Total Juvenile Services			15,317

Civil Defense

Assistant(s)	\$	24,766	
Supervisor/Director		43,932	
Longevity Pay		960	
Overtime Pay		13,383	
Social Security		5,116	
State Retirement		9,724	
Life Insurance		86	
Medical Insurance		5,687	
Disability Insurance		629	
Unemployment Compensation		220	
Employer Medicare		1,196	
Communication		3,338	
Dues and Memberships		170	
Maintenance and Repair Services - Buildings		1,580	
Maintenance and Repair Services - Equipment		4,399	
Maintenance and Repair Services - Vehicles		2,822	
Postal Charges		88	
Travel		1,133	
Other Contracted Services		3,682	
Diesel Fuel		536	
Gasoline		1,996	
Office Supplies		3,222	
Other Supplies and Materials		4,107	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

In Service/Staff Development	\$	200	
Other Charges		1,747	
Other Equipment		5,103	
Total Civil Defense			\$ 139,822

Rescue Squad

Dues and Memberships	\$	195	
Diesel Fuel		216	
Gasoline		805	
Other Supplies and Materials		1,526	
In Service/Staff Development		490	
Other Charges		835	
Other Equipment		14,077	
Total Rescue Squad			18,144

Other Emergency Management

Assistant(s)	\$	30,371	
Supervisor/Director		39,797	
Dispatchers/Radio Operators		346,766	
Part-time Personnel		4,747	
Longevity Pay		5,460	
Overtime Pay		18,936	
Other Salaries and Wages		12,162	
Social Security		27,333	
State Retirement		44,436	
Life Insurance		698	
Medical Insurance		69,878	
Disability Insurance		2,969	
Unemployment Compensation		1,997	
Employer Medicare		6,392	
Other Fringe Benefits		3,405	
Communication		19,372	
Contracts with Private Agencies		47,477	
Maintenance and Repair Services - Equipment		4,998	
Maintenance and Repair Services - Vehicles		895	
Postal Charges		151	
Travel		7,907	
Gasoline		1,546	
Office Supplies		4,089	
Uniforms		817	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Other Supplies and Materials	\$	1,625	
In Service/Staff Development		2,726	
Other Charges		681	
Communication Equipment		1,695	
Data Processing Equipment		624	
Other Equipment		4,730	
Total Other Emergency Management			\$ 714,680

County Coroner/Medical Examiner

Other Contracted Services	\$	6,000	
Medical Claims		15,400	
Total County Coroner/Medical Examiner			21,400

Public Safety Grant Programs

Overtime Pay	\$	19,150	
Other Fringe Benefits		4,289	
Maintenance and Repair Services - Equipment		100	
Instructional Supplies and Materials		25,742	
Other Supplies and Materials		2,636	
In Service/Staff Development		376	
Communication Equipment		77,027	
Other Equipment		25,290	
Other Capital Outlay		60,376	
Total Public Safety Grant Programs			214,986

Public Health and Welfare

Local Health Center

Communication	\$	1,255	
Dues and Memberships		150	
Janitorial Services		9,035	
Maintenance and Repair Services - Buildings		482	
Postal Charges		500	
Custodial Supplies		3,200	
Office Supplies		1,767	
Utilities		11,580	
Building and Contents Insurance		3,004	
Liability Insurance		480	
In Service/Staff Development		50	
Other Charges		2,354	
Total Local Health Center			33,857

(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

Assistant(s)	\$	72,712	
Supervisor/Director		11,962	
Overtime Pay		1,947	
Social Security		5,366	
State Retirement		9,766	
Life Insurance		140	
Medical Insurance		17,917	
Disability Insurance		880	
Unemployment Compensation		354	
Employer Medicare		1,255	
Communication		1,989	
Dues and Memberships		100	
Licenses		370	
Maintenance and Repair Services - Buildings		6,092	
Maintenance and Repair Services - Vehicles		3,001	
Medical and Dental Services		80	
Postal Charges		215	
Other Contracted Services		39,997	
Animal Food and Supplies		2,537	
Diesel Fuel		3,978	
Drugs and Medical Supplies		924	
Gasoline		4,935	
Instructional Supplies and Materials		103	
Office Supplies		1,619	
Uniforms		1,309	
Other Supplies and Materials		4,196	
In Service/Staff Development		1,010	
Other Equipment		638	
Total Rabies and Animal Control			\$ 195,392

Crippled Children Services

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

Other Local Health Services

Secretary(ies)	\$	20,787	
Longevity Pay		600	
Overtime Pay		967	
Other Salaries and Wages		46,138	
Social Security		4,168	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

State Retirement	\$	6,032	
Life Insurance		94	
Medical Insurance		11,374	
Disability Insurance		452	
Unemployment Compensation		370	
Employer Medicare		975	
Maintenance and Repair Services - Equipment		5,450	
Travel		5,320	
Other Contracted Services		6,247	
Other Supplies and Materials		281	
In Service/Staff Development		90	
Other Charges		<u>106</u>	
Total Other Local Health Services			\$ 109,451

Regional Mental Health Center

Contributions	\$	<u>9,000</u>	
Total Regional Mental Health Center			9,000

Appropriation to State

Contracts with Government Agencies	\$	<u>27,963</u>	
Total Appropriation to State			27,963

General Welfare Assistance

Contributions	\$	<u>17,775</u>	
Total General Welfare Assistance			17,775

Waste Pickup

Laborers	\$	44,882	
Overtime Pay		153	
Other Salaries and Wages		946	
Social Security		2,684	
State Retirement		5,384	
Life Insurance		51	
Medical Insurance		9,302	
Disability Insurance		221	
Unemployment Compensation		217	
Employer Medicare		628	
Contracts with Other Public Agencies		8,200	
Travel		152	
Other Supplies and Materials		725	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

In Service/Staff Development	\$ 68	
Total Waste Pickup		\$ 73,613

Other Public Health and Welfare

Other Charges	\$ 570	
Total Other Public Health and Welfare		570

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 22,050	
Maintenance and Repair Services - Buildings	160	
Custodial Supplies	2,496	
Total Senior Citizens Assistance		24,706

Parks and Fair Boards

Supervisor/Director	\$ 7,181	
Overtime Pay	294	
Other Salaries and Wages	10,285	
Social Security	1,101	
Unemployment Compensation	178	
Employer Medicare	258	
Communication	214	
Contributions	22,600	
Maintenance Agreements	180	
Maintenance and Repair Services - Buildings	1,242	
Travel	117	
Other Supplies and Materials	1,112	
Other Charges	692	
Total Parks and Fair Boards		45,454

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$ 60,626	
Other Fringe Benefits	6,761	
Communication	2,002	
Other Contracted Services	67	
Data Processing Equipment	700	
Total Agriculture Extension Service		70,156

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Secretary to Board	\$	21,799	
Other Salaries and Wages		24,701	
Social Security		2,712	
State Retirement		5,445	
Life Insurance		94	
Medical Insurance		11,374	
Disability Insurance		393	
Unemployment Compensation		220	
Employer Medicare		634	
Dues and Memberships		50	
Travel		1,201	
Premiums on Corporate Surety Bonds		100	
In Service/Staff Development		980	
Other Charges		1,771	
Total Soil Conservation	\$		71,474

Other Operations

Industrial Development

Assistant(s)	\$	32,907	
Supervisor/Director		71,219	
Longevity Pay		1,200	
Social Security		6,449	
State Retirement		12,334	
Life Insurance		90	
Medical Insurance		11,836	
Disability Insurance		892	
Unemployment Compensation		290	
Employer Medicare		1,508	
Advertising		2,000	
Audit Services		2,350	
Communication		559	
Contracts with Government Agencies		10,000	
Dues and Memberships		1,045	
Maintenance Agreements		2,074	
Postal Charges		179	
Rentals		482	
Travel		7,981	
Office Supplies		1,821	
Premiums on Corporate Surety Bonds		231	
In Service/Staff Development		1,635	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development (Cont.)

Data Processing Equipment	\$ 1,328	
Land	823,416	
Total Industrial Development		\$ 993,826

Other Economic and Community Development

Contracts with Government Agencies	\$ 97,209	
Other Charges	13,700	
Total Other Economic and Community Development		110,909

Veterans' Services

Supervisor/Director	\$ 15,108	
Social Security	937	
Unemployment Compensation	96	
Employer Medicare	219	
Communication	301	
Postal Charges	88	
Travel	194	
Office Supplies	490	
Total Veterans' Services		17,433

Other Charges

Other Salaries and Wages	\$ 51,883	
Other Fringe Benefits	11,347	
Medical and Dental Services	2,440	
Other Contracted Services	10,500	
Building and Contents Insurance	46,334	
Liability Insurance	52,227	
Medical Claims	47,361	
Trustee's Commission	145,891	
Vehicle and Equipment Insurance	52,706	
Workers' Compensation Insurance	157,842	
Other Self-Insured Claims	18,883	
Other Charges	2,195	
Total Other Charges		599,609

Contributions to Other Agencies

Contributions	\$ 63,126	
Total Contributions to Other Agencies		63,126

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

ARRA Grant # 2

Other Salaries and Wages	\$	16,125	
Social Security		1,000	
Unemployment Compensation		161	
Employer Medicare		234	
Travel		2,814	
Other Contracted Services		17,410	
Total ARRA Grant # 2			\$ 37,744

ARRA Grant # 3

Other Contracted Services	\$	4,867	
Building Construction		19,648	
Total ARRA Grant # 3			24,515

ARRA Grant # 4

Other Salaries and Wages	\$	35,640	
Social Security		2,210	
Unemployment Compensation		307	
Employer Medicare		517	
Travel		1,563	
Other Supplies and Materials		5,232	
Other Equipment		846	
Total ARRA Grant # 4			46,315

ARRA Grant # 5

Other Salaries and Wages	\$	82,504	
Social Security		5,115	
Unemployment Compensation		557	
Employer Medicare		1,196	
Travel		2,612	
Other Supplies and Materials		576	
Other Equipment		22,200	
Total ARRA Grant # 5			114,760

ARRA Grant # 6

Other Contracted Services	\$	8,688	
Total ARRA Grant # 6			8,688

Total General Fund \$ 14,403,527

(Continued)

Exhibit J-7

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

Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

Trustee's Commission	\$ 256	
Total Other Charges		<u>\$ 256</u>

Total Courthouse and Jail Maintenance Fund \$ 256

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Assistant(s)	\$ 29,671	
Supervisor/Director	39,797	
Librarians	22,132	
Longevity Pay	1,680	
Overtime Pay	249	
Other Salaries and Wages	35,177	
Social Security	7,792	
State Retirement	12,016	
Life Insurance	183	
Medical Insurance	23,210	
Disability Insurance	921	
Unemployment Compensation	670	
Employer Medicare	1,822	
Audit Services	3,900	
Communication	924	
Dues and Memberships	90	
Maintenance and Repair Services - Buildings	8,267	
Maintenance and Repair Services - Office Equipment	450	
Travel	743	
Library Books/Media	18,153	
Other Supplies and Materials	4,457	
Other Charges	2,054	
Data Processing Equipment	131	
Total Libraries		<u>\$ 214,489</u>

Other Operations

Other Charges

Utilities	\$ 16,172	
Building and Contents Insurance	2,629	
Trustee's Commission	168	
Total Other Charges		<u>18,969</u>

Total Public Library Fund 233,458

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Laborers	\$	164,632	
Social Security		10,207	
Unemployment Compensation		1,533	
Employer Medicare		2,387	
Communication		5,142	
Maintenance and Repair Services - Buildings		4,200	
Maintenance and Repair Services - Equipment		11,163	
Utilities		11,111	
Other Supplies and Materials		1,081	
Total Convenience Centers			\$ 211,456

Transfer Stations

Supervisor/Director	\$	53,014
Deputy(ies)		32,907
Foremen		29,986
Mechanic(s)		27,207
Equipment Operators - Light		48,901
Truck Drivers		21,987
Laborers		73,137
Educational Incentive - Official/Admin Officer		1,000
Educational Incentive - Other County Employees		1,000
Longevity Pay		6,720
Overtime Pay		4,326
Social Security		18,030
State Retirement		34,759
Life Insurance		515
Medical Insurance		59,911
Disability Insurance		2,734
Unemployment Compensation		1,154
Employer Medicare		4,217
Communication		2,306
Contracts with Government Agencies		397,919
Contracts with Private Agencies		51,986
Dues and Memberships		171
Maintenance Agreements		1,000
Maintenance and Repair Services - Equipment		11,607
Maintenance and Repair Services - Vehicles		677
Postal Charges		44
Travel		817
Diesel Fuel		27,106

(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.)

Gasoline	\$	3,795	
Lubricants		1,662	
Office Supplies		1,627	
Tires and Tubes		9,362	
Uniforms		1,737	
Utilities		3,610	
Vehicle Parts		2,196	
Other Supplies and Materials		10,993	
Solid Waste Equipment		43,227	
Total Transfer Stations			\$ 993,347

Postclosure Care Costs

Contracts with Private Agencies	\$	5,000	
Total Postclosure Care Costs			5,000

Other Operations

Other Charges

Building and Contents Insurance	\$	12,742	
Liability Insurance		14,866	
Trustee's Commission		20,348	
Vehicle and Equipment Insurance		14,866	
Workers' Compensation Insurance		11,508	
Other Charges		343	
Total Other Charges			74,673

Total Solid Waste/Sanitation Fund \$ 1,284,476

Local Purpose Tax Fund

Public Safety

Fire Prevention and Control

Contracts with Government Agencies	\$	2,000	
Maintenance and Repair Services - Vehicles		238	
Other Contracted Services		450,000	
Gasoline		150	
Trustee's Commission		8,671	
Other Charges		3,702	
Total Fire Prevention and Control			\$ 464,761

Total Local Purpose Tax Fund 464,761

(Continued)

Exhibit J-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	5,000	
Maintenance and Repair Services - Vehicles		587	
Other Contracted Services		94	
Animal Food and Supplies		2,401	
Instructional Supplies and Materials		7,159	
Other Supplies and Materials		114	
In Service/Staff Development		55	
Other Charges		5,877	
Law Enforcement Equipment		9,626	
Motor Vehicles		<u>17,423</u>	
Total Drug Enforcement	\$		48,336

Other Operations

Other Charges

Trustee's Commission	\$	<u>302</u>	
Total Other Charges			<u>302</u>

Total Drug Control Fund \$ 48,638

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	<u>4,811</u>	
Total County Trustee's Office			<u>\$ 4,811</u>

Total Constitutional Officers - Fees Fund 4,811

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	70,350	
Assistant(s)		103,358	
Longevity Pay		2,100	
Overtime Pay		1,995	
Other Salaries and Wages		5,560	
Board and Committee Members Fees		18,240	
Social Security		12,436	
State Retirement		21,183	
Life Insurance		187	
Medical Insurance		25,277	

(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.)

Dental Insurance	\$	941	
Disability Insurance		1,578	
Unemployment Compensation		729	
Employer Medicare		2,908	
Other Fringe Benefits		633	
Dues and Memberships		4,163	
Legal Notices, Recording, and Court Costs		643	
Maintenance and Repair Services - Office Equipment		1,915	
Postal Charges		61	
Travel		2,232	
Other Contracted Services		278	
Office Supplies		2,338	
In Service/Staff Development		1,513	
Other Charges		971	
Total Administration			\$ 281,589

Highway and Bridge Maintenance

Foremen	\$	29,766	
Mechanic(s)		24,658	
Equipment Operators - Heavy		84,071	
Equipment Operators - Light		181,485	
Truck Drivers		81,164	
Longevity Pay		12,540	
Overtime Pay		7,536	
Social Security		26,177	
State Retirement		49,176	
Life Insurance		842	
Medical Insurance		102,569	
Dental Insurance		3,800	
Disability Insurance		4,085	
Employer Medicare		6,122	
Other Fringe Benefits		3,110	
Other Contracted Services		6,274	
Asphalt - Cold Mix		16,989	
Crushed Stone		5,721	
General Construction Materials		1,563	
Other Road Supplies		15,462	
Road Signs		23,659	
Small Tools		1,450	
Other Supplies and Materials		2,199	
Total Highway and Bridge Maintenance			690,418

(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

Foremen	\$	30,653	
Longevity Pay		1,200	
Overtime Pay		1,201	
Other Salaries and Wages		25,145	
Social Security		3,615	
State Retirement		6,414	
Life Insurance		90	
Medical Insurance		12,105	
Dental Insurance		451	
Disability Insurance		446	
Employer Medicare		845	
Other Fringe Benefits		348	
Maintenance and Repair Services - Buildings		641	
Maintenance and Repair Services - Equipment		11,619	
Diesel Fuel		65,005	
Equipment and Machinery Parts		49,964	
Garage Supplies		16,518	
Gasoline		21,961	
Lubricants		8,332	
Small Tools		968	
Tires and Tubes		13,586	
Total Operation and Maintenance of Equipment			\$ 271,107

Quarry Operations

Foremen	\$	29,993
Equipment Operators - Light		41,381
Longevity Pay		840
Other Salaries and Wages		3,496
Social Security		4,654
State Retirement		8,860
Life Insurance		47
Medical Insurance		18,008
Dental Insurance		672
Disability Insurance		264
Employer Medicare		1,089
Other Fringe Benefits		218
Communication		1,586
Engineering Services		2,465
Explosive and Drilling Services		10,124
Operating Lease Payments		16,800

(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.)

Maintenance and Repair Services - Buildings	\$	704	
Maintenance and Repair Services - Equipment		13,924	
Diesel Fuel		13,875	
Electricity		33,208	
Equipment and Machinery Parts		46,742	
Garage Supplies		5,093	
Lubricants		941	
Tires and Tubes		1,672	
Water and Sewer		936	
Total Quarry Operations			\$ 257,592

Other Charges

Other Fringe Benefits	\$	533	
Communication		4,718	
Medical and Dental Services		250	
Disposal Fees		2,610	
Permits		2,762	
Uniforms		7,569	
Utilities		15,018	
Building and Contents Insurance		23,168	
Liability Insurance		27,029	
Medical Claims		45,688	
Premiums on Corporate Surety Bonds		822	
Trustee's Commission		26,152	
Vehicle and Equipment Insurance		27,029	
Workers' Compensation Insurance		19,037	
Other Self-Insured Claims		6,132	
Other Charges		3,961	
Total Other Charges			212,478

Capital Outlay

Engineering Services	\$	1,200	
Building Improvements		5,325	
Communication Equipment		8,976	
Highway Construction		105,347	
Highway Equipment		183,021	
State Aid Projects		202,708	
Other Equipment		13,681	
Other Construction		3,615	
Other Capital Outlay		29,203	
Total Capital Outlay			553,076

(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	\$ 10,911	
Total Highways and Streets		\$ 10,911

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$ 2,803	
Total Highways and Streets		<u>2,803</u>

Total Highway/Public Works Fund		\$ 2,279,974
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General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 1,195,000	
Principal on Notes	4,295	
Total General Government		\$ 1,199,295

Interest on Debt

General Government

Interest on Bonds	\$ 441,024	
Interest on Notes	3,212	
Total General Government		444,236

Other Debt Service

General Government

Trustee's Commission	\$ 18,062	
Other Debt Issuance Charges	7,000	
Total General Government		<u>25,062</u>

Total General Debt Service Fund		1,668,593
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Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 2,380,000	
Total Education		\$ 2,380,000

Interest on Debt

Education

Interest on Bonds	\$ 861,152	
Total Education		861,152

(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	\$ 41,419	
Other Debt Issuance Charges	250	
Other Debt Service	482	
Total Education	<u>482</u>	\$ <u>42,151</u>

Total Education Debt Service Fund \$ 3,283,303

Other Capital Projects Fund

Capital Projects

Administration of Justice Projects

Other Contracted Services	\$ 70,524	
Other Charges	117,544	
Building Construction	1,866,521	
Total Administration of Justice Projects	<u>1,866,521</u>	\$ <u>2,054,589</u>

Total Other Capital Projects Fund 2,054,589

Total Governmental Funds - Primary Government \$ 25,726,386

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, 2010

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 12,413,684	
Career Ladder Program	165,092	
Career Ladder Extended Contracts	71,070	
Homebound Teachers	16,248	
Educational Assistants	524,625	
Other Salaries and Wages	73,865	
Certified Substitute Teachers	96,917	
Non-certified Substitute Teachers	135,954	
Social Security	795,290	
State Retirement	878,654	
Medical Insurance	1,835,358	
Disability Insurance	4,962	
Unemployment Compensation	20,200	
Employer Medicare	186,764	
Tuition	333,899	
Other Contracted Services	84,968	
Instructional Supplies and Materials	464,166	
Textbooks	326,243	
Other Supplies and Materials	6,694	
Other Charges	9,165	
Regular Instruction Equipment	212,164	
Total Regular Instruction Program		\$ 18,655,982

Alternative Instruction Program

Teachers	\$ 98,249	
Career Ladder Program	2,000	
Certified Substitute Teachers	295	
Non-certified Substitute Teachers	110	
Social Security	6,094	
State Retirement	6,470	
Medical Insurance	10,928	
Employer Medicare	1,428	
Other Contracted Services	756	
Total Alternative Instruction Program		126,330

Special Education Program

Teachers	\$ 2,027,062
Career Ladder Program	20,999
Homebound Teachers	32,941

(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.)

Educational Assistants	\$	189,484	
Other Salaries and Wages		21,729	
Certified Substitute Teachers		2,250	
Non-certified Substitute Teachers		26,311	
Social Security		138,389	
State Retirement		157,848	
Medical Insurance		313,769	
Disability Insurance		1,557	
Unemployment Compensation		2,011	
Employer Medicare		32,372	
Contracts with Private Agencies		251,308	
Maintenance and Repair Services - Equipment		17,645	
Other Contracted Services		2,850	
Instructional Supplies and Materials		54,952	
Special Education Equipment		32,489	
Total Special Education Program			\$ 3,325,966

Vocational Education Program

Teachers	\$	1,003,010	
Career Ladder Program		9,500	
Certified Substitute Teachers		8,967	
Non-certified Substitute Teachers		15,850	
Social Security		60,741	
State Retirement		65,003	
Medical Insurance		154,934	
Employer Medicare		14,330	
Instructional Supplies and Materials		33,313	
Textbooks		4,894	
Other Supplies and Materials		320	
Other Charges		1,245	
Vocational Instruction Equipment		26,158	
Total Vocational Education Program			1,398,265

Student Body Education Program

Other Salaries and Wages	\$	19,783
Social Security		1,227
State Retirement		444
Employer Medicare		283
Other Contracted Services		57,515

(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	\$	7,315	
Other Charges		4,164	
Total Student Body Education Program			\$ 90,731

Adult Education Program

Teachers	\$	6,192	
Social Security		304	
State Retirement		184	
Employer Medicare		90	
Instructional Supplies and Materials		1,765	
Total Adult Education Program			8,535

Support Services

Attendance

Clerical Personnel	\$	86,505	
Other Salaries and Wages		38,096	
Non-certified Substitute Teachers		55	
Social Security		7,544	
State Retirement		14,620	
Medical Insurance		27,113	
Disability Insurance		1,093	
Employer Medicare		1,759	
Travel		283	
Other Contracted Services		14,663	
Other Supplies and Materials		531	
In Service/Staff Development		880	
Attendance Equipment		1,466	
Total Attendance			194,608

Health Services

Medical Personnel	\$	134,020	
Social Security		7,619	
State Retirement		15,642	
Medical Insurance		14,040	
Disability Insurance		1,138	
Employer Medicare		1,782	
Travel		96	
Total Health Services			174,337

(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		649,427	
Assessment Personnel		8,767	
Secretary(ies)		53,351	
School Resource Officer		52,200	
Other Salaries and Wages		49,074	
Certified Substitute Teachers		1,380	
Non-certified Substitute Teachers		612	
Social Security		46,785	
State Retirement		52,201	
Medical Insurance		71,649	
Disability Insurance		626	
Employer Medicare		10,942	
Evaluation and Testing		51,802	
Total Other Student Support			\$ 1,055,816

Regular Instruction Program

Supervisor/Director	\$	117,639	
Career Ladder Program		12,000	
Librarians		583,937	
Clerical Personnel		16,102	
Educational Assistants		61,363	
Certified Substitute Teachers		480	
In-Service Training		2,200	
Non-certified Substitute Teachers		6,622	
Social Security		48,055	
State Retirement		55,120	
Medical Insurance		89,196	
Disability Insurance		712	
Employer Medicare		11,242	
Travel		13,553	
Office Supplies		302	
Other Supplies and Materials		1,755	
In Service/Staff Development		25,595	
Other Equipment		155	
Total Regular Instruction Program			1,046,028

Special Education Program

Supervisor/Director	\$	73,557	
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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	
Psychological Personnel		1,326	
Clerical Personnel		82,192	
Social Security		9,670	
State Retirement		14,551	
Medical Insurance		15,047	
Disability Insurance		736	
Employer Medicare		2,252	
Travel		16,062	
Other Supplies and Materials		16,966	
In Service/Staff Development		12,670	
Other Charges		3,911	
Total Special Education Program	\$		249,940

Vocational Education Program

Secretary(ies)	\$	35,270	
Other Salaries and Wages		2,462	
Social Security		2,206	
State Retirement		4,161	
Medical Insurance		5,656	
Disability Insurance		317	
Employer Medicare		542	
Maintenance and Repair Services - Equipment		2,449	
Travel		1,533	
Other Contracted Services		618	
In Service/Staff Development		625	
Total Vocational Education Program			55,839

Adult Programs

Supervisor/Director	\$	67,504	
Other Salaries and Wages		25,686	
Social Security		5,778	
State Retirement		7,364	
Medical Insurance		10,350	
Disability Insurance		230	
Employer Medicare		1,347	
In Service/Staff Development		892	
Other Charges		250	
Total Adult Programs			119,401

(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	\$ 120,689	
Total Other Programs		\$ 120,689

Board of Education

Secretary to Board	\$ 1,556	
Board and Committee Members Fees	31,200	
Social Security	2,030	
State Retirement	182	
Employer Medicare	475	
Other Fringe Benefits	76,735	
Audit Services	16,848	
Dues and Memberships	17,400	
Legal Services	29,922	
Other Contracted Services	7,514	
Other Supplies and Materials	2,515	
Liability Insurance	132,944	
Premiums on Corporate Surety Bonds	175	
Trustee's Commission	285,388	
Workers' Compensation Insurance	253,205	
In Service/Staff Development	4,078	
Criminal Investigation of Applicants - TBI	7,500	
Other Charges	5,498	
Total Board of Education		875,165

Director of Schools

County Official/Administrative Officer	\$ 109,550
Assistant(s)	77,938
Career Ladder Program	1,600
Clerical Personnel	27,871
Social Security	13,170
State Retirement	15,428
Medical Insurance	13,811
Disability Insurance	1,079
Employer Medicare	3,076
Communication	41,135
Dues and Memberships	2,435
Maintenance and Repair Services - Equipment	1,990
Postal Charges	3,957
Travel	1,308

(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	\$	1,779	
Office Supplies		7,068	
Other Supplies and Materials		106	
In Service/Staff Development		1,373	
Other Charges		12,767	
Administration Equipment		6,764	
Total Director of Schools			\$ 344,205

Office of the Principal

Principals	\$	752,626	
Career Ladder Program		21,333	
Assistant Principals		493,314	
Secretary(ies)		362,743	
Other Salaries and Wages		44,458	
Certified Substitute Teachers		700	
Non-certified Substitute Teachers		2,508	
Social Security		99,658	
State Retirement		127,336	
Medical Insurance		208,359	
Disability Insurance		3,476	
Employer Medicare		23,703	
Total Office of the Principal			2,140,214

Human Services/Personnel

Clerical Personnel	\$	66,656	
Social Security		4,133	
State Retirement		7,863	
Medical Insurance		5,183	
Disability Insurance		580	
Employer Medicare		956	
Other Contracted Services		1,665	
Office Supplies		88	
In Service/Staff Development		1,034	
Administration Equipment		1,748	
Total Human Services/Personnel			89,906

Operation of Plant

Guards	\$	24,558	
Custodial Personnel		859,940	

(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.)

Other Salaries and Wages	\$	84,199	
Non-certified Substitute Teachers		10,060	
Social Security		58,478	
State Retirement		100,868	
Medical Insurance		159,291	
Disability Insurance		7,643	
Unemployment Compensation		4,047	
Employer Medicare		13,888	
Disposal Fees		29,903	
Other Contracted Services		851	
Custodial Supplies		150,251	
Electricity		1,457,641	
Natural Gas		153,413	
Water and Sewer		115,117	
Other Supplies and Materials		318	
Boiler Insurance		9,572	
Building and Contents Insurance		175,013	
Other Charges		6,122	
Plant Operation Equipment		18,375	
Total Operation of Plant			\$ 3,439,548

Maintenance of Plant

Supervisor/Director	\$	53,686
Secretary(ies)		24,558
Maintenance Personnel		518,886
Other Salaries and Wages		6,265
Social Security		35,665
State Retirement		67,117
Medical Insurance		89,364
Disability Insurance		5,585
Employer Medicare		8,267
Communication		2,336
Laundry Service		8,973
Maintenance and Repair Services - Buildings		522,495
Maintenance and Repair Services - Equipment		2,589
Maintenance and Repair Services - Vehicles		17,530
Other Contracted Services		73,822
Gasoline		12,631
Other Supplies and Materials		2,020

(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		1,069	
Maintenance Equipment		9,800	
Total Maintenance of Plant			\$ 1,462,676

Transportation

Supervisor/Director	\$	39,954	
Bus Drivers		180,663	
Other Salaries and Wages		3,258	
Non-certified Substitute Teachers		3,865	
Social Security		13,782	
State Retirement		24,122	
Medical Insurance		40,335	
Disability Insurance		1,558	
Employer Medicare		3,237	
Communication		4,112	
Contracts with Vehicle Owners		1,345,202	
Maintenance and Repair Services - Vehicles		108,937	
Travel		4	
Other Contracted Services		10,723	
Gasoline		46,947	
Other Supplies and Materials		9,113	
Vehicle and Equipment Insurance		21,600	
In Service/Staff Development		1,595	
Other Charges		2,071	
Administration Equipment		291	
Transportation Equipment		80,000	
Total Transportation			1,941,369

Central and Other

Supervisor/Director	\$	82,396	
Clerical Personnel		35,270	
Other Salaries and Wages		175,535	
Social Security		16,996	
State Retirement		34,517	
Medical Insurance		31,545	
Disability Insurance		2,640	
Employer Medicare		3,942	
Other Fringe Benefits		5,379	

(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.)

Data Processing Services	\$	11,561	
Travel		2,151	
Other Supplies and Materials		18,969	
In Service/Staff Development		2,226	
Other Charges		1,100	
Other Equipment		13,001	
Total Central and Other			\$ 437,228

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	442	
Career Ladder Program		2,000	
Clerical Personnel		884	
Cafeteria Personnel		32,985	
Social Security		2,238	
State Retirement		3,602	
Employer Medicare		527	
Food Preparation Supplies		73	
Food Supplies		21,540	
Food Service Equipment		25,247	
Total Food Service			89,538

Community Services

Supervisor/Director	\$	117,300	
Teachers		50,902	
Other Salaries and Wages		250,891	
Social Security		25,687	
State Retirement		27,090	
Medical Insurance		19,014	
Disability Insurance		771	
Employer Medicare		5,997	
Communication		860	
Travel		5,595	
Other Contracted Services		1,651	
Food Supplies		8,798	
Other Supplies and Materials		132,967	
In Service/Staff Development		14,371	
Other Charges		97,879	
Total Community Services			759,773

(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

Supervisor/Director	\$	33,218	
Teachers		513,303	
Educational Assistants		284,051	
Other Salaries and Wages		15,660	
Certified Substitute Teachers		492	
Non-certified Substitute Teachers		6,078	
Social Security		50,448	
State Retirement		70,196	
Medical Insurance		134,539	
Disability Insurance		2,587	
Employer Medicare		11,798	
Travel		1,058	
Other Contracted Services		1,468	
Other Supplies and Materials		87,012	
In Service/Staff Development		9,064	
Other Charges		195	
Other Equipment		<u>52,164</u>	
Total Early Childhood Education			\$ 1,273,331

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	<u>761,388</u>	
Total Regular Capital Outlay			761,388

Principal on Debt

Education

Principal on Notes	\$	25,000	
Principal on Capital Leases		<u>20,011</u>	
Total Education			45,011

Interest on Debt

Education

Interest on Notes	\$	3,046	
Interest on Capital Leases		<u>1,588</u>	
Total Education			4,634

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	<u>760,000</u>	
Total Education			<u>760,000</u>

Total General Purpose School Fund \$ 41,046,453

(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	\$	716,863	
Educational Assistants		66,164	
Certified Substitute Teachers		2,300	
Non-certified Substitute Teachers		9,860	
Social Security		46,834	
State Retirement		52,293	
Medical Insurance		113,490	
Disability Insurance		137	
Employer Medicare		11,039	
Other Fringe Benefits		372	
Maintenance and Repair Services - Equipment		22,852	
Instructional Supplies and Materials		54,928	
Other Supplies and Materials		1,771	
Other Charges		5,507	
Regular Instruction Equipment		184,838	
Total Regular Instruction Program			\$ 1,289,248

Special Education Program

Teachers	\$	177,116	
Educational Assistants		561,481	
Certified Substitute Teachers		1,335	
Non-certified Substitute Teachers		17,338	
Social Security		43,718	
State Retirement		77,028	
Medical Insurance		174,858	
Disability Insurance		4,481	
Employer Medicare		10,242	
Other Fringe Benefits		256	
Instructional Supplies and Materials		2,005	
Other Supplies and Materials		90	
Special Education Equipment		278,945	
Total Special Education Program			1,348,893

Vocational Education Program

Other Supplies and Materials	\$	44,000	
Vocational Instruction Equipment		37,099	
Total Vocational Education Program			81,099

(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

Health Services

Medical Personnel	\$	178,192	
Non-certified Substitute Teachers		1,148	
Social Security		10,977	
State Retirement		20,866	
Medical Insurance		14,467	
Disability Insurance		1,325	
Employer Medicare		2,567	
Other Fringe Benefits		252	
Total Health Services			\$ 229,794

Other Student Support

Other Salaries and Wages	\$	222	
Social Security		14	
State Retirement		14	
Employer Medicare		3	
Evaluation and Testing		26,220	
Maintenance and Repair Services - Equipment		25,700	
Travel		7,000	
Other Contracted Services		1,000	
Other Supplies and Materials		1,691	
In Service/Staff Development		6,280	
Other Charges		12,137	
Total Other Student Support			80,281

Regular Instruction Program

Supervisor/Director	\$	60,546	
Social Security		3,490	
State Retirement		3,887	
Medical Insurance		7,339	
Employer Medicare		816	
Communication		39,692	
Consultants		30,300	
Maintenance and Repair Services - Equipment		2,240	
Travel		3,770	
Library Books/Media		37	
Periodicals		26	
In Service/Staff Development		71,049	
Total Regular Instruction Program			223,192

(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.)

Special Education Program

Psychological Personnel	\$	153,157	
Social Security		9,231	
State Retirement		9,833	
Medical Insurance		19,101	
Employer Medicare		2,159	
Other Supplies and Materials		92,868	
In Service/Staff Development		36,175	
Other Equipment		<u>7,552</u>	
Total Special Education Program	\$		330,076

Transportation

Transportation Equipment	\$	<u>283,935</u>	
Total Transportation			283,935

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	4,815	
Non-certified Substitute Teachers		55	
Social Security		17	
Employer Medicare		71	
Other Supplies and Materials		150	
In Service/Staff Development		1,856	
Other Charges		<u>58</u>	
Total Community Services			<u>7,022</u>

Total School Federal Projects Fund \$ 3,873,540

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	77,189
Clerical Personnel		58,205
Cafeteria Personnel		865,300
Other Salaries and Wages		41,514
In-Service Training		750
Social Security		60,728
State Retirement		111,809
Medical Insurance		231,371
Disability Insurance		8,435

(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.)

Unemployment Compensation	\$	3,301	
Employer Medicare		14,360	
Communication		4,460	
Maintenance and Repair Services - Equipment		8,521	
Travel		6,444	
Other Contracted Services		8,550	
Food Preparation Supplies		13,381	
Food Supplies		1,182,784	
Office Supplies		5,321	
USDA - Commodities		240,267	
Other Supplies and Materials		40,287	
In Service/Staff Development		16,585	
Other Charges		1,291	
Food Service Equipment		91,737	
Total Food Service			\$ 3,092,590

Total Central Cafeteria Fund \$ 3,092,590

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$	13,875	
Consultants		46,090	
Building Construction		67,193	
Building Improvements		1,316,700	
Food Service Equipment		59,195	
Maintenance Equipment		5,784	
Regular Instruction Equipment		384,118	
Total Education Capital Projects			\$ 1,892,955

Total Education Capital Projects Fund 1,892,955

Total Governmental Funds - Franklin County School Department \$ 49,905,538

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, 2010

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,783,997
Total Cash Receipts	<u>\$ 2,783,997</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 2,756,157
Trustee's Commission	27,840
Total Cash Disbursements	<u>\$ 2,783,997</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2009	<u>0</u>
 Cash Balance, June 30, 2010	 <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 20, 2011

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, 2010, which collectively comprise Franklin County's basic financial statements and have issued our report thereon dated January 20, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 Franklin County Emergency Communications District, a discretely presented component unit, 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency in internal control over financial reporting: 10.04. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### Compliance and Other Matters

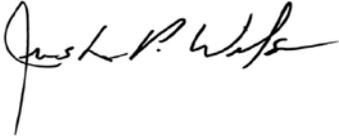
As part of obtaining reasonable assurance about whether Franklin County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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: 10.01, 10.02, and 10.03.

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

Franklin County's response to a best practice 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 the response.

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



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 20, 2011

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, 2010. 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, 2010.

#### 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Franklin County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

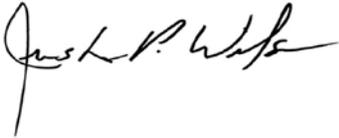
#### Schedule of Expenditures of Federal Awards

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, 2010, and have issued our report thereon dated January 20, 2011. 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 a best practice 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 the response.

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 end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

Franklin County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2010

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	\$ 240,267 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	391,919
National School Lunch Program	10.555	N/A	1,329,323 (3)
Child Nutrition Discretionary Grants Limited Availability, ARRA	10.579	N/A	25,247
Fresh Fruit and Vegetable Program	10.582	(2)	25,896
Total U.S. Department of Agriculture			\$ 2,012,652
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant/State's Program	14.228	GG-10-31483-00	\$ 13,700
Total U.S. Department of Housing and Urban Development:			\$ 13,700
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 4,018
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(4)	87,205
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	(5)	84,777
Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	16.810	(6)	139,275
Total U.S. Department of Justice			\$ 315,275
U.S. Department of Labor:			
Passed-through Workforce Solutions:			
WIA Youth Activities	17.259	(2)	\$ 68,320
Passed-through State Department of Labor and Workforce Development:			
WIA Dislocated Workers, ARRA	17.260	(2)	15,580
Passed-through Valley Innovation Alliance:			
WIA Pilots, Demonstrations, and Research Projects, ARRA	17.261	(2)	26,114
Total U.S. Department of Labor:			\$ 110,014
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	BRZE-2600(37)	\$ 106,480
State and Community Highway Safety	20.600	Z-08-200127-00	4,533
Alcohol Open Container Requirements	20.607	(2)	24,015
Total U.S. Department of Transportation			\$ 135,028
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 83,693
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,026,879
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	235,571
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,410,151
Special Education - Preschool Grants	84.173	N/A	44,491
Special Education - Grants to States, Recovery Act	84.391	N/A	436,699
Special Education - Preschool Grants, Recovery Act	84.392	N/A	172
Career and Technical Education - Basic Grants to States	84.048	N/A	94,099
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	13,061
State Grants for Innovative Programs	84.298	(2)	114

(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 Education (Cont.):			
Passed-through State Department of Education (Cont.):			
Educational Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	\$ 186,897
Education Technology State Grants, Recovery Act	84.386	(2)	27,107
Improving Teacher Quality State Grants	84.367	(2)	96,966
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	(2)	1,083,800
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	(2)	279,662
Total U.S. Department of Education			<u>\$ 5,019,362</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	(2)	\$ 97,965
Drug-free Communities Support Program Grants	93.276	(2)	76,942
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(2)	48,731
Total U.S. Department of Health and Human Services			<u>\$ 223,638</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 4,910
Emergency Management Performance Grants	97.042	(2)	29,000
Homeland Security Grant Program	97.067	GG-08-24156-00	131,078
Total U.S. Department of Homeland Security			<u>\$ 164,988</u>
Total Expenditures of Federal Awards			<u>\$ 7,994,657</u>
		<u>Contract Number</u>	
<u>State Grants</u>			
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 11,960
Juvenile Services Program - State Department of Children's Services	N/A	(2)	9,000
Litter Program - State Department of Transportation	N/A	(2)	36,851
Rural Local Health Services - State Department of Health	N/A	(2)	129,938
Drug Court - State Department of Finance and Administration	N/A	(2)	8,688
Spay/Neuter Grant - State Department of Agriculture	N/A	(2)	540
Energy Efficient Schools Initiative - State Department of Education	N/A	(2)	128,380
Early Childhood Education - State Department of Education	N/A	(2)	1,087,272
Library Technology Grant - State Library and Archives	N/A	(2)	1,300
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	16,285
Total State Grants			<u>\$ 1,430,214</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 \$1,569,590.
- (4) Z-06-027525-00: \$69,793; Z-06-027519-00: \$17,412.
- (5) 3581: \$38,464; 3584: \$46,313.
- (6) 2009-SB-B9-0841: \$24,515; 2009-SD-B9-0042: \$114,760.

Franklin County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2010

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, 2009, which have not been corrected.

**OFFICE OF DIRECTOR OF SCHOOLS**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.04	205	Collections for the Extended School Program were not deposited within three days of collection

**OTHER FINDING**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.08	207	Duties were not segregated adequately in the Offices of 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, 2010**

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**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 one significant deficiency in internal control. This deficiency was not 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 no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); the Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, Special Education – Grants to States, and Recovery Act, Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); and the State Fiscal Stabilization Cluster: State Fiscal Stabilization Funds (SFSF) – Education State Grants, Recovery Act and State Fiscal Stabilization Funds (SFSF) – Governmental Services, Recovery Act (CFDA Nos. 84.394 and 84.397) 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 finance director provided a written response to the best practice, which is paraphrased in this report.

### **OFFICE OF SUPERINTENDENT OF HIGHWAYS**

**FINDING 10.01      A COUNTY ROAD LIST WAS NOT SUBMITTED TO THE COUNTY COMMISSION FOR APPROVAL**  
(Noncompliance Under Government Auditing Standards)

A summary of changes in the county road list from the prior year was submitted to the County Commission for approval; however, a list of all county roads was not submitted. Section 54-10-103, Tennessee Code Annotated, requires the superintendent of highways to submit a list of county roads to the County Commission for approval at the January session each year. This list must include the classification, width and distance of each county-maintained road, as well as a summary of changes from the prior year that provides the road name, date the change was approved by the County Commission, and the reason for the change. Highway Department officials need a current approved list of county roads to determine which roads the department is authorized to work.

#### **RECOMMENDATION**

The superintendent of highways should submit to the County Commission a list of county roads that includes the classification, width and distance of each road, and a summary of changes as required by state statute.

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### **OFFICE OF DIRECTOR OF SCHOOLS**

**FINDING 10.02      THE EXTENDED SCHOOL PROGRAM DID NOT DEPOSIT SOME COLLECTIONS WITHIN THREE DAYS OF RECEIPT**  
(Noncompliance Under Government Auditing Standards)

In some instances, collections of the Extended School Program were not deposited with the county trustee within three days of receipt. Section 5-8-207, Tennessee Code Annotated, requires county officials to deposit public funds within three days of receiving the funds. This 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 fraud and abuse.

#### **RECOMMENDATION**

The Extended School Program should deposit all funds with the county trustee within three days of collection as required by state statute.

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**OFFICE OF SHERIFF**

**FINDING 10.03      **SOME COLLECTIONS WERE NOT DEPOSITED WITHIN THREE DAYS OF RECEIPT**  
(Noncompliance Under Government Auditing Standards)**

In some instances, collections were not deposited to the office bank account within three days of receipt. Section 5-8-207, Tennessee Code Annotated, requires county officials to deposit public funds within three days of receiving the funds. This deficiency is the result of a lack of oversight and is a deficiency in internal controls that increases the risks of fraud and abuse.

**RECOMMENDATION**

The sheriff should ensure that all funds are deposited to the office bank account within three days of collection as required by state statute.

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**OTHER FINDING AND RECOMMENDATION**

**FINDING 10.04      **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF 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 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.

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## **BEST PRACTICE**

### **AN AUDIT COMMITTEE HAS NOT BEEN ESTABLISHED**

Franklin County does not have an Audit Committee. Sound business practices dictate that establishing an Audit Committee would significantly improve management oversight and accountability. The absence of an Audit Committee has been a management decision by the County Commission. The Division of County Audit strongly believes that an Audit Committee is a best practice that should be adopted to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

### **MANAGEMENT'S RESPONSE – FINANCE DIRECTOR**

On October 5, 2010, the Finance Committee recommended to the County Commission that an Audit Committee be created. The County Commission will view a resolution on January 18, 2011, to create an Audit Committee.

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

There were no findings and questioned costs for federal programs.

**FRANKLIN COUNTY, TENNESSEE**  
**AUDITEE REPORTING RESPONSIBILITIES**  
**For the Year Ended June 30, 2010**

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

**Office of Director of Schools – Summary Schedule of Prior-Year's Findings**

**FINDINGS 09.05 and 09.09**

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.