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



**FOR THE YEAR ENDED JUNE 30, 2012**



**ANNUAL FINANCIAL REPORT  
FRANKLIN COUNTY, TENNESSEE  
FOR THE YEAR ENDED JUNE 30, 2012**

***COMPTROLLER OF THE TREASURY  
JUSTIN P. WILSON***

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

***CARL LOWE, CGFM  
Audit Manager***

***MICHAEL FORD, CPA, CGFM  
Auditor 4***

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

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

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## FRANKLIN COUNTY, TENNESSEE

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***Audit Highlights***  
Annual Financial Report  
Franklin County, Tennessee  
For the Year Ended June 30, 2012

***Scope***

We have audited the basic financial statements of Franklin County as of and for the year ended June 30, 2012.

***Results***

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

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

***Findings***

The following are summaries of the audit findings:

**OFFICE OF FINANCE DEPARTMENT**

- ◆ The actual beginning fund balances of the General Purpose School and Central Cafeteria funds differed from the estimated beginning fund balances by material amounts.
- ◆ The office did not follow the county's fund balance policy for the General Fund.

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**OFFICE OF DIRECTOR OF SCHOOLS**

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

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**OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

- ◆ The accounting software did not identify the user who processed transactions.
-

## **OFFICE OF CLERK AND MASTER**

- ◆ The accounting software did not identify the user who processed transactions.

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## **PROBATION DEPARTMENT AND OFFICES OF COUNTY CLERK AND SHERIFF**

- ◆ Duties were not segregated adequately.

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# INTRODUCTORY SECTION

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# Franklin County Officials

## June 30, 2012

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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  
Phillip Custer, County Clerk  
Robert Baggett, 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  
Dr. Sherwood Ebey  
David Eldridge  
Barbara Finney  
Angie Fuller

Douglas Goodman  
Sue Hill  
Johnny Hughes  
John Page  
Scottie Riddle  
Jean Snead  
Charles Stines  
Bub Wilkenson

### **Highway Commission**

Clyde Hill, Jr., Chairman  
Bobby Clark

Joe McBee  
Chuck Tipps

### **Board of Education**

Chris Guess, Chairman  
James Caroland  
Betty Jo Drummond  
Christine Hopkins

Mike Holmes  
Christopher McDonough  
Cleijo Walker  
Lance Williams

(Continued)

## Franklin County Officials (Cont.)

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### **Financial Management Committee**

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

Anthony DeMatteo  
David Eldridge  
Sue Hill

### **Audit Committee**

Glen Seaton, Chairman  
Margaret Lynch  
Glen Glasner

Ron Schlagheck  
Becky Sherman

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**FINANCIAL SECTION**

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
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INDEPENDENT AUDITOR'S REPORT

October 8, 2012

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, 2012, 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 2.39 percent and 1.46 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 audit 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, 2012, 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 October 8, 2012, 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.

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 65 through 73 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 financial statements as a whole. 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 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance 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 extending downwards from the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

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# **BASIC FINANCIAL STATEMENTS**

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Exhibit A

Franklin County, Tennessee  
Statement of Net Assets  
June 30, 2012

	Primary Governmental Activities	Component Units	
		Franklin County School Department	Franklin County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 1,755	\$ 1,634	\$ 1,375,251
Equity in Pooled Cash and Investments	10,372,577	8,198,499	0
Accounts Receivable	53,174	36,944	21,481
Due from Other Governments	1,415,000	603,239	0
Property Taxes Receivable	11,700,024	9,719,143	0
Allowance for Uncollectible Property Taxes	(458,568)	(378,871)	0
Prepaid Items	458,576	3,975	0
Deferred Charges - Debt Issuance Costs	156,590	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	28,423,988	5,451,186	0
Construction in Progress	163,563	0	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	13,029,444	37,264,483	0
Other Capital Assets	2,382,307	3,357,560	173,447
Infrastructure	12,079,626	0	0
Total Assets	<u>\$ 79,778,056</u>	<u>\$ 64,257,792</u>	<u>\$ 1,570,179</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 78,861	\$ 87,103	\$ 275
Accrued Payroll	200,905	72,933	0
Payroll Deductions Payable	80,837	0	0
Due to State of Tennessee	3,745	0	0
Accrued Interest Payable	272,492	6,181	0
Deferred Revenue - Current Property Taxes	10,822,974	9,012,871	0
Noncurrent Liabilities:			
Due Within One Year	4,594,087	341,714	66,379
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	29,445,067	4,326,560	94,037
Total Liabilities	<u>\$ 45,498,968</u>	<u>\$ 13,847,362</u>	<u>\$ 160,691</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt Restricted for:	\$ 45,362,971	\$ 44,954,070	\$ 13,031
General Purposes	6,318,383	1,138,435	0
Courthouse and Jail Maintenance	34,116	0	0
Public Library	166,046	0	0
Solid Waste/Sanitation	57,217	0	0
Local Purpose	155,930	0	0
Drug Control	44,188	0	0
Highway/Public Works	761,515	0	0
School Federal Projects	0	17,802	0
Central Cafeteria	0	1,392,533	0
Debt Service	4,019,901	0	0
Capital Projects	0	0	0
Unrestricted	(22,641,179)	2,907,590	1,396,457
Total Net Assets	<u>\$ 34,279,088</u>	<u>\$ 50,410,430</u>	<u>\$ 1,409,488</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, 2012

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	Franklin County School Department	Franklin County Emergency Communications District													
Primary Government:																				
Governmental Activities:																				
General Government	\$ 2,595,859	\$ 321,224	\$ 145,473	\$ 331,826	\$ (1,797,336)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,863,093	933,248	7,780	0	(922,065)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administration of Justice	1,698,566	1,042,112	9,465	0	(646,989)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Public Safety	6,982,031	878,329	972,990	165,886	(4,964,826)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Public Health and Welfare	1,881,006	217,239	251,638	0	(1,412,129)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Social, Cultural, and Recreational Services	303,653	18,706	32,459	0	(252,488)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Agriculture and Natural Resources	169,050	0	0	0	(169,050)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Operations	1,015,105	0	0	44,163	(970,942)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Highways/Public Works	3,238,655	3,549	1,921,957	182,881	(1,130,268)	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	1,251,487	0	0	0	(1,251,487)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Debt Service	99,843	0	0	0	(99,843)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Primary Government	\$ 21,098,349	\$ 3,414,407	\$ 3,341,762	\$ 1,484,756	\$ (12,857,424)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:																				
Franklin County School Department	\$ 51,062,142	\$ 1,565,968	\$ 6,815,196	\$ 197,726	\$ 0	\$ (42,483,252)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Franklin County Emergency Communications District	333,806	418,660	303,860	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	388,714
Total Component Units	\$ 51,395,948	\$ 1,984,628	\$ 7,119,056	\$ 197,726	\$ 0	\$ (42,483,252)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 388,714

(Continued)

Exhibit B

Franklin County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Component Units		Net (Expense) Revenue and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Franklin County		
				Primary Government Total	Franklin County School Department	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 9,082,009	\$ 9,565,171	\$ 0
Property Taxes Levied for Debt Service				2,316,969	0	0
Local Option Sales Taxes				332,252	3,988,629	0
Hotel/Motel Tax				94,467	0	0
Litigation Tax - General				218,045	0	0
Litigation Tax - Jail, Workhouse, or Courthouse				166,261	0	0
Business Tax				283,870	0	0
Mineral Severance Tax				36,351	0	0
Wholesale Beer Tax				208,988	0	0
Other Local Taxes				2,197	2,286	0
Grants and Contributions Not Restricted to Specific Programs				1,961,651	26,664,463	0
Unrestricted Investment Earnings				134,183	5,589	5,231
Miscellaneous				116,192	140,960	0
Sale of Equipment				23,701	50,849	0
Total General Revenues				\$ 14,977,136	\$ 40,417,947	\$ 5,231
Insurance Recovery				\$ 26,888	\$ 12,386	\$ 0
Change in Net Assets				\$ 2,146,600	\$ (2,052,919)	\$ 393,945
Net Assets, July 1, 2011				32,132,488	52,463,349	1,015,543
Net Assets, June 30, 2012				\$ 34,279,088	\$ 50,410,430	\$ 1,409,488

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, 2012

	Major Funds			Nonmajor	Total
	General	Highway /	Education	Other	
		Public	Debt	Govern-	
	Works	Service	mental	mental	
			Funds	Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,755	\$ 1,755
Equity in Pooled Cash and Investments	5,807,492	529,244	2,379,210	1,656,631	10,372,577
Accounts Receivable	26,252	1	3	26,918	53,174
Due from Other Governments	739,194	340,248	332,309	3,249	1,415,000
Due from Other Funds	2,316	0	0	0	2,316
Property Taxes Receivable	7,320,319	358,971	1,479,858	2,540,876	11,700,024
Allowance for Uncollectible Property Taxes	(285,199)	(13,985)	(57,441)	(101,943)	(458,568)
Prepaid Items	329,110	79,315	0	50,151	458,576
Total Assets	\$ 13,939,484	\$ 1,293,794	\$ 4,133,939	\$ 4,177,637	\$ 23,544,854
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 71,246	\$ 2,286	\$ 0	\$ 5,329	\$ 78,861
Accrued Payroll	180,674	1,940	0	18,291	200,905
Payroll Deductions Payable	55,076	19,230	0	6,531	80,837
Due to Other Funds	0	0	250	2,066	2,316
Due to State of Tennessee	2,930	0	0	815	3,745
Deferred Revenue - Current Property Taxes	6,788,365	332,885	1,372,320	2,329,404	10,822,974
Deferred Revenue - Delinquent Property Taxes	220,934	10,834	43,450	98,918	374,136
Other Deferred Revenues	188,715	166,106	0	0	354,821
Total Liabilities	\$ 7,507,940	\$ 533,281	\$ 1,416,020	\$ 2,461,354	\$ 11,918,595
<u>Fund Balances</u>					
Nonspendable:					
Prepaid Items	\$ 329,110	\$ 79,315	\$ 0	\$ 50,151	\$ 458,576
Restricted:					
Restricted for Administration of Justice	17,498	0	0	0	17,498
Restricted for Public Safety	0	0	0	108,943	108,943
Restricted for Public Health and Welfare	0	0	0	183,633	183,633
Restricted for Social, Cultural, and Recreational Services	0	0	0	116,829	116,829
Restricted for Highways/Public Works	0	619,316	0	0	619,316
Restricted for Debt Service	0	0	2,717,919	1,033,295	3,751,214
Committed:					
Committed for Public Safety	0	0	0	37,559	37,559
Committed for Public Health and Welfare	0	0	0	78,700	78,700
Committed for Social, Cultural, and Recreational Services	0	0	0	12,981	12,981
Committed for Other Purposes	5,000,000	0	0	0	5,000,000
Assigned:					
Assigned for General Government	177,656	0	0	0	177,656
Assigned for Finance	1,909	0	0	0	1,909
Assigned for Administration of Justice	2,527	0	0	0	2,527
Assigned for Public Safety	130,424	0	0	31,000	161,424

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	Highway /	Education	Other Govern- mental Funds	
		Public Works	Debt Service		
<u>LIABILITIES AND FUND BALANCES (CONT.)</u>					
<u>Fund Balances (Cont.)</u>					
Assigned (Cont.):					
Assigned for Public Health and Welfare	\$ 4,267	\$ 0	\$ 0	\$ 39,205	\$ 43,472
Assigned for Social, Cultural, and Recreational Services	0	0	0	23,987	23,987
Assigned for Other Operations	188,233	0	0	0	188,233
Assigned for Highways/Public Works	0	61,882	0	0	61,882
Assigned for Capital Projects	53,000	0	0	0	53,000
Assigned for Other Purposes	413,759	0	0	0	413,759
Unassigned	113,161	0	0	0	113,161
Total Fund Balances	<u>\$ 6,431,544</u>	<u>\$ 760,513</u>	<u>\$ 2,717,919</u>	<u>\$ 1,716,283</u>	<u>\$ 11,626,259</u>
Total Liabilities and Fund Balances	<u>\$ 13,939,484</u>	<u>\$ 1,293,794</u>	<u>\$ 4,133,939</u>	<u>\$ 4,177,637</u>	<u>\$ 23,544,854</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, 2012

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)		\$ 11,626,259
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 28,423,988	
Add: construction in progress	163,563	
Add: buildings and improvements net of accumulated depreciation	13,029,444	
Add: infrastructure net of accumulated depreciation	12,079,626	
Add: other capital assets net of accumulated depreciation	<u>2,382,307</u>	56,078,928
(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	\$ (884,534)	
Less: capital leases payable	(538,945)	
Less: bonds payable	(30,413,360)	
Less: compensated absences payable	(554,553)	
Less: landfill closure/postclosure care costs	(328,990)	
Less: accrued interest on bonds, notes, and capital leases	(272,492)	
Less: other deferred revenue - premium on debt	(110,770)	
Less: other postemployment benefits liability	(1,710,312)	
Add: deferred amount on refunding	502,310	
Add: deferred charges - debt issuance costs	<u>156,590</u>	(34,155,056)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>728,957</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 34,279,088</u>

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

Exhibit C-3

Franklin County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2012

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 7,867,685	\$ 391,290	\$ 2,333,656	\$ 2,842,949	\$ 13,435,580
Licenses and Permits	63,433	1,652	7,278	34,993	107,356
Fines, Forfeitures, and Penalties	184,672	0	0	32,327	216,999
Charges for Current Services	246,748	3,002	0	43,476	293,226
Other Local Revenues	135,253	19,286	0	341,224	495,763
Fees Received from County Officials	1,748,590	0	0	0	1,748,590
State of Tennessee	2,675,068	2,106,177	0	27,502	4,808,747
Federal Government	789,237	266,488	0	7,245	1,062,970
Other Governments and Citizens Groups	296,283	0	760,000	31,369	1,087,652
<b>Total Revenues</b>	<b>\$ 14,006,969</b>	<b>\$ 2,787,895</b>	<b>\$ 3,100,934</b>	<b>\$ 3,361,085</b>	<b>\$ 23,256,883</b>
<u>Expenditures</u>					
Current:					
General Government	\$ 2,277,587	\$ 0	\$ 0	\$ 0	\$ 2,277,587
Finance	1,846,947	0	0	0	1,846,947
Administration of Justice	1,698,062	0	0	600	1,698,662
Public Safety	6,367,733	0	0	537,039	6,904,772
Public Health and Welfare	506,072	0	0	1,338,602	1,844,674
Social, Cultural, and Recreational Services	49,001	0	0	244,961	293,962
Agriculture and Natural Resources	157,351	0	0	0	157,351
Other Operations	841,233	0	0	107,256	948,489
Highways	0	2,412,923	0	0	2,412,923
Debt Service:					
Principal on Debt	0	52,558	2,400,000	1,327,456	3,780,014
Interest on Debt	0	7,708	836,242	452,841	1,296,791
Other Debt Service	0	0	58,939	19,243	78,182
<b>Total Expenditures</b>	<b>\$ 13,743,986</b>	<b>\$ 2,473,189</b>	<b>\$ 3,295,181</b>	<b>\$ 4,027,998</b>	<b>\$ 23,540,354</b>
Excess (Deficiency) of Revenues Over Expenditures					
	\$ 262,983	\$ 314,706	\$ (194,247)	\$ (666,913)	\$ (283,471)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 177,000	\$ 0	\$ 0	\$ 177,000
Refunding Debt Issued	0	0	3,495,000	0	3,495,000
Premiums on Debt Issued	0	0	89,324	0	89,324
Proceeds from Sale of Capital Assets	80,881	0	0	0	80,881
Insurance Recovery	26,888	0	0	0	26,888
Transfers In	7,606	13,645	0	981,257	1,002,508
Transfers Out	(444,902)	(403,803)	0	(153,803)	(1,002,508)
Discounts on Debt Issued	0	0	(29,708)	0	(29,708)
Payments to Refunded Debt Escrow Agent	0	0	(3,530,000)	0	(3,530,000)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (329,527)</b>	<b>\$ (213,158)</b>	<b>\$ 24,616</b>	<b>\$ 827,454</b>	<b>\$ 309,385</b>
Net Change in Fund Balances					
	\$ (66,544)	\$ 101,548	\$ (169,631)	\$ 160,541	\$ 25,914
Fund Balance, July 1, 2011	6,498,088	658,965	2,887,550	1,555,742	11,600,345
Fund Balance, June 30, 2012	\$ 6,431,544	\$ 760,513	\$ 2,717,919	\$ 1,716,283	\$ 11,626,259

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

Exhibit C-4

Franklin County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2012

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)	\$	25,914
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$	948,337
Less: current-year depreciation expense	(2,157,149)	(1,208,812)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on disposal of capital assets		(47,944)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2012	\$	728,957
Less: deferred delinquent property taxes and other deferred June 30, 2011	(770,792)	(41,835)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Less: note proceeds	\$	(177,000)
Less: refunding bond proceeds	(3,495,000)	
Less: change in deferred amount on refunding debt	(34,642)	
Less: change in deferred debt issuance costs	(1,341)	
Less: change in premium on debt issuance	(75,002)	
Add: principal payments on notes	84,793	
Add: principal payments on capital leases	267,593	
Add: principal payments on bonds	3,672,670	
Add: payments to refunding agent	3,530,000	3,772,071
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$	45,304
Change in compensated absences payable	(37,631)	
Change in other postemployment benefits liability	(363,757)	
Change in landfill closure/postclosure care costs	3,290	(352,794)
Change in net assets of governmental activities (Exhibit B)	\$	<u>2,146,600</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, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,481,572
Due from Other Governments	<u>518,359</u>
Total Assets	<u>\$ 1,999,931</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 518,359
Due to Litigants, Heirs, and Others	<u>1,481,572</u>
Total Liabilities	<u>\$ 1,999,931</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, 2012**

**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. There was no financial activity in the Industrial Development Board of Franklin County during the year. The nominal remaining balance in the checking account is expected to be transferred to the county's General Fund in the near future.

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 Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

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

Inquiries about the finances of the Franklin County Industrial Development Board can be obtained from its administrative office at the following address:

Administrative Office:

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. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2012.

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.

**Highway/Public Works Fund** – This special revenue fund accounts for transactions of the county’s Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

**Education Debt Service Fund** – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt for construction and renovations of the county’s schools.

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 fund:

**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.

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

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

**Capital Projects Fund** – The Education Capital Projects Fund is used to account for school renovation projects.

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.

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

**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 Fund. 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 3.5 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.

Most payables are disaggregated on the face of the financial statements.

**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. Prepaids are offset in the nonspendable fund balance account in governmental funds.

**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

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 \$6,318,383, with the primary restrictions being for: (1) proceeds from the sale of the hospital totaling \$5,000,000; and (2) proceeds of prior-year sales of land and buildings to be used for future land purchases totaling \$413,759. For the discretely presented School Department, the account balance of \$1,138,435 in Restricted for General Purposes consists primarily of restrictions for postretirement benefits of \$833,016 and the extended school program of \$204,803.

As of June 30, 2012, Franklin County has \$21,055,000 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 fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by

formal resolutions of the County Commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county's Financial Management Committee and the Board of Education are authorized bodies to make assignments.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

**8. Minimum Fund Balance Policy**

**Primary Government**

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

General Fund – 2.5 percent of current-year expenditures and transfers to other funds.

Courthouse and Jail Maintenance, Public Library, Solid Waste/Sanitation, Local Purpose Tax, and the Highway/Public Works funds – five percent of current-year expenditures and transfers to other funds.

Debt Service Funds – the county will typically have at least one-half year of future payments as fund balance.

**Discretely Presented Franklin County School Department**

Central Cafeteria Fund – five percent of current-year expenditures and transfers to other funds.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

**Primary Government**

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

**Discretely Presented Franklin County School Department**

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

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

**Primary Government**

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

**Discretely Presented Franklin County School Department**

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

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

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

At June 30, 2012, Franklin County and the Franklin County School Department reported the following significant encumbrances:

Fund	Description	Amount
Primary Government		
Major Funds:		
General	Fire Alarm and Exit System	\$ 92,892
"	Sheriff's Department Gasoline	14,056
"	Communication Tower and Building	76,565
"	Tractor	53,000
Highway/Public Works	Diesel Fuel	9,220
"	Equipment Parts	15,848
"	Tires	5,189
"	Tractor	17,990
Nonmajor Funds:		
Public Library	Paving	22,000
Solid Waste/Sanitation	Sanitation Services	34,421
Local Purpose Tax	Annual Service	31,000
School Department		
Major Fund:		
General Purpose School	Tuition Payments to Schools	13,459
"	Professional Services	23,580
"	Computer Supplies	16,538
"	Vocational Equipment	10,734
"	Metal Roof	28,826

**B. The Actual Beginning Fund Balances Differed from the Estimated Beginning Fund Balances by Material Amounts**

The General Purpose School and Central Cafeteria funds' actual beginning fund balances at July 1, 2011, differed from the estimated beginning fund balances presented to the County Commission by the following amounts:

Fund	Actual Fund Balance 7-1-11	Estimated Fund Balance 7-1-11	Variance
General Purpose School	\$ 6,635,642	\$ 5,311,223	\$ 1,324,419
Central Cafeteria	1,002,274	555,209	447,065

**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, 2012, 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	\$ 58,334

**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, 2012, 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, 2012, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 28,293,992	\$ 177,000	\$ (47,004)	\$ 28,423,988
Construction in Progress	0	163,563	0	163,563
Total Capital Assets Not Depreciated	<u>\$ 28,293,992</u>	<u>\$ 340,563</u>	<u>\$ (47,004)</u>	<u>\$ 28,587,551</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 18,733,462	\$ 9,492	\$ 0	\$ 18,742,954
Infrastructure	38,154,766	340,091	0	38,494,857
Other Capital Assets	8,044,832	258,191	(150,010)	8,153,013
Total Capital Assets Depreciated	<u>\$ 64,933,060</u>	<u>\$ 607,774</u>	<u>\$ (150,010)</u>	<u>\$ 65,390,824</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 5,270,637	\$ 442,873	\$ 0	\$ 5,713,510
Infrastructure	25,177,181	1,238,050	0	26,415,231
Other Capital Assets	5,443,550	476,226	(149,070)	5,770,706
Total Accumulated Depreciation	<u>\$ 35,891,368</u>	<u>\$ 2,157,149</u>	<u>\$ (149,070)</u>	<u>\$ 37,899,447</u>
Total Capital Assets Depreciated, Net	<u>\$ 29,041,692</u>	<u>\$ (1,549,375)</u>	<u>\$ (940)</u>	<u>\$ 27,491,377</u>
Governmental Activities Capital Assets, Net	<u>\$ 57,335,684</u>	<u>\$ (1,208,812)</u>	<u>\$ (47,944)</u>	<u>\$ 56,078,928</u>

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

**Governmental Activities:**

General Government	\$	161,625
Finance		8,749
Administration of Justice		5,940
Public Safety		447,183
Public Health and Welfare		79,656
Social, Cultural, and Recreational Services		24,469
Agriculture and Natural Resources		12,463
Other General Government		90,163
Highways/Public Works		<u>1,326,901</u>
Total Depreciation Expense - Governmental Activities	<u>\$</u>	<u>2,157,149</u>

**Discretely Presented Franklin County School Department****Governmental Activities:**

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 5,451,186	\$ 0	\$ 0	\$ 5,451,186
Total Capital Assets Not Depreciated	<u>\$ 5,451,186</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,451,186</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 59,050,146	\$ 329,000	\$ 0	\$ 59,379,146
Other Capital Assets	7,184,769	743,252	(919,789)	7,008,232
Total Capital Assets Depreciated	<u>\$ 66,234,915</u>	<u>\$ 1,072,252</u>	<u>\$ (919,789)</u>	<u>\$ 66,387,378</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 20,659,546	\$ 1,455,117	\$ 0	\$ 22,114,663
Other Capital Assets	3,604,059	884,145	(837,532)	3,650,672
Total Accumulated Depreciation	<u>\$ 24,263,605</u>	<u>\$ 2,339,262</u>	<u>\$ (837,532)</u>	<u>\$ 25,765,335</u>
Total Capital Assets Depreciated, Net	<u>\$ 41,971,310</u>	<u>\$ (1,267,010)</u>	<u>\$ (82,257)</u>	<u>\$ 40,622,043</u>
Governmental Activities Capital Assets, Net	<u>\$ 47,422,496</u>	<u>\$ (1,267,010)</u>	<u>\$ (82,257)</u>	<u>\$ 46,073,229</u>

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

**Governmental Activities:**

Instruction	\$ 1,939,567
Support Services	243,585
Operation of Non-Instructional Services	<u>156,110</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,339,262</u></u>

**C. Insurance Recoveries**

**Primary Government**

During the year, Franklin County had damage to one of its vehicles. Insurance recovery of \$26,888 was used to repair the damage.

**Discretely Presented Franklin County School Department**

During the year, Franklin County had damage to two of its vehicles and wind damage at a school. Insurance recovery of \$12,386 was used to repair the damage.

**D. Construction Commitments**

**Primary Government**

At June 30, 2012, the county had uncompleted construction contracts of approximately \$92,892 and \$76,565 for the construction of a safety project at various county buildings and a communication tower and building, respectively. Funding has been received for these future expenditures.

**Discretely Presented Franklin County School Department**

At June 30, 2012, the School Department had uncompleted construction contracts of approximately \$28,826 for the construction of a roof at one of its schools. Funding has been received for these future expenditures.

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

The composition of interfund balances as of June 30, 2012, was as follows:

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Education Debt Service	\$ 250
"	Nonmajor governmental	2,066

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, 2012, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In		
	General Fund	Highway/ Public Works Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 13,645	\$ 431,257
Highway/Public Works Fund	3,803	0	400,000
Nonmajor governmental funds	3,803	0	150,000
<b>Total</b>	<b>\$ 7,606</b>	<b>\$ 13,645</b>	<b>\$ 981,257</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.

**F. Operating Leases**

Franklin County leases data processing equipment for the Finance Department and Trustee's Office, including the maintenance and upgrades for that equipment. The rent expenditures for the year ended June 30, 2012, 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
2013	\$ 27,365

**G. Capital Leases**

**Primary Government**

On January 3, 2011, Franklin County entered into a seven-year lease-purchase agreement for an energy efficient lighting system for all county buildings. The terms of the agreement require total lease payments of \$308,473 plus interest of 4.75 percent. Title to the energy efficient lighting system transfers to Franklin County at the end of the lease period. The lease payments are made from the General Fund.

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 and maintenance 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 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 assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 869,729
Less: Accumulated Depreciation	<u>(276,262)</u>
Total Book Value	<u><u>\$ 593,467</u></u>

The \$57,321 three-year lease-purchase agreement for computers and maintenance for the Sheriff's Department is not included in the total capital assets because the individual computers were valued less than the county's capital assets threshold of \$5,000. Therefore, they have not been capitalized or depreciated.

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2012, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2013	\$ 177,660
2014	161,835
2015	102,538
2016	52,316
2017	52,316
2018	<u>52,315</u>
Total Minimum Lease Payments	\$ 598,980
Less: Amount Representing Interest	<u>(60,035)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 538,945</u></u>

### **Discretely Presented Franklin County School Department**

On September 1, 2010, the School Department entered into a seven-year lease-purchase agreement for an energy efficient lighting system for some school buildings. The terms of the original agreement required total lease payments of \$500,000. There is no interest on this lease. Title to the energy efficient lighting system transfers to the School Department at the end of the lease period. The lease payments are made from the General Purpose School Fund.

On September 1, 2010, the School Department entered into a five-year lease-purchase agreement for an energy efficient lighting system for some school buildings. The terms of the original agreement required total lease payments of \$386,672 plus interest of three percent. Title to the energy

efficient lighting system transfers to the School Department at the end of the lease period. The lease payments are made from the General Purpose School Fund.

On October 1, 2010, the School Department entered into a ten-year lease-purchase agreement for an energy efficient lighting system for some school buildings. The terms of the original agreement required total lease payments of \$581,879 plus interest of five percent. Title to the energy efficient lighting system transfers to the School Department at the end of the lease period. The lease payments are made from the General Purpose School Fund.

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 1,468,551
Less: Accumulated Depreciation	<u>(132,169)</u>
Total Book Value	<u>\$ 1,336,382</u>

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2012, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2013	\$ 228,573
2014	228,573
2015	228,573
2016	166,040
2017	145,197
2018-2020	<u>239,207</u>
Total Minimum Lease Payments	\$ 1,236,163
Less: Amount Representing Interest	<u>(117,004)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,119,159</u>

## H. 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 notes will be retired from the General, Highway/Public Works, and General Debt Service funds.

General obligation bonds, notes, and capital leases outstanding as of June 30, 2012, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
General Obligation Bonds	2.5 to 5 %	5-21-48	\$ 10,878,000	\$ 9,018,360
General Obligation Bonds - Refunding	1.35 to 4.75	6-1-21	31,495,000	21,395,000
Capital Outlay Notes	4 to 4.875	2-1-23	1,039,824	884,534
Capital Leases	0 to 5.265	1-3-18	927,050	538,945

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2012, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 3,791,399	\$ 1,057,351	\$ 4,848,750
2014	3,909,158	928,765	4,837,923
2015	3,439,948	807,759	4,247,707
2016	3,565,771	703,909	4,269,680
2017	2,351,628	594,969	2,946,597
2018-2022	11,067,280	1,644,018	12,711,298
2023-2027	1,194,669	302,326	1,496,995
2028-2032	183,194	211,032	394,226
2033-2037	224,226	170,001	394,227
2038-2042	274,447	119,778	394,225
2043-2047	335,919	58,306	394,225
2048	75,721	3,124	78,845
<b>Total</b>	<b>\$ 30,413,360</b>	<b>\$ 6,601,338</b>	<b>\$ 37,014,698</b>

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 82,299	\$ 40,895	\$ 123,194
2014	72,215	36,993	109,208
2015	75,724	33,485	109,209
2016	79,338	29,870	109,208
2017	83,242	25,966	109,208
2018-2022	473,484	65,050	538,534
2023	18,232	889	19,121
Total	\$ 884,534	\$ 233,148	\$ 1,117,682

There is \$999,179 available in the General Debt Service Fund and \$2,717,919 available in the Education Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$741, based on the 2010 federal census. Debt per capita, including bonds, the note, and capital leases, totaled \$776, based on the 2010 federal census.

#### Changes in Long-term Liabilities

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

	Bonds	Notes	Capital Leases
Balance, July 1, 2011	\$ 34,121,030	\$ 792,327	\$ 806,538
Additions	3,495,000	177,000	0
Deductions	(3,672,670)	(84,793)	(267,593)
Debt Refunded	(3,530,000)	0	0
Balance, June 30, 2012	\$ 30,413,360	\$ 884,534	\$ 538,945
Balance Due Within One Year	\$ 3,791,399	\$ 82,299	\$ 154,836

	Landfill Postclosure Care Costs	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2011	\$ 332,280	\$ 1,346,555	\$ 516,922
Additions	7,710	391,688	449,358
Deductions	(11,000)	(27,931)	(411,727)
Balance, June 30, 2012	\$ 328,990	\$ 1,710,312	\$ 554,553
Balance Due Within One Year	\$ 11,000	\$ 0	\$ 554,553

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 34,430,694
Less: Balance Due Within One Year	(4,594,087)
Less: Deferred Amount on Refunding	(502,310)
Add: Unamortized Premium on Debt	<u>110,770</u>
 Noncurrent Liabilities - Due in More Than One Year - Exhibit A	 <u><u>\$ 29,445,067</u></u>

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

**Discretely Presented Franklin County School Department**

The capital leases outstanding as of June 30, 2012, for governmental activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-12</u>
Capital Leases	0 to 5%	4-1-20	\$ 1,468,551	\$ 1,119,159

Debt per capita, including the capital leases, totaled \$27, based on the 2010 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, 2012, was as follows:

Governmental Activities:

	<u>Note</u>	<u>Capital Leases</u>
Balance, July 1, 2011	\$ 25,000	\$ 1,313,932
Deductions	<u>(25,000)</u>	<u>(194,773)</u>
Balance, June 30, 2012	<u>\$ 0</u>	<u>\$ 1,119,159</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 199,393</u>

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2011	\$ 130,645	\$ 2,387,046
Additions	163,262	1,485,108
Deductions	(151,586)	(465,360)
Balance, June 30, 2012	<u>\$ 142,321</u>	<u>\$ 3,406,794</u>
Balance Due Within One Year	<u>\$ 142,321</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 4,668,274
Less: Balance Due Within One Year	<u>(341,714)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,326,560</u>

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

**I. 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, 2012, were \$127,619 and \$37,679, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**J. Short-term Debt**

**Discretely Presented Franklin County School Department**

Franklin County issued revenue anticipation notes of \$150,000 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, 2012, was as follows:

	Balance			Balance
	7-1-11	Issued	Paid	6-30-12
Revenue Anticipation Note	\$ 0	\$ 150,000	\$ (150,000)	\$ 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. Subsequent Event**

On August 31, 2012, Phillip Hayes left the office of Assessor of Property and was succeeded by Bruce Spencer.

**C. Contingent Liabilities**

The county attorney advised that the county is involved in two pending lawsuits involving the Franklin County landfill located in the Yarbrough property. The first case was filed by Yarbrough heirs against Franklin County for damages involving the operation of the landfill. The second case is a condemnation case whereby Franklin County condemns the Yarbrough property. The county attorney believes that both of these cases could possibly lead to some potential liability for Franklin County. The county has previously paid into the court the appraised value of the Yarbrough property, and this has been withdrawn by the Yarbrough heirs. According to the county attorney, whether or not any additional liability will be assessed by the jury trying the case would be impossible to say.

**D. 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 \$328,990 reported as landfill

postclosure care liability at June 30, 2012, represents amounts based on what it would cost to perform all postclosure care in 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**E. 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, 2012.

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, Grundy, 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, 2012.

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

**F. Retirement Commitments**

Information for this footnote for the year ended June 30, 2012, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented below is for the fiscal year ended June 30, 2011.

## **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 <http://www.tn.gov/treasury/tcrs/PS/>.

## **Funding Policy**

Franklin County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 13.14 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

## **Annual Pension Cost**

For the year ended June 30, 2011, the county's annual pension cost of \$1,673,872 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected 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), and (c) projected 3.5 percent annual increase in the Social Security wage base. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The 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, 2009, was 16 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
6-30-11	\$1,673,872	100%	\$0
6-30-10	1,491,824	100	0
6-30-09	1,485,490	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 \$29 million, and the actuarial value of assets was \$23 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$6 million. The covered payroll (annual payroll of active employees covered by the plan) was \$12 million, and the ratio of the UAAL to the covered payroll was 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 annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

## SCHOOL TEACHERS

### **Plan Description**

The Franklin County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Cost of living adjustments (COLA) are 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 School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2011, was 9.05 percent of annual covered payroll. The employer contribution requirement for the 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, 2011, 2010, and 2009, were \$1,869,174, \$1,337,867, and \$1,373,314, respectively, equal to the required contributions for each year.

**G. 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 8-27-302, *Tennessee Code Annotated (TCA)*, for teachers and Section 8-27-207, *TCA*, for local governments. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available at <http://tennessee.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state 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. School Department retirees' contributions vary depending on the insurance options they select, ranging from \$253 to \$283 per month for their insurance. The required contribution amount for county and highway retirees' spouses is \$509 per month. During the year ended June 30, 2012, the county and the discretely presented School Department contributed \$27,931 and \$465,360, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 1,491,000	\$ 395,000
Interest on the NPO	95,832	53,862
Adjustment to the ARC	(101,724)	(57,174)
Annual OPEB cost	\$ 1,485,108	\$ 391,688
Amount of contribution	(465,360)	(27,931)
Increase/decrease in NPO	\$ 1,019,748	\$ 363,757
Net OPEB obligation, 7-1-11	2,387,046	1,346,555
Net OPEB obligation, 6-30-12	\$ 3,406,794	\$ 1,710,312

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Local Education Group	\$ 1,209,068	35.2%	\$ 1,653,963
6-30-11	"	1,226,930	39.5	2,387,046
6-30-12	"	1,485,108	31.34	3,406,794
6-30-10	Local Government Group	499,039	6.74	902,758
6-30-11	"	494,145	10.19	1,346,555
6-30-12	"	391,668	7.13	1,710,312

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-11	7-1-11
Actuarial accrued liability (AAL)	\$ 11,604,000	\$ 2,669,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 11,604,000	\$ 2,669,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 22,852,685	\$ 6,524,769
UAAL as a % of covered payroll	50.8%	40.9%

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, 2011, actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.25 percent for fiscal year 2012. The trend rate will decrease to 8.75 percent in fiscal year 2013 and then be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

### **H. Office of Central Accounting, Budgeting, and Purchasing**

Franklin County operates under the provisions of 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 also provides for the creation of a Finance Department operated under the direction of the finance director.

### **I. 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 Mayor, 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, 2012, was \$1,375,251. The amount of deposits collateralized with securities held by pledging financial institutions and federal depository insurance was \$1,375,251.

#### 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 between five and ten years.

#### 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				Balance
	7-1-11	Restatement	Additions	Deletions	6-30-12
Equipment	\$ 82,803	\$ 331,896	\$ 0	\$ (43,737)	\$ 370,962
Less: Accumulated					
Depreciation	<u>(57,412)</u>	<u>(105,100)</u>	<u>(72,179)</u>	<u>37,176</u>	<u>(197,515)</u>
Total	<u>\$ 25,391</u>	<u>\$ 226,796</u>	<u>\$ (72,179)</u>	<u>\$ (6,561)</u>	<u>\$ 173,447</u>

During the year, it was discovered that the district entered into a capital lease in the year ended June 30, 2010, which had been treated as an operating lease. A restatement was booked to record the capital lease. The restatement had a net effect of zero on the net assets at July 1, 2011, due to the lease having the same term as the useful life of the asset assigned by the Board.

**C. Cash Flow**

At June 30, 2012, total cash was \$1,375,251, of which \$810,583 is held in certificates of deposit with maturities of more than three months, leaving \$564,668 considered as cash equivalents.

**D. Budgeting Procedures**

The official budget for June 30, 2012, was prepared for adoption for the proprietary fund by June 20, 2011.

**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 \$26,000, a GIS grant totaling \$28,957, and a reimbursement for the purchase of next generation 911 equipment totaling \$248,904 during the year from the Tennessee Emergency Communications Board.

**G. Long-term Debt**

As mentioned in Note B, an adjustment was made to record a capital lease that had previously been treated as an operating lease. As a result, the district had long-term debt of \$160,416 at June 30, 2012.

The capital lease obligation for the purchase of next generation 911 equipment was payable to AT&T Capital Services in installments of \$5,743, including interest at 3.8 percent through 2015.

The following is a summary of changes in long-term debt during the 2012 fiscal year:

	Balance 7-1-11	Retirements	Balance 6-30-12
AT&T Capital Services	\$ 226,795	\$ (66,379)	\$ 160,416
Total	<u>\$ 226,795</u>	<u>\$ (66,379)</u>	<u>\$ 160,416</u>

A summary of annual debt service requirements at June 30, 2012, for governmental funds is as follows:

Year Ending June 30	Lease		Total
	Principal	Interest	
2013	\$ 66,379	\$ 2,542	\$ 68,921
2014	66,379	2,542	68,921
2015	27,658	1,059	28,717
Total	<u>\$ 160,416</u>	<u>\$ 6,143</u>	<u>\$ 166,559</u>

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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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 7,867,685	\$ 0	\$ 0	\$ 7,867,685	\$ 7,787,640	\$ 7,912,130	\$ (44,445)
Licenses and Permits	63,433	0	0	63,433	55,000	60,710	2,723
Fines, Forfeitures, and Penalties	184,672	0	0	184,672	177,650	196,144	(11,472)
Charges for Current Services	246,748	0	0	246,748	186,700	236,600	10,148
Other Local Revenues	135,253	0	0	135,253	72,350	137,931	(2,678)
Fees Received from County Officials	1,748,590	0	0	1,748,590	1,661,000	1,758,915	(10,325)
State of Tennessee	2,675,068	0	0	2,675,068	2,096,664	2,570,193	104,875
Federal Government	789,237	0	0	789,237	376,096	1,911,027	(1,121,790)
Other Governments and Citizens Groups	296,283	0	0	296,283	264,700	380,175	(83,892)
Total Revenues	\$ 14,006,969	\$ 0	\$ 0	\$ 14,006,969	\$ 12,677,800	\$ 15,163,825	\$ (1,156,856)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 256,671	(43)	\$ 3,462	\$ 260,090	\$ 253,044	\$ 293,397	\$ 33,307
Beer Board	417	0	0	417	550	550	133
County Mayor/Executive	164,711	(77)	27	164,661	168,204	168,204	3,543
County Attorney	9,023	0	0	9,023	8,900	9,025	2
Election Commission	203,617	(1,186)	3,899	206,330	231,295	217,340	11,010
Register of Deeds	301,519	(769)	5,544	306,294	308,442	308,974	2,680
Planning	138,556	(1,582)	631	137,605	144,002	146,002	8,397
County Buildings	1,193,049	(10,959)	96,380	1,278,470	872,592	1,334,893	56,423
Other General Administration	10,024	0	0	10,024	23,350	17,350	7,326
<u>Finance</u>							
Property Assessor's Office	452,302	0	832	453,134	475,719	474,458	21,324
County Trustee's Office	283,868	0	300	284,168	287,116	287,116	2,948

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Clerk's Office	\$ 492,784	\$ (299)	0	\$ 492,485	\$ 509,399	\$ 509,399	\$ 16,914
Other Finance	617,993	(1,012)	777	617,758	584,279	618,851	1,093
<u>Administration of Justice</u>							
Circuit Court	840,567	(1,469)	2,348	841,446	895,866	857,276	15,830
General Sessions Court	279,424	(444)	180	279,160	284,856	284,856	5,696
Drug Court	61,469	0	0	61,469	100,125	100,125	38,656
Chancery Court	179,882	0	0	179,882	188,745	188,745	8,863
Juvenile Court	118,720	0	0	118,720	121,120	121,120	2,400
Judicial Commissioners	115,751	0	0	115,751	120,980	118,690	2,939
Other Administration of Justice	11,550	0	0	11,550	30,000	30,000	18,450
Probation Services	90,699	0	0	90,699	97,120	97,120	6,421
<u>Public Safety</u>							
Sheriff's Department	3,054,691	(36,692)	17,459	3,035,458	2,995,665	3,092,846	57,388
Administration of the Sexual Offender Registry	18,635	0	0	18,635	19,090	19,090	455
Jail	1,741,702	(4,745)	13,653	1,750,610	1,694,706	1,754,613	4,003
Correctional Incentive Program Improvements	348,665	0	17,100	365,765	92	1,227,720	861,955
Juvenile Services	13,969	(646)	525	13,848	18,000	18,000	4,152
Civil Defense	149,207	(684)	803	149,326	142,254	152,285	2,959
Rescue Squad	25,309	(9,931)	1,777	17,155	31,930	32,111	14,956
Other Emergency Management	781,221	(543)	2,541	783,219	793,432	790,250	7,031
County Coroner/Medical Examiner	31,801	0	0	31,801	31,500	33,000	1,199
Public Safety Grant Programs	202,533	(74,017)	76,565	205,081	0	381,366	176,285
<u>Public Health and Welfare</u>							
Local Health Center	34,365	(355)	88	34,098	40,403	38,606	4,508

(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:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2011	Encumbrances 6/30/2012			Original	Final	
<u>Expenditures (Cont.)</u>								
<u>Public Health and Welfare (Cont.)</u>								
Rabies and Animal Control	\$ 218,085	\$ (2,556)	\$ 405	\$ 215,934	\$ 232,936	\$ 232,793	\$ 16,859	
Other Local Health Services	129,198	(325)	0	128,873	145,333	145,333	16,460	
Appropriation to State	30,646	0	0	30,646	30,646	30,646	0	
General Welfare Assistance	17,775	0	0	17,775	17,775	17,775	0	
Waste Pickup	74,198	0	3,775	77,973	80,445	80,875	2,902	
Other Public Health and Welfare	1,805	0	0	1,805	169	2,180	375	
<u>Social, Cultural, and Recreational Services</u>								
Senior Citizens Assistance	25,071	(974)	0	24,097	27,550	27,550	3,453	
Parks and Fair Boards	23,930	(1,914)	0	22,016	28,975	28,018	6,002	
<u>Agriculture and Natural Resources</u>								
Agriculture Extension Service	81,296	0	0	81,296	99,080	99,080	17,784	
Soil Conservation	76,055	0	0	76,055	75,798	76,095	40	
<u>Other Operations</u>								
Industrial Development	37,498	0	0	37,498	0	37,498	0	
Other Economic and Community Development	214,364	(17,950)	0	196,414	157,970	218,526	22,112	
Veterans' Services	17,609	0	0	17,609	17,714	17,714	105	
Other Charges	514,593	(426)	0	514,167	616,751	602,364	88,197	
ARRA Grant # 2	660	(660)	0	0	0	0	0	
ARRA Grant # 5	56,509	0	0	56,509	45,864	56,785	276	
<u>Capital Projects</u>								
Highway and Street Capital Projects	0	0	53,000	53,000	0	53,000	0	
Total Expenditures	\$ 13,743,986	\$ (170,258)	\$ 302,071	\$ 13,875,799	\$ 13,049,782	\$ 15,449,610	\$ 1,573,811	
Excess (Deficiency) of Revenues Over Expenditures	\$ 262,983	\$ 170,258	\$ (302,071)	\$ 131,170	\$ (371,982)	\$ (285,785)	\$ 416,955	

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 80,881	\$ 0	\$ 0	\$ 80,881	\$ 50,000	\$ 80,881	\$ 0
Insurance Recovery	26,888	0	0	26,888	0	26,919	(31)
Transfers In	7,606	0	0	7,606	7,606	7,606	0
Transfers Out	(444,902)	0	0	(444,902)	(443,257)	(444,902)	0
Total Other Financing Sources (Uses)	\$ (329,527)	\$ 0	\$ 0	\$ (329,527)	\$ (385,651)	\$ (329,496)	\$ (31)
Net Change in Fund Balance	\$ (66,544)	\$ 170,258	\$ (302,071)	\$ (198,357)	\$ (757,633)	\$ (615,281)	\$ 416,924
Fund Balance, July 1, 2011	6,498,088	(170,258)	0	6,327,830	6,471,424	6,471,424	(143,594)
Fund Balance, June 30, 2012	\$ 6,431,544	\$ 0	\$ (302,071)	\$ 6,129,473	\$ 5,713,791	\$ 5,856,143	\$ 273,330

Exhibit E-2

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 391,290	\$ 0	\$ 0	\$ 391,290	\$ 391,757	\$ 395,875	\$ (4,585)
Licenses and Permits	1,652	0	0	1,652	1,585	1,585	67
Charges for Current Services	3,002	0	0	3,002	490	3,392	(390)
Other Local Revenues	19,286	0	0	19,286	30,280	30,280	(10,994)
State of Tennessee	2,106,177	0	0	2,106,177	1,901,538	2,114,919	(8,742)
Federal Government	266,488	0	0	266,488	200,000	280,438	(13,950)
Total Revenues	\$ 2,787,895	\$ 0	\$ 0	\$ 2,787,895	\$ 2,525,650	\$ 2,826,489	\$ (38,594)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 287,316	\$ (1,200)	\$ 0	\$ 286,116	\$ 321,808	\$ 304,778	\$ 18,662
Highway and Bridge Maintenance	763,613	(4,315)	2,456	761,754	828,851	812,961	51,207
Operation and Maintenance of Equipment	303,880	(25,347)	27,698	306,231	373,987	369,557	63,326
Quarry Operations	220,993	(1,200)	12,039	231,832	288,789	261,109	29,277
Other Charges	167,644	(255)	1,264	168,653	256,802	207,607	38,954
Capital Outlay	669,477	(49,318)	18,425	638,584	442,500	679,197	40,613
Principal on Debt							
Highways and Streets	52,558	0	0	52,558	50,149	52,558	0
Interest on Debt	7,708	0	0	7,708	8,746	7,708	0
Highways and Streets	\$ 2,473,189	\$ (81,635)	\$ 61,882	\$ 2,453,436	\$ 2,571,632	\$ 2,695,475	\$ 242,039
Total Expenditures							
Excess (Deficiency) of Revenues Over Expenditures	\$ 314,706	\$ 81,635	\$ (61,882)	\$ 334,459	\$ (45,982)	\$ 131,014	\$ 203,445

(Continued)

Exhibit E-2

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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 177,000	\$ 0	\$ 0	\$ 177,000	\$ 177,000	\$ 177,000	\$ 0
Transfers In	13,645	0	0	13,645	10,000	10,000	3,645
Transfers Out	(403,803)	0	0	(403,803)	(403,803)	(403,803)	0
Total Other Financing Sources (Uses)	\$ (213,158)	\$ 0	\$ 0	(213,158)	(216,803)	(216,803)	3,645
Net Change in Fund Balance	\$ 101,548	\$ 81,635	\$ (61,882)	\$ 121,301	\$ (262,785)	\$ (85,789)	\$ 207,090
Fund Balance, July 1, 2011	658,965	(81,635)	0	577,330	544,923	544,923	32,407
Fund Balance, June 30, 2012	\$ 760,513	\$ 0	\$ (61,882)	\$ 698,631	\$ 282,138	\$ 459,134	\$ 239,497

Exhibit E-3

Franklin County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Franklin County School Department  
June 30, 2012

(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

\* - Information for July 1, 2011, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, only two years are presented.

Exhibit E-4

Franklin County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Franklin County School Department  
June 30, 2012

(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)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-09	\$ 0	\$ 3,265	\$ 3,265	0 %	\$ 6,591	49.54 %
"	7-1-10	0	3,310	3,310	0	7,071	46.81
"	7-1-11	0	2,669	2,669	0	6,525	40.90
<u>DISCRETELY PRESENTED FRANKLIN COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-09	0	9,728	9,728	0	20,920	46.50
"	7-1-10	0	9,872	9,872	0	18,540	53.25
"	7-1-11	0	11,604	11,604	0	22,852	50.78

**FRANKLIN COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2012**

**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.

At June 30, 2012, Franklin County reported the following significant encumbrances in the General and the major special revenue fund:

Fund	Description	Amount
General	Fire Alarm and Exit System	\$ 92,892
"	Sheriff's Department Gasoline	14,056
"	Communication Tower and Building	76,565
"	Tractor	53,000
Highway/Public Works	Diesel Fuel	9,220
"	Equipment Parts	15,848
"	Tires	5,189
"	Tractor	17,990

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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 and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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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.

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.

## General Debt Service Fund

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The General Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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Exhibit F-1

Franklin County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2012

	Special Revenue Funds							Total	Debt Service Fund	Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitutional Officers - Fees	Total			
\$	0	0	0	0	0	0	1,755	0	1,755	0
\$	34,116	156,361	314,741	119,028	36,408	0	660,654	995,977	1,656,631	26,918
	0	2,319	4,296	12,210	7,780	311	26,916	2	26,918	3,249
	0	3,135	52	28	0	0	3,215	34	3,249	2,540,876
	0	269,228	961,314	412,906	0	0	1,643,448	897,428	2,540,876	(101,943)
	0	(10,489)	(39,050)	(17,440)	0	0	(66,979)	(34,964)	(101,943)	50,151
	0	4,123	43,578	0	0	0	47,701	2,450	50,151	
\$	34,116	424,677	1,284,931	526,732	44,188	2,066	2,316,710	1,860,927	4,177,637	

ASSETS

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

LIABILITIES AND FUND BALANCES

Liabilities  
 Accounts Payable  
 Accrued Payroll  
 Payroll Deductions Payable  
 Due to Other Funds  
 Due to State of Tennessee  
 Deferred Revenue - Current Property Taxes  
 Deferred Revenue - Delinquent Property Taxes  
 Total Liabilities  
 Fund Balances  
 Nonspendable:  
 Prepaid Items  
 Restricted:  
 Restricted for Public Safety  
 Restricted for Public Health and Welfare  
 Restricted for Social, Cultural, and Recreational Services  
 Restricted for Debt Service

\$	0	2,600	2,729	0	0	0	0	0	5,329	0	5,329
0	3,220	15,071	0	0	0	0	18,291	0	18,291	0	18,291
0	2,998	3,533	0	0	0	0	6,531	0	6,531	0	6,531
0	0	0	0	0	0	2,066	2,066	0	2,066	0	2,066
0	149	666	0	0	0	0	815	0	815	0	815
0	249,664	876,725	370,802	0	0	0	1,497,191	892,213	2,329,404	0	2,329,404
0	8,126	41,091	22,616	0	0	0	71,833	27,085	98,918	0	98,918
\$	0	266,757	939,815	393,418	0	2,066	1,602,056	859,298	2,461,354	0	2,461,354
\$	0	4,123	43,578	0	0	0	47,701	2,450	50,151	0	50,151
0	0	0	102,314	6,629	0	0	108,943	0	108,943	0	108,943
0	0	183,633	0	0	0	0	183,633	0	183,633	0	183,633
0	116,829	0	0	0	0	0	116,829	0	116,829	0	116,829
34,116	0	0	0	0	0	0	34,116	999,179	1,033,295	0	1,033,295

(Continued)

Exhibit F-1

Franklin County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds (Cont.)

	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	
\$	0	0	0	0	37,559	0	37,559	0
	0	0	78,700	0	0	0	78,700	0
	0	12,981	0	0	0	0	12,981	0
	0	0	0	31,000	0	0	31,000	0
	0	0	39,205	0	0	0	39,205	0
	0	23,987	0	0	0	0	23,987	0
\$	34,116	157,920	345,116	133,314	44,188	0	714,654	1,001,629
\$	34,116	424,677	1,284,931	526,732	44,188	2,066	2,316,710	1,860,927

LIABILITIES AND FUND BALANCES (CONT.)

Fund Balances (Cont.)	
Committed:	
Committed for Public Safety	0
Committed for Public Health and Welfare	0
Committed for Social, Cultural, and Recreational Services	0
Assigned:	
Assigned for Public Safety	0
Assigned for Public Health and Welfare	0
Assigned for Social, Cultural, and Recreational Services	0
Total Fund Balances	0
Total Liabilities and Fund Balances	0

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, 2012

	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	Total		
<b>Revenues</b>											
Local Taxes	\$ 166,261	\$ 266,640	\$ 938,615	\$ 496,564	\$ 0	\$ 0	\$ 1,868,080	\$ 974,869	\$ 2,842,949		
Licenses and Permits	0	1,244	6,232	23,386	0	0	30,862	4,131	34,993		
Fines, Forfeitures, and Penalties	0	0	0	0	32,327	0	32,327	0	32,327		
Charges for Current Services	0	18,706	23,995	0	175	600	43,476	0	43,476		
Other Local Revenues	0	2,906	326,172	0	12,146	0	341,224	0	341,224		
State of Tennessee	0	1,940	25,562	0	0	0	27,502	0	27,502		
Federal Government	0	0	0	0	7,245	0	7,245	0	7,245		
Other Governments and Citizens Groups	0	30,519	0	0	850	0	31,369	0	31,369		
<b>Total Revenues</b>	<b>\$ 166,261</b>	<b>\$ 321,955</b>	<b>\$ 1,320,576</b>	<b>\$ 519,950</b>	<b>\$ 52,743</b>	<b>\$ 600</b>	<b>\$ 2,382,085</b>	<b>\$ 979,000</b>	<b>\$ 3,361,085</b>		
<b>Expenditures</b>											
Current:											
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 600	\$ 600	\$ 0	\$ 600		
Public Safety	0	0	0	493,441	43,598	0	537,039	0	537,039		
Public Health and Welfare	0	0	1,338,602	0	0	0	1,338,602	0	1,338,602		
Social, Cultural, and Recreational Services	0	244,961	0	0	0	0	244,961	0	244,961		
Other Operations	1,643	28,541	76,821	0	251	0	107,256	0	107,256		
Debt Service:											
Principal on Debt	0	0	0	0	0	0	0	1,327,456	1,327,456		
Interest on Debt	0	0	0	0	0	0	0	452,841	452,841		
Other Debt Service	0	0	0	0	0	0	0	19,243	19,243		
<b>Total Expenditures</b>	<b>\$ 1,643</b>	<b>\$ 273,502</b>	<b>\$ 1,415,423</b>	<b>\$ 493,441</b>	<b>\$ 43,849</b>	<b>\$ 600</b>	<b>\$ 2,228,458</b>	<b>\$ 1,799,540</b>	<b>\$ 4,027,998</b>		
Excess (Deficiency) of Revenues Over Expenditures	\$ 164,618	\$ 48,453	\$ (94,847)	\$ 26,509	\$ 8,894	\$ 0	\$ 153,627	\$ (820,540)	\$ (666,913)		
<b>Other Financing Sources (Uses)</b>											
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 981,257	\$ 981,257		
Transfers Out	(150,000)	0	(3,803)	0	0	0	(153,803)	0	(153,803)		
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (150,000)</b>	<b>\$ 0</b>	<b>\$ (3,803)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (153,803)</b>	<b>\$ 981,257</b>	<b>\$ (153,803)</b>		

(Continued)

Exhibit F-2

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

	Special Revenue Funds							Constitu- tional Officers - Fees	Total	Debt Service Fund		Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	General Debt Service	General Debt Service					
Net Change in Fund Balances	\$ 14,618	\$ 48,453	\$ (98,650)	\$ 26,509	\$ 8,894	\$ 0	\$ 0	\$ (176)	\$ 160,717	\$ 160,541		
Fund Balance, July 1, 2011	19,498	109,467	443,766	106,805	35,294	0	0	714,830	840,912	840,912	1,555,742	
Fund Balance, June 30, 2012	\$ 34,116	\$ 157,920	\$ 345,116	\$ 133,314	\$ 44,188	\$ 0	\$ 0	\$ 714,654	\$ 1,001,629	\$ 1,716,283		

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 166,261	\$ 68,500	\$ 149,500	\$ 16,761
Total Revenues	\$ 166,261	\$ 68,500	\$ 149,500	\$ 16,761
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 1,643	\$ 685	\$ 1,685	\$ 42
Total Expenditures	\$ 1,643	\$ 685	\$ 1,685	\$ 42
Excess (Deficiency) of Revenues Over Expenditures	\$ 164,618	\$ 67,815	\$ 147,815	\$ 16,803
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (150,000)	\$ (70,000)	\$ (150,000)	\$ 0
Total Other Financing Sources (Uses)	\$ (150,000)	\$ (70,000)	\$ (150,000)	\$ 0
Net Change in Fund Balance	\$ 14,618	\$ (2,185)	\$ (2,185)	\$ 16,803
Fund Balance, July 1, 2011	19,498	10,300	10,300	9,198
Fund Balance, June 30, 2012	\$ 34,116	\$ 8,115	\$ 8,115	\$ 26,001

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 266,640	\$ 0	\$ 0	266,640	\$ 256,519	\$ 267,864	\$ (1,224)
Licenses and Permits	1,244	0	0	1,244	900	1,250	(6)
Charges for Current Services	18,706	0	0	18,706	18,500	20,400	(1,694)
Other Local Revenues	2,906	0	0	2,906	2,000	2,800	106
State of Tennessee	1,940	0	0	1,940	2,000	8,000	(6,060)
Other Governments and Citizens Groups	30,519	0	0	30,519	30,600	32,975	(2,456)
Total Revenues	\$ 321,955	\$ 0	\$ 0	\$ 321,955	\$ 310,519	\$ 333,289	\$ (11,334)
<u>Expenditures</u>							
<u>Social, Cultural, and Recreational Services</u>							
Libraries	\$ 244,961	(1,511)	23,987	267,437	270,482	279,710	12,273
Other Operations	28,541	0	0	28,541	31,820	37,120	8,579
Other Charges	\$ 273,502	(1,511)	23,987	295,978	302,302	316,830	20,852
Total Expenditures	\$ 48,453	1,511	(23,987)	25,977	8,217	16,459	9,518
Excess (Deficiency) of Revenues Over Expenditures	\$ 48,453	1,511	(23,987)	25,977	8,217	16,459	9,518
Net Change in Fund Balance Fund Balance, July 1, 2011	109,467	(1,511)	0	107,956	105,089	105,089	2,867
Fund Balance, June 30, 2012	\$ 157,920	\$ 0	(23,987)	133,933	113,306	121,548	12,385

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 938,615	\$ 0	\$ 0	\$ 938,615	\$ 933,150	\$ 944,780	\$ (6,165)
Licenses and Permits	6,232	0	0	6,232	5,900	6,230	2
Charges for Current Services	23,995	0	0	23,995	24,000	24,000	(5)
Other Local Revenues	326,172	0	0	326,172	396,000	396,000	(69,828)
State of Tennessee	25,562	0	0	25,562	22,600	25,562	0
Federal Government	0	0	0	0	20,000	20,000	(20,000)
Total Revenues	\$ 1,320,576	\$ 0	\$ 0	\$ 1,320,576	\$ 1,401,650	\$ 1,416,572	\$ (95,996)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 945	\$ 0	\$ 0	\$ 945	\$ 2,500	\$ 2,500	\$ 1,555
Convenience Centers	241,338	(135)	0	241,203	221,031	243,869	2,666
Transfer Stations	1,085,319	(61,294)	38,745	1,062,770	1,101,405	1,107,354	44,584
Postclosure Care Costs	11,000	(5,720)	0	5,280	12,000	12,000	6,720
<u>Other Operations</u>							
Other Charges	76,821	(84)	460	77,197	75,847	85,397	8,200
Total Expenditures	\$ 1,415,423	\$ (67,233)	\$ 39,205	\$ 1,387,395	\$ 1,412,783	\$ 1,451,120	\$ 63,725
Excess (Deficiency) of Revenues Over Expenditures	\$ (94,847)	\$ 67,233	\$ (39,205)	\$ (66,819)	\$ (11,133)	\$ (34,548)	\$ (32,271)
<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, 2011	\$ (98,650)	\$ 67,233	\$ (39,205)	\$ (70,622)	\$ (14,936)	\$ (38,351)	\$ (32,271)
	443,766	(67,233)	0	376,533	413,742	413,742	(37,209)
Fund Balance, June 30, 2012	\$ 345,116	\$ 0	\$ (39,205)	\$ 305,911	\$ 398,806	\$ 375,391	\$ (69,480)

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 496,564	\$ 0	\$ 0	\$ 496,564	\$ 454,183	\$ 494,628	\$ 1,936
Licenses and Permits	23,386	0	0	23,386	23,875	23,875	(489)
Total Revenues	\$ 519,950	\$ 0	\$ 0	\$ 519,950	\$ 478,058	\$ 518,503	\$ 1,447
<u>Expenditures</u>							
Public Safety							
Fire Prevention and Control	\$ 493,441	(177)	\$ 31,000	\$ 524,264	\$ 468,450	\$ 531,610	\$ 7,346
Total Expenditures	\$ 493,441	(177)	\$ 31,000	\$ 524,264	\$ 468,450	\$ 531,610	\$ 7,346
Excess (Deficiency) of Revenues Over Expenditures	\$ 26,509	177	(31,000)	(4,314)	9,608	(13,107)	8,793
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 26,509	177	(31,000)	(4,314)	9,608	(13,107)	8,793
	106,805	(177)	0	106,628	98,906	98,906	7,722
Fund Balance, June 30, 2012	\$ 133,314	0	(31,000)	102,314	108,514	85,799	16,515

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 32,327	\$ 0	\$ 32,327	\$ 27,000	\$ 27,000	\$ 5,327
Charges for Current Services	175	0	175	750	750	(575)
Other Local Revenues	12,146	0	12,146	5,500	11,095	1,051
Federal Government	7,245	0	7,245	20,000	39,245	(32,000)
Other Governments and Citizens Groups	850	0	850	425	1,250	(400)
Total Revenues	\$ 52,743	\$ 0	\$ 52,743	\$ 53,675	\$ 79,340	\$ (26,597)
<u>Expenditures</u>						
Public Safety						
Drug Enforcements	\$ 43,598	(14,255)	\$ 29,343	\$ 56,820	\$ 51,945	\$ 22,602
Other Operations	251	0	251	500	500	249
Other Charges	\$ 43,849	(14,255)	\$ 29,594	\$ 57,320	\$ 52,445	\$ 22,851
Total Expenditures						
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,894	14,255	\$ 23,149	(3,645)	\$ 26,895	(3,746)
Net Change in Fund Balance	\$ 8,894	14,255	\$ 23,149	(3,645)	\$ 26,895	(3,746)
Fund Balance, July 1, 2011	35,294	(14,255)	21,039	20,127	20,127	912
Fund Balance, June 30, 2012	\$ 44,188	0	\$ 44,188	\$ 16,482	\$ 47,022	(2,834)

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 974,869	\$ 975,688	\$ 987,758	\$ (12,889)
Licenses and Permits	4,131	4,200	4,200	(69)
Total Revenues	<u>\$ 979,000</u>	<u>\$ 979,888</u>	<u>\$ 991,958</u>	<u>\$ (12,958)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,327,456	\$ 1,327,457	\$ 1,327,457	\$ 1
<u>Interest on Debt</u>				
General Government	452,841	452,831	453,061	220
<u>Other Debt Service</u>				
General Government	19,243	29,600	29,600	10,357
Total Expenditures	<u>\$ 1,799,540</u>	<u>\$ 1,809,888</u>	<u>\$ 1,810,118</u>	<u>\$ 10,578</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (820,540)</u>	<u>\$ (830,000)</u>	<u>\$ (818,160)</u>	<u>\$ (2,380)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 981,257	\$ 901,257	\$ 981,257	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 981,257</u>	<u>\$ 901,257</u>	<u>\$ 981,257</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 160,717	\$ 71,257	\$ 163,097	\$ (2,380)
Fund Balance, July 1, 2011	<u>840,912</u>	<u>843,884</u>	<u>843,884</u>	<u>(2,972)</u>
Fund Balance, June 30, 2012	<u><u>\$ 1,001,629</u></u>	<u><u>\$ 915,141</u></u>	<u><u>\$ 1,006,981</u></u>	<u><u>\$ (5,352)</u></u>

# **Major Governmental Fund**

## **Education Debt Service Fund**

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The Education Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest for the construction and renovations of the county's schools.

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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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,333,656	\$ 2,076,948	\$ 2,347,648	\$ (13,992)
Licenses and Permits	7,278	8,823	8,823	(1,545)
Other Governments and Citizens Groups	760,000	760,000	760,000	0
Total Revenues	<u>\$ 3,100,934</u>	<u>\$ 2,845,771</u>	<u>\$ 3,116,471</u>	<u>\$ (15,537)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 2,400,000	\$ 2,400,000	\$ 2,400,000	\$ 0
<u>Interest on Debt</u>				
Education	836,242	836,243	836,243	1
<u>Other Debt Service</u>				
Education	58,939	56,000	59,250	311
Total Expenditures	<u>\$ 3,295,181</u>	<u>\$ 3,292,243</u>	<u>\$ 3,295,493</u>	<u>\$ 312</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (194,247)</u>	<u>\$ (446,472)</u>	<u>\$ (179,022)</u>	<u>\$ (15,225)</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 3,495,000	\$ 0	\$ 3,495,000	\$ 0
Premiums on Debt Issued	89,324	0	89,324	0
Discounts on Debt Issued	(29,708)	0	(29,708)	0
Payments to Refunded Debt Escrow Agent	(3,530,000)	0	(3,531,366)	1,366
Total Other Financing Sources (Uses)	<u>\$ 24,616</u>	<u>\$ 0</u>	<u>\$ 23,250</u>	<u>\$ 1,366</u>
Net Change in Fund Balance	<u>\$ (169,631)</u>	<u>\$ (446,472)</u>	<u>\$ (155,772)</u>	<u>\$ (13,859)</u>
Fund Balance, July 1, 2011	<u>2,887,550</u>	<u>2,879,201</u>	<u>2,879,201</u>	<u>8,349</u>
Fund Balance, June 30, 2012	<u>\$ 2,717,919</u>	<u>\$ 2,432,729</u>	<u>\$ 2,723,429</u>	<u>\$ (5,510)</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, 2012

	<u>Agency Funds</u>		
	<u>Cities -</u>	<u>Constitutional</u>	
	<u>Sales</u>	<u>Officers -</u>	
	<u>Tax</u>	<u>Agency</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,481,572	\$ 1,481,572
Due from Other Governments	518,359	0	518,359
Total Assets	<u>\$ 518,359</u>	<u>\$ 1,481,572</u>	<u>\$ 1,999,931</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 518,359	\$ 0	\$ 518,359
Due to Litigants, Heirs, and Others	0	1,481,572	1,481,572
Total Liabilities	<u>\$ 518,359</u>	<u>\$ 1,481,572</u>	<u>\$ 1,999,931</u>

## Exhibit H-2

Franklin County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,110,201	\$ 3,110,201	\$ 0
Due from Other Governments	479,041	518,359	479,041	518,359
Total Assets	\$ 479,041	\$ 3,628,560	\$ 3,589,242	\$ 518,359
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 479,041	\$ 3,628,560	\$ 3,589,242	\$ 518,359
Total Liabilities	\$ 479,041	\$ 3,628,560	\$ 3,589,242	\$ 518,359
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,820,636	\$ 13,251,817	\$ 13,590,881	\$ 1,481,572
Total Assets	\$ 1,820,636	\$ 13,251,817	\$ 13,590,881	\$ 1,481,572
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,820,636	\$ 13,251,817	\$ 13,590,881	\$ 1,481,572
Total Liabilities	\$ 1,820,636	\$ 13,251,817	\$ 13,590,881	\$ 1,481,572
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,820,636	\$ 13,251,817	\$ 13,590,881	\$ 1,481,572
Equity in Pooled Cash and Investments	0	3,110,201	3,110,201	0
Due from Other Governments	479,041	518,359	479,041	518,359
Total Assets	\$ 2,299,677	\$ 16,880,377	\$ 17,180,123	\$ 1,999,931
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 479,041	\$ 3,628,560	\$ 3,589,242	\$ 518,359
Due to Litigants, Heirs, and Others	1,820,636	13,251,817	13,590,881	1,481,572
Total Liabilities	\$ 2,299,677	\$ 16,880,377	\$ 17,180,123	\$ 1,999,931

# 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. This fund was closed during the year.

Exhibit I-1

Franklin County, Tennessee  
Statement of Activities  
Discretely Presented Franklin County School Department  
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 29,897,997	\$ 290,453	\$ 4,602,224	\$ 197,726	\$ (24,807,594)
Support Services	14,834,509	12,204	0	0	(14,822,305)
Operation of Non-Instructional Services	5,391,961	1,263,311	2,212,972	0	(1,915,678)
Capital Outlay	144,417	0	0	0	(144,417)
Interest on Debt	33,258	0	0	0	(33,258)
Other Debt Service	760,000	0	0	0	(760,000)
<b>Total Governmental Activities</b>	<b>\$ 51,062,142</b>	<b>\$ 1,565,968</b>	<b>\$ 6,815,196</b>	<b>\$ 197,726</b>	<b>\$ (42,483,252)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 9,565,171
Local Option Sales Taxes					3,988,629
Other Local Taxes					2,286
Grants and Contributions Not Restricted to Specific Programs					26,664,463
Unrestricted Investment Earnings					5,589
Miscellaneous					140,960
Sale of Equipment					50,849
<b>Total General Revenues</b>					<b>\$ 40,417,947</b>
Insurance Recovery					\$ 12,386
Change in Net Assets					\$ (2,052,919)
Net Assets, July 1, 2011					52,463,349
<b>Net Assets, June 30, 2012</b>					<b>\$ 50,410,430</b>

Exhibit I-2

Franklin County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Franklin County School Department  
June 30, 2012

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,634	\$ 1,634
Equity in Pooled Cash and Investments	6,798,925	1,399,574	8,198,499
Accounts Receivable	36,542	402	36,944
Due from Other Governments	593,024	10,215	603,239
Property Taxes Receivable	9,719,143	0	9,719,143
Allowance for Uncollectible Property Taxes	(378,871)	0	(378,871)
Prepaid Items	3,975	0	3,975
Total Assets	<u>\$ 16,772,738</u>	<u>\$ 1,411,825</u>	<u>\$ 18,184,563</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 86,886	\$ 217	\$ 87,103
Accrued Payroll	71,660	1,273	72,933
Deferred Revenue - Current Property Taxes	9,012,871	0	9,012,871
Deferred Revenue - Delinquent Property Taxes	294,547	0	294,547
Other Deferred Revenues	374,279	0	374,279
Total Liabilities	<u>\$ 9,840,243</u>	<u>\$ 1,490</u>	<u>\$ 9,841,733</u>
<u>Fund Balances</u>			
Nonspendable:			
Prepaid Items	\$ 3,975	\$ 0	\$ 3,975
Restricted:			
Restricted for Education	301,444	1,410,335	1,711,779
Committed:			
Committed for Education	833,016	0	833,016
Assigned:			
Assigned for Education	114,414	0	114,414
Unassigned	5,679,646	0	5,679,646
Total Fund Balances	<u>\$ 6,932,495</u>	<u>\$ 1,410,335</u>	<u>\$ 8,342,830</u>
Total Liabilities and Fund Balances	<u>\$ 16,772,738</u>	<u>\$ 1,411,825</u>	<u>\$ 18,184,563</u>

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, 2012

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 8,342,830	
(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	37,264,483		
Add: other capital assets net of accumulated depreciation	<u>3,357,560</u>	46,073,229	
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: capital leases payable	\$ (1,119,159)		
Less: compensated absences payable	(142,321)		
Less: other postemployment benefits liability	(3,406,794)		
Less: accrued interest on note and capital lease	<u>(6,181)</u>	(4,674,455)	
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>668,826</u>
Net assets of governmental activities (Exhibit A)			<u>\$ 50,410,430</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, 2012

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 13,530,162	\$ 0	\$ 13,530,162
Licenses and Permits	47,402	0	47,402
Charges for Current Services	268,115	1,263,311	1,531,426
Other Local Revenues	264,001	10,688	274,689
State of Tennessee	27,269,161	31,242	27,300,403
Federal Government	614,821	5,441,572	6,056,393
Other Governments and Citizens Groups	197,726	0	197,726
Total Revenues	<u>\$ 42,191,388</u>	<u>\$ 6,746,813</u>	<u>\$ 48,938,201</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 24,435,258	\$ 2,622,130	\$ 27,057,388
Support Services	14,431,767	660,337	15,092,104
Operation of Non-Instructional Services	2,169,514	3,096,685	5,266,199
Capital Outlay	144,417	0	144,417
Debt Service:			
Principal on Debt	219,773	0	219,773
Interest on Debt	34,378	0	34,378
Other Debt Service	760,000	0	760,000
Capital Projects	0	328,682	328,682
Total Expenditures	<u>\$ 42,195,107</u>	<u>\$ 6,707,834</u>	<u>\$ 48,902,941</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,719)</u>	<u>\$ 38,979</u>	<u>\$ 35,260</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 12,386	\$ 0	\$ 12,386
Total Other Financing Sources (Uses)	<u>\$ 12,386</u>	<u>\$ 0</u>	<u>\$ 12,386</u>
Net Change in Fund Balances	\$ 8,667	\$ 38,979	\$ 47,646
Fund Balance, July 1, 2011	6,923,828	1,371,356	8,295,184
Fund Balance, June 30, 2012	<u>\$ 6,932,495</u>	<u>\$ 1,410,335</u>	<u>\$ 8,342,830</u>

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, 2012

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)		\$ 47,646
<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	\$ 1,072,252	
Less: current-year depreciation expense	<u>(2,339,262)</u>	(1,267,010)
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets</p>		
Less: loss on disposal of capital assets	\$ (81,660)	
Less: decrease of revenue for the sale or insurance recovery of disposed assets	<u>(597)</u>	(82,257)
<p>(3) 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, 2012	\$ 668,826	
Less: deferred delinquent property taxes and other deferred June 30, 2011	<u>(609,593)</u>	59,233
<p>(4) 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>194,773</u>	219,773
<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 compensated absences payable	\$ (11,676)	
Change in other postemployment benefits liability	(1,019,748)	
Change in accrued interest payable	<u>1,120</u>	(1,030,304)
Change in net assets of governmental activities (Exhibit B)		<u><u>\$ (2,052,919)</u></u>

Exhibit I-6

Franklin County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Franklin County School Department  
June 30, 2012

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,634	\$ 1,634
Equity in Pooled Cash and Investments	18,447	1,381,127	1,399,574
Accounts Receivable	0	402	402
Due from Other Governments	0	10,215	10,215
Total Assets	<u>\$ 18,447</u>	<u>\$ 1,393,378</u>	<u>\$ 1,411,825</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 0	\$ 217	\$ 217
Accrued Payroll	645	628	1,273
Total Liabilities	<u>\$ 645</u>	<u>\$ 845</u>	<u>\$ 1,490</u>
<u>Fund Balances</u>			
Restricted:			
Restricted for Education	\$ 17,802	\$ 1,392,533	\$ 1,410,335
Total Fund Balances	<u>\$ 17,802</u>	<u>\$ 1,392,533</u>	<u>\$ 1,410,335</u>
Total Liabilities and Fund Balances	<u>\$ 18,447</u>	<u>\$ 1,393,378</u>	<u>\$ 1,411,825</u>

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, 2012

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 1,263,311	\$ 1,263,311	\$ 0	\$ 1,263,311
Other Local Revenues	0	10,661	10,661	27	10,688
State of Tennessee	0	31,242	31,242	0	31,242
Federal Government	3,259,842	2,181,730	5,441,572	0	5,441,572
Total Revenues	\$ 3,259,842	\$ 3,486,944	\$ 6,746,786	\$ 27	\$ 6,746,813
<u>Expenditures</u>					
Current:					
Instruction	\$ 2,622,130	\$ 0	\$ 2,622,130	\$ 0	\$ 2,622,130
Support Services	660,337	0	660,337	0	660,337
Operation of Non-Instructional Services	0	3,096,685	3,096,685	0	3,096,685
Capital Projects	0	0	0	328,682	328,682
Total Expenditures	\$ 3,282,467	\$ 3,096,685	\$ 6,379,152	\$ 328,682	\$ 6,707,834
Excess (Deficiency) of Revenues					
Over Expenditures	\$ (22,625)	\$ 390,259	\$ 367,634	\$ (328,655)	\$ 38,979
Net Change in Fund Balances	\$ (22,625)	\$ 390,259	\$ 367,634	\$ (328,655)	\$ 38,979
Fund Balance, July 1, 2011	40,427	1,002,274	1,042,701	328,655	1,371,356
Fund Balance, June 30, 2012	\$ 17,802	\$ 1,392,533	\$ 1,410,335	\$ 0	\$ 1,410,335

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 13,530,162	\$ 0	\$ 0	\$ 13,530,162	\$ 13,446,538	\$ 13,447,950	\$ 82,212
Licenses and Permits	47,402	0	0	47,402	42,800	42,800	4,602
Charges for Current Services	268,115	0	0	268,115	264,397	265,497	2,618
Other Local Revenues	264,001	0	0	264,001	142,327	282,950	(18,949)
State of Tennessee	27,269,161	0	0	27,269,161	27,205,927	27,256,407	12,754
Federal Government	614,821	0	0	614,821	349,649	642,727	(27,906)
Other Governments and Citizens Groups	197,726	0	0	197,726	202,350	202,593	(4,867)
Total Revenues	\$ 42,191,388	\$ 0	\$ 0	\$ 42,191,388	\$ 41,653,988	\$ 42,140,924	\$ 50,464

<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 19,062,685	\$ (50,297)	\$ 58,966	\$ 19,071,354	\$ 19,998,600	\$ 20,069,693	\$ 998,339
Alternative Instruction Program	200,974	0	0	200,974	209,027	213,027	12,053
Special Education Program	3,641,511	(17,584)	0	3,623,927	3,817,219	3,910,531	286,604
Vocational Education Program	1,401,547	(238)	10,734	1,412,043	1,563,143	1,558,643	146,600
Student Body Education Program	114,054	0	0	114,054	122,713	126,313	12,259
Adult Education Program	14,487	0	0	14,487	13,628	22,660	8,173
<u>Support Services</u>							
Attendance	196,976	0	0	196,976	178,286	198,009	1,033
Health Services	347,172	0	0	347,172	378,840	378,840	31,668
Other Student Support	1,117,105	(2,538)	0	1,114,567	1,130,946	1,132,730	18,163
Regular Instruction Program	1,110,896	0	1,285	1,112,181	1,061,942	1,138,052	25,871
Special Education Program	283,945	(3,188)	0	280,757	294,458	294,458	13,701
Vocational Education Program	61,594	0	0	61,594	60,641	65,141	3,547

(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 7/1/2011	Add: Encumbrances 6/30/2012	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	\$ 113,358	\$ 0	0	\$ 113,358	\$ 110,118	\$ 123,491	\$ 10,133
Other Programs	165,298	0	0	165,298	0	165,298	0
Board of Education	926,756	(4,352)	0	922,404	971,473	975,785	53,381
Director of Schools	365,176	(2,404)	0	362,772	376,227	389,227	26,455
Office of the Principal	2,164,067	0	0	2,164,067	2,209,112	2,194,612	30,545
Human Services/Personnel	104,255	0	0	104,255	109,526	109,526	5,271
Operation of Plant	3,377,588	(5,544)	0	3,372,044	3,747,775	3,747,775	375,731
Maintenance of Plant	1,262,342	(107,858)	35,567	1,190,051	1,521,357	1,520,902	330,851
Transportation	2,206,028	(3,912)	0	2,202,116	2,285,347	2,285,347	83,231
Central and Other	629,211	(3,928)	4,971	630,254	571,864	641,864	11,610
<u>Operation of Non-Instructional Services</u>							
Community Services	843,336	(534)	500	843,302	836,313	885,011	41,709
Early Childhood Education	1,326,178	(4,110)	491	1,322,559	1,331,889	1,332,131	9,572
<u>Capital Outlay</u>							
Regular Capital Outlay	144,417	(81,699)	1,900	64,618	75,000	98,050	33,432
<u>Principal on Debt</u>							
Education	219,773	0	0	219,773	224,773	219,773	0
Interest on Debt							
Education	34,378	0	0	34,378	34,483	34,379	1
<u>Other Debt Service</u>							
Education	760,000	0	0	760,000	760,000	760,000	0
Total Expenditures	\$ 42,195,107	\$ (288,186)	\$ 114,414	\$ 42,021,335	\$ 43,994,700	\$ 44,591,268	\$ 2,569,933

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,719) \$	288,186 \$	(114,414) \$	170,053 \$	(2,340,712) \$	(2,450,344) \$	2,620,397
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 12,386 \$	0 \$	0 \$	12,386 \$	0 \$	22,150 \$	(9,764)
Transfers Out	0	0	0	0	(8,534)	0	0
Total Other Financing Sources (Uses)	\$ 12,386 \$	0 \$	0 \$	12,386 \$	(8,534) \$	22,150 \$	(9,764)
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 8,667 \$	288,186 \$	(114,414) \$	182,439 \$	(2,349,246) \$	(2,428,194) \$	2,610,633
	6,923,828	(288,186)	0	6,635,642	5,311,223	5,311,223	1,324,419
Fund Balance, June 30, 2012	\$ 6,932,495 \$	0 \$	(114,414) \$	6,818,081 \$	2,961,977 \$	2,883,029 \$	3,935,052

Exhibit I-9

Franklin County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Franklin County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 3,259,842	\$ 3,549,925	\$ 3,574,669	\$ (314,827)
Total Revenues	\$ 3,259,842	\$ 3,549,925	\$ 3,574,669	\$ (314,827)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,447,235	\$ 1,619,241	\$ 1,645,623	\$ 198,388
Special Education Program	1,091,022	1,147,754	1,132,135	41,113
Vocational Education Program	83,873	83,873	83,873	0
<u>Support Services</u>				
Health Services	214,621	207,808	220,871	6,250
Other Student Support	29,060	29,060	29,060	0
Regular Instruction Program	224,827	309,312	309,312	84,485
Special Education Program	191,829	193,304	194,222	2,393
Total Expenditures	\$ 3,282,467	\$ 3,590,352	\$ 3,615,096	\$ 332,629
Excess (Deficiency) of Revenues Over Expenditures	\$ (22,625)	\$ (40,427)	\$ (40,427)	\$ 17,802
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 158,110	\$ 0	\$ 0
Transfers Out	0	(158,110)	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ (22,625)	\$ (40,427)	\$ (40,427)	\$ 17,802
Fund Balance, July 1, 2011	40,427	40,427	40,427	0
Fund Balance, June 30, 2012	\$ 17,802	\$ 0	\$ 0	\$ 17,802

Exhibit I-10

Franklin County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Franklin County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,263,311	\$ 1,150,000	\$ 1,265,000	\$ (1,689)
Other Local Revenues	10,661	5,500	6,800	3,861
State of Tennessee	31,242	32,754	32,754	(1,512)
Federal Government	2,181,730	1,817,239	2,125,699	56,031
<b>Total Revenues</b>	<b>\$ 3,486,944</b>	<b>\$ 3,005,493</b>	<b>\$ 3,430,253</b>	<b>\$ 56,691</b>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 3,096,685	\$ 3,002,808	\$ 3,567,206	\$ 470,521
<b>Total Expenditures</b>	<b>\$ 3,096,685</b>	<b>\$ 3,002,808</b>	<b>\$ 3,567,206</b>	<b>\$ 470,521</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 390,259	\$ 2,685	\$ (136,953)	\$ 527,212
Net Change in Fund Balance	\$ 390,259	\$ 2,685	\$ (136,953)	\$ 527,212
Fund Balance, July 1, 2011	1,002,274	555,209	555,209	447,065
<b>Fund Balance, June 30, 2012</b>	<b>\$ 1,392,533</b>	<b>\$ 557,894</b>	<b>\$ 418,256</b>	<b>\$ 974,277</b>

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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, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-12
<u>PRIMARY GOVERNMENT</u>									
<u>NOTES PAYABLE</u>									
Payable through General Debt Service Fund									
Industrial Development Board - Land	\$ 822,666	4.75 %	5-28-10	5-27-22	\$ 766,030	\$ 0	\$ 54,786	\$ 0	\$ 711,244
Payable through General Fund									
Sheriff - Litter Truck	40,158	4	6-5-11	6-15-13	\$ 26,297	\$	\$ 12,848	\$ 0	\$ 13,449
Payable through Highway/Public Works Fund									
Quarry Land	177,000	4.875	11-10-11	2-1-23	\$ 0	\$ 177,000	\$ 17,159	\$ 0	\$ 159,841
Total Notes Payable					\$ 792,327	\$ 177,000	\$ 84,793	\$ 0	\$ 884,534
<u>CAPITAL LEASES</u>									
Payable through General Fund									
Jail Security Equipment	78,235	0	12-21-07	12-21-12	\$ 25,903	\$ 0	\$ 16,442	\$ 0	\$ 9,461
Sheriff's Vehicles	385,856	4.69	11-5-08	3-5-12	99,739	0	99,739	0	0
Telecommunications, Electronics, and Security Equipment	300,000	5.265	10-20-09	10-20-14	208,617	0	58,796	0	149,821
Sheriff Department Computers	57,321	0	10-25-09	10-25-12	25,473	0	19,107	0	6,366
Energy Efficiency Lighting System	308,473	4.75	1-3-11	1-3-18	308,473	0	38,110	0	270,363
Total Payable through General Fund					\$ 668,205	\$ 0	\$ 232,194	\$ 0	\$ 436,011
Payable through Highway/Public Works Fund									
Highway Equipment - 2 Trucks	183,021	4.7	4-27-10	2-12-15	\$ 138,333	\$ 0	\$ 35,399	\$ 0	\$ 102,934
Total Capital Leases					\$ 806,538	\$ 0	\$ 267,593	\$ 0	\$ 538,945
<u>BONDS PAYABLE</u>									
Payable through General Debt Service Fund									
Industrial Revenue	378,000	5	11-18-1978	1-1-17	\$ 113,000	\$ 0	\$ 15,000	\$ 0	\$ 98,000
General Obligation Jail Refunding Bonds, Series 2003	3,545,000	3.13	6-26-03	6-30-16	1,710,000	0	315,000	0	1,395,000

(Continued)

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 (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-12
<u>PRIMARY GOVERNMENT (CONT.)</u>									
<u>BONDS PAYABLE (CONT.)</u>									
Payable through General Debt Service Fund (Cont.)									
General Obligation Highway Refunding Bonds, Series 2006B	\$ 5,440,000	3.8 %	12-29-06	6-1-14	\$ 2,170,000	\$ 0	\$ 705,000	\$ 0	\$ 1,465,000
General Obligation Series 2007	6,000,000	4.19	8-15-07	4-1-23	5,155,000	0	220,000	0	4,935,000
General Obligation Judicial Center, Series 2010	1,500,000	4.13	5-21-10	5-21-48	1,483,030	0	17,670	0	1,465,360
Total Payable through General Debt Service Fund					\$ 10,631,030	\$ 0	\$ 1,272,670	\$ 0	\$ 9,358,360
Payable through Education Debt Service Fund									
School Refunding Bonds, Series 2002	7,430,000	3.25 to 4.75	5-15-02	6-30-16	\$ 4,320,000	\$ 0	\$ 790,000	\$ 3,530,000	\$ 0
School Refunding Bonds, Series 2006A	3,810,000	3.8 to 4	12-29-06	6-1-21	2,720,000	0	240,000	0	2,480,000
School Bonds, Series 2008	3,000,000	2.5 to 4.5	12-17-08	6-1-24	2,685,000	0	165,000	0	2,520,000
School Refunding Bonds, Series 2009	15,205,000	2 to 3.75	6-15-09	3-1-21	13,765,000	0	1,205,000	0	12,560,000
School Refunding Bonds, Series 2011	3,495,000	1.35	12-28-11	3-1-16	0	3,495,000	0	0	3,495,000
Total Payable through Education Debt Service Fund					\$ 23,490,000	\$ 3,495,000	\$ 2,400,000	\$ 3,530,000	\$ 21,055,000
Total Bonds Payable					\$ 34,121,030	\$ 3,495,000	\$ 3,672,670	\$ 3,530,000	\$ 30,413,360
<u>DISCRETELY PRESENTED FRANKLIN COUNTY SCHOOL DEPARTMENT</u>									
<u>NOTE PAYABLE</u>									
Payable through General Purpose School Fund Lighting	150,000	4.3 to 4.55	10-14-05	10-14-11	\$ 25,000	\$ 0	\$ 25,000	\$ 0	\$ 0
<u>CAPITAL LEASES</u>									
Payable through General Purpose School Fund									
Energy Efficient Lighting (State 1)	500,000	0	9-1-10	9-1-17	\$ 446,432	\$ 0	\$ 71,424	\$ 0	\$ 375,008
Energy Efficient Lighting (State 2)	386,672	3	9-1-10	9-1-15	332,303	0	74,424	0	257,879
Energy Efficient Lighting (Excel)	581,879	5	10-1-10	4-1-20	535,197	0	48,925	0	486,272
Total Capital Leases Payable					\$ 1,313,932	\$ 0	\$ 194,773	\$ 0	\$ 1,119,159

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	Notes		
	Principal	Interest	Total
2013	\$ 82,299	\$ 40,895	\$ 123,194
2014	72,215	36,993	109,208
2015	75,724	33,485	109,209
2016	79,338	29,870	109,208
2017	83,242	25,966	109,208
2018	87,301	21,908	109,209
2019	91,542	17,666	109,208
2020	95,964	13,245	109,209
2021	100,644	8,564	109,208
2022	98,033	3,667	101,700
2023	18,232	889	19,121
Total	\$ 884,534	\$ 233,148	\$ 1,117,682

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2013	\$ 154,836	\$ 22,824	\$ 177,660
2014	146,053	15,782	161,835
2015	93,371	9,167	102,538
2016	45,983	6,333	52,316
2017	48,193	4,123	52,316
2018	50,509	1,806	52,315
Total	\$ 538,945	\$ 60,035	\$ 598,980

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 3,791,399	\$ 1,057,351	\$ 4,848,750
2014	3,909,158	928,765	4,837,923
2015	3,439,948	807,759	4,247,707
2016	3,565,771	703,909	4,269,680
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
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

(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.)

PRIMARY GOVERNMENT (CONT.)

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
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	\$ 30,413,360	\$ 6,601,338	\$ 37,014,698

DISCRETELY PRESENTED FRANKLIN  
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2013	\$ 199,393	\$ 29,180	\$ 228,573
2014	204,185	24,388	228,573
2015	209,169	19,404	228,573
2016	151,203	14,837	166,040
2017	133,293	11,904	145,197
2018	82,731	8,930	91,661
2019	67,959	5,814	73,773
2020	71,226	2,547	73,773
Total	\$ 1,119,159	\$ 117,004	\$ 1,236,163

Exhibit J-3

Franklin County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2012

From Fund	To Fund	Purpose	Amount
Highway/Public Works	General	Reimbursement	\$ 3,803
General	General Debt Service	Debt payments	431,257
Courthouse and Jail Maintenance	"	"	150,000
Solid Waste/Sanitation	General	Reimbursement	3,803
General	Highway/Public Works	"	13,645
Highway/Public Works	General Debt Service	Debt payments	400,000
Total Transfers			<u>\$ 1,002,508</u>

Exhibit J-4

Franklin County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Franklin County School Department  
For the Year Ended June 30, 2012

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 73,866	\$ 50,000	Western Surety Company
Superintendent of Highways	Section 8-24-102, TCA	70,350	100,000	"
Director of Schools	State Board of Education and Franklin County Board of Education	110,551 (1)	50,000	"
Finance Director	County Commission	60,960	50,000	"
Trustee	Section 8-24-102, TCA	63,954	1,558,000	Auto-Owners Mutual Insurance Company
Assessor of Property	Section 8-24-102, TCA	63,954	10,000	Western Surety Company
County Clerk	Section 8-24-102, TCA	63,954	50,000	RLI Insurance Company
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	63,954	50,000	"
Clerk and Master	Section 8-24-102, TCA	63,954 (2)	50,000	"
Register	Section 8-24-102, TCA	63,954	25,000	Western Surety Company
Sheriff	Section 8-24-102, TCA	70,350 (3)	25,000	RLI Insurance Company
Other Bonds:				
Public Employee Dishonesty			150,000	Tennessee Risk Management Trust

(1) Does not include a chief executive officer training supplement of \$1,000.

(2) Does not include special commissioner fees of \$600.

(3) Does not include a law enforcement training supplement of \$600.

Exhibit J-5

Franklin County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2012

	Special Revenue Funds					Local Purpose Tax
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste/ Sanitation		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 6,837,515	\$ 0	\$ 251,470	\$ 885,904	\$ 378,425	
Trustee's Collections - Prior Year	171,988	0	6,739	28,593	13,117	
Trustee's Collections - Bankruptcy	4,067	0	112	645	260	
Circuit/Clerk & Master Collections - Prior Years	106,828	0	3,920	13,341	5,458	
Interest and Penalty	36,390	0	1,266	5,380	2,255	
Payments in-Lieu-of Taxes - T.V.A.	3,379	0	125	624	339	
Payments in-Lieu-of Taxes - Local Utilities	24,293	0	891	0	0	
Payments in-Lieu-of Taxes - Other	35,858	0	1,316	115	62	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	
Hotel/Motel Tax	0	0	0	0	94,467	
Litigation Tax - General	130,586	0	0	0	0	
Litigation Tax - Jail, Workhouse, or Courthouse	0	166,261	0	0	0	
Business Tax	283,870	0	0	0	0	
Mineral Severance Tax	0	0	0	0	0	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	21,726	0	801	4,013	2,181	
Wholesale Beer Tax	208,988	0	0	0	0	
Interstate Telecommunications Tax	1,441	0	0	0	0	
Other Statutory Local Taxes	756	0	0	0	0	
<b>Total Local Taxes</b>	<b>\$ 7,867,685</b>	<b>\$ 166,261</b>	<b>\$ 266,640</b>	<b>\$ 938,615</b>	<b>\$ 496,564</b>	
<u>Licenses and Permits</u>						
Cable TV Franchise Permits	\$ 33,741	\$ 0	\$ 1,244	\$ 6,232	\$ 3,386	
Beer Permits	5,382	0	0	0	0	
Building Permits	19,070	0	0	0	20,000	
Other Permits	5,240	0	0	0	0	
<b>Total Licenses and Permits</b>	<b>\$ 63,433</b>	<b>\$ 0</b>	<b>\$ 1,244</b>	<b>\$ 6,232</b>	<b>\$ 23,386</b>	

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Local Purpose Tax
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste/ Sanitation		
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 17,332	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	19,979	0	0	0	0	0
Game and Fish Fines	16	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0
Drug Court Fees	1,623	0	0	0	0	0
Jail Fees	6,124	0	0	0	0	0
DUI Treatment Fines	3,517	0	0	0	0	0
Data Entry Fee - Circuit Court	2,601	0	0	0	0	0
Courtroom Security Fee	172	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	29,226	0	0	0	0	0
Fines for Littering	48	0	0	0	0	0
Officers Costs	47,244	0	0	0	0	0
Game and Fish Fines	2,358	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0
Drug Court Fees	3,354	0	0	0	0	0
Jail Fees	22,997	0	0	0	0	0
DUI Treatment Fines	10,749	0	0	0	0	0
Data Entry Fee - General Sessions Court	5,478	0	0	0	0	0
Courtroom Security Fee	1,280	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	1,775	0	0	0	0	0
Officers Costs	1,113	0	0	0	0	0
Game and Fish Fines	22	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,237	0	0	0	0	0
Courtroom Security Fee	2	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	1,205	0	0	0	0	0
Data Entry Fee - Chancery Court	496	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Local Purpose Tax
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste/ Sanitation		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Courts - In-county</u>						
Drug Court Fees	\$ 600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0
Proceeds from Confiscated Property	4,124	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	184,672	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 184,672	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Transfer Waste Stations Collection Charge	\$ 0	\$ 0	\$ 0	\$ 10,000	\$ 0	\$ 0
Tipping Fees	0	0	0	13,995	0	0
Other General Service Charges	7,705	0	18,706	0	0	0
<u>Fees</u>						
Copy Fees	81	0	0	0	0	0
Greenbelt Late Application Fee	400	0	0	0	0	0
Telephone Commissions	22,957	0	0	0	0	0
Vending Machine Collections	243	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	13,932	0	0	0	0	0
Probation Fees	190,607	0	0	0	0	0
Data Processing Fee - Sheriff	4,631	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	3,600	0	0	0	0	0
Data Processing Fee - County Clerk	2,592	0	0	0	0	0
Total Charges for Current Services	\$ 246,748	\$ 0	\$ 18,706	\$ 23,995	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 1,255	\$ 132,928	\$ 0	\$ 0
Lease/Rentals	28,653	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0
Sale of Maps	4,140	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Local Purpose Tax
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste/ Sanitation		
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Sale of Recycled Materials	\$ 0	\$ 0	\$ 0	\$ 193,244	\$ 0	0
Miscellaneous Refunds	50,278	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	3,708	0	0	0	0	0
Sale of Property	0	0	0	0	0	0
Damages Recovered from Individuals	0	0	0	0	0	0
Contributions and Gifts	3,356	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	45,118	0	1,651	0	0	0
Total Other Local Revenues	\$ 135,253	\$ 0	\$ 2,906	\$ 326,172	\$ 0	0
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 316,777	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	247,659	0	0	0	0	0
General Sessions Court Clerk	248,028	0	0	0	0	0
Clerk and Master	94,587	0	0	0	0	0
Juvenile Court Clerk	35,972	0	0	0	0	0
Register	172,302	0	0	0	0	0
Sheriff	17,194	0	0	0	0	0
Trustee	616,071	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,748,590	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Airport Maintenance Program	294,976	0	0	0	0	0
Solid Waste Grants	0	0	0	25,562	0	0
Other General Government Grants	33,494	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Local Purpose Tax
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste/ Sanitation		
<u>State of Tennessee (Cont.)</u>						
Public Safety Grants						
Law Enforcement Training Programs	\$ 26,400	\$ 0	\$ 0	\$ 0	\$ 0	0
Health and Welfare Grants						
Health Department Programs	144,785	0	0	0	0	0
Other Health and Welfare Grants	105	0	0	0	0	0
Public Works Grants						
Bridge Program	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0
Litter Program	24,436	0	0	0	0	0
Other State Revenues						
Income Tax	148,980	0	0	0	0	0
Beer Tax	18,421	0	0	0	0	0
Alcoholic Beverage Tax	69,385	0	0	0	0	0
State Revenue Sharing - T.V.A.	1,071,190	0	0	0	0	0
Contracted Prisoner Boarding	818,732	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	0	0	1,940	0	0	0
Total State of Tennessee	\$ 2,675,068	\$ 0	\$ 1,940	\$ 25,562	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 44,163	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	35,000	0	0	0	0	0
Disaster Relief	10,348	0	0	0	0	0
Homeland Security Grants	158,641	0	0	0	0	0
Law Enforcement Grants	0	0	0	0	0	0
ARRA Grant # 5	57,153	0	0	0	0	0
Other Federal through State	462,586	0	0	0	0	0

(Continued)

Exhibit J-5

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	
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	\$ 21,346	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	\$ 789,237	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 8,160	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	165,877	0	29,250	0	0	0
<u>Citizens Groups</u>						
Donations	57,290	0	1,269	0	0	0
<u>Other</u>	64,956	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 296,283	\$ 0	\$ 30,519	\$ 0	\$ 0	\$ 0
Total	\$ 14,006,969	\$ 166,261	\$ 321,955	\$ 1,320,576	\$ 519,950	

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds			Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service			
<b>Local Taxes</b>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 0	\$ 0	\$ 335,293	\$ 838,243	\$ 1,382,259	\$ 10,909,109		
Trustee's Collections - Prior Year	0	0	8,247	20,662	43,488	292,834		
Trustee's Collections - Bankruptcy	0	0	214	534	1,120	6,952		
Circuit/Clerk & Master Collections - Prior Years	0	0	5,219	13,046	21,832	169,644		
Interest and Penalty	0	0	1,788	4,472	8,964	60,515		
Payments in-Lieu-of Taxes - T.V.A.	0	0	165	414	699	5,745		
Payments in-Lieu-of Taxes - Local Utilities	0	0	1,191	2,980	4,909	34,264		
Payments in-Lieu-of Taxes - Other	0	0	1,758	4,399	533,739	577,247		
<u>County Local Option Taxes</u>								
Local Option Sales Tax	0	0	0	0	332,252	332,252		
Hotel/Motel Tax	0	0	0	0	0	94,467		
Litigation Tax - General	0	0	0	87,459	0	218,045		
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	166,261		
Business Tax	0	0	0	0	0	283,870		
Mineral Severance Tax	0	0	36,351	0	0	36,351		
<u>Statutory Local Taxes</u>								
Bank Excise Tax	0	0	1,064	2,660	4,394	36,839		
Wholesale Beer Tax	0	0	0	0	0	208,988		
Interstate Telecommunications Tax	0	0	0	0	0	1,441		
Other Statutory Local Taxes	0	0	0	0	0	756		
<b>Total Local Taxes</b>	\$ 0	\$ 0	\$ 391,290	\$ 974,869	\$ 2,333,656	\$ 13,435,580		
<u>Licenses and Permits</u>								
Cable TV Franchise Permits	\$ 0	\$ 0	\$ 1,652	\$ 4,131	\$ 7,278	\$ 57,664		
Beer Permits	0	0	0	0	0	5,382		
Building Permits	0	0	0	0	0	39,070		
Other Permits	0	0	0	0	0	5,240		
<b>Total Licenses and Permits</b>	\$ 0	\$ 0	\$ 1,652	\$ 4,131	\$ 7,278	\$ 107,356		

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds			Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service			
<u>Circuit Court</u>								
Fines	\$ 0	0	0	0	0	0	0	17,332
Officers Costs	0	0	0	0	0	0	0	19,979
Game and Fish Fines	0	0	0	0	0	0	0	16
Drug Control Fines	4,088	0	0	0	0	0	0	4,088
Drug Court Fees	0	0	0	0	0	0	0	1,623
Jail Fees	0	0	0	0	0	0	0	6,124
DUI Treatment Fines	0	0	0	0	0	0	0	3,517
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	2,601
Courtroom Security Fee	0	0	0	0	0	0	0	172
<u>General Sessions Court</u>								
Fines	0	0	0	0	0	0	0	29,226
Fines for Littering	0	0	0	0	0	0	0	48
Officers Costs	0	0	0	0	0	0	0	47,244
Game and Fish Fines	0	0	0	0	0	0	0	2,358
Drug Control Fines	3,418	0	0	0	0	0	0	3,418
Drug Court Fees	0	0	0	0	0	0	0	3,354
Jail Fees	0	0	0	0	0	0	0	22,997
DUI Treatment Fines	0	0	0	0	0	0	0	10,749
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	5,478
Courtroom Security Fee	0	0	0	0	0	0	0	1,280
<u>Juvenile Court</u>								
Fines	0	0	0	0	0	0	0	1,775
Officers Costs	0	0	0	0	0	0	0	1,113
Game and Fish Fines	0	0	0	0	0	0	0	22
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	0	1,237
Courtroom Security Fee	0	0	0	0	0	0	0	2
<u>Chancery Court</u>								
Officers Costs	0	0	0	0	0	0	0	1,205
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	496

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Funds			Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Other Courts - In-county</u>							
Drug Court Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	600
Other Fines, Forfeitures, and Penalties	24,821	0	0	0	0	0	24,821
Proceeds from Confiscated Property	0	0	0	0	0	0	4,124
Other Fines, Forfeitures, and Penalties	32,327	0	0	0	0	0	216,999
Total Fines, Forfeitures, and Penalties	\$ 24,821	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 24,821
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Transfer Waste Stations Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,000
Tipping Fees	0	0	0	0	0	0	13,995
Other General Service Charges	175	0	3,002	0	0	0	29,588
<u>Fees</u>							
Copy Fees	0	0	0	0	0	0	81
Greenbelt Late Application Fee	0	0	0	0	0	0	400
Telephone Commissions	0	0	0	0	0	0	22,957
Vending Machine Collections	0	0	0	0	0	0	243
Special Commissioner Fees/Special Master Fees	0	600	0	0	0	0	600
Data Processing Fee - Register	0	0	0	0	0	0	13,932
Probation Fees	0	0	0	0	0	0	190,607
Data Processing Fee - Sheriff	0	0	0	0	0	0	4,631
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	3,600
Data Processing Fee - County Clerk	0	0	0	0	0	0	2,592
Total Charges for Current Services	\$ 175	\$ 600	\$ 3,002	\$ 0	\$ 0	\$ 0	\$ 293,226
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	134,183
Lease/Rentals	0	0	0	0	0	0	28,653
Sale of Materials and Supplies	0	0	547	0	0	0	547
Sale of Maps	0	0	0	0	0	0	4,140

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds			Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service			
<u>Other Local Revenues (Cont.)</u>								
<u>Recurring Items (Cont.)</u>								
Sale of Recycled Materials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 193,244
Miscellaneous Refunds	6,595	0	792	0	0	0	0	57,665
<u>Nonrecurring Items</u>								
Sale of Equipment	2,620	0	14,442	0	0	0	0	20,770
Sale of Property	2,931	0	0	0	0	0	0	2,931
Damages Recovered from Individuals	0	0	3,280	0	0	0	0	3,280
Contributions and Gifts	0	0	0	0	0	0	0	3,356
<u>Other Local Revenues</u>								
Other Local Revenues	0	0	225	0	0	0	0	46,994
Total Other Local Revenues	\$ 12,146	\$ 0	\$ 19,286	\$ 0	\$ 0	\$ 0	\$ 0	\$ 495,763
<u>Fees Received from County Officials</u>								
<u>Fees in-Lieu-of Salary</u>								
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 316,777
Circuit Court Clerk	0	0	0	0	0	0	0	247,659
General Sessions Court Clerk	0	0	0	0	0	0	0	248,028
Clerk and Master	0	0	0	0	0	0	0	94,587
Juvenile Court Clerk	0	0	0	0	0	0	0	35,972
Register	0	0	0	0	0	0	0	172,302
Sheriff	0	0	0	0	0	0	0	17,194
Trustee	0	0	0	0	0	0	0	616,071
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,748,590
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Airport Maintenance Program	0	0	0	0	0	0	0	294,976
Solid Waste Grants	0	0	0	0	0	0	0	25,562
Other General Government Grants	0	0	0	0	0	0	0	33,494

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds			Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service			
<u>State of Tennessee (Cont.)</u>								
Public Safety Grants								
Law Enforcement Training Programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 26,400
Health and Welfare Grants	0	0	0	0	0	0	0	144,785
Health Department Programs	0	0	0	0	0	0	0	105
Other Health and Welfare Grants	0	0	0	0	0	0	0	
Public Works Grants								
Bridge Program	0	0	13,181	0	0	0	0	13,181
State Aid Program	0	0	169,700	0	0	0	0	169,700
Litter Program	0	0	0	0	0	0	0	24,436
Other State Revenues								
Income Tax	0	0	0	0	0	0	0	148,980
Beer Tax	0	0	0	0	0	0	0	18,421
Alcoholic Beverage Tax	0	0	0	0	0	0	0	69,385
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0	1,071,190
Contracted Prisoner Boarding	0	0	0	0	0	0	0	818,732
Gasoline and Motor Fuel Tax	0	0	1,883,693	0	0	0	0	1,883,693
Petroleum Special Tax	0	0	29,621	0	0	0	0	29,621
Registrar's Salary Supplement	0	0	0	0	0	0	0	15,164
Other State Grants	0	0	9,982	0	0	0	0	11,922
Total State of Tennessee	\$ 0	\$ 0	\$ 2,106,177	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,808,747

<u>Federal Government</u>								
<u>Federal Through State</u>								
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 44,163
Civil Defense Reimbursement	0	0	0	0	0	0	0	35,000
Disaster Relief	0	0	266,488	0	0	0	0	276,836
Homeland Security Grants	0	0	0	0	0	0	0	158,641
Law Enforcement Grants	7,245	0	0	0	0	0	0	7,245
ARRA Grant # 5	0	0	0	0	0	0	0	57,153
Other Federal through State	0	0	0	0	0	0	0	462,586

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds			Total
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service			
<u>Federal Government (Cont.)</u>								
<u>Direct Federal Revenue</u>								
Other Direct Federal Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 21,346
Total Federal Government	\$ 7,245	\$ 0	\$ 266,488	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,062,970
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,160
Contributions	0	0	0	0	0	760,000	0	955,127
<u>Citizens Groups</u>								
Donations	850	0	0	0	0	0	0	59,409
<u>Other</u>	0	0	0	0	0	0	0	64,956
Total Other Governments and Citizens Groups	\$ 850	\$ 0	\$ 0	\$ 0	\$ 0	\$ 760,000	\$ 0	\$ 1,087,652
<u>Total</u>	\$ 52,743	\$ 600	\$ 2,787,895	\$ 979,000	\$ 3,100,934	\$ 23,256,883		

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, 2012

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 9,078,130	\$ 0	\$ 0	\$ 0	\$ 9,078,130
Trustee's Collections - Prior Year	212,531	0	0	0	212,531
Trustee's Collections - Bankruptcy	5,538	0	0	0	5,538
Circuit/Clerk & Master Collections - Prior Years	141,064	0	0	0	141,064
Interest and Penalty	46,838	0	0	0	46,838
Payments in-Lieu-of Taxes - T.V.A.	4,470	0	0	0	4,470
Payments in-Lieu-of Taxes - Local Utilities	32,255	0	0	0	32,255
Payments in-Lieu-of Taxes - Other	47,611	0	0	0	47,611
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,930,600	0	0	0	3,930,600
<u>Statutory Local Taxes</u>					
Bank Excise Tax	28,839	0	0	0	28,839
Interstate Telecommunications Tax	2,286	0	0	0	2,286
<b>Total Local Taxes</b>	<b>\$ 13,530,162</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 13,530,162</b>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 3,059	\$ 0	\$ 0	\$ 0	\$ 3,059
Cable TV Franchise	44,343	0	0	0	44,343
<b>Total Licenses and Permits</b>	<b>\$ 47,402</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 47,402</b>
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Summer School	\$ 150	\$ 0	\$ 0	\$ 0	\$ 150
Tuition - Other	266,885	0	0	0	266,885
Lunch Payments - Children	0	0	664,120	0	664,120
Lunch Payments - Adults	0	0	65,285	0	65,285
Income from Breakfast	0	0	70,401	0	70,401
A la carte Sales	0	0	463,505	0	463,505
TBI Criminal Background Fees	1,080	0	0	0	1,080
<b>Total Charges for Current Services</b>	<b>\$ 268,115</b>	<b>\$ 0</b>	<b>\$ 1,263,311</b>	<b>\$ 0</b>	<b>\$ 1,531,426</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 5,562	\$ 27	\$ 5,589
Lease/Rentals	12,204	0	0	0	12,204
Refund of Telecommunication and Internet Fees (E-Rate)	22,338	0	0	0	22,338
Miscellaneous Refunds	130,822	0	5,099	0	135,921
<u>Nonrecurring Items</u>					
Sale of Equipment	51,446	0	0	0	51,446
Contributions and Gifts	47,191	0	0	0	47,191
<b>Total Other Local Revenues</b>	<b>\$ 264,001</b>	<b>\$ 0</b>	<b>\$ 10,661</b>	<b>\$ 27</b>	<b>\$ 274,689</b>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 165,298	\$ 0	\$ 0	\$ 0	\$ 165,298
<u>State Education Funds</u>					
Basic Education Program	25,360,000	0	0	0	25,360,000

(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>					
Early Childhood Education	\$ 1,124,877	\$ 0	\$ 0	\$ 0	\$ 1,124,877
School Food Service	0	0	31,242	0	31,242
Driver Education	2,879	0	0	0	2,879
Other State Education Funds	204,692	0	0	0	204,692
Career Ladder Program	238,450	0	0	0	238,450
Career Ladder - Extended Contract	90,700	0	0	0	90,700
Career Ladder - Extended Contract - ARRA	25,542	0	0	0	25,542
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	50,000	0	0	0	50,000
Other State Grants	1,684	0	0	0	1,684
Other State Revenues	5,039	0	0	0	5,039
Total State of Tennessee	\$ 27,269,161	\$ 0	\$ 31,242	\$ 0	\$ 27,300,403
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,466,189	\$ 0	\$ 1,466,189
USDA - Commodities	0	0	164,312	0	164,312
Breakfast	0	0	472,799	0	472,799
USDA - Other	0	0	55,481	0	55,481
USDA Food Service Equipment Grant - ARRA	0	0	22,949	0	22,949
Adult Education State Grant Program	110,406	0	0	0	110,406
Vocational Education - Basic Grants to States	0	89,373	0	0	89,373
Title I Grants to Local Education Agencies	0	1,181,429	0	0	1,181,429
Special Education - Grants to States	93,312	1,404,494	0	0	1,497,806
Special Education Preschool Grants	0	49,906	0	0	49,906
Eisenhower Professional Development State Grants	0	274,089	0	0	274,089
Job Training Partnership Act	50,286	0	0	0	50,286
Race-to-the-Top - ARRA	0	238,415	0	0	238,415
Other Federal through State	182,361	22,136	0	0	204,497
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	46,591	0	0	0	46,591
Other Direct Federal Revenue	131,865	0	0	0	131,865
Total Federal Government	\$ 614,821	\$ 3,259,842	\$ 2,181,730	\$ 0	\$ 6,056,393
<u>Other Governments and Citizens Groups</u>					
<u>Other</u>					
Other	\$ 197,726	\$ 0	\$ 0	\$ 0	\$ 197,726
Total Other Governments and Citizens Groups	\$ 197,726	\$ 0	\$ 0	\$ 0	\$ 197,726
Total	\$ 42,191,388	\$ 3,259,842	\$ 3,486,944	\$ 27	\$ 48,938,201

Exhibit J-7

Franklin County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2012

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	71,300	
Social Security		3,693	
Employer Medicare		1,032	
Audit Services		7,697	
Dues and Memberships		12,070	
Legal Services		7,932	
Legal Notices, Recording, and Court Costs		3,178	
Travel		1,499	
Other Contracted Services		5,357	
Office Supplies		9,067	
Refunds		1,660	
In Service/Staff Development		995	
Tax Relief Program		94,001	
Other Charges		37,190	
Total County Commission			\$ 256,671

Beer Board

Legal Notices, Recording, and Court Costs	\$	317	
Travel		100	
Total Beer Board			417

County Mayor/Executive

County Official/Administrative Officer	\$	73,866	
Assistant(s)		28,021	
Overtime Pay		3	
Social Security		6,192	
State Retirement		12,208	
Life Insurance		94	
Medical Insurance		11,986	
Disability Insurance		814	
Unemployment Compensation		90	
Employer Medicare		1,448	
Communication		1,185	
Dues and Memberships		1,600	
Maintenance Agreements		2,424	
Postal Charges		267	
Travel		3,792	
Other Contracted Services		18,691	
Office Supplies		1,309	
Premiums on Corporate Surety Bonds		175	

(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.)

In Service/Staff Development	\$	310	
Office Equipment		236	
Total County Mayor/Executive			\$ 164,711

County Attorney

Dues and Memberships	\$	100	
Legal Services		8,400	
Travel		373	
In Service/Staff Development		150	
Total County Attorney			9,023

Election Commission

County Official/Administrative Officer	\$	57,559	
Deputy(ies)		26,545	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		600	
Overtime Pay		2,620	
Other Salaries and Wages		16,804	
Election Commission		880	
Election Workers		20,680	
Social Security		6,601	
State Retirement		11,528	
Life Insurance		94	
Medical Insurance		11,878	
Disability Insurance		679	
Unemployment Compensation		393	
Employer Medicare		1,544	
Communication		690	
Data Processing Services		15,306	
Dues and Memberships		225	
Legal Notices, Recording, and Court Costs		2,984	
Maintenance Agreements		1,549	
Maintenance and Repair Services - Equipment		384	
Postal Charges		5,000	
Printing, Stationery, and Forms		3,856	
Travel		1,711	
Other Contracted Services		5,500	
Data Processing Supplies		574	
Office Supplies		3,318	
Other Supplies and Materials		1,702	

(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.)

In Service/Staff Development	\$ 1,413	
Total Election Commission		\$ 203,617

Register of Deeds

County Official/Administrative Officer	\$ 63,954	
Deputy(ies)	113,169	
Educational Incentive - Other County Employees	4,000	
Longevity Pay	3,120	
Social Security	10,940	
State Retirement	24,209	
Life Insurance	234	
Medical Insurance	30,019	
Disability Insurance	1,446	
Unemployment Compensation	360	
Employer Medicare	2,558	
Communication	395	
Data Processing Services	12,256	
Dues and Memberships	665	
Maintenance Agreements	1,682	
Maintenance and Repair Services - Office Equipment	1,291	
Postal Charges	1,720	
Travel	1,534	
Other Contracted Services	332	
Office Supplies	14,235	
Premiums on Corporate Surety Bonds	200	
In Service/Staff Development	800	
Furniture and Fixtures	12,400	
Total Register of Deeds		301,519

Planning

Supervisor/Director	\$ 53,829
Deputy(ies)	33,721
Educational Incentive - Official/Admin Officer	1,000
Educational Incentive - Other County Employees	1,000
Longevity Pay	1,320
Overtime Pay	1,445
Social Security	5,651
State Retirement	12,132
Life Insurance	86
Medical Insurance	12,268

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Disability Insurance	\$	731	
Unemployment Compensation		180	
Employer Medicare		1,322	
Communication		783	
Dues and Memberships		700	
Legal Notices, Recording, and Court Costs		1,315	
Maintenance Agreements		1,100	
Maintenance and Repair Services - Office Equipment		1,050	
Maintenance and Repair Services - Vehicles		213	
Postal Charges		592	
Travel		705	
Gasoline		2,215	
Library Books/Media		45	
Office Supplies		3,763	
In Service/Staff Development		1,390	
Total Planning			\$ 138,556

County Buildings

Assistant(s)	\$	144,296
Supervisor/Director		29,323
Longevity Pay		2,760
Social Security		10,417
State Retirement		23,171
Life Insurance		374
Medical Insurance		48,377
Disability Insurance		1,418
Unemployment Compensation		720
Employer Medicare		2,436
Communication		59,424
Engineering Services		18,496
Maintenance Agreements		14,321
Maintenance and Repair Services - Buildings		43,139
Maintenance and Repair Services - Equipment		543
Maintenance and Repair Services - Vehicles		1,247
Pest Control		8,901
Disposal Fees		3,144
Other Contracted Services		421,084
Custodial Supplies		18,583
Gasoline		2,761
Uniforms		4,378

(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.)

Utilities	\$	206,481	
Other Supplies and Materials		808	
Other Charges		5	
Principal on Capital Leases		96,906	
Interest on Capital Leases		23,783	
Building Improvements		763	
Other Capital Outlay		4,990	
Total County Buildings			\$ 1,193,049

Other General Administration

Communication	\$	1,549	
Maintenance Agreements		1,200	
Other Contracted Services		718	
Data Processing Equipment		6,557	
Total Other General Administration			10,024

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		133,841	
Educational Incentive - Other County Employees		6,000	
Longevity Pay		4,560	
Other Salaries and Wages		50,909	
Board and Committee Members Fees		3,690	
Social Security		15,907	
State Retirement		34,071	
Life Insurance		328	
Medical Insurance		43,018	
Disability Insurance		2,025	
Unemployment Compensation		540	
Employer Medicare		3,720	
Contracts with Government Agencies		20,360	
Contracts with Private Agencies		39,929	
Dues and Memberships		1,600	
Legal Notices, Recording, and Court Costs		334	
Maintenance Agreements		4,900	
Maintenance and Repair Services - Vehicles		723	
Postal Charges		9,053	
Travel		92	
Gasoline		3,962	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Office Supplies	\$	5,407	
In Service/Staff Development		2,100	
Other Charges		91	
Office Equipment		1,188	
Total Property Assessor's Office			\$ 452,302

County Trustee's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		109,766	
Educational Incentive - Other County Employees		4,000	
Longevity Pay		3,000	
Other Salaries and Wages		539	
Social Security		10,390	
State Retirement		23,818	
Life Insurance		234	
Medical Insurance		29,797	
Disability Insurance		1,415	
Unemployment Compensation		365	
Employer Medicare		2,430	
Data Processing Services		11,094	
Dues and Memberships		647	
Maintenance Agreements		663	
Postal Charges		9,962	
Travel		1,502	
Other Contracted Services		6,288	
Office Supplies		3,654	
In Service/Staff Development		350	
Total County Trustee's Office			283,868

County Clerk's Office

County Official/Administrative Officer	\$	63,954
Deputy(ies)		246,318
Part-time Personnel		12,026
Educational Incentive - Other County Employees		5,000
Longevity Pay		4,800
Social Security		19,948
State Retirement		42,369
Life Insurance		421
Medical Insurance		53,559
Disability Insurance		2,444

(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.)

Unemployment Compensation	\$	840	
Employer Medicare		4,665	
Data Processing Services		14,862	
Dues and Memberships		676	
Maintenance Agreements		4,094	
Postal Charges		8,000	
Travel		751	
Office Supplies		6,437	
Premiums on Corporate Surety Bonds		166	
In Service/Staff Development		1,155	
Data Processing Equipment		299	
Total County Clerk's Office			\$ 492,784

Other Finance

Assistant(s)	\$	21,964	
Supervisor/Director		60,960	
Deputy(ies)		50,800	
Accountants/Bookkeepers		252,929	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		5,000	
Longevity Pay		6,600	
Social Security		23,611	
State Retirement		51,303	
Life Insurance		495	
Medical Insurance		58,319	
Disability Insurance		3,047	
Unemployment Compensation		1,021	
Employer Medicare		5,522	
Communication		1,349	
Data Processing Services		41,344	
Dues and Memberships		415	
Maintenance Agreements		5,029	
Postal Charges		7,446	
Travel		3,746	
Other Contracted Services		953	
Office Supplies		12,812	
Premiums on Corporate Surety Bonds		580	
In Service/Staff Development		1,520	
Other Charges		228	
Total Other Finance			617,993

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		454,511	
Part-time Personnel		34,892	
Longevity Pay		5,940	
Overtime Pay		2,586	
Jury and Witness Expense		10,399	
Social Security		33,699	
State Retirement		65,538	
Life Insurance		690	
Medical Insurance		77,576	
Disability Insurance		3,901	
Unemployment Compensation		1,629	
Employer Medicare		7,881	
Communication		669	
Data Processing Services		28,419	
Dues and Memberships		692	
Legal Notices, Recording, and Court Costs		158	
Maintenance Agreements		9,798	
Postal Charges		10,859	
Travel		936	
Library Books/Media		1,320	
Office Supplies		13,645	
Premiums on Corporate Surety Bonds		116	
In Service/Staff Development		818	
Data Processing Equipment		9,080	
Furniture and Fixtures		861	
Total Circuit Court			\$ 840,567

General Sessions Court

Judge(s)	\$	138,676
Deputy(ies)		70,804
Educational Incentive - Other County Employees		1,000
Longevity Pay		1,140
Social Security		10,972
State Retirement		27,805
Life Insurance		124
Medical Insurance		18,141
Disability Insurance		1,448
Unemployment Compensation		180
Employer Medicare		3,006

(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.)

Communication	\$	1,148	
Maintenance and Repair Services - Equipment		1,323	
Postal Charges		132	
Travel		816	
Library Books/Media		551	
Office Supplies		1,943	
In Service/Staff Development		215	
Total General Sessions Court			\$ 279,424

Drug Court

Supervisor/Director	\$	40,612	
Other Salaries and Wages		857	
Social Security		2,543	
State Retirement		5,336	
Life Insurance		47	
Medical Insurance		6,305	
Disability Insurance		331	
Unemployment Compensation		90	
Employer Medicare		595	
Communication		1,714	
Other Contracted Services		3,039	
Total Drug Court			61,469

Chancery Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		53,834	
Longevity Pay		1,980	
Social Security		7,229	
State Retirement		14,773	
Life Insurance		121	
Medical Insurance		17,370	
Disability Insurance		958	
Unemployment Compensation		278	
Employer Medicare		1,691	
Communication		26	
Data Processing Services		8,140	
Dues and Memberships		512	
Maintenance Agreements		1,494	
Postal Charges		2,700	
Travel		623	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Other Contracted Services	\$	1,113	
Library Books/Media		666	
Office Supplies		2,289	
Premiums on Corporate Surety Bonds		131	
Total Chancery Court			\$ 179,882

Juvenile Court

Assistant(s)	\$	44,600	
Deputy(ies)		38,858	
Longevity Pay		1,200	
Social Security		5,126	
State Retirement		11,125	
Life Insurance		94	
Medical Insurance		12,094	
Disability Insurance		675	
Unemployment Compensation		180	
Employer Medicare		1,199	
Communication		683	
Dues and Memberships		70	
Travel		2,116	
Office Supplies		390	
In Service/Staff Development		310	
Total Juvenile Court			118,720

Judicial Commissioners

County Official/Administrative Officer	\$	68,072	
Part-time Personnel		13,080	
Longevity Pay		900	
Social Security		4,917	
State Retirement		9,061	
Life Insurance		124	
Medical Insurance		14,963	
Disability Insurance		556	
Unemployment Compensation		401	
Employer Medicare		1,150	
Dues and Memberships		175	
Travel		1,607	
Office Supplies		385	
In Service/Staff Development		360	
Total Judicial Commissioners			115,751

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice

Other Contracted Services	\$ 11,550	
Total Other Administration of Justice		\$ 11,550

Probation Services

Supervisor/Director	\$ 40,861	
Part-time Personnel	22,642	
Social Security	3,822	
State Retirement	5,982	
Life Insurance	94	
Medical Insurance	12,415	
Disability Insurance	400	
Unemployment Compensation	250	
Employer Medicare	894	
Communication	13	
Drugs and Medical Supplies	2,498	
Office Supplies	828	
Total Probation Services		90,699

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 70,350
Assistant(s)	59,528
Supervisor/Director	84,028
Deputy(ies)	564,170
Investigator(s)	190,830
Captain(s)	97,968
Sergeant(s)	155,733
Accountants/Bookkeepers	52,412
Instructional Computer Personnel	36,999
Salary Supplements	30,400
Guards	198,477
Part-time Personnel	32,369
School Resource Officer	102,245
Longevity Pay	15,600
Overtime Pay	45,033
Other Salaries and Wages	26,944
Social Security	106,524
State Retirement	207,747
Life Insurance	1,754
Medical Insurance	213,239

(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.)

Disability Insurance	\$	11,099	
Unemployment Compensation		4,570	
Employer Medicare		25,029	
Communication		26,754	
Contracts with Private Agencies		6,003	
Dues and Memberships		2,240	
Maintenance Agreements		18,554	
Maintenance and Repair Services - Equipment		8,434	
Maintenance and Repair Services - Vehicles		120,168	
Postal Charges		1,336	
Travel		10,381	
Diesel Fuel		8,748	
Gasoline		188,452	
Law Enforcement Supplies		7,884	
Office Supplies		7,263	
Propane Gas		585	
Tires and Tubes		24,089	
Uniforms		11,528	
Other Supplies and Materials		917	
Building and Contents Insurance		30,100	
Liability Insurance		50,938	
Premiums on Corporate Surety Bonds		581	
Vehicle and Equipment Insurance		34,731	
In Service/Staff Development		4,090	
Constitutional Officers' Operating Expenses		1,596	
Other Charges		10,684	
Principal on Capital Leases		118,846	
Interest on Capital Leases		695	
Communication Equipment		1,813	
Law Enforcement Equipment		8,189	
Motor Vehicles		16,044	
Total Sheriff's Department			\$ 3,054,691

Administration of the Sexual Offender Registry

Guards	\$	16,691	
Social Security		1,035	
Unemployment Compensation		167	
Employer Medicare		242	
Remittance of Revenue Collected		500	
Total Administration of the Sexual Offender Registry			18,635

(Continued)

## Exhibit J-7

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

General Fund (Cont.)Public Safety (Cont.)Jail

Assistant(s)	\$	48,984	
Deputy(ies)		32,321	
Medical Personnel		70,719	
Salary Supplements		1,000	
Guards		440,024	
Clerical Personnel		25,853	
Cafeteria Personnel		44,874	
Part-time Personnel		48,401	
Longevity Pay		6,660	
Overtime Pay		13,118	
Other Salaries and Wages		11,697	
Social Security		44,194	
State Retirement		80,184	
Life Insurance		1,119	
Medical Insurance		140,104	
Disability Insurance		5,320	
Unemployment Compensation		2,706	
Employer Medicare		10,336	
Maintenance Agreements		9,950	
Maintenance and Repair Services - Buildings		20,604	
Maintenance and Repair Services - Equipment		24,783	
Medical and Dental Services		18,033	
Pest Control		750	
Transportation - Other than Students		2,103	
Travel		2,708	
Custodial Supplies		48,477	
Food Supplies		214,260	
Law Enforcement Supplies		394	
Prisoners Clothing		13,724	
Uniforms		389	
Utilities		111,287	
Other Supplies and Materials		1,928	
Medical Claims		210,773	
In Service/Staff Development		1,000	
Other Charges		5,348	
Principal on Notes		7,848	
Interest on Notes		1,051	
Principal on Capital Leases		16,442	
Other Equipment		2,236	
Total Jail			\$ 1,741,702

(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

Other Salaries and Wages	\$	212,239	
Social Security		12,811	
Unemployment Compensation		938	
Employer Medicare		3,075	
Rentals		10,998	
Travel		7,815	
Other Contracted Services		96,838	
Other Supplies and Materials		3,951	
Total Correctional Incentive Program Improvements			\$ 348,665

Juvenile Services

Contracts with Private Agencies	\$	6,125	
Other Contracted Services		7,844	
Total Juvenile Services			13,969

Civil Defense

Assistant(s)	\$	25,013	
Supervisor/Director		44,533	
Longevity Pay		1,200	
Overtime Pay		14,433	
Social Security		5,204	
State Retirement		11,194	
Life Insurance		94	
Medical Insurance		5,939	
Disability Insurance		569	
Unemployment Compensation		180	
Employer Medicare		1,217	
Communication		4,358	
Dues and Memberships		65	
Maintenance and Repair Services - Buildings		1,605	
Maintenance and Repair Services - Equipment		3,465	
Maintenance and Repair Services - Vehicles		2,361	
Postal Charges		197	
Travel		279	
Other Contracted Services		9,294	
Diesel Fuel		1,838	
Gasoline		3,209	
Office Supplies		2,916	
Other Supplies and Materials		3,903	
In Service/Staff Development		500	

(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.)

Other Charges	\$	919	
Other Equipment		4,722	
Total Civil Defense			\$ 149,207

Rescue Squad

Dues and Memberships	\$	266	
Gasoline		575	
Other Supplies and Materials		2,941	
In Service/Staff Development		1,144	
Other Charges		234	
Other Equipment		20,149	
Total Rescue Squad			25,309

Other Emergency Management

Assistant(s)	\$	30,919	
Supervisor/Director		40,612	
Dispatchers/Radio Operators		351,031	
Longevity Pay		4,680	
Overtime Pay		21,367	
Other Salaries and Wages		15,982	
Social Security		27,972	
State Retirement		54,299	
Life Insurance		714	
Medical Insurance		89,393	
Disability Insurance		3,050	
Unemployment Compensation		1,634	
Employer Medicare		6,542	
Communication		27,028	
Contracts with Private Agencies		79,210	
Maintenance and Repair Services - Equipment		1,356	
Maintenance and Repair Services - Vehicles		531	
Postal Charges		129	
Travel		5,044	
Gasoline		1,464	
Office Supplies		4,431	
Uniforms		932	
Other Supplies and Materials		1,062	
In Service/Staff Development		5,438	
Other Charges		335	
Communication Equipment		4,497	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Data Processing Equipment	\$	1,458	
Other Equipment		111	
Total Other Emergency Management			\$ 781,221

County Coroner/Medical Examiner

Other Contracted Services	\$	6,000	
Medical Claims		25,801	
Total County Coroner/Medical Examiner			31,801

Public Safety Grant Programs

Overtime Pay	\$	24,816	
Other Fringe Benefits		3,367	
In Service/Staff Development		15,372	
Other Charges		890	
Communication Equipment		126,356	
Other Equipment		13,254	
Other Capital Outlay		18,478	
Total Public Safety Grant Programs			202,533

Public Health and Welfare

Local Health Center

Communication	\$	1,312	
Dues and Memberships		200	
Janitorial Services		8,420	
Maintenance and Repair Services - Buildings		869	
Other Contracted Services		1,790	
Custodial Supplies		3,603	
Office Supplies		1,344	
Utilities		13,407	
Building and Contents Insurance		2,925	
Liability Insurance		467	
Other Charges		28	
Total Local Health Center			34,365

Rabies and Animal Control

Assistant(s)	\$	76,546	
Supervisor/Director		11,729	
Overtime Pay		1,595	
Other Salaries and Wages		165	
Social Security		5,419	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

State Retirement	\$	11,830	
Life Insurance		140	
Medical Insurance		17,136	
Disability Insurance		620	
Unemployment Compensation		284	
Employer Medicare		1,267	
Communication		2,034	
Dues and Memberships		150	
Licenses		370	
Maintenance and Repair Services - Buildings		719	
Maintenance and Repair Services - Vehicles		1,557	
Postal Charges		196	
Travel		386	
Other Contracted Services		55,362	
Animal Food and Supplies		3,233	
Diesel Fuel		7,068	
Drugs and Medical Supplies		2,893	
Gasoline		9,986	
Instructional Supplies and Materials		484	
Office Supplies		618	
Uniforms		966	
Other Supplies and Materials		3,736	
Refunds		50	
In Service/Staff Development		510	
Other Equipment		1,036	
Total Rabies and Animal Control			\$ 218,085

Other Local Health Services

Secretary(ies)	\$	21,632
Longevity Pay		1,080
Other Salaries and Wages		64,592
Social Security		5,244
State Retirement		7,494
Life Insurance		140
Medical Insurance		11,623
Disability Insurance		598
Unemployment Compensation		432
Employer Medicare		1,226
Travel		11,035
Other Contracted Services		3,970

(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.)

Other Supplies and Materials	\$	42	
In Service/Staff Development		90	
Total Other Local Health Services			\$ 129,198

Appropriation to State

Contracts with Government Agencies	\$	30,646	
Total Appropriation to State			30,646

General Welfare Assistance

Other Contracted Services	\$	17,775	
Total General Welfare Assistance			17,775

Waste Pickup

Laborers	\$	44,053	
Overtime Pay		1,177	
Other Salaries and Wages		958	
Social Security		2,785	
State Retirement		5,328	
Life Insurance		43	
Medical Insurance		6,380	
Disability Insurance		155	
Unemployment Compensation		146	
Employer Medicare		651	
Contracts with Other Public Agencies		6,346	
Travel		196	
Other Supplies and Materials		655	
In Service/Staff Development		325	
Principal on Notes		5,000	
Total Waste Pickup			74,198

Other Public Health and Welfare

Other Salaries and Wages	\$	1,674	
Social Security		104	
Unemployment Compensation		3	
Employer Medicare		24	
Total Other Public Health and Welfare			1,805

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Other Contracted Services	\$	22,050	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Custodial Supplies	\$ 3,021	
Total Senior Citizens Assistance		\$ 25,071

Parks and Fair Boards

Supervisor/Director	\$ 7,412	
Other Salaries and Wages	10,460	
Social Security	1,108	
Unemployment Compensation	179	
Employer Medicare	259	
Communication	380	
Maintenance Agreements	359	
Maintenance and Repair Services - Buildings	258	
Other Supplies and Materials	2,856	
Other Charges	659	
Total Parks and Fair Boards		23,930

Agriculture and Natural Resources

Agriculture Extension Service

Other Salaries and Wages	\$ 64,089	
Social Security	360	
Unemployment Compensation	58	
Employer Medicare	84	
Other Fringe Benefits	11,309	
Communication	1,933	
Other Contracted Services	445	
Other Supplies and Materials	2,118	
Other Charges	900	
Total Agriculture Extension Service		81,296

Soil Conservation

Secretary to Board	\$ 23,260	
Other Salaries and Wages	25,686	
Social Security	2,847	
State Retirement	6,430	
Life Insurance	94	
Medical Insurance	12,657	
Disability Insurance	387	
Unemployment Compensation	180	
Employer Medicare	666	
Dues and Memberships	300	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Travel	\$	2,185	
Premiums on Corporate Surety Bonds		467	
In Service/Staff Development		634	
Other Charges		262	
Total Soil Conservation			\$ 76,055

Other Operations

Industrial Development

Assistant(s)	\$	11,757	
Supervisor/Director		14,960	
Longevity Pay		1,560	
Social Security		1,730	
State Retirement		3,716	
Life Insurance		31	
Medical Insurance		3,080	
Disability Insurance		259	
Employer Medicare		405	
Total Industrial Development			37,498

Other Economic and Community Development

Contracts with Government Agencies	\$	102,830	
Other Contracted Services		93,584	
Other Charges		17,950	
Total Other Economic and Community Development			214,364

Veterans' Services

Supervisor/Director	\$	15,350	
Social Security		952	
Unemployment Compensation		91	
Employer Medicare		223	
Dues and Memberships		25	
Postal Charges		88	
Travel		593	
Office Supplies		287	
Total Veterans' Services			17,609

Other Charges

Other Fringe Benefits	\$	11,662	
Medical and Dental Services		3,436	
Building and Contents Insurance		42,444	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges (Cont.)

Liability Insurance	\$	52,464	
Medical Claims		32,990	
Trustee's Commission		167,637	
Vehicle and Equipment Insurance		52,931	
Workers' Compensation Insurance		140,225	
Other Self-Insured Claims		7,856	
Other Charges		<u>2,948</u>	
Total Other Charges			\$ 514,593

ARRA Grant # 2

Other Contracted Services	\$	<u>660</u>	
Total ARRA Grant # 2			660

ARRA Grant # 5

Other Salaries and Wages	\$	52,479	
Social Security		3,253	
Unemployment Compensation		14	
Employer Medicare		<u>763</u>	
Total ARRA Grant # 5			<u>56,509</u>

Total General Fund \$ 13,743,986

Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

Trustee's Commission	\$	<u>1,643</u>	
Total Other Charges			<u>\$ 1,643</u>

Total Courthouse and Jail Maintenance Fund 1,643

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Assistant(s)	\$	45,965	
Supervisor/Director		40,612	
Librarians		20,172	
Longevity Pay		1,920	
Other Salaries and Wages		26,146	
Social Security		8,143	
State Retirement		13,402	

(Continued)

Exhibit J-7

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

Public Library Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Life Insurance	\$	179	
Medical Insurance		23,354	
Disability Insurance		842	
Unemployment Compensation		596	
Employer Medicare		1,904	
Communication		2,034	
Dues and Memberships		150	
Maintenance and Repair Services - Buildings		9,048	
Maintenance and Repair Services - Office Equipment		1,225	
Travel		853	
Library Books/Media		22,522	
Office Supplies		72	
Other Supplies and Materials		3,570	
Other Charges		1,092	
Data Processing Equipment		5,170	
Other Capital Outlay		15,990	
Total Libraries			\$ 244,961

Other Operations

Other Charges

Pest Control	\$	600	
Utilities		16,766	
Building and Contents Insurance		2,875	
Liability Insurance		984	
Trustee's Commission		5,480	
Workers' Compensation Insurance		1,836	
Total Other Charges			\$ 28,541

Total Public Library Fund \$ 273,502

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Advertising	\$	750	
Other Supplies and Materials		195	
Total Sanitation Education/Information			\$ 945

Convenience Centers

Laborers	\$	173,369	
Social Security		10,749	

(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.)

Convenience Centers (Cont.)

Unemployment Compensation	\$	1,649	
Employer Medicare		2,514	
Communication		6,974	
Maintenance and Repair Services - Buildings		4,923	
Maintenance and Repair Services - Equipment		26,074	
Utilities		11,431	
Other Supplies and Materials		3,655	
Total Convenience Centers			\$ 241,338

Transfer Stations

Supervisor/Director	\$	53,829
Deputy(ies)		33,704
Foremen		30,713
Mechanic(s)		27,763
Equipment Operators - Light		75,900
Truck Drivers		32,927
Laborers		43,761
Educational Incentive - Official/Admin Officer		1,000
Educational Incentive - Other County Employees		1,000
Longevity Pay		5,460
Overtime Pay		3,409
Social Security		18,484
State Retirement		39,305
Life Insurance		488
Medical Insurance		57,046
Disability Insurance		2,372
Unemployment Compensation		943
Employer Medicare		4,323
Communication		1,438
Contracts with Government Agencies		401,894
Contracts with Private Agencies		81,860
Dues and Memberships		283
Maintenance and Repair Services - Equipment		23,437
Maintenance and Repair Services - Vehicles		1,838
Postal Charges		264
Travel		524
Diesel Fuel		39,981
Gasoline		5,745
Lubricants		3,487
Office Supplies		1,932

(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.)

Tires and Tubes	\$	18,130	
Uniforms		1,920	
Utilities		7,199	
Vehicle Parts		6,391	
Other Supplies and Materials		11,271	
In Service/Staff Development		1,309	
Solid Waste Equipment		43,989	
Total Transfer Stations			\$ 1,085,319

Postclosure Care Costs

Contracts with Private Agencies	\$	11,000	
Total Postclosure Care Costs			11,000

Other Operations

Other Charges

Medical and Dental Services	\$	446	
Building and Contents Insurance		12,735	
Liability Insurance		14,857	
Medical Claims		5,582	
Trustee's Commission		20,188	
Vehicle and Equipment Insurance		14,857	
Workers' Compensation Insurance		7,872	
Other Charges		284	
Total Other Charges			76,821

Total Solid Waste/Sanitation Fund \$ 1,415,423

Local Purpose Tax Fund

Public Safety

Fire Prevention and Control

Contracts with Government Agencies	\$	2,000	
Other Contracted Services		482,000	
Trustee's Commission		9,132	
Other Charges		200	
Other Equipment		109	
Total Fire Prevention and Control			\$ 493,441

Total Local Purpose Tax Fund 493,441

(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	\$	8,000	
Maintenance and Repair Services - Vehicles		355	
Travel		593	
Animal Food and Supplies		1,325	
Instructional Supplies and Materials		6,793	
Law Enforcement Supplies		387	
Other Supplies and Materials		4,054	
In Service/Staff Development		805	
Other Charges		2,851	
Law Enforcement Equipment		11,635	
Motor Vehicles		6,800	
Total Drug Enforcement			\$ 43,598

Other Operations

Other Charges

Trustee's Commission	\$	251	
Total Other Charges			251

Total Drug Control Fund \$ 43,849

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	600	
Total Chancery Court			\$ 600

Total Constitutional Officers - Fees Fund 600

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	70,350	
Assistant(s)		104,605	
Longevity Pay		3,660	
Overtime Pay		263	
Other Salaries and Wages		1,368	
Board and Committee Members Fees		18,240	
Social Security		12,294	
State Retirement		23,629	
Life Insurance		172	

(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.)

Medical Insurance	\$	26,313	
Dental Insurance		939	
Disability Insurance		1,328	
Unemployment Compensation		5,182	
Employer Medicare		2,875	
Other Fringe Benefits		927	
Dues and Memberships		4,163	
Legal Services		1,720	
Legal Notices, Recording, and Court Costs		1,333	
Maintenance and Repair Services - Office Equipment		1,805	
Postal Charges		38	
Travel		1,665	
Other Contracted Services		70	
Office Supplies		2,074	
In Service/Staff Development		1,187	
Other Charges		1,116	
Total Administration			\$ 287,316

Highway and Bridge Maintenance

Foremen	\$	29,827
Mechanic(s)		25,717
Equipment Operators - Heavy		101,288
Equipment Operators - Light		144,874
Truck Drivers		99,956
Laborers		16,335
Longevity Pay		10,200
Overtime Pay		4,514
Social Security		26,869
State Retirement		48,630
Life Insurance		706
Medical Insurance		111,930
Dental Insurance		3,813
Disability Insurance		2,991
Employer Medicare		6,286
Other Fringe Benefits		3,797
Other Contracted Services		250
Asphalt - Cold Mix		50,432
Crushed Stone		7,043
General Construction Materials		785
Other Road Supplies		18,144

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Pipe	\$	6,917	
Road Signs		38,035	
Small Tools		475	
Other Supplies and Materials		3,799	
Total Highway and Bridge Maintenance			\$ 763,613

Operation and Maintenance of Equipment

Overtime Pay	\$	800	
Other Salaries and Wages		26,723	
Social Security		1,700	
State Retirement		3,624	
Life Insurance		43	
Medical Insurance		6,708	
Dental Insurance		234	
Disability Insurance		212	
Employer Medicare		398	
Other Fringe Benefits		162	
Maintenance and Repair Services - Buildings		1,499	
Maintenance and Repair Services - Equipment		18,690	
Diesel Fuel		91,104	
Equipment and Machinery Parts		72,517	
Garage Supplies		15,348	
Gasoline		32,173	
Lubricants		12,453	
Small Tools		1,123	
Tires and Tubes		18,369	
Total Operation and Maintenance of Equipment			303,880

Quarry Operations

Foremen	\$	29,644	
Equipment Operators - Light		36,019	
Longevity Pay		1,620	
Overtime Pay		11	
Other Salaries and Wages		3,831	
Social Security		4,381	
State Retirement		9,377	
Life Insurance		86	
Medical Insurance		16,400	
Dental Insurance		569	
Disability Insurance		430	

(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.)

Employer Medicare	\$	1,025	
Other Fringe Benefits		304	
Communication		876	
Explosive and Drilling Services		320	
Operating Lease Payments		12,894	
Maintenance and Repair Services - Equipment		16,542	
Diesel Fuel		22,139	
Electricity		35,069	
Equipment and Machinery Parts		13,467	
Garage Supplies		4,542	
Lubricants		4,823	
Tires and Tubes		4,632	
Water and Sewer		597	
Other Supplies and Materials		1,395	
Total Quarry Operations			\$ 220,993

Other Charges

Other Fringe Benefits	\$	3,796	
Communication		5,851	
Medical and Dental Services		520	
Pest Control		225	
Disposal Fees		3,204	
Permits		2,954	
Uniforms		7,848	
Utilities		13,029	
Building and Contents Insurance		23,154	
Liability Insurance		27,013	
Medical Claims		13,113	
Premiums on Corporate Surety Bonds		550	
Trustee's Commission		26,694	
Vehicle and Equipment Insurance		27,013	
Workers' Compensation Insurance		12,486	
Other Self-Insured Claims		43	
Other Charges		151	
Total Other Charges			167,644

Capital Outlay

Bridge Construction	\$	38,404
Building Improvements		12,749
Communication Equipment		9,634

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay (Cont.)

Highway Construction	\$ 164,119	
Land	177,000	
State Aid Projects	230,251	
Other Capital Outlay	37,320	
Total Capital Outlay		\$ 669,477

Principal on Debt

Highways and Streets

Principal on Notes	\$ 17,159	
Principal on Capital Leases	35,399	
Total Highways and Streets		52,558

Interest on Debt

Highways and Streets

Interest on Notes	\$ 1,962	
Interest on Capital Leases	5,746	
Total Highways and Streets		7,708

Total Highway/Public Works Fund \$ 2,473,189

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 1,272,670	
Principal on Notes	54,786	
Total General Government		\$ 1,327,456

Interest on Debt

General Government

Interest on Bonds	\$ 417,539	
Interest on Notes	35,302	
Total General Government		452,841

Other Debt Service

General Government

Trustee's Commission	\$ 18,493	
Other Debt Service	750	
Total General Government		19,243

Total General Debt Service Fund 1,799,540

(Continued)

Exhibit J-7

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

Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 2,400,000	
Total Education		\$ 2,400,000

Interest on Debt

Education

Interest on Bonds	\$ 836,242	
Total Education		836,242

Other Debt Service

Education

Trustee's Commission	\$ 34,689	
Other Debt Issuance Charges	23,250	
Other Debt Service	1,000	
Total Education		<u>58,939</u>

Total Education Debt Service Fund		<u>\$ 3,295,181</u>
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Total Governmental Funds - Primary Government		<u><u>\$ 23,540,354</u></u>
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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, 2012

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 12,295,814	
Career Ladder Program	139,136	
Career Ladder Extended Contracts	72,182	
Homebound Teachers	30,723	
Educational Assistants	534,642	
Other Salaries and Wages	66,269	
Certified Substitute Teachers	142,572	
Non-certified Substitute Teachers	127,485	
Social Security	782,184	
State Retirement	1,208,363	
Medical Insurance	2,094,710	
Disability Insurance	4,609	
Unemployment Compensation	12,456	
Employer Medicare	184,236	
Tuition	302,688	
Other Contracted Services	88,680	
Instructional Supplies and Materials	408,496	
Textbooks	336,112	
Other Supplies and Materials	4,422	
Other Charges	14,490	
Regular Instruction Equipment	212,416	
Total Regular Instruction Program		\$ 19,062,685

Alternative Instruction Program

Teachers	\$ 156,687	
Career Ladder Program	1,000	
Non-certified Substitute Teachers	1,200	
Social Security	9,781	
State Retirement	14,271	
Medical Insurance	14,287	
Employer Medicare	2,288	
Other Contracted Services	1,460	
Total Alternative Instruction Program		200,974

Special Education Program

Teachers	\$ 1,995,201
Career Ladder Program	18,999
Homebound Teachers	45,729
Educational Assistants	355,205

(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.)

Certified Substitute Teachers	\$	4,380	
Non-certified Substitute Teachers		33,954	
Social Security		144,048	
State Retirement		232,479	
Medical Insurance		381,368	
Disability Insurance		2,303	
Unemployment Compensation		10,989	
Employer Medicare		33,733	
Contracts with Private Agencies		294,631	
Maintenance and Repair Services - Equipment		12,911	
Other Contracted Services		600	
Instructional Supplies and Materials		10,334	
Special Education Equipment		64,647	
Total Special Education Program			\$ 3,641,511

Vocational Education Program

Teachers	\$	961,618	
Career Ladder Program		6,000	
Certified Substitute Teachers		17,529	
Non-certified Substitute Teachers		17,292	
Social Security		58,966	
State Retirement		87,564	
Medical Insurance		175,264	
Employer Medicare		13,801	
Instructional Supplies and Materials		47,988	
Other Charges		1,704	
Vocational Instruction Equipment		13,821	
Total Vocational Education Program			1,401,547

Student Body Education Program

Other Salaries and Wages	\$	15,177	
Social Security		863	
State Retirement		724	
Employer Medicare		203	
Other Contracted Services		84,360	
Other Supplies and Materials		8,088	
Other Charges		4,639	
Total Student Body Education Program			114,054

(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.)

Adult Education Program

Teachers	\$	6,228	
Social Security		386	
State Retirement		352	
Employer Medicare		90	
Instructional Supplies and Materials		5,031	
Other Charges		2,400	
Total Adult Education Program			\$ 14,487

Support Services

Attendance

Clerical Personnel	\$	91,502	
Other Salaries and Wages		38,574	
Non-certified Substitute Teachers		275	
Social Security		7,767	
State Retirement		17,091	
Medical Insurance		19,071	
Disability Insurance		1,038	
Employer Medicare		1,812	
Travel		733	
Other Contracted Services		15,193	
Other Supplies and Materials		555	
In Service/Staff Development		2,457	
Attendance Equipment		908	
Total Attendance			196,976

Health Services

Medical Personnel	\$	257,565	
Non-certified Substitute Teachers		3,138	
Social Security		15,523	
State Retirement		33,844	
Medical Insurance		30,673	
Disability Insurance		2,091	
Employer Medicare		3,630	
Travel		71	
Other Supplies and Materials		637	
Total Health Services			347,172

Other Student Support

Career Ladder Program	\$	8,000	
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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.)

Other Student Support (Cont.)

Guidance Personnel	\$	639,473	
Social Workers		48,006	
Assessment Personnel		8,148	
Secretary(ies)		63,209	
School Resource Officer		48,600	
Other Salaries and Wages		28,336	
Certified Substitute Teachers		90	
Non-certified Substitute Teachers		305	
Social Security		48,110	
State Retirement		76,552	
Medical Insurance		99,643	
Disability Insurance		900	
Employer Medicare		11,252	
Evaluation and Testing		19,235	
Travel		1,112	
In Service/Staff Development		608	
Other Charges		15,526	
Total Other Student Support			\$ 1,117,105

Regular Instruction Program

Supervisor/Director	\$	118,350	
Career Ladder Program		10,916	
Librarians		627,283	
Clerical Personnel		15,911	
Educational Assistants		41,693	
Other Salaries and Wages		4,288	
Certified Substitute Teachers		600	
In-Service Training		1,425	
Non-certified Substitute Teachers		3,498	
Social Security		49,804	
State Retirement		76,627	
Medical Insurance		85,737	
Disability Insurance		529	
Employer Medicare		11,657	
Travel		10,977	
Other Contracted Services		1,000	
Library Books/Media		13,660	
Other Supplies and Materials		3,071	
In Service/Staff Development		33,870	
Total Regular Instruction Program			1,110,896

(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

Supervisor/Director	\$	74,143	
Career Ladder Program		1,000	
Clerical Personnel		85,697	
Social Security		9,774	
State Retirement		18,060	
Medical Insurance		25,542	
Disability Insurance		696	
Employer Medicare		2,286	
Travel		21,981	
Other Supplies and Materials		25,818	
In Service/Staff Development		16,286	
Other Charges		2,662	
Total Special Education Program			\$ 283,945

Vocational Education Program

Secretary(ies)	\$	35,400	
Other Salaries and Wages		1,257	
Social Security		2,181	
State Retirement		4,651	
Medical Insurance		5,608	
Disability Insurance		306	
Employer Medicare		528	
Maintenance and Repair Services - Equipment		558	
Travel		870	
Other Contracted Services		1,861	
In Service/Staff Development		2,019	
Other Equipment		6,355	
Total Vocational Education Program			61,594

Adult Programs

Supervisor/Director	\$	57,962	
Other Salaries and Wages		25,641	
Social Security		5,183	
State Retirement		8,614	
Medical Insurance		10,316	
Disability Insurance		210	
Employer Medicare		1,212	
In Service/Staff Development		1,436	
Other Charges		2,784	
Total Adult Programs			113,358

(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	\$ 165,298	
Total Other Programs		\$ 165,298

Board of Education

Secretary to Board	\$ 686	
Board and Committee Members Fees	31,200	
Social Security	1,493	
State Retirement	90	
Employer Medicare	462	
Other Fringe Benefits	116,783	
Audit Services	18,000	
Dues and Memberships	17,460	
Legal Services	8,930	
Other Contracted Services	8,866	
Other Supplies and Materials	2,700	
Liability Insurance	142,370	
Premiums on Corporate Surety Bonds	175	
Trustee's Commission	300,762	
Workers' Compensation Insurance	257,682	
In Service/Staff Development	7,884	
Criminal Investigation of Applicants - TBI	8,220	
Other Charges	2,993	
Total Board of Education		926,756

Director of Schools

County Official/Administrative Officer	\$ 110,551
Assistant(s)	78,567
Career Ladder Program	1,000
Clerical Personnel	29,189
Social Security	13,132
State Retirement	21,014
Medical Insurance	13,659
Disability Insurance	1,123
Employer Medicare	3,098
Communication	69,070
Dues and Memberships	2,376
Maintenance and Repair Services - Equipment	1,290
Postal Charges	5,768
Travel	187

(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	\$	1,114	
Office Supplies		6,846	
Other Supplies and Materials		960	
In Service/Staff Development		2,569	
Other Charges		3,663	
Total Director of Schools			\$ 365,176

Office of the Principal

Principals	\$	725,091	
Career Ladder Program		20,000	
Assistant Principals		500,354	
Secretary(ies)		345,147	
Other Salaries and Wages		44,592	
Certified Substitute Teachers		3,580	
Non-certified Substitute Teachers		1,758	
Social Security		98,266	
State Retirement		163,923	
Medical Insurance		234,758	
Disability Insurance		3,171	
Employer Medicare		23,033	
Other Supplies and Materials		394	
Total Office of the Principal			2,164,067

Human Services/Personnel

Clerical Personnel	\$	67,818	
Social Security		4,205	
State Retirement		8,910	
Medical Insurance		11,254	
Disability Insurance		553	
Employer Medicare		983	
Other Contracted Services		5,820	
Other Supplies and Materials		70	
In Service/Staff Development		1,496	
Administration Equipment		3,146	
Total Human Services/Personnel			104,255

Operation of Plant

Guards	\$	24,492	
Custodial Personnel		855,915	

(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	\$	88,691	
Non-certified Substitute Teachers		2,648	
Social Security		58,670	
State Retirement		118,530	
Medical Insurance		178,291	
Disability Insurance		6,793	
Unemployment Compensation		1,657	
Employer Medicare		13,721	
Disposal Fees		33,403	
Other Contracted Services		151,200	
Custodial Supplies		198,980	
Electricity		1,221,301	
Natural Gas		93,123	
Water and Sewer		115,557	
Other Supplies and Materials		6,650	
Boiler Insurance		9,392	
Building and Contents Insurance		183,094	
In Service/Staff Development		3,149	
Other Charges		943	
Plant Operation Equipment		11,388	
Total Operation of Plant			\$ 3,377,588

Maintenance of Plant

Supervisor/Director	\$	58,005
Maintenance Personnel		480,549
Other Salaries and Wages		9,561
Social Security		32,351
State Retirement		69,606
Medical Insurance		84,838
Disability Insurance		4,368
Employer Medicare		7,566
Communication		1,167
Laundry Service		8,328
Maintenance and Repair Services - Buildings		363,072
Maintenance and Repair Services - Equipment		11,124
Maintenance and Repair Services - Vehicles		7,731
Other Contracted Services		75,804
Gasoline		35,809
Other Supplies and Materials		1,980

(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.)

Administration Equipment	\$	749	
Maintenance Equipment		<u>9,734</u>	
Total Maintenance of Plant	\$		1,262,342

Transportation

Supervisor/Director	\$	60,094	
Bus Drivers		167,035	
Other Salaries and Wages		6,277	
Non-certified Substitute Teachers		8,688	
Social Security		14,522	
State Retirement		28,226	
Medical Insurance		45,530	
Disability Insurance		1,289	
Employer Medicare		3,400	
Communication		2,571	
Contracts with Vehicle Owners		1,499,075	
Maintenance and Repair Services - Vehicles		96,731	
Travel		7	
Other Contracted Services		8,882	
Gasoline		70,936	
Tires and Tubes		19,066	
Other Supplies and Materials		208	
Vehicle and Equipment Insurance		21,600	
In Service/Staff Development		1,003	
Other Charges		3,115	
Transportation Equipment		<u>147,773</u>	
Total Transportation			2,206,028

Central and Other

Supervisor/Director	\$	83,269	
Clerical Personnel		35,538	
Other Salaries and Wages		207,766	
Social Security		19,009	
State Retirement		42,907	
Medical Insurance		39,290	
Disability Insurance		2,554	
Employer Medicare		4,446	
Data Processing Services		11,561	
Travel		3,097	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other (Cont.)

Other Supplies and Materials	\$	24,372	
In Service/Staff Development		5,202	
Other Equipment		150,200	
Total Central and Other			\$ 629,211

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	116,497	
Teachers		51,251	
Other Salaries and Wages		272,336	
Social Security		26,954	
State Retirement		37,672	
Medical Insurance		24,020	
Disability Insurance		916	
Employer Medicare		6,304	
Communication		708	
Travel		3,758	
Other Contracted Services		61,843	
Food Supplies		10,768	
Other Supplies and Materials		101,843	
In Service/Staff Development		24,569	
Other Charges		102,989	
Other Equipment		908	
Total Community Services			843,336

Early Childhood Education

Supervisor/Director	\$	33,682
Teachers		535,945
Educational Assistants		303,293
Other Salaries and Wages		15,911
Certified Substitute Teachers		1,050
Non-certified Substitute Teachers		4,535
Social Security		52,824
State Retirement		93,285
Medical Insurance		154,861
Disability Insurance		2,546
Employer Medicare		12,366
Travel		853
Other Contracted Services		1,896

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Other Supplies and Materials	\$	81,760	
In Service/Staff Development		14,710	
Other Charges		370	
Other Equipment		16,291	
Total Early Childhood Education			\$ 1,326,178

Capital Outlay

Regular Capital Outlay

Architects	\$	47,718	
Consultants		15,000	
Other Capital Outlay		81,699	
Total Regular Capital Outlay			144,417

Principal on Debt

Education

Principal on Notes	\$	25,000	
Principal on Capital Leases		194,773	
Total Education			219,773

Interest on Debt

Education

Interest on Notes	\$	578	
Interest on Capital Leases		33,800	
Total Education			34,378

Other Debt Service

Education

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

Total General Purpose School Fund \$ 42,195,107

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	803,865	
Educational Assistants		79,652	
Certified Substitute Teachers		60	
Non-certified Substitute Teachers		2,600	

(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.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Social Security	\$	51,729	
State Retirement		83,216	
Medical Insurance		155,721	
Employer Medicare		12,100	
Other Fringe Benefits		562	
Other Contracted Services		49,995	
Instructional Supplies and Materials		26,784	
Other Charges		16,242	
Regular Instruction Equipment		164,709	
Total Regular Instruction Program			\$ 1,447,235

Special Education Program

Teachers	\$	178,232	
Educational Assistants		474,535	
Social Security		37,757	
State Retirement		78,690	
Medical Insurance		171,498	
Employer Medicare		8,830	
Other Fringe Benefits		3,994	
Contracts with Private Agencies		22,855	
Instructional Supplies and Materials		16,088	
Other Supplies and Materials		13,247	
Special Education Equipment		85,296	
Total Special Education Program			1,091,022

Vocational Education Program

Other Supplies and Materials	\$	40,873	
Vocational Instruction Equipment		43,000	
Total Vocational Education Program			83,873

Support Services

Health Services

Medical Personnel	\$	162,829	
Social Security		9,903	
State Retirement		21,396	
Medical Insurance		16,970	
Employer Medicare		2,316	
Other Fringe Benefits		1,207	
Total Health Services			214,621

(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.)

Other Student Support

Evaluation and Testing	\$	23,560	
Travel		1,997	
Other Contracted Services		1,500	
In Service/Staff Development		2,003	
Total Other Student Support			\$ 29,060

Regular Instruction Program

Supervisor/Director	\$	58,397	
Other Salaries and Wages		29,161	
Social Security		5,122	
State Retirement		7,921	
Medical Insurance		7,742	
Employer Medicare		1,198	
Communication		15,115	
Consultants		53,728	
Maintenance and Repair Services - Equipment		1,598	
Travel		406	
Other Contracted Services		2,300	
Library Books/Media		5,231	
In Service/Staff Development		24,270	
Other Charges		79	
Other Equipment		12,559	
Total Regular Instruction Program			224,827

Special Education Program

Psychological Personnel	\$	148,950	
Social Security		9,106	
State Retirement		13,480	
Medical Insurance		18,033	
Employer Medicare		2,130	
Other Supplies and Materials		130	
Total Special Education Program			191,829

Total School Federal Projects Fund \$ 3,282,467

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	61,017	
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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.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Clerical Personnel	\$	31,056	
Cafeteria Personnel		849,652	
Other Salaries and Wages		22,086	
In-Service Training		500	
Social Security		56,587	
State Retirement		111,604	
Medical Insurance		209,023	
Disability Insurance		6,684	
Unemployment Compensation		2,331	
Employer Medicare		13,360	
Communication		4,349	
Maintenance and Repair Services - Equipment		15,723	
Travel		4,556	
Other Contracted Services		10,747	
Food Preparation Supplies		1,959	
Food Supplies		1,293,047	
Office Supplies		198	
USDA - Commodities		164,312	
Other Supplies and Materials		82,215	
In Service/Staff Development		5,544	
Other Charges		2,643	
Food Service Equipment		147,492	
Total Food Service			\$ 3,096,685
Total Central Cafeteria Fund			\$ 3,096,685

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Consultants	\$	6,188	
Building Improvements		322,494	
Total Education Capital Projects			\$ 328,682
Total Education Capital Projects Fund			328,682

Total Governmental Funds - Franklin County School Department \$ 48,902,941

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, 2012

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,110,201
Total Cash Receipts	<u>\$ 3,110,201</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,079,099
Trustee's Commission	<u>31,102</u>
Total Cash Disbursements	<u>\$ 3,110,201</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2011	<u>0</u>
 Cash Balance, June 30, 2012	 <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 LOCAL GOVERNMENT 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*

October 8, 2012

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, 2012, which collectively comprise Franklin County's basic financial statements and have issued our report thereon dated October 8, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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

The management of Franklin County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Franklin County's internal control over financial reporting as a basis for

designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Franklin County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Franklin County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

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. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 12.01.

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. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 12.02, 12.04, 12.05, and 12.06.

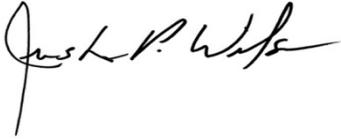
#### Compliance and Other Matters

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 12.03.

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

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 fluid and cursive, with a prominent initial "J" and "W".

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb



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

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

Independent Auditor's Report

October 8, 2012

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited Franklin County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

#### Internal Control Over Compliance

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 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.

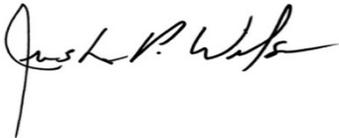
#### Schedule of Expenditures of Federal Awards

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, 2012, and have issued our report thereon dated October 8, 2012. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The 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 financial statements. Such information is the responsibility of management and was derived from and relates directly

to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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/sb

Franklin County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2012

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	\$ 164,312 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	472,799
National School Lunch Program	10.555	N/A	1,466,189 (3)
Child Nutrition Discretionary Grants Limited Availability	10.579	(2)	22,949
Fresh Fruit and Vegetable Program	10.582	(2)	55,481
Total U.S. Department of Agriculture			<u>\$ 2,181,730</u>
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	\$ 14,113
Passed-through State Housing Developing Agency:			
Home Investment Partnerships Program	14.239	(2)	30,050
Total U.S. Department of Housing and Urban Development			<u>\$ 44,163</u>
U.S. Department of the Interior:			
Passed-through State Department of Environment and Conservation:			
Historic Preservation Fund Grants-in-Aid	15.904	(2)	\$ 39,737
Total U.S. Department of the Interior			<u>\$ 39,737</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Enforcing Underage Drinking Laws Program	16.727	N/A	\$ 50,000
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	13,700
Recovery Act - Assistance to Rural Law Enforcement to Combat Crime	16.810	N/A	57,153
and Drugs Competitive Grant Program	16.812	N/A	336,479
Second Chance Act Prisoner Reentry Initiative			
Total U.S. Department of Justice			<u>\$ 457,332</u>
U.S. Department of Labor:			
Passed-through Workforce Solutions:			
WIA Youth Activities	17.259	(2)	\$ 50,286
Total U.S. Department of Labor			<u>\$ 50,286</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	(2)	\$ 4,959
Alcohol Open Container Requirements	20.607	(2)	32,827
Total U.S. Department of Transportation			<u>\$ 37,786</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 110,406
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,169,168
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	2,686
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,410,114
Special Education - Preschool Grants	84.173	N/A	44,698
Special Education - Grants to States, Recovery Act	84.391	N/A	109,780
Special Education - Preschool Grants, Recovery Act	84.392	N/A	6,257
Career and Technical Education - Basic Grants to States	84.048	N/A	89,373
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	78
Educational Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	72,577
Education Technology State Grants, Recovery Act	84.386	(2)	1,210

(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.):			
Improving Teacher Quality State Grants	84.367	(2)	\$ 202,866
State Fiscal Stabilization Funds (SFSF) - Race-to-the-Top			
Incentive Grants, Recovery Act	84.395	(2)	247,074
Education Jobs Fund	84.410	(2)	19,898
Total U.S. Department of Education			\$ 3,486,185
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	\$ 34,884
Total U.S. Election Assistance Commission			\$ 34,884
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)	\$ 102,361
Drug-free Communities Support Program Grants	93.276	(2)	131,865
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(2)	30,000
Total U.S. Department of Health and Human Services			\$ 264,226
Executive Office of the President:			
Passed-through Laurel County Fiscal Court:			
High Intensity Drug Trafficking Areas Program	95.001	(2)	\$ 7,245
Total Executive Office of the President			\$ 7,245
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 276,836
Emergency Management Performance Grants	97.042	(2)	35,000
Homeland Security Grant Program	97.067	(2)	158,641
Total U.S. Department of Homeland Security			\$ 470,477
Total Expenditures of Federal Awards			\$ 7,074,051
		Contract Number	
<u>State Grants</u>			
Juvenile Services Program - State Department of Children's Services	N/A	(2)	\$ 9,000
Airport Maintenance Program - State Department of Transportation	N/A	(2)	294,976
Litter Program - State Department of Transportation	N/A	(2)	24,436
Rural Local Health Services - State Department of Health	N/A	(2)	144,785
Early Childhood Education - State Department of Education	N/A	(2)	1,124,877
Library Technology Grant - State Library and Archives	N/A	(2)	1,940
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	25,562
Total State Grants			\$ 1,625,576

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 \$1,630,501.

Franklin County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2012

*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, 2011, which have not been corrected.

**OFFICE OF DIRECTOR OF SCHOOLS**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.05	184	The Extended School Program did not deposit some collections within three days of receipt

**OFFICES OF COUNTY CLERK AND SHERIFF**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.08	186	Duties were not segregated adequately

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**FRANKLIN COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2012**

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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 significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are 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 Second Chance Act Prisoner Reentry Initiative (16.812); 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); and 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) 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 qualifies 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; however, management did not provide responses for inclusion in this report.

### OFFICE OF FINANCE DEPARTMENT

**FINDING 12.01 THE ACTUAL BEGINNING FUND BALANCES OF THE GENERAL PURPOSE SCHOOL AND CENTRAL CAFETERIA FUNDS DIFFERED FROM THE ESTIMATED BEGINNING FUND BALANCES BY MATERIAL AMOUNTS**  
(Internal Control – Material Weakness Under *Government Auditing Standards*)

The General Purpose School and Central Cafeteria funds' actual beginning fund balances at July 1, 2011, differed from the estimated beginning fund balances presented to the County Commission by the following amounts:

<u>Fund</u>		<u>Actual Fund Balance 7-1-11</u>		<u>Estimated Fund Balance 7-1-11</u>	<u>Variance</u>
General Purpose School	\$	6,635,642	\$	5,311,223	\$ 1,324,419
Central Cafeteria		1,002,274		555,209	447,065

Sound business practices dictate that realistic estimates of beginning fund balances should be presented to the County Commission during the budget process. This deficiency is due to management's failure to properly estimate the actual ending fund balances for June 30, 2011, and resulted in materially inaccurate estimates of beginning fund balances.

### RECOMMENDATION

Estimates of the beginning fund balance should be made on a more realistic basis to provide county officials with accurate information to base funding decisions. The estimated beginning fund balance should be amended during the year when it becomes apparent that the original estimate varies from the actual by a material amount.

**FINDING 12.02 THE OFFICE DID NOT FOLLOW THE COUNTY'S FUND BALANCE POLICY FOR THE GENERAL FUND**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The county's fund balance policy provides that the minimum unrestricted fund balance for the General Fund should not be less than 2.5 percent of expenditures and transfers to other

funds. For the year ended June 30, 2012, the unrestricted fund balance for the General Fund totaled \$113,161, while the expenditures and transfers to other funds totaled \$14,188,888. The minimum unrestricted fund balance for the General Fund based on the county's policy should be at least \$350,000 (\$14,188,888 x 2.5%). Therefore, the actual unrestricted fund balance fell below the minimum by approximately \$240,000.

#### RECOMMENDATION

Management should comply with the county's fund balance policy.

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### OFFICE OF DIRECTOR OF SCHOOLS

FINDING 12.03      **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 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 CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 12.04      **THE ACCOUNTING SOFTWARE DID NOT IDENTIFY THE USER WHO PROCESSED TRANSACTIONS**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Although each employee had been assigned a unique username and password for accessing the office's accounting software, the software did not record the user who processed each transaction. Since the vendor did not design the system with these controls, the employee responsible for this activity would not be easily identified if inappropriate activity were to occur. Sound business practices dictate that each transaction be identified with the individual creating the transaction. This deficiency was corrected in April 2012, when the office changed to new software.

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**OFFICE OF CLERK AND MASTER**

**FINDING 12.05**      **THE ACCOUNTING SOFTWARE DID NOT IDENTIFY THE USER WHO PROCESSED TRANSACTIONS**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Although each employee had been assigned a unique username and password for accessing the office’s accounting software, the software did not record the user who processed each transaction. Since the vendor did not design the system with these controls, the employee responsible for this activity would not be easily identified if inappropriate activity were to occur. Sound business practices dictate that each transaction be identified with the individual creating the transaction. This deficiency was corrected during the year when the vendor implemented adequate controls to identify the user who processed the transaction.

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**PROBATION DEPARTMENT AND OFFICES OF COUNTY CLERK AND SHERIFF**

**FINDING 12.06**      **DUTIES WERE NOT SEGREGATED ADEQUATELY**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

**RECOMMENDATION**

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

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

There were no findings and questioned costs for federal programs.

**FRANKLIN COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2012**

There were no audit findings relative to federal awards presented in the prior- or current-years' Schedules of Findings and Questioned Costs.