
ANNUAL FINANCIAL REPORT
FRANKLIN COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2014



**ANNUAL FINANCIAL REPORT
FRANKLIN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2014**

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

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

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Summary of Audit Findings

Annual Financial Report
Franklin County, Tennessee
For the Year Ended June 30, 2014

Scope

We have audited the basic financial statements of Franklin County as of and for the year ended June 30, 2014.

Results

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

Our audit resulted in four 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

- ◆ Expenditures exceeded appropriations in one major category of the General Fund.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The Extended School Program did not deposit some funds within three days of collection.
-

OFFICE OF COUNTY CLERK

- ◆ Duties were not segregated adequately.
-

OFFICE OF CLERK AND MASTER

- ◆ The docket trial balance did not reconcile with general ledger accounts.

INTRODUCTORY SECTION

Franklin County Officials

June 30, 2014

Officials

Richard Stewart, County Mayor
John Woodall, Superintendent of Highways
Dr. Rebecca Sharber, Director of Schools
Randy Kelly, Trustee
Bruce Spencer, Assessor of Property
Phillip Custer, County Clerk
Robert Baggett, Circuit, General Sessions, and Juvenile Courts Clerk
Brenda Clark, Clerk and Master
Lydia Johnson, Register of Deeds
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 Wilkinson

Highway Commission

Clyde Hill, Jr., Chairman
Bobby Clark

Joe McBee
Chuck Tipps

Board of Education

Kevin Caroland, Chairman
Betty Jo Drummond
Chris Guess
Mike Holmes

Christine Hopkins
Christopher McDonough
Clei Jo Walker
Lance Williams

Franklin County Officials (Cont.)

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

FINANCIAL SECTION



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

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 2.95 percent, 3.78 percent, and .99 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report 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 solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits

contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2014, and the respective changes in financial position and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Franklin County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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 schedules of funding progress – pension plan and other postemployment benefits plan on pages 73-75 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Franklin County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Franklin County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

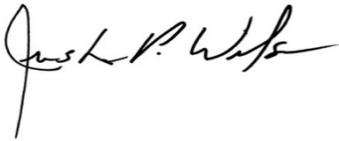
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Franklin County School Department (a discretely presented component unit), and 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit and the procedures performed as described above, 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 miscellaneous schedules are fairly stated, in all material respects, in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2014, on our consideration of Franklin County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Franklin County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 26, 2014

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Franklin County, Tennessee
Statement of Net Position
June 30, 2014

	Primary Governmental Activities	Component Units	
		Franklin County School Department	Franklin County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 2,355	\$ 1,634	\$ 1,806,107
Equity in Pooled Cash and Investments	13,045,323	8,745,435	0
Accounts Receivable	45,433	24,225	56,079
Due from Component Units	715,580	0	0
Due from Other Governments	1,335,091	633,524	0
Property Taxes Receivable	13,754,589	9,746,098	0
Allowance for Uncollectible Property Taxes	(530,630)	(373,697)	0
Prepaid Items	30,739	6,370	0
Capital Assets:			
Assets Not Depreciated:			
Land	28,423,988	5,426,186	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	12,406,440	35,152,635	0
Other Capital Assets	11,057,822	3,327,479	41,834
Infrastructure	2,602,787	0	0
Total Assets	<u>\$ 82,889,517</u>	<u>\$ 62,689,889</u>	<u>\$ 1,904,020</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Charge on Refunding	\$ 417,575	\$ 0	\$ 0
Total Deferred Outflows of Resources	<u>\$ 417,575</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 93,603	\$ 92,993	\$ 3,456
Accrued Payroll	247,916	58,520	0
Payroll Deductions Payable	71,499	0	0
Due to Primary Government	0	715,580	0
Due to State of Tennessee	24,060	0	0
Due to Cities	11,706	0	0
Accrued Interest Payable	201,286	0	0
Noncurrent Liabilities:			
Due Within One Year	4,636,059	199,048	27,658
Due in More Than One Year (net of unamortized premium on debt)	23,585,041	4,805,773	0
Total Liabilities	<u>\$ 28,871,170</u>	<u>\$ 5,871,914</u>	<u>\$ 31,114</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 12,794,738	\$ 9,082,499	\$ 0
Total Deferred Inflows of Resources	<u>\$ 12,794,738</u>	<u>\$ 9,082,499</u>	<u>\$ 0</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 46,369,664	\$ 43,906,300	\$ 14,176
Restricted for:			
General Government	28,839	0	0
Public Safety	115,558	0	0
Public Health and Welfare	236,441	0	0
Social, Cultural, and Recreational Services	238,767	0	0
Highways/Public Works	762,470	0	0
Debt Service	4,463,277	0	0
Education	0	2,569,534	0
Unrestricted	(10,573,832)	1,259,642	1,858,730
Total Net Position	<u>\$ 41,641,184</u>	<u>\$ 47,735,476</u>	<u>\$ 1,872,906</u>

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

Franklin County, Tennessee
Statement of Activities
For the Year Ended June 30, 2014

Exhibit B

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position		
	Charges for Services		Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Units		
	Expenses	Services	Contributions	Contributions		Franklin County School Department	Franklin County Emergency Communications District	
Primary Government:								
Governmental Activities:								
General Government	\$ 3,618,088	\$ 332,796	\$ 297,896	\$ 0	\$ (2,987,396)	\$ 0	\$ 0	0
Finance	1,848,936	1,009,418	2,290	0	(837,228)	0	0	0
Administration of Justice	1,743,557	1,006,095	29,063	0	(708,399)	0	0	0
Public Safety	7,820,662	687,208	992,972	191,188	(5,949,294)	0	0	0
Public Health and Welfare	1,938,323	182,052	310,662	0	(1,445,609)	0	0	0
Social, Cultural, and Recreational Services	459,711	17,235	88,631	0	(353,845)	0	0	0
Agriculture and Natural Resources	193,644	0	0	0	(193,644)	0	0	0
Highways/Public Works	2,938,747	1,590	1,932,787	507,653	(496,717)	0	0	0
Education	0	0	0	534,388	534,388	0	0	0
Interest on Long-term Debt	908,593	0	0	0	(908,593)	0	0	0
Total Primary Government	\$ 21,470,261	\$ 3,236,394	\$ 3,654,301	\$ 1,233,229	\$ (13,346,337)	\$ 0	\$ 0	0
Component Units:								
Franklin County School Department	\$ 50,511,850	\$ 1,341,776	\$ 5,781,473	\$ 0	\$ 0	\$ (43,388,601)	\$ 0	0
Franklin County Emergency Communications District	259,839	407,411	16,000	64,513	0	0	0	228,085
Total Component Units	\$ 50,771,689	\$ 1,749,187	\$ 5,797,473	\$ 64,513	\$ 0	\$ (43,388,601)	\$ 228,085	0

(Continued)

Exhibit B

Franklin County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues		Component Units					
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Expenses	Primary Government		Franklin County	
					Operating Grants and Contributions	Capital Grants and Contributions	School Department	Emergency Communications District
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 10,862,299	\$ 9,617,668	\$ 0	0
Property Taxes Levied for Debt Service					2,699,598	0	0	0
Local Option Sales Taxes					617,792	3,930,600	0	0
Hotel/Motel Tax					110,057	0	0	0
Litigation Tax - General					199,566	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse					153,377	0	0	0
Mixed Drink Tax					36,483	0	0	0
Business Tax					314,256	87,631	0	0
Mineral Severance Tax					38,776	0	0	0
Wholesale Beer Tax					220,566	0	0	0
Other Local Taxes					3,361	4,499	0	0
Grants and Contributions Not Restricted to Specific Programs					2,071,492	28,668,698	0	0
Unrestricted Investment Earnings					79,612	6,596	6,139	0
Miscellaneous					124,820	66,787	0	0
Sale of Assets/Equipment					89,712	0	0	0
Total General Revenues					\$ 17,621,767	\$ 42,382,479	\$ 6,139	6,139
Change in Net Position					\$ 4,275,430	\$ (1,006,122)	\$ 234,224	234,224
Net Position, July 1, 2013					37,365,754	48,741,598	1,638,682	1,638,682
Net Position, June 30, 2014					\$ 41,641,184	\$ 47,735,476	\$ 1,872,906	1,872,906

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, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other	Governmental Funds	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 2,355	\$ 2,355	2,355
Equity in Pooled Cash and Investments	7,393,584	1,209,882	2,664,641	1,777,216	13,045,323	13,045,323
Accounts Receivable	24,873	92	3	20,465	45,433	45,433
Due from Other Governments	539,789	361,180	422,495	11,627	1,335,091	1,335,091
Due from Other Funds	2,996	2,384	0	0	5,380	5,380
Property Taxes Receivable	8,794,574	569,465	1,447,655	2,942,895	13,754,589	13,754,589
Allowance for Uncollectible Property Taxes	(337,514)	(21,950)	(55,241)	(115,925)	(530,630)	(530,630)
Prepaid Items	28,839	0	0	1,900	30,739	30,739
Total Assets	\$ 16,447,141	\$ 2,121,053	\$ 4,479,553	\$ 4,640,533	\$ 27,688,280	\$ 27,688,280
<u>LIABILITIES</u>						
Accounts Payable	\$ 67,058	\$ 12,737	\$ 0	\$ 13,808	\$ 93,603	\$ 93,603
Accrued Payroll	209,611	13,252	0	25,053	247,916	247,916
Payroll Deductions Payable	59,960	5,215	0	6,324	71,499	71,499
Due to Other Funds	2,384	0	0	2,996	5,380	5,380
Due to State of Tennessee	22,970	0	0	1,090	24,060	24,060
Due to Cities	11,706	0	0	0	11,706	11,706
Total Liabilities	\$ 373,689	\$ 31,204	\$ 0	\$ 49,271	\$ 454,164	\$ 454,164
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 8,195,764	\$ 530,691	\$ 1,349,086	\$ 2,719,197	\$ 12,794,738	\$ 12,794,738
Deferred Delinquent Property Taxes	228,132	15,313	35,757	98,041	377,243	377,243
Other Deferred/Unavailable Revenue	148,076	172,418	0	0	320,494	320,494
Total Deferred Inflows of Resources	\$ 8,571,972	\$ 718,422	\$ 1,384,843	\$ 2,817,238	\$ 13,492,475	\$ 13,492,475

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Governmental Funds		
FUND BALANCES						
Nonspendable:						
Prepaid Items	\$ 28,839	\$ 0	\$ 0	\$ 1,900	\$ 30,739	
Restricted:						
Restricted for Public Safety	0	0	0	115,558	115,558	
Restricted for Public Health and Welfare	78,155	0	0	158,286	236,441	
Restricted for Social, Cultural, and Recreational Services	0	0	0	238,367	238,367	
Restricted for Highways/Public Works	0	879,591	0	0	879,591	
Restricted for Debt Service	0	0	3,094,710	1,073,643	4,168,353	
Committed:						
Committed for Public Safety	0	0	0	49,686	49,686	
Committed for Public Health and Welfare	0	0	0	39,571	39,571	
Committed for Social, Cultural, and Recreational Services	0	0	0	45,003	45,003	
Committed for Other Purposes	5,000,000	0	0	0	5,000,000	
Assigned:						
Assigned for General Government	134,852	0	0	0	134,852	
Assigned for Finance	26,425	0	0	0	26,425	
Assigned for Administration of Justice	407	0	0	0	407	
Assigned for Public Safety	113,539	0	0	2,034	115,573	
Assigned for Public Health and Welfare	34,839	0	0	46,346	81,185	
Assigned for Social, Cultural, and Recreational Services	12,241	0	0	3,630	15,871	
Assigned for Other Operations	464,734	0	0	0	464,734	
Assigned for Highways/Public Works	0	491,836	0	0	491,836	
Assigned for Capital Projects	169,265	0	0	0	169,265	
Unassigned	1,438,184	0	0	0	1,438,184	
Total Fund Balances	\$ 7,501,480	\$ 1,371,427	\$ 3,094,710	\$ 1,774,024	\$ 13,741,641	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,447,141	\$ 2,121,053	\$ 4,479,553	\$ 4,640,533	\$ 27,688,280	

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 Position
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 13,741,641
(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: buildings and improvements net of accumulated depreciation	12,406,440	
Add: infrastructure net of accumulated depreciation	11,057,822	
Add: other capital assets net of accumulated depreciation	<u>2,602,787</u>	54,491,037
(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	\$ (1,180,020)	
Less: capital leases payable	(953,637)	
Less: bonds payable	(22,672,793)	
Add: debt to be contributed by the School Department	715,580	
Less: compensated absences payable	(717,778)	
Less: landfill closure/postclosure care costs	(326,801)	
Less: accrued interest on bonds, notes, and capital leases	(201,286)	
Less: other deferred revenue - premium on debt	(146,598)	
Less: other postemployment benefits liability	(2,223,473)	
Add: deferred amount on refunding	<u>417,575</u>	(27,289,231)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>697,737</u>
Net position of governmental activities (Exhibit A)		<u>\$ 41,641,184</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, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Governmental Funds		
<u>Revenues</u>						
Local Taxes	\$ 9,606,875	\$ 607,043	\$ 2,699,902	\$ 3,283,466	\$	16,197,286
Licenses and Permits	73,849	2,524	6,988	36,683		120,044
Fines, Forfeitures, and Penalties	209,767	0	0	56,159		265,926
Charges for Current Services	268,652	767	0	43,142		312,561
Other Local Revenues	185,954	19,722	0	261,713		467,389
Fees Received from County Officials	1,729,521	0	0	0		1,729,521
State of Tennessee	2,866,268	1,985,823	0	15,912		4,868,003
Federal Government	857,349	0	0	50,420		907,769
Other Governments and Citizens Groups	305,072	0	738,574	31,180		1,074,826
<u>Total Revenues</u>	<u>\$ 16,103,307</u>	<u>\$ 2,615,879</u>	<u>\$ 3,445,464</u>	<u>\$ 3,778,675</u>	<u>\$</u>	<u>25,943,325</u>
<u>Expenditures</u>						
Current:						
General Government	\$ 2,233,503	\$ 0	\$ 0	\$ 0	\$	2,233,503
Finance	1,879,882	0	0	0	0	1,879,882
Administration of Justice	1,742,864	0	0	0	0	1,742,864
Public Safety	7,107,193	0	0	575,479		7,682,672
Public Health and Welfare	509,219	0	0	1,244,995		1,754,214
Social, Cultural, and Recreational Services	160,126	0	0	248,208		408,334
Agriculture and Natural Resources	181,525	0	0	0		181,525
Other Operations	1,069,556	0	0	115,733		1,185,289
Highways	0	2,018,441	0	0		2,018,441
Debt Service:						
Principal on Debt	0	50,761	2,772,586	1,921,103		4,744,450
Interest on Debt	0	9,505	556,420	355,846		921,771
Other Debt Service	0	0	41,582	28,596		70,178

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Governmental Funds		
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 828,296	\$ 0	\$ 0	\$ 0	\$ 0	\$ 828,296
Total Expenditures	\$ 15,712,164	\$ 2,078,707	\$ 3,370,588	\$ 4,489,960	\$ 4,489,960	\$ 25,651,419
Excess (Deficiency) of Revenues Over Expenditures	\$ 391,143	\$ 537,172	\$ 74,876	\$ (711,285)	\$ (711,285)	\$ 291,906
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 450,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 450,000
Transfers In	9,606	15,806	0	1,088,538	1,088,538	1,113,950
Transfers Out	(939,114)	(3,803)	0	(171,033)	(171,033)	(1,113,950)
Total Other Financing Sources (Uses)	\$ (479,508)	\$ 12,003	\$ 0	\$ 917,505	\$ 917,505	\$ 450,000
Net Change in Fund Balances	\$ (88,365)	\$ 549,175	\$ 74,876	\$ 206,220	\$ 206,220	\$ 741,906
Fund Balance, July 1, 2013	7,589,845	822,252	3,019,834	1,567,804	1,567,804	12,999,735
Fund Balance, June 30, 2014	\$ 7,501,480	\$ 1,371,427	\$ 3,094,710	\$ 1,774,024	\$ 1,774,024	\$ 13,741,641

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, 2014

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)		\$ 741,906
(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	\$ 1,734,739	
Less: current-year depreciation expense	<u>(2,068,045)</u>	(333,306)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 191,188	
Less: book value of capital assets disposed	<u>(37,795)</u>	153,393
(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, 2014	\$ 697,737	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(886,965)</u>	(189,228)
(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 position. Also, governmental funds report the effect of 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	\$ (450,000)	
Less: change in deferred amount on refunding debt	(54,095)	
Add: change in premium on debt issuance	45,810	
Less: contributions from the School Department for capital leases	(204,186)	
Add: principal payments on notes	567,215	
Add: principal payments on capital leases	350,239	
Add: principal payments on bonds	<u>3,934,168</u>	4,189,151
(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	\$ 13,178	
Change in compensated absences payable	(163,179)	
Change in other postemployment benefits liability	(138,505)	
Change in landfill closure/postclosure care costs	<u>2,020</u>	(286,486)
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,275,430</u>

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

Exhibit C-5

Franklin County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 9,606,875	\$ 0	\$ 0	\$ 9,606,875	\$ 9,271,214	\$ 9,432,827	\$ 174,048
Licenses and Permits	73,849	0	0	73,849	68,000	74,986	(1,137)
Fines, Forfeitures, and Penalties	209,767	0	0	209,767	179,779	213,940	(4,173)
Charges for Current Services	268,652	0	0	268,652	211,034	263,919	4,733
Other Local Revenues	185,954	0	0	185,954	127,750	187,617	(1,663)
Fees Received from County Officials	1,729,521	0	0	1,729,521	1,693,591	1,730,170	(649)
State of Tennessee	2,866,268	0	0	2,866,268	3,045,673	3,449,074	(582,806)
Federal Government	857,349	0	0	857,349	376,032	1,009,375	(152,026)
Other Governments and Citizens Groups	305,072	0	0	305,072	311,000	401,579	(96,507)
Total Revenues	\$ 16,103,307	\$ 0	\$ 0	\$ 16,103,307	\$ 15,284,073	\$ 16,763,487	\$ (660,180)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 323,416	\$ (15,000)	\$ 635	\$ 309,051	\$ 285,317	\$ 344,523	\$ 35,472
Beer Board	704	0	0	704	475	1,475	771
County Mayor/Executive	151,401	(250)	298	151,449	153,416	155,910	4,461
County Attorney	9,700	0	0	9,700	10,225	10,225	525
Election Commission	284,718	0	0	284,718	229,889	311,815	27,097
Register of Deeds	292,418	(200)	7,453	299,671	316,063	316,063	16,392
Planning	138,901	(1,589)	940	138,252	147,457	147,457	9,205
County Buildings	960,685	(9,892)	57,816	1,008,609	1,181,519	1,407,504	398,895
Other General Administration	71,560	0	0	71,560	68,932	74,922	3,362
<u>Finance</u>							
Property Assessor's Office	434,214	(1,014)	20,483	453,683	482,862	467,984	14,301
County Trustee's Office	287,181	0	0	287,181	295,155	295,155	7,974
County Clerk's Office	520,515	0	0	520,515	529,008	532,993	12,478
Other Finance	637,972	(206)	5,942	643,708	646,504	664,994	21,286
<u>Administration of Justice</u>							
Circuit Court	846,907	0	197	847,104	884,621	879,621	32,517
General Sessions Court	293,199	0	210	293,409	295,612	295,612	2,203
Drug Court	57,757	0	0	57,757	58,140	58,402	645

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice (Cont.)</u>							
Chancery Court	\$ 194,936	\$ (210)	\$ 0	\$ 194,726	\$ 197,240	\$ 245,300	\$ 50,574
Juvenile Court	120,441	0	0	120,441	123,816	123,816	3,375
Judicial Commissioners	113,047	0	0	113,047	125,341	125,341	12,294
Other Administration of Justice	4,300	0	0	4,300	20,000	20,000	15,700
Probation Services	112,277	0	0	112,277	115,327	115,327	3,050
<u>Public Safety</u>							
Sheriff's Department	3,357,399	(29,372)	31,228	3,359,255	3,412,664	3,441,205	81,950
Administration of the Sexual Offender Registry	18,631	0	0	18,631	20,490	20,490	1,859
Jail	1,768,428	(14,904)	9,760	1,763,284	1,696,160	1,768,612	5,328
Correctional Incentive Program Improvements	638,554	0	64,159	702,713	309,681	661,290	(41,423)
Juvenile Services	12,518	(1,498)	0	11,020	23,000	23,000	11,980
Civil Defense	158,514	(2,814)	981	156,681	148,758	157,483	802
Rescue Squad	28,463	(240)	0	28,223	30,000	31,747	3,524
Other Emergency Management	855,239	(701)	1,796	856,334	857,771	892,778	36,444
County Coroner/Medical Examiner	23,750	0	0	23,750	31,500	31,500	7,750
Public Safety Grants Program	245,697	(157,327)	5,614	93,984	0	122,440	28,456
<u>Public Health and Welfare</u>							
Local Health Center	40,107	(808)	0	39,299	43,526	48,444	9,145
Rabies and Animal Control	212,954	(6,241)	4,484	211,197	239,484	236,871	25,674
Other Local Health Services	134,221	0	871	135,092	153,237	151,580	16,488
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	67,685	0	15,185	82,870	84,164	83,288	418
Other Public Health and Welfare	5,831	0	14,298	20,129	0	38,562	18,433
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	133,196	(9,848)	10,091	133,439	157,350	157,350	23,911
Parks and Fair Boards	26,930	(2,198)	2,150	26,882	29,030	32,105	5,223
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	103,556	(160)	0	103,396	102,217	112,217	8,821
Soil Conservation	77,969	(369)	0	77,600	79,075	79,075	1,475

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations</u>							
Industrial Development	\$ 29,924	\$ (2,480)	\$ 108,006	\$ 135,450	\$ 34,221	\$ 196,287	\$ 60,837
Other Economic and Community Development	369,069	(20,000)	40,534	389,603	144,628	429,972	40,369
Veterans' Services	19,924	0	0	19,924	18,484	20,172	248
Other Charges	650,639	0	204	650,843	726,765	752,765	101,922
<u>Capital Projects</u>							
Other General Government Projects	202,580	0	169,265	371,845	0	372,000	155
Highway and Street Capital Projects	625,716	(622,987)	0	2,729	0	65,122	62,393
<u>Total Expenditures</u>	\$ 15,712,164	\$ (900,308)	\$ 572,600	\$ 15,384,456	\$ 14,557,545	\$ 16,569,215	\$ 1,184,759
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 391,143	\$ 900,308	\$ (572,600)	\$ 718,851	\$ 726,528	\$ 194,272	\$ 524,579
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 450,000	\$ 0	\$ 0	\$ 450,000	\$ 0	\$ 450,000	\$ 0
Insurance Recovery	0	0	0	0	0	113	(113)
Transfers In	9,606	0	0	9,606	159,606	9,606	0
Transfers Out	(939,114)	0	0	(939,114)	(1,085,309)	(943,309)	4,195
<u>Total Other Financing Sources</u>	\$ (479,508)	\$ 0	\$ 0	\$ (479,508)	\$ (925,703)	\$ (483,590)	\$ 4,082
<u>Net Change in Fund Balance</u>	\$ (88,365)	\$ 900,308	\$ (572,600)	\$ 239,343	\$ (199,175)	\$ (289,318)	\$ 528,661
<u>Fund Balance, July 1, 2013</u>	7,589,845	(900,308)	0	6,689,537	6,410,654	6,410,654	278,883
<u>Fund Balance, June 30, 2014</u>	\$ 7,501,480	\$ 0	\$ (572,600)	\$ 6,928,880	\$ 6,211,479	\$ 6,121,336	\$ 807,544

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

Exhibit C-6

Franklin County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 607,043	\$ 0	\$ 0	\$ 607,043	\$ 596,092	\$ 606,245	\$ 798
Licenses and Permits	2,524	0	0	2,524	1,650	2,285	239
Charges for Current Services	767	0	0	767	1,500	1,500	(733)
Other Local Revenues	19,722	0	0	19,722	18,700	18,700	1,022
State of Tennessee	1,985,823	0	0	1,985,823	2,023,356	2,032,026	(46,203)
Total Revenues	\$ 2,615,879	\$ 0	\$ 0	\$ 2,615,879	\$ 2,641,298	\$ 2,660,756	\$ (44,877)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 285,752	(671)	0	\$ 285,081	\$ 306,995	\$ 301,262	\$ 16,181
Highway and Bridge Maintenance	579,276	(3,992)	9,998	585,282	820,407	652,729	67,447
Operation and Maintenance of Equipment	230,912	(15,350)	17,868	233,430	388,379	323,495	90,065
Quarry Operations	208,915	(2,405)	141,378	347,888	302,898	407,660	59,772
Other Charges	170,459	(77)	42	170,424	210,197	207,348	36,924
Capital Outlay	543,127	(24,309)	71,918	590,736	813,232	843,534	252,798
<u>Principal on Debt</u>							
Highways and Streets	50,761	0	0	50,761	50,763	50,763	2
Interest on Debt							
Highways and Streets	9,505	0	0	9,505	9,505	9,505	0
Total Expenditures	\$ 2,078,707	\$ (46,804)	\$ 241,204	\$ 2,273,107	\$ 2,902,376	\$ 2,796,296	\$ 523,189
Excess (Deficiency) of Revenues Over Expenditures	\$ 537,172	\$ 46,804	\$ (241,204)	\$ 342,772	\$ (261,078)	\$ (135,540)	\$ 478,312
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 15,806	\$ 0	\$ 0	\$ 15,806	\$ 12,000	\$ 17,000	\$ (1,194)
Transfers Out	(3,803)	0	0	(3,803)	(3,803)	(3,803)	0
Total Other Financing Sources	\$ 12,003	\$ 0	\$ 0	\$ 12,003	\$ 8,197	\$ 13,197	\$ (1,194)

(Continued)

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 549,175	\$ 46,804	(241,204)	\$ 354,775	\$ (252,881)	\$ (122,343)	\$ 477,118
Fund Balance, July 1, 2013	822,252	(46,804)	0	775,448	696,397	696,397	79,051
Fund Balance, June 30, 2014	\$ 1,371,427	0	(241,204)	\$ 1,130,223	\$ 443,516	\$ 574,054	\$ 556,169

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, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,415,752
Due from Other Governments	<u>617,670</u>
Total Assets	<u>\$ 2,033,422</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 617,670
Due to Litigants, Heirs, and Others	<u>1,415,752</u>
Total Liabilities	<u>\$ 2,033,422</u>

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

FRANKLIN COUNTY, TENNESSEE
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FRANKLIN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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, 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 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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position 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, 2014.

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, deferred outflows of resources, liabilities, deferred inflow of resources, 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 types:

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

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

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

Central Cafeteria Fund – This special revenue fund is used to account for the cafeteria operations in each of the schools. USDA School Lunch and Breakfast Programs and payments received from the sale of meals are the foundational revenues of this fund.

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.

D. Assets, Liabilities, Deferred Outflow/Inflow of Resources, and Net Position/Fund Balance

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 position 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 are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. 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. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. 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.

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.

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 a deferred inflow of resources 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 as a deferred inflow of resources 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. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. 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 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. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for

revenue, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. 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 through Eight	80
Nine and Over	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 through Nine	10
Ten and Over	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.

7. **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 Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner 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.

8. **Net Position and Fund Balance**

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

- a. Net investment in capital assets – 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 position – Consists of net position 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 position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2014, Franklin County has \$16,707,180 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 position with no corresponding increase in the county's capital assets.

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.

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 Commission has by

resolution authorized the county's Financial Management Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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.

9. Minimum Fund Balance Policy

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:

Primary Government

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 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 principal and interest 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 Position

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 Position.

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 Position.

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 position 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 position 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. 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, 2014, Franklin County and the Franklin County School Department reported the following significant encumbrances:

Funds	Description	Amount
Primary Government		
Major Funds:		
General	Sprinkler Installation	\$ 38,867
"	Tax Rolls and Equipment	12,666
"	Gasoline	30,127
"	Engineering Services	15,000
"	Various Training	43,413
"	Inmate Contracted Services	19,226
"	Video Cameras	5,614
"	Heating and Air System	99,950
"	Solid Waste Truck	169,265
Highway/Public Works	Repair to Crusher	130,000
"	Asphalt	52,386
"	Engineering Services	13,993
Nonmajor Fund:		
Solid Waste/Sanitation	Garbage Hauling	23,321
School Department		
Major Fund:		
General Purpose School	Notebook Computers	221,513
"	Paper	41,026
"	Various Repairs	26,898

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Correctional Incentive Program Improvements major appropriations category (the legal level of control) of the General Fund by \$41,423. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

C. Cash Shortage

Two employees of the Franklin County Sanitation Department were indicted by a Grand Jury on September 2, 2014, for charges of theft of property of at least \$1,000 but less than \$10,000. These employees allegedly stole scrap metal, which was the property of Franklin County and sold the metal for personal gain. The exact amount of the cash shortage created by this activity

is unknown at this time; but is not believed to be material to the financial statements of Franklin County based on the charges filed. These employees employment was terminated from the Sanitation Department, and they are awaiting a January 20, 2015, court date.

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 position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position 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, 2014, Franklin County had the following investments carried at fair value. 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	Weighted Average Maturity (days)	Maturities	Fair Value
State Treasurer's Investment Pool	109	N/A	\$ 58,470

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, 2014, 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, 2014, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 28,423,988	\$ 0	\$ 0	\$ 28,423,988
Total Capital Assets Not Depreciated	\$ 28,423,988	\$ 0	\$ 0	\$ 28,423,988
Capital Assets Depreciated:				
Buildings and Improvements	\$ 19,011,945	\$ 9,750	\$ 0	\$ 19,021,695
Infrastructure	38,737,650	1,033,465	0	39,771,115
Other Capital Assets	8,461,936	882,712	(337,223)	9,007,425
Total Capital Assets Depreciated	\$ 66,211,531	\$ 1,925,927	\$ (337,223)	\$ 67,800,235
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 6,161,685	\$ 453,570	\$ 0	\$ 6,615,255
Infrastructure	27,594,417	1,118,876	0	28,713,293
Other Capital Assets	6,208,467	495,599	(299,428)	6,404,638
Total Accumulated Depreciation	\$ 39,964,569	\$ 2,068,045	\$ (299,428)	\$ 41,733,186
Total Capital Assets Depreciated, Net	\$ 26,246,962	\$ (142,118)	\$ (37,795)	\$ 26,067,049
Governmental Activities Capital Assets, Net	\$ 54,670,950	\$ (142,118)	\$ (37,795)	\$ 54,491,037

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

Governmental Activities:

General Government	\$	270,029
Finance		3,740
Administration of Justice		7,051
Public Safety		465,000
Public Health and Welfare		76,469
Social, Cultural, and Recreational Services		25,111
Agriculture and Natural Resources		12,463
Highways/Public Works		<u>1,208,182</u>
Total Depreciation Expense - Governmental Activities	<u>\$</u>	<u>2,068,045</u>

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

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 5,451,186	\$ 0	\$ (25,000)	\$ 5,426,186
Total Capital Assets Not Depreciated	<u>\$ 5,451,186</u>	<u>\$ 0</u>	<u>\$ (25,000)</u>	<u>\$ 5,426,186</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 59,387,946	\$ 710,153	\$ 0	\$ 60,098,099
Other Capital Assets	8,028,662	712,110	(525,261)	8,215,511
Total Capital Assets Depreciated	<u>\$ 67,416,608</u>	<u>\$ 1,422,263</u>	<u>\$ (525,261)</u>	<u>\$ 68,313,610</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 23,563,578	\$ 1,381,886	\$ 0	\$ 24,945,464
Other Capital Assets	4,505,030	858,136	(475,134)	4,888,032
Total Accumulated Depreciation	<u>\$ 28,068,608</u>	<u>\$ 2,240,022</u>	<u>\$ (475,134)</u>	<u>\$ 29,833,496</u>
Total Capital Assets Depreciated, Net	<u>\$ 39,348,000</u>	<u>\$ (817,759)</u>	<u>\$ (50,127)</u>	<u>\$ 38,480,114</u>
Governmental Activities Capital Assets, Net	<u>\$ 44,799,186</u>	<u>\$ (817,759)</u>	<u>\$ (75,127)</u>	<u>\$ 43,906,300</u>

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

Governmental Activities:

Instruction	\$ 1,749,562
Support Services	250,822
Operation of Non-instructional Services	<u>239,638</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,240,022</u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2014, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 2,996
Highway/Public Works	General	2,384

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.

Due to/from Primary Government and Component Unit:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
Primary Government:		
Governmental Activities	Component Unit: School Department	\$ 715,580

The Due to Primary Government consists of the balance of capital leases issued by the county for the School Department. The School Department has agreed to contribute the funds annually to retire this debt. These long-term debt obligations are reflected in the governmental activities on the Statement of Net Position.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2014, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	Highway/ Public Works Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 15,806	\$ 923,308
Highway/Public Works Fund	3,803	0	0
Nonmajor governmental funds	5,803	0	165,230
Total	\$ 9,606	\$ 15,806	\$ 1,088,538

Discretely Presented Franklin County School Department

Transfers Out	Transfer In Nonmajor Governmental Fund
General Purpose School Fund	\$ 10,000

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

The School Department made a one-time transfer of \$10,000 from the General Purpose School Fund to the School Federal Projects Fund to help with cash flow.

D. 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 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 September 1, 2010, Franklin County entered into a seven-year lease-purchase agreement for the School Department 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 General Purpose School Fund is contributing the lease payments through the Education Debt Service Fund.

On September 1, 2010, Franklin County entered into a five-year lease-purchase agreement for the School Department 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 General Purpose School Fund is contributing the lease payments through the Education Debt Service Fund.

On October 1, 2010, Franklin County entered into a ten-year lease-purchase agreement for the School Department 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 General Purpose School Fund is contributing the lease payments through the Education Debt Service Fund.

The assets acquired through capital leases are as follows:

Primary Government

<u>Asset</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 791,494
Less: Accumulated Depreciation	<u>(273,247)</u>
Total Book Value	<u>\$ 518,247</u>

Discretely Presented Franklin County School Department

<u>Asset</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 1,465,551
Less: Accumulated Depreciation	<u>(264,339)</u>
Total Book Value	<u>\$ 1,201,212</u>

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2014, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2015	\$ 331,111
2016	218,355
2017	197,513
2018	143,976
2019	73,773
2020	<u>73,773</u>
Total Minimum Lease Payments	\$ 1,038,501
Less: Amount Representing Interest	<u>(84,864)</u>
Present Value of Minimum Lease Payments	<u>\$ 953,637</u>

E. Long-term Obligations

Primary Government

General Obligation Bonds and Notes

Franklin County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. 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 capital outlay notes outstanding were issued for original terms of up to 40 years for bonds and 12 years for notes. 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 Highway/Public Works and General Debt Service funds.

General obligation bonds, notes, and capital leases outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds	2.5 to 5 %	5-21-48	\$ 10,878,000	\$ 8,147,793
General Obligation Bonds - Refunding	1.23 to 3.75	6-1-21	22,730,000	14,525,000
Capital Outlay Notes	2.63 to 4.875	2-1-23	1,449,666	1,180,020
Capital Leases	0 to 5.265	4-1-20	2,260,045	953,637

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2014, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 3,454,948	\$ 750,527	\$ 4,205,475
2016	3,565,771	660,574	4,226,345
2017	2,351,628	565,262	2,916,890
2018	2,427,520	490,900	2,918,420
2019	2,523,449	409,409	2,932,858
2020-2024	7,162,576	840,861	8,003,437
2025-2029	162,272	231,953	394,225
2030-2034	198,619	195,606	394,225
2035-2039	243,106	151,119	394,225
2040-2044	297,556	96,669	394,225
2045-2048	285,348	30,025	315,373
Total	\$ 22,672,793	\$ 4,422,905	\$ 27,095,698

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 140,014	\$ 45,320	\$ 185,334
2016	143,628	40,015	183,643
2017	147,532	34,420	181,952
2018	151,591	28,671	180,262
2019	155,832	22,738	178,570
2020-2023	441,423	31,438	472,861
Total	<u>\$ 1,180,020</u>	<u>\$ 202,602</u>	<u>\$ 1,382,622</u>

There is \$1,051,688 available in the General Debt Service Fund and \$3,094,710 available in the Education Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and capital leases totaled \$604, based on the 2010 federal census.

The School Department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government.

Description of Indebtedness	Outstanding 6-30-14
<u>Capital Leases</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficient Lighting (State 1)	\$ 232,160
Energy Efficient Lighting (State 2)	102,167
Energy Efficient Lighting (Excel)	<u>381,253</u>
Total	<u>\$ 715,580</u>

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

	Bonds	Notes	Capital Leases
Balance, July 1, 2013	\$ 26,606,961	\$ 1,297,235	\$ 1,303,876
Additions	0	450,000	0
Reductions	(3,934,168)	(567,215)	(350,239)
Balance, June 30, 2014	<u>\$ 22,672,793</u>	<u>\$ 1,180,020</u>	<u>\$ 953,637</u>
Balance Due Within One Year	<u>\$ 3,454,948</u>	<u>\$ 140,014</u>	<u>\$ 302,541</u>

	Landfill Postclosure Care Costs	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2013	\$ 328,821	\$ 2,084,968	\$ 554,599
Additions	4,830	150,148	517,757
Reductions	(6,850)	(11,643)	(354,578)
Balance, June 30, 2014	<u>\$ 326,801</u>	<u>\$ 2,223,473</u>	<u>\$ 717,778</u>
Balance Due Within One Year	<u>\$ 20,778</u>	<u>\$ 0</u>	<u>\$ 717,778</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 28,074,502
Less: Balance Due Within One Year	(4,636,059)
Add: Unamortized Premium on Debt	<u>146,598</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 23,585,041</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

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Franklin County School Department for the year ended June 30, 2014, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	\$ 172,492	\$ 4,389,903
Additions	157,009	1,000,523
Reductions	(130,453)	(584,653)
Balance, June 30, 2014	<u>\$ 199,048</u>	<u>\$ 4,805,773</u>
Balance Due Within One Year	<u>\$ 199,048</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 5,004,821
Less: Balance Due Within One Year	<u>(199,048)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,805,773</u>

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

F. 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, 2014, were \$141,408 and \$39,684, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Short-term Debt

Primary Government

Franklin County issued revenue anticipation notes totaling \$100,000 from the General Fund in advance of revenue collections and deposited the

proceeds in the Solid Waste/Sanitation Fund. These notes were necessary because funds were not available to meet obligations coming due before property tax collections. Short-term debt activity for the year ended June 30, 2014, was as follows:

	Balance			Balance
	7-1-13	Issued	Paid	6-30-14
Revenue Anticipation Note	\$ 0	\$ 100,000	\$ (100,000)	\$ 0

Discretely Presented Franklin County School Department

Franklin County issued revenue anticipation notes totaling \$100,000 from the General Purpose School Fund in advance of revenue collections and deposited the proceeds in the School Federal Projects Fund. These notes were necessary because funds were not available to meet obligations coming due before grant reimbursement collections. Short-term debt activity for the year ended June 30, 2014, was as follows:

	Balance			Balance
	7-1-13	Issued	Paid	6-30-14
Revenue Anticipation Note	\$ 0	\$ 100,000	\$ (100,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Franklin County’s and the discretely presented Franklin County School Department’s risks of loss relating to general liability, property, and casualty are covered by participation in a public entity risk pool. The county and the School Department are members of the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The county and the 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 its 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 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 School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67, replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70, relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

C. Subsequent Events

On July 2, 2014, the School Department's General Purpose School Fund issued a \$100,000 revenue anticipation note to the School Federal Projects Fund for temporary operating funds.

On September 15, 2014, the General Fund issued a \$100,000 revenue anticipation note to the Solid Waste/Sanitation Fund for temporary operating funds.

D. Contingent Liabilities

The county attorney advised that the county is involved in two pending lawsuits involving the Franklin County landfill located on 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.

E. Landfill Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Franklin County closed its sanitary landfill in 1995. The \$326,801 reported as landfill postclosure care liability at June 30, 2014, represents amounts based on what it would cost to perform all postclosure care in 2014. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Interlocal Solid Waste Authority is jointly operated by the counties of Giles, Franklin, and Lincoln and the municipality of Tullahoma for the purpose of developing a solid waste regional plan. Also, since inception, the

municipalities of Shelbyville, Ardmore, Elkton, Petersburg, Pulaski and Minor Hill have been admitted as “participants.” 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, 2014.

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, 2014.

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

Administrative Offices:

Interlocal Solid Waste Authority
487 Joyce Lane
Winchester, TN 37398

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

G. Retirement Commitments

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. 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, *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, 2014, was 13.22 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, 2014, the county's annual pension cost of \$1,756,198 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, 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 three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The 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, 2011, was six years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	\$1,756,198	100%	\$0
6-30-13	1,710,671	100	0
6-30-12	1,700,595	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 91.81 percent funded. The actuarial accrued liability for benefits was \$36.53 million, and the actuarial value of assets was \$33.53 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.99 million. The covered payroll (annual payroll of active employees covered by the plan) was \$12.3 million, and the ratio of the UAAL to the covered payroll was 24.32 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.

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, *Tennessee Code Annotated*. State statutes are amended by the

Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEPP. 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.

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, 2014, was 8.88 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, 2014, 2013, and 2012, were \$1,861,081, \$1,860,813, and \$1,880,082, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Plan Description

Franklin County and the School Department participate in the state-administered Local Education Group Insurance Plan and Local Government Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees 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 on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and

financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the 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. The School Department retirees' contributions vary depending on the insurance options they select, ranging from \$297 to \$338 per month for their insurance. The required contribution amount for county and highway retirees' spouses is \$568 per month. During the year ended June 30, 2014, the county and the School Department contributed \$11,643 and \$584,653, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 996,000	\$ 148,000
Interest on the NOPEBO	175,596	83,399
Adjustment to the ARC	(171,073)	(81,251)
Annual OPEB cost	\$ 1,000,523	\$ 150,148
Amount of contribution	(584,653)	(11,643)
Increase/decrease in NOPEBO	\$ 415,870	\$ 138,505
Net OPEB obligation, 7-1-13	4,389,903	2,084,968
Net OPEB obligation, 6-30-14	<u>\$ 4,805,773</u>	<u>\$ 2,223,473</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Education Group	\$ 1,485,108	31.34%	\$ 3,406,794
6-30-13	"	1,495,622	34.27	4,389,903
6-30-14	"	1,000,523	58.43	4,805,773
6-30-12	Local Government Group	391,668	7.13	1,710,312
6-30-13	"	393,793	4.86	2,084,968
6-30-14	"	150,148	7.75	2,223,473

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 9,095,000	\$ 1,331,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 9,095,000	\$ 1,331,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 19,627,484	\$ 6,581,874
UAAL as a % of covered payroll	46.34%	20.22%

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, 2013, 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 was 7.5 percent for fiscal year 2014. The trend rate will decrease to seven percent in fiscal year 2015 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. 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 July 1, 2007.

I. 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.

J. 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 instead 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 County Commission each year to serve four-year terms. The district is primarily funded by user charges.

Fund Financial Statements

The district's proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

The district classifies net position in the proprietary fund financial statements as follows:

- Net investments in capital assets includes the district's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The district typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project. The district had no restrictions at June 30, 2014.
- Unrestricted Net Position typically includes unrestricted liquid assets. The Board of Directors has the authority to revisit or alter this designation.

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, 2014, was \$1,806,107.

Utility Plant

Equipment and property additions are recorded at cost. Depreciated 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 passage of an annual budget resolution and amended as required for the proprietary funds, and 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 line-item level. All unencumbered budget appropriations, except project budgets, lapse at the end of each fiscal year.

B. Capital Assets

A summary of changes in capital assets is as follows:

	Balance 7-1-13	Additions	Balance 6-30-14
Equipment	\$ 371,215	\$ 8,000	\$ 379,215
Less: Accumulated Depreciation	(267,379)	(70,002)	(337,381)
Total	\$ 103,836	\$ (62,002)	\$ 41,834

C. Cash and Cash Equivalents

At June 30, 2014, total cash was \$1,806,107, of which \$823,091 is held in certificates of deposit with maturities of more than three months, leaving \$983,016 considered as cash equivalents.

D. Budgeting Procedures

The official budget for June 30, 2014, was prepared for adoption for the proprietary fund by June 17, 2013.

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 there are currently no pending lawsuits.

F. Grants and Reimbursements

The district received a GIS grant totaling \$59,513 and a reimbursement for the purchase of a master clock totaling \$5,000 as well as a training reimbursement of \$16,000 during the year from the Tennessee Emergency Communications Board.

G. Capital Lease Obligation

The capital lease obligation for the purchase of next generation 911 equipment was payable to AT&T Capital Services in monthly 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 2014 fiscal year:

	Balance 7-1-13	Adjustments and Retirements	Balance 6-30-14
AT&T Capital Services	\$ 94,037	\$ (66,379)	\$ 27,658

A summary of annual debt service requirements at June 30, 2014, is as follows:

Year Ending June 30	Principal	Lease Interest	Total
2015	\$ 27,658	\$ 1,059	\$ 28,717

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Franklin County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Franklin County School Department
June 30, 2014

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen 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)
7-1-13	\$ 33,532	\$ 36,525	\$ 2,993	91.81 %	\$ 12,304	24.32 %
7-1-11	29,208	32,485	3,277	89.91	12,606	25.99
7-1-09	22,986	25,883	2,897	88.81	12,410	23.34

Exhibit E-2

Franklin County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Franklin County School Department
June 30, 2014

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (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	7-1-10	\$ 0	\$ 3,310	\$ 3,310	0 %	\$ 7,071	46.81 %
"	7-1-11	0	2,669	2,669	0	6,525	40.90
"	7-1-13	0	1,331	1,331	0	6,581	20.22
<u>DISCRETELY PRESENTED FRANKLIN COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	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
"	7-1-13	0	9,095	9,095	0	19,627	46.34

FRANKLIN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2014

NONE

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

Nonmajor Governmental Funds

Special Revenue Funds

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.

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 of deeds, and sheriff.

Debt Service Fund

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.

Exhibit F-1

Franklin County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

Special Revenue Funds

	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cash	21,955	286,289	263,516	67,780	82,709
Equity in Pooled Cash and Investments	0	1,882	2,585	13,790	1,910
Accounts Receivable	0	2,782	8,117	34	0
Due from Other Governments	0	291,523	991,278	371,780	0
Property Taxes Receivable	0	(11,183)	(39,654)	(15,484)	0
Allowance for Uncollectible Property Taxes	0	400	0	0	0
Prepaid Items	0	0	0	0	0
Total Assets	\$ 21,955	\$ 571,693	\$ 1,225,842	\$ 437,900	\$ 84,619
	\$ 0	\$ 478	\$ 5,723	\$ 0	\$ 100
Accounts Payable	0	3,504	21,549	0	0
Accrued Payroll	0	949	5,375	0	0
Payroll Deductions Payable	0	0	96	0	0
Due to Other Funds	0	157	933	0	0
Due to State of Tennessee	0	5,088	33,676	0	0
Total Liabilities	\$ 0	\$ 5,088	\$ 33,676	\$ 0	\$ 100
	\$ 0	\$ 271,673	\$ 910,360	\$ 336,570	\$ 0
Deferred Current Property Taxes	0	7,532	37,603	18,571	0
Deferred Delinquent Property Taxes	0	279,205	947,963	355,141	0
Total Deferred Inflows of Resources	\$ 0	\$ 279,205	\$ 947,963	\$ 355,141	\$ 0

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
Deferred Delinquent Property Taxes
Total Deferred Inflows of Resources

(Continued)

Exhibit F-1

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

		Special Revenue Funds				
		Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
	\$	0	400	0	0	0
		0	0	0	82,434	33,124
		0	0	158,286	0	0
		0	238,367	0	0	0
		21,955	0	0	0	0
		0	0	0	0	49,686
		0	0	39,571	0	0
		0	45,003	0	0	0
		0	0	0	325	1,709
		0	0	46,346	0	0
		0	3,630	0	0	0
	\$	21,955	287,400	244,203	82,759	84,519
	\$	21,955	571,693	1,225,842	437,900	84,619

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
 Committed:
 Committed for Public Safety
 Committed for Public Health and Welfare
 Committed for Social, Cultural, and Recreational Services
 Assigned:
 Assigned for Public Safety
 Assigned for Public Health and Welfare
 Assigned for Social, Cultural, and Recreational Services
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

(Continued)

Exhibit F-1

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

	Special Revenue Funds (Cont.)		Debt Service Fund		Total Nonmajor Governmental Funds
	Constitutional Officers - Fees	Total	General Debt Service		
\$	2,355	\$ 2,355	\$ 0	\$ 0	2,355
Equity in Pooled Cash and Investments	0	722,249	1,054,967		1,777,216
Accounts Receivable	295	20,462	3		20,465
Due from Other Governments	0	10,933	694		11,627
Property Taxes Receivable	0	1,654,581	1,288,314		2,942,895
Allowance for Uncollectible Property Taxes	0	(66,321)	(49,604)		(115,925)
Prepaid Items	0	400	1,500		1,900
Total Assets	\$ 2,650	\$ 2,344,659	\$ 2,295,874	\$	4,640,533

ASSETS

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

LIABILITIES

Accounts Payable
Accrued Payroll
Payroll Deductions Payable
Due to Other Funds
Due to State of Tennessee
Total Liabilities

\$	0	\$ 6,301	\$ 7,507	\$	13,808
	0	25,053	0		25,053
	0	6,324	0		6,324
	2,650	2,746	250		2,996
	0	1,090	0		1,090
\$	2,650	41,514	7,757	\$	49,271

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
Deferred Delinquent Property Taxes
Total Deferred Inflows of Resources

\$	0	\$ 1,518,603	\$ 1,200,594	\$	2,719,197
	0	63,706	34,335		98,041
\$	0	1,582,309	1,234,929	\$	2,817,238

(Continued)

Exhibit F-1

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

	Special Revenue Funds (Cont.)		Debt Service Fund		Total Nonmajor Governmental Funds
	Constitutional Officers - Fees	Total	General Debt Service		
\$	0	400	1,500	\$	1,900
Nonspendable:					
Prepaid Items	0	115,558	0		115,558
Restricted:					
Restricted for Public Safety	0	158,286	0		158,286
Restricted for Social, Cultural, and Recreational Services	0	238,367	0		238,367
Restricted for Debt Service	0	21,955	1,051,688		1,073,643
Committed:					
Committed for Public Safety	0	49,686	0		49,686
Committed for Public Health and Welfare	0	39,571	0		39,571
Committed for Social, Cultural, and Recreational Services	0	45,003	0		45,003
Assigned:					
Assigned for Public Safety	0	2,034	0		2,034
Assigned for Public Health and Welfare	0	46,346	0		46,346
Assigned for Social, Cultural, and Recreational Services	0	3,630	0		3,630
Total Fund Balances	\$ 0	\$ 720,836	\$ 1,053,188	\$	\$ 1,774,024
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,650	\$ 2,344,659	\$ 2,295,874	\$	\$ 4,640,533

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, 2014

Special Revenue Funds						
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Total
<u>Revenues</u>						
Local Taxes	\$ 153,377	\$ 293,960	\$ 987,431	\$ 479,917	\$ 0	\$ 1,914,685
Licenses and Permits	0	1,354	6,459	23,101	0	30,914
Fines, Forfeitures, and Penalties	0	0	0	0	56,159	56,159
Charges for Current Services	0	17,235	25,907	0	0	43,142
Other Local Revenues	0	3,206	250,454	180	7,795	261,635
State of Tennessee	0	0	15,912	0	0	15,912
Federal Government	0	1,419	0	0	49,001	50,420
Other Governments and Citizens Groups	0	31,130	0	0	50	31,180
Total Revenues	\$ 153,377	\$ 348,304	\$ 1,286,163	\$ 503,198	\$ 113,005	\$ 2,404,047
<u>Expenditures</u>						
Current:						
Public Safety	\$ 0	\$ 0	\$ 0	\$ 501,291	\$ 74,188	\$ 575,479
Public Health and Welfare	0	0	1,244,995	0	0	1,244,995
Social, Cultural, and Recreational Services	0	248,208	0	0	0	248,208
Other Operations	1,544	31,816	81,815	0	558	115,733
Debt Service:						
Principal on Debt	0	0	0	0	0	0
Interest on Debt	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0
Total Expenditures	\$ 1,544	\$ 280,024	\$ 1,326,810	\$ 501,291	\$ 74,746	\$ 2,184,415

(Continued)

Exhibit F-2

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

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Total
Excess (Deficiency) of Revenues Over Expenditures	\$ 151,833	\$ 68,280	\$ (40,647)	\$ 1,907	\$ 38,259	\$ 219,632
Other Financing Sources (Uses)						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers Out	(165,230)	(2,000)	(3,803)	0	0	(171,033)
Total Other Financing Sources (Uses)	\$ (165,230)	\$ (2,000)	\$ (3,803)	\$ 0	\$ 0	\$ (171,033)
Net Change in Fund Balances	\$ (13,397)	\$ 66,280	\$ (44,450)	\$ 1,907	\$ 38,259	\$ 48,599
Fund Balance, July 1, 2013	35,352	221,120	288,653	80,852	46,260	672,237
Fund Balance, June 30, 2014	\$ 21,955	\$ 287,400	\$ 244,203	\$ 82,759	\$ 84,519	\$ 720,836

(Continued)

Exhibit F-2

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

	Debt Service Fund		Total Nonmajor Governmental Funds
	General Debt Service		
<u>Revenues</u>			
Local Taxes	\$ 1,368,781	\$	3,283,466
Licenses and Permits	5,769		36,683
Fines, Forfeitures, and Penalties	0		56,159
Charges for Current Services	0		43,142
Other Local Revenues	78		261,713
State of Tennessee	0		15,912
Federal Government	0		50,420
Other Governments and Citizens Groups	0		31,180
Total Revenues	\$ 1,374,628	\$	3,778,675
<u>Expenditures</u>			
Current:			
Public Safety	0	\$	575,479
Public Health and Welfare	0		1,244,995
Social, Cultural, and Recreational Services	0		248,208
Other Operations	0		115,733
Debt Service:			
Principal on Debt	1,921,103		1,921,103
Interest on Debt	355,846		355,846
Other Debt Service	28,596		28,596
Total Expenditures	\$ 2,305,545	\$	4,489,960

(Continued)

Exhibit F-2

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

	Debt Service Fund	General Debt Service	Total Nonmajor Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$	(930,917) \$	(711,285)
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$	1,088,538 \$	1,088,538
Transfers Out		0	(171,033)
Total Other Financing Sources (Uses)	\$	1,088,538 \$	917,505
Net Change in Fund Balances	\$	157,621 \$	206,220
Fund Balance, July 1, 2013		895,567	1,567,804
Fund Balance, June 30, 2014	\$	1,053,188 \$	1,774,024

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 153,377	\$ 150,000	\$ 160,340	\$ (6,963)
Total Revenues	\$ 153,377	\$ 150,000	\$ 160,340	\$ (6,963)
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 1,544	\$ 1,799	\$ 1,909	\$ 365
Total Expenditures	\$ 1,544	\$ 1,799	\$ 1,909	\$ 365
Excess (Deficiency) of Revenues Over Expenditures	\$ 151,833	\$ 148,201	\$ 158,431	\$ (6,598)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (165,230)	\$ (155,000)	\$ (165,230)	\$ 0
Total Other Financing Sources	\$ (165,230)	\$ (155,000)	\$ (165,230)	\$ 0
Net Change in Fund Balance	\$ (13,397)	\$ (6,799)	\$ (6,799)	\$ (6,598)
Fund Balance, July 1, 2013	35,352	20,281	20,281	15,071
Fund Balance, June 30, 2014	\$ 21,955	\$ 13,482	\$ 13,482	\$ 8,473

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 293,960	\$ 0	\$ 0	\$ 293,960	\$ 288,378	\$ 284,540	\$ 9,420
Licenses and Permits	1,354	0	0	1,354	1,230	1,230	124
Charges for Current Services	17,235	0	0	17,235	18,000	18,000	(765)
Other Local Revenues	3,206	0	0	3,206	3,165	4,165	(959)
Federal Government	1,419	0	0	1,419	0	1,419	0
Other Governments and Citizens Groups	31,130	0	0	31,130	30,600	31,600	(470)
Total Revenues	\$ 348,304	\$ 0	\$ 0	\$ 348,304	\$ 341,373	\$ 340,954	\$ 7,350
<u>Expenditures</u>							
<u>Social, Cultural, and Recreational Services</u>							
Libraries	\$ 248,208	\$ (5,153)	\$ 3,630	\$ 246,685	\$ 306,196	\$ 280,355	\$ 33,670
Other Operations	31,816	0	0	31,816	34,858	35,284	3,468
Other Charges	280,024	(5,153)	3,630	278,501	341,054	315,639	37,138
Total Expenditures	\$ 68,280	\$ 5,153	\$ (3,630)	\$ 69,803	\$ 319	\$ 25,315	\$ 44,488
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,000)	\$ 0	\$ 0	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ 0
<u>Other Financing Sources (Uses)</u>							
Transfers Out	(2,000)	0	0	(2,000)	(2,000)	(2,000)	0
Total Other Financing Sources	\$ 66,280	\$ 5,153	\$ (3,630)	\$ 67,803	\$ (1,681)	\$ 23,315	\$ 44,488
Net Change in Fund Balance Fund Balance, July 1, 2013	221,120	(5,153)	0	215,967	211,046	211,046	4,921
Fund Balance, June 30, 2014	\$ 287,400	\$ 0	\$ (3,630)	\$ 283,770	\$ 209,365	\$ 234,361	\$ 49,409

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 987,431	\$ 0	\$ 0	\$ 987,431	\$ 967,559	\$ 983,732	\$ 3,699
Licenses and Permits	6,459	0	0	6,459	6,200	6,461	(2)
Charges for Current Services	25,907	0	0	25,907	25,000	24,192	1,715
Other Local Revenues	250,454	0	0	250,454	276,000	241,417	9,037
State of Tennessee	15,912	0	0	15,912	25,000	25,000	(9,088)
Total Revenues	\$ 1,286,163	\$ 0	\$ 0	\$ 1,286,163	\$ 1,299,759	\$ 1,280,802	\$ 5,361
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 1,150	\$ 0	\$ 0	\$ 1,150	\$ 2,000	\$ 2,000	\$ 850
Convenience Centers	231,224	0	916	232,140	249,326	247,583	15,443
Transfer Stations	1,005,771	(45,757)	37,936	997,950	1,030,656	1,054,501	56,551
Postclosure Care Costs	6,850	(5,420)	7,470	8,900	12,000	12,000	3,100
<u>Other Operations</u>							
Other Charges	81,815	0	24	81,839	83,045	88,594	6,755
Total Expenditures	\$ 1,326,810	\$ (51,177)	\$ 46,346	\$ 1,321,979	\$ 1,377,027	\$ 1,404,678	\$ 82,699
Excess (Deficiency) of Revenues Over Expenditures	\$ (40,647)	\$ 51,177	\$ (46,346)	\$ (35,816)	\$ (77,268)	\$ (123,876)	\$ 88,060
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150,000	\$ 0	\$ 0
Transfers Out	(3,803)	0	0	(3,803)	(153,803)	(3,803)	0
Total Other Financing Sources	\$ (3,803)	\$ 0	\$ 0	\$ (3,803)	\$ (3,803)	\$ (3,803)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (44,450)	\$ 51,177	\$ (46,346)	\$ (39,619)	\$ (81,071)	\$ (127,679)	\$ 88,060
Fund Balance, July 1, 2013	288,653	(51,177)	0	237,476	215,336	215,336	22,140
Fund Balance, June 30, 2014	\$ 244,203	\$ 0	\$ (46,346)	\$ 197,857	\$ 134,265	\$ 87,657	\$ 110,200

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, 2014

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 479,917	\$ 0	\$ 479,917	\$ 474,101	\$ 473,253	\$ 6,664
Licenses and Permits	23,101	0	23,101	23,400	23,400	(299)
Other Local Revenues	180	0	180	0	180	0
Total Revenues	\$ 503,198	\$ 0	\$ 503,198	\$ 497,501	\$ 496,833	\$ 6,365
<u>Expenditures</u>						
<u>Public Safety</u>						
Fire Prevention and Control	\$ 501,291	\$ 325	\$ 501,616	\$ 503,600	\$ 502,932	\$ 1,316
Total Expenditures	\$ 501,291	\$ 325	\$ 501,616	\$ 503,600	\$ 502,932	\$ 1,316
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,907	\$ (325)	\$ 1,582	\$ (6,099)	\$ (6,099)	\$ 7,681
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 1,907	\$ (325)	\$ 1,582	\$ (6,099)	\$ (6,099)	\$ 7,681
	80,852	0	80,852	104,771	104,771	(23,919)
Fund Balance, June 30, 2014	\$ 82,759	\$ (325)	\$ 82,434	\$ 98,672	\$ 98,672	\$ (16,238)

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 56,159	\$ 0	\$ 0	\$ 56,159	\$ 31,400	\$ 62,831	\$ (6,672)
Charges for Current Services	0	0	0	0	500	500	(500)
Other Local Revenues	7,795	0	0	7,795	5,200	5,885	1,910
Federal Government	49,001	0	0	49,001	0	38,669	10,332
Other Governments and Citizens Groups	50	0	0	50	0	1,082	(1,032)
Total Revenues	\$ 113,005	\$ 0	\$ 0	\$ 113,005	\$ 37,100	\$ 108,967	\$ 4,038
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 74,188	(300)	1,709	\$ 75,597	\$ 60,245	\$ 93,417	\$ 17,820
Other Operations	558	0	0	558	250	1,750	1,192
Other Charges							
Total Expenditures	\$ 74,746	(300)	1,709	\$ 76,155	\$ 60,495	\$ 95,167	\$ 19,012
Excess (Deficiency) of Revenues Over Expenditures	\$ 38,259	\$ 300	(1,709)	\$ 36,850	(23,395)	\$ 13,800	\$ 23,050
Net Change in Fund Balance	\$ 38,259	\$ 300	(1,709)	\$ 36,850	(23,395)	\$ 13,800	\$ 23,050
Fund Balance, July 1, 2013	46,260	(300)	0	45,960	42,825	42,825	3,135
Fund Balance, June 30, 2014	\$ 84,519	\$ 0	(1,709)	\$ 82,810	\$ 19,430	\$ 56,625	\$ 26,185

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,368,781	\$ 1,349,094	\$ 1,349,382	\$ 19,399
Licenses and Permits	5,769	4,200	5,769	0
Other Local Revenues	78	0	76	2
Total Revenues	<u>\$ 1,374,628</u>	<u>\$ 1,353,294</u>	<u>\$ 1,355,227</u>	<u>\$ 19,401</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,921,103	\$ 1,921,093	\$ 1,921,103	\$ 0
<u>Interest on Debt</u>				
General Government	355,846	355,895	355,901	55
<u>Other Debt Service</u>				
General Government	28,596	29,500	33,550	4,954
Total Expenditures	<u>\$ 2,305,545</u>	<u>\$ 2,306,488</u>	<u>\$ 2,310,554</u>	<u>\$ 5,009</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (930,917)</u>	<u>\$ (953,194)</u>	<u>\$ (955,327)</u>	<u>\$ 24,410</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 1,088,538	\$ 1,078,309	\$ 1,088,538	\$ 0
Total Other Financing Sources	<u>\$ 1,088,538</u>	<u>\$ 1,078,309</u>	<u>\$ 1,088,538</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 157,621	\$ 125,115	\$ 133,211	\$ 24,410
Fund Balance, July 1, 2013	895,567	902,571	902,571	(7,004)
Fund Balance, June 30, 2014	<u>\$ 1,053,188</u>	<u>\$ 1,027,686</u>	<u>\$ 1,035,782</u>	<u>\$ 17,406</u>

Major Governmental Fund

Education Debt Service Fund

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.

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,699,902	\$ 2,462,919	\$ 2,678,668	\$ 21,234
Licenses and Permits	6,988	7,626	7,626	(638)
Other Governments and Citizens Groups	738,574	510,000	738,574	0
Total Revenues	<u>\$ 3,445,464</u>	<u>\$ 2,980,545</u>	<u>\$ 3,424,868</u>	<u>\$ 20,596</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 2,772,586	\$ 2,568,400	\$ 2,772,586	\$ 0
<u>Interest on Debt</u>				
Education	556,420	532,032	556,420	0
<u>Other Debt Service</u>				
Education	41,582	56,750	56,825	15,243
Total Expenditures	<u>\$ 3,370,588</u>	<u>\$ 3,157,182</u>	<u>\$ 3,385,831</u>	<u>\$ 15,243</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 74,876</u>	<u>\$ (176,637)</u>	<u>\$ 39,037</u>	<u>\$ 35,839</u>
Net Change in Fund Balance	\$ 74,876	\$ (176,637)	\$ 39,037	\$ 35,839
Fund Balance, July 1, 2013	3,019,834	2,919,210	2,919,210	100,624
Fund Balance, June 30, 2014	<u>\$ 3,094,710</u>	<u>\$ 2,742,573</u>	<u>\$ 2,958,247</u>	<u>\$ 136,463</u>

Fiduciary Funds

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk; circuit, general sessions, and juvenile courts clerk; clerk and master; register of deeds; 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, 2014

	<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	\$ 1,415,752	\$ 1,415,752
Due from Other Governments	617,670	0	617,670
Total Assets	<u>\$ 617,670</u>	<u>\$ 1,415,752</u>	<u>\$ 2,033,422</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 617,670	\$ 0	\$ 617,670
Due to Litigants, Heirs, and Others	0	1,415,752	1,415,752
Total Liabilities	<u>\$ 617,670</u>	<u>\$ 1,415,752</u>	<u>\$ 2,033,422</u>

Exhibit H-2

Franklin County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,373,264	\$ 3,373,264	\$ 0
Due from Other Governments	545,635	617,670	545,635	617,670
Total Assets	\$ 545,635	\$ 3,990,934	\$ 3,918,899	\$ 617,670
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 545,635	\$ 3,990,934	\$ 3,918,899	\$ 617,670
Total Liabilities	\$ 545,635	\$ 3,990,934	\$ 3,918,899	\$ 617,670
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,459,931	\$ 14,481,289	\$ 14,525,468	\$ 1,415,752
Total Assets	\$ 1,459,931	\$ 14,481,289	\$ 14,525,468	\$ 1,415,752
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,459,931	\$ 14,481,289	\$ 14,525,468	\$ 1,415,752
Total Liabilities	\$ 1,459,931	\$ 14,481,289	\$ 14,525,468	\$ 1,415,752
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,459,931	\$ 14,481,289	\$ 14,525,468	\$ 1,415,752
Equity in Pooled Cash and Investments	0	3,373,264	3,373,264	0
Due from Other Governments	545,635	617,670	545,635	617,670
Total Assets	\$ 2,005,566	\$ 18,472,223	\$ 18,444,367	\$ 2,033,422
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 545,635	\$ 3,990,934	\$ 3,918,899	\$ 617,670
Due to Litigants, Heirs, and Others	1,459,931	14,481,289	14,525,468	1,415,752
Total Liabilities	\$ 2,005,566	\$ 18,472,223	\$ 18,444,367	\$ 2,033,422

Franklin County School Department

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

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.

Exhibit I-1

Franklin County, Tennessee
Statement of Activities
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2014

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 29,817,282	\$ 0	\$ 2,896,513	\$ (26,920,769)
Support Services	15,320,264	255,088	652,070	(14,413,106)
Operation of Non-instructional Services	5,355,365	1,086,688	2,232,890	(2,035,787)
Interest on Long-term Debt	18,939	0	0	(18,939)
Total Governmental Activities	\$ 50,511,850	\$ 1,341,776	\$ 5,781,473	\$ (43,388,601)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 9,617,668
Local Option Sales Taxes				3,930,600
Other Local Taxes				92,130
Grants and Contributions Not Restricted to Specific Programs				28,668,698
Unrestricted Investment Earnings				6,596
Miscellaneous				66,787
Total General Revenues				\$ 42,382,479
Change in Net Position				\$ (1,006,122)
Net Position, July 1, 2013				48,741,598
Net Position, June 30, 2014				\$ 47,735,476

Franklin County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Franklin County School Department
June 30, 2014

	<u>Major Funds</u>			<u>Nonmajor Fund</u>			<u>Total Governmental Funds</u>
	<u>General Purpose School</u>	<u>Central Cafeteria</u>	<u>School Federal Projects</u>				
<u>ASSETS</u>							
Cash	\$ 0	\$ 1,634	\$ 0	\$ 0	\$ 0	\$ 0	1,634
Equity in Pooled Cash and Investments	6,589,383	2,150,768	5,284				8,745,435
Accounts Receivable	23,038	1,187	0				24,225
Due from Other Governments	626,027	0	7,497				633,524
Property Taxes Receivable	9,746,098	0	0				9,746,098
Allowance for Uncollectible Property Taxes	(373,697)	0	0				(373,697)
Prepaid Items	4,642	1,728	0				6,370
Total Assets	\$ 16,615,491	\$ 2,155,317	\$ 12,781	\$ 0	\$ 0	\$ 0	18,783,589
<u>LIABILITIES</u>							
Accounts Payable	\$ 92,974	\$ 19	\$ 0	\$ 0	\$ 0	\$ 0	92,993
Accrued Payroll	57,672	848	0				58,520
Total Liabilities	\$ 150,646	\$ 867	\$ 0	\$ 0	\$ 0	\$ 0	151,513
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Deferred Current Property Taxes	\$ 9,082,499	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,082,499
Deferred Delinquent Property Taxes	250,921	0	0				250,921
Other Deferred/Unavailable Revenue	450,000	0	0				450,000
Total Deferred Inflows of Resources	\$ 9,783,420	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,783,420
<u>FUND BALANCES</u>							
Nonspendable:							
Prepaid Items	\$ 4,642	\$ 1,728	\$ 0	\$ 0	\$ 0	\$ 0	6,370

(Continued)

Franklin County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Franklin County School Department (Cont.)

	Major Funds			Nonmajor Fund		Total Governmental Funds
	General Purpose School	Central Cafeteria		School Federal Projects		
\$	407,661	\$ 2,152,722	\$	2,781	\$	2,563,164
	1,244,908	0		10,000		1,254,908
	462,859	0		0		462,859
	4,561,355	0		0		4,561,355
\$	6,681,425	\$ 2,154,450	\$	12,781	\$	8,848,656
\$	16,615,491	\$ 2,155,317	\$	12,781	\$	18,783,589

FUND BALANCES (Cont.)

Restricted:	
Restricted for Education	
Committed:	
Committed for Education	
Assigned:	
Assigned for Education	
Unassigned	
Total Fund Balances	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	

Exhibit I-3

Franklin County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Franklin County School Department
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 8,848,656
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 5,426,186	
Add: buildings and improvements net of accumulated depreciation	35,152,635	
Add: other capital assets net of accumulated depreciation	<u>3,327,479</u>	43,906,300
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on primary government debt for capital leases	\$ (715,580)	
Less: compensated absences payable	(199,048)	
Less: other postemployment benefits liability	<u>(4,805,773)</u>	(5,720,401)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>700,921</u>
Net position of governmental activities (Exhibit A)		<u>\$ 47,735,476</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, 2014

	Major Funds			Nonmajor	Total	
	General Purpose		Central Cafeteria	School Federal Projects		Governmental Funds
	School					
<u>Revenues</u>						
Local Taxes	\$ 13,860,109	\$ 0	\$ 0	\$ 0	\$ 13,860,109	
Licenses and Permits	48,065	0	0	0	48,065	
Charges for Current Services	242,884	1,086,688	0	0	1,329,572	
Other Local Revenues	442,574	7,747	0	0	450,321	
State of Tennessee	28,244,905	32,736	0	0	28,277,641	
Federal Government	229,758	2,170,542	3,232,815	0	5,633,115	
Total Revenues	\$ 43,068,295	\$ 3,297,713	\$ 3,232,815	\$ 0	\$ 49,598,823	
<u>Expenditures</u>						
Current:						
Instruction	\$ 24,850,130	\$ 0	\$ 0	\$ 2,429,794	\$ 27,279,924	
Support Services	15,244,229	0	829,268	0	16,073,497	
Operation of Non-instructional Services	2,205,766	2,901,259	0	0	5,107,025	
Capital Outlay	201,645	0	0	0	201,645	
Debt Service:						
Principal on Debt	204,186	0	0	0	204,186	
Interest on Debt	24,388	0	0	0	24,388	
Other Debt Service	510,000	0	0	0	510,000	
Total Expenditures	\$ 43,240,344	\$ 2,901,259	\$ 3,259,062	\$ 0	\$ 49,400,665	
Excess (Deficiency) of Revenues Over Expenditures	\$ (172,049)	\$ 396,454	\$ (26,247)	\$ 0	\$ 198,158	

(Continued)

Exhibit I-4

Franklin County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Franklin County School Department (Cont.)

	Major Funds			Nonmajor Fund		Total Governmental Funds
	General Purpose School	Central Cafeteria	School Federal Projects			
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 7,916	\$ 0	\$ 0	\$ 0	\$ 7,916	
Transfers In	0	0	10,000		10,000	
Transfers Out	(10,000)	0	0	0	(10,000)	
Total Other Financing Sources (Uses)	\$ (2,084)	\$ 0	\$ 10,000	\$ 0	\$ 7,916	
Net Change in Fund Balances	\$ (174,133)	\$ 396,454	\$ (16,247)	\$ 206,074		
Fund Balance, July 1, 2013	6,855,558	1,757,996	29,028	8,642,582		
Fund Balance, June 30, 2014	\$ 6,681,425	\$ 2,154,450	\$ 12,781	\$ 8,848,656		

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, 2014

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)		\$	206,074
(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	\$	1,422,263	
Less: current-year depreciation expense		<u>(2,240,022)</u>	(817,759)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position			
Less: book value of capital assets disposed			(75,127)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$	700,921	
Less: deferred delinquent property taxes and other deferred June 30, 2013		<u>(787,440)</u>	(86,519)
(4) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provide current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Add: principal contributions on leases to primary government			204,186
(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 compensated absences payable	\$	(26,556)	
Change in other postemployment benefits liability		(415,870)	
Change in accrued interest payable		<u>5,449</u>	<u>(436,977)</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ (1,006,122)</u>

Exhibit I-6

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, 2014

	Actual (GAAP Basis)	Less:		Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2013				Original	Final	
<u>Revenues</u>								
Local Taxes	\$ 13,860,109	\$ 0	\$ 0	\$ 0	\$ 13,860,109	\$ 13,528,099	\$ 13,667,047	\$ 193,062
Licenses and Permits	48,065	0	0	0	48,065	43,800	43,800	4,265
Charges for Current Services	242,884	0	0	0	242,884	264,397	264,397	(21,513)
Other Local Revenues	442,574	0	0	0	442,574	266,926	451,344	(8,770)
State of Tennessee	28,244,905	0	0	0	28,244,905	27,524,526	28,301,323	(56,418)
Federal Government	229,758	0	0	0	229,758	177,840	343,939	(114,181)
Total Revenues	\$ 43,068,295	\$ 0	\$ 0	\$ 0	\$ 43,068,295	\$ 41,805,588	\$ 43,071,850	\$ (3,555)
<u>Expenditures</u>								
<u>Instruction</u>								
Regular Instruction Program	\$ 19,473,338	\$ (142,175)	\$ 309,659	\$ 0	\$ 19,640,822	\$ 20,443,607	\$ 20,538,505	\$ 897,683
Alternative Instruction Program	203,221	0	0	0	203,221	224,841	224,841	21,620
Special Education Program	3,745,929	(11,736)	16,197	0	3,750,390	3,892,532	3,879,998	129,608
Vocational Education Program	1,306,505	(279)	3,627	0	1,309,853	1,382,070	1,380,349	70,496
Student Body Education Program	121,137	(3,988)	2,000	0	119,149	125,342	125,342	6,193
<u>Support Services</u>								
Attendance	201,755	0	0	0	201,755	207,287	207,287	5,532
Health Services	395,178	(1,038)	0	0	394,140	401,975	401,975	7,835
Other Student Support	1,275,335	0	0	0	1,275,335	1,298,868	1,362,342	87,007
Regular Instruction Program	1,110,464	0	0	0	1,110,464	1,111,653	1,138,861	28,397
Special Education Program	346,871	0	6,124	0	352,995	369,813	369,813	16,818
Vocational Education Program	63,911	(222)	457	0	64,146	66,320	68,041	3,895
Other Programs	181,092	0	0	0	181,092	0	181,092	0
Board of Education	1,066,322	(4,520)	7,463	0	1,069,265	1,135,019	1,131,355	62,090
Director of Schools	356,847	(1,419)	770	0	356,198	411,326	414,818	58,620
Office of the Principal	2,262,737	0	0	0	2,262,737	2,249,023	2,271,128	8,391
Human Services/Personnel	105,642	(4,840)	0	0	100,802	112,840	112,840	12,038
Operation of Plant	3,574,113	(21,788)	5,221	0	3,557,546	3,724,327	3,791,747	234,201
Maintenance of Plant	1,271,771	(86,883)	89,396	0	1,274,284	1,457,170	1,457,170	182,886
Transportation	2,424,189	(121,558)	3,625	0	2,306,256	2,345,182	2,368,399	62,143

(Continued)

Exhibit I-6

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:		Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2013	Encumbrances 6/30/2014			Original	Final	
<u>Expenditures (Cont.)</u>								
<u>Support Services (Cont.)</u>								
<u>Central and Other</u>								
<u>Operation of Non-instructional Services</u>								
Community Services	855,832	(2,613)	0	853,219	305,180	1,056,787	203,568	
Early Childhood Education	1,349,934	(5,617)	3,213	1,347,530	1,362,852	1,356,173	8,643	
<u>Capital Outlay</u>								
Regular Capital Outlay	201,645	(201,645)	0	0	100,000	117,932	117,932	
<u>Principal on Debt</u>								
Education	204,186	0	0	204,186	204,186	204,186	0	
<u>Interest on Debt</u>								
Education	24,388	0	0	24,388	534,388	24,388	0	
<u>Other Debt Service</u>								
Education	510,000	0	0	510,000	0	510,000	0	
Total Expenditures	\$ 43,240,344	\$ (637,854)	\$ 462,859	\$ 43,065,349	\$ 44,044,693	\$ 45,339,261	\$ 2,273,912	
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ (172,049)	\$ 637,854	\$ (462,859)	\$ 2,946	\$ (2,239,105)	\$ (2,267,411)	\$ 2,270,357	
<u>Other Financing Sources (Uses)</u>								
Insurance Recovery	\$ 7,916	\$ 0	\$ 0	\$ 7,916	\$ 0	\$ 0	\$ 7,916	
Transfers Out	(10,000)	0	0	(10,000)	0	(10,000)	0	
Total Other Financing Sources	\$ (2,084)	\$ 0	\$ 0	\$ (2,084)	\$ 0	\$ (10,000)	\$ 7,916	
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (174,133)	\$ 637,854	\$ (462,859)	\$ 862	\$ (2,239,105)	\$ (2,277,411)	\$ 2,278,273	
Fund Balance, June 30, 2014	\$ 6,681,425	\$ 0	\$ (462,859)	\$ 6,218,566	\$ 4,578,976	\$ 4,540,670	\$ 1,677,896	

Exhibit I-7

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 3,232,815	\$ 3,506,637	\$ 3,508,575	\$ (275,760)
Total Revenues	\$ 3,232,815	\$ 3,506,637	\$ 3,508,575	\$ (275,760)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,519,479	\$ 1,608,332	\$ 1,622,646	\$ 103,167
Special Education Program	846,262	844,598	860,698	14,436
Vocational Education Program	64,053	64,062	64,062	9
<u>Support Services</u>				
Health Services	182,816	186,194	185,071	2,255
Other Student Support	28,511	177,265	169,655	141,144
Regular Instruction Program	159,489	181,331	170,492	11,003
Special Education Program	270,679	274,875	272,837	2,158
Vocational Education Program	4,276	4,276	4,276	0
Transportation	183,497	184,023	185,764	2,267
Total Expenditures	\$ 3,259,062	\$ 3,524,956	\$ 3,535,501	\$ 276,439
Excess (Deficiency) of Revenues Over Expenditures	\$ (26,247)	\$ (18,319)	\$ (26,926)	\$ 679
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 10,000	\$ 82,528	\$ 15,274	\$ (5,274)
Transfers Out	0	(84,628)	0	0
Total Other Financing Sources	\$ 10,000	\$ (2,100)	\$ 15,274	\$ (5,274)
Net Change in Fund Balance	\$ (16,247)	\$ (20,419)	\$ (11,652)	\$ (4,595)
Fund Balance, July 1, 2013	29,028	20,419	11,652	17,376
Fund Balance, June 30, 2014	\$ 12,781	\$ 0	\$ 0	\$ 12,781

Exhibit I-8

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,086,688	\$ 1,260,303	\$ 1,260,303	\$ (173,615)
Other Local Revenues	7,747	5,500	5,500	2,247
State of Tennessee	32,736	32,754	32,754	(18)
Federal Government	2,170,542	2,200,803	2,200,803	(30,261)
Total Revenues	\$ 3,297,713	\$ 3,499,360	\$ 3,499,360	\$ (201,647)
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 2,901,259	\$ 3,541,360	\$ 3,541,360	\$ 640,101
Total Expenditures	\$ 2,901,259	\$ 3,541,360	\$ 3,541,360	\$ 640,101
Excess (Deficiency) of Revenues Over Expenditures	\$ 396,454	\$ (42,000)	\$ (42,000)	\$ 438,454
Net Change in Fund Balance	\$ 396,454	\$ (42,000)	\$ (42,000)	\$ 438,454
Fund Balance, July 1, 2013	1,757,996	1,802,715	1,802,715	(44,719)
Fund Balance, June 30, 2014	\$ 2,154,450	\$ 1,760,715	\$ 1,760,715	\$ 393,735

MISCELLANEOUS SCHEDULES

Exhibit J-1

Franklin County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds
For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-14
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Industrial Development Board - Land	\$ 822,666	4.75 %	5-28-10	5-27-22	\$ 653,702	\$ 0	\$ 60,335	\$ 593,367
Highway State-Aid Project	(1) 495,000	1.85	5-8-13	5-8-14	495,000	0	495,000	0
Solid Waste/Highway Equipment	450,000	2.63	1-9-14	1-9-21	0	450,000	0	450,000
Total Payable through General Debt Service Fund					\$ 1,148,702	\$ 450,000	\$ 555,335	\$ 1,043,367
<u>Payable through Highway/Public Works Fund</u>								
Quarry Land	177,000	4.875	11-10-11	2-1-23	\$ 148,533	\$ 0	\$ 11,880	\$ 136,653
Total Payable through Highway/Public Works Fund					\$ 148,533	\$ 0	\$ 11,880	\$ 136,653
Total Notes Payable					\$ 1,297,235	\$ 450,000	\$ 567,215	\$ 1,180,020
<u>CAPITAL LEASES</u>								
<u>Payable through General Fund</u>								
Telecommunications, Electronics, and Security Equipment	300,000	5.265	10-20-09	10-20-14	\$ 87,854	\$ 0	\$ 65,310	\$ 22,544
Energy Efficiency Lighting System	308,473	4.75	1-3-11	1-3-18	230,421	0	41,862	188,559
Total Payable through General Fund					\$ 318,275	\$ 0	\$ 107,172	\$ 211,103
<u>Payable through Highway/Public Works Fund</u>								
Highway Equipment - 2 Trucks	183,021	4.7	4-27-10	2-12-15	\$ 65,835	\$ 0	\$ 38,881	\$ 26,954
Total Payable through Highway/Public Works Fund					\$ 65,835	\$ 0	\$ 38,881	\$ 26,954
<u>Contributions Due by the School Department from the General Purpose School Fund to the Education Debt Service Fund</u>								
Energy Efficient Lighting (State 1)	500,000	0	9-1-10	9-1-17	\$ 303,584	\$ 0	\$ 71,424	\$ 232,160
Energy Efficient Lighting (State 2)	386,672	3	9-1-10	9-1-15	181,187	0	79,020	102,167
Energy Efficient Lighting (Excel)	581,879	5	10-1-10	4-1-20	434,995	0	53,742	381,253
Total Contributions Due by the School Department from the General Purpose School Fund to the Education Debt Service Fund					\$ 919,766	\$ 0	\$ 204,186	\$ 715,580
Total Capital Leases					\$ 1,303,876	\$ 0	\$ 350,239	\$ 953,637

(Continued)

Exhibit J-1

Franklin County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Paid and/or	
							Matured During Period	Outstanding 6-30-14
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Industrial Revenue	\$ 378,000	5	% 11-18-1978	1-1-17	\$ 80,000	\$ 0	\$ 20,000	\$ 60,000
General Obligation Series 2007	6,000,000	4.19	8-15-07	4-1-23	4,710,000	0	225,000	4,485,000
General Obligation Judicial Center, Series 2010	1,500,000	4.13	5-21-10	5-21-48	1,446,961	0	19,168	1,427,793
General Obligation Refunding, Series 2014	1,810,000	1.28	6-7-13	6-1-21	1,810,000	0	1,101,600	708,400
Total Payable through General Debt Service Fund					\$ 8,046,961	\$ 0	\$ 1,365,768	\$ 6,681,193
<u>Payable through Education Debt Service Fund</u>								
School Bonds, Series 2008	3,000,000	2.5 to 4.5	12-17-08	6-1-24	\$ 2,350,000	\$ 0	\$ 175,000	\$ 2,175,000
School Refunding Bonds, Series 2009	15,205,000	2 to 3.75	6-15-09	3-1-21	11,330,000	0	1,265,000	10,065,000
School Refunding Bonds, Series 2011	3,495,000	1.35	12-28-11	3-1-16	2,660,000	0	870,000	1,790,000
School Refunding Bonds, Series 2014	2,220,000	1.23 to 2	6-7-13	6-1-21	2,220,000	0	258,400	1,961,600
Total Payable through Education Debt Service Fund					\$ 18,560,000	\$ 0	\$ 2,568,400	\$ 15,991,600
Total Bonds Payable					\$ 26,606,961	\$ 0	\$ 3,934,168	\$ 22,672,793

(1) - Shown on this schedule in the prior year as Payable through General Fund.

Exhibit J-2

Franklin County, Tennessee
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 140,014	\$ 45,320	\$ 185,334
2016	143,628	40,015	183,643
2017	147,532	34,420	181,952
2018	151,591	28,671	180,262
2019	155,832	22,738	178,570
2020	160,254	16,626	176,880
2021	164,904	10,255	175,159
2022	98,033	3,668	101,701
2023	18,232	889	19,121
Total	\$ 1,180,020	\$ 202,602	\$ 1,382,622

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2015	\$ 302,541	\$ 28,570	\$ 331,111
2016	197,185	21,170	218,355
2017	181,486	16,027	197,513
2018	133,240	10,736	143,976
2019	67,959	5,814	73,773
2020	71,226	2,547	73,773
Total	\$ 953,637	\$ 84,864	\$ 1,038,501

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 3,454,948	\$ 750,527	\$ 4,205,475
2016	3,565,771	660,574	4,226,345
2017	2,351,628	565,262	2,916,890
2018	2,427,520	490,900	2,918,420
2019	2,523,449	409,409	2,932,858
2020	2,594,416	322,496	2,916,912
2021	2,665,423	228,837	2,894,260
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 (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	43,715	78,845
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	32,226	78,845
2037	48,542	30,303	78,845
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	9,005	78,846
2047	72,722	6,124	78,846
2048	75,711	3,125	78,836
Total	\$ 22,672,793	\$ 4,422,905	\$ 27,095,698

Exhibit J-3

Franklin County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Franklin County School Department
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	Debt payments	\$ 923,308
Courthouse and Jail Maintenance	"	"	165,230
Highway/Public Works	General	Reimbursement	3,803
Public Library	"	"	2,000
Solid Waste/Sanitation	"	"	3,803
General	Highway/Public Works	"	15,806
Total Transfers Primary Government			<u>\$ 1,113,950</u>
<u>DISCRETELY PRESENTED FRANKLIN COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash flow	\$ 10,000

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, 2014

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 78,508	\$ 50,000	Western Surety Company
Superintendent of Highways	Section 8-24-102, TCA	74,770	100,000	"
Director of Schools	State Board of Education and Franklin County Board of Education	113,315 (1)	50,000	"
Finance Director	County Commission	60,960	50,000	"
Trustee	Section 8-24-102, TCA	67,973	1,558,000	Auto-Owners Mutual Insurance Company
Assessor of Property	Section 8-24-102, TCA	67,973	50,000	RLI Insurance Company
County Clerk	Section 8-24-102, TCA	67,973	50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	67,973	50,000	"
Clerk and Master	Section 8-24-102, TCA	67,973	50,000	"
Register of Deeds	Section 8-24-102, TCA	67,973	25,000	Western Surety Company
Sheriff	Section 8-24-102, TCA	74,770 (2)	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 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, 2014

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 8,290,757	\$ 0	\$ 274,827	\$ 923,951	\$ 346,299	
Trustee's Collections - Prior Year	235,468	0	8,001	27,974	9,953	
Trustee's Collections - Bankruptcy	4,578	0	160	210	106	
Circuit/Clerk and Master Collections - Prior Years	169,015	0	5,615	21,078	7,168	
Interest and Penalty	42,628	0	1,449	5,266	2,036	
Payments in-Lieu-of Taxes - T.V.A.	3,702	0	124	589	283	
Payments in-Lieu-of Taxes - Local Utilities	34,332	0	1,141	0	0	
Payments in-Lieu-of Taxes - Other	27,565	0	916	125	60	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	
Hotel/Motel Tax	0	0	0	0	110,057	
Litigation Tax - General	119,437	0	0	0	0	
Litigation Tax - Jail, Workhouse, or Courthouse	0	153,377	0	0	0	
Business Tax	367,110	0	0	0	0	
Mixed Drink Tax	36,483	0	0	0	0	
Mineral Severance Tax	0	0	0	0	0	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	51,882	0	1,727	8,238	3,955	
Wholesale Beer Tax	220,566	0	0	0	0	
Interstate Telecommunications Tax	2,470	0	0	0	0	
Other Statutory Local Taxes	882	0	0	0	0	
Total Local Taxes	\$ 9,606,875	\$ 153,377	\$ 293,960	\$ 987,431	\$ 479,917	

(Continued)

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

	<u>Special Revenue Funds</u>				
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 40,517	\$ 0	\$ 1,354	\$ 6,459	\$ 3,101
<u>Permits</u>					
Beer Permits	5,067	0	0	0	0
Building Permits	21,965	0	0	0	20,000
Other Permits	6,300	0	0	0	0
Total Licenses and Permits	<u>\$ 73,849</u>	<u>\$ 0</u>	<u>\$ 1,354</u>	<u>\$ 6,459</u>	<u>\$ 23,101</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	11,041	0	0	0	0
Officers Costs	32,249	0	0	0	0
Drug Control Fines	0	0	0	0	0
Drug Court Fees	1,894	0	0	0	0
Jail Fees	9,050	0	0	0	0
DUI Treatment Fines	1,822	0	0	0	0
Data Entry Fee - Circuit Court	2,618	0	0	0	0
Courtroom Security Fee	104	0	0	0	0
<u>General Sessions Court</u>					
Fines	23,886	0	0	0	0
Officers Costs	45,793	0	0	0	0
Game and Fish Fines	3,286	0	0	0	0
Drug Control Fines	0	0	0	0	0
Drug Court Fees	9,519	0	0	0	0
Jail Fees	25,575	0	0	0	0
DUI Treatment Fines	13,264	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Data Entry Fee - General Sessions Court	\$ 11,099	\$ 0	\$ 0	\$ 0	0
Courtroom Security Fee	1,332	0	0	0	0
<u>Juvenile Court</u>					
Fines	180	0	0	0	0
Officers Costs	4,566	0	0	0	0
Data Entry Fee - Juvenile Court	1,930	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	1,257	0	0	0	0
Data Entry Fee - Chancery Court	414	0	0	0	0
<u>Other Courts - In-county</u>					
Drug Court Fees	1,975	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	3,501	0	0	0	0
Other Fines, Forfeitures, and Penalties	3,412	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 209,767	\$ 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
Tipping Fees	0	0	0	15,907	0
Other General Service Charges	8,781	0	17,235	0	0
<u>Fees</u>					
Copy Fees	18	0	0	0	0
Greenbelt Late Application Fee	150	0	0	0	0
Telephone Commissions	29,899	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Vending Machine Collections	\$ 123	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - Register	14,158	0	0	0	0
Probation Fees	203,111	0	0	0	0
Data Processing Fee - Sheriff	4,049	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,755	0	0	0	0
Data Processing Fee - County Clerk	3,608	0	0	0	0
Total Charges for Current Services	\$ 268,652	\$ 0	\$ 17,235	\$ 25,907	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 1,593	\$ 78,019	\$ 0
Lease/Rentals	25,747	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0
Sale of Maps	115	0	0	0	0
Sale of Recycled Materials	0	0	0	156,145	0
Miscellaneous Refunds	16,608	0	0	488	180
<u>Nonrecurring Items</u>					
Sale of Equipment	3,050	0	0	15,802	0
Sale of Property	88,351	0	0	0	0
Contributions and Gifts	1,307	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	50,776	0	1,613	0	0
Total Other Local Revenues	\$ 185,954	\$ 0	\$ 3,206	\$ 250,454	\$ 180

(Continued)

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$ 333,995	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	139,757	0	0	0	0
General Sessions Court Clerk	255,487	0	0	0	0
Clerk and Master	105,085	0	0	0	0
Juvenile Court Clerk	36,729	0	0	0	0
Register	170,110	0	0	0	0
Sheriff	16,693	0	0	0	0
Trustee	671,665	0	0	0	0
Total Fees Received from County Officials	\$ 1,729,521	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Solid Waste Grants	\$ 0	\$ 0	\$ 0	15,912	\$ 0
On-behalf Contributions for OPEB	2,290	0	0	0	0
Other General Government Grants	7,730	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	28,800	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	139,140	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	0
State Aid Program	452,645	0	0	0	0
Litter Program	37,186	0	0	0	0
Tennessee Industrial Infrastructure Program	191,402	0	0	0	0

(Continued)

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

	<u>Special Revenue Funds</u>				
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Income Tax	\$ 182,011	\$ 0	\$ 0	\$ 0	\$ 0
Beer Tax	17,806	0	0	0	0
Vehicle Certificate of Title Fees	7,878	0	0	0	0
Alcoholic Beverage Tax	74,805	0	0	0	0
Mixed Drink Tax	9,734	0	0	0	0
State Revenue Sharing - T. V.A.	1,029,303	0	0	0	0
Contracted Prisoner Boarding	631,812	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Revenues	38,562	0	0	0	0
Total State of Tennessee	<u>\$ 2,866,268</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,912</u>	<u>\$ 0</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 36,350	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	44,049	0	0	0	0
Other Federal through State	110,552	0	1,419	0	0
<u>Direct Federal Revenue</u>					
Forest Service	1,695	0	0	0	0
Other Direct Federal Revenue	664,703	0	0	0	0
Total Federal Government	<u>\$ 857,349</u>	<u>\$ 0</u>	<u>\$ 1,419</u>	<u>\$ 0</u>	<u>\$ 0</u>

(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>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 183,141	\$ 0	\$ 28,750	\$ 0	\$ 0	0
<u>Citizens Groups</u>						
Donations	57,372	0	2,380	0	0	0
<u>Other</u>						
Other	64,559	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 305,072	\$ 0	\$ 31,130	\$ 0	\$ 0	0
Total	\$ 16,103,307	\$ 153,377	\$ 348,304	\$ 1,286,163	\$ 503,198	

(Continued)

Exhibit J-5

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

	Special Revenue Funds (Cont.)			Debt Service Funds			Total
	Drug Control	Highway / Public Works	General Debt Service	Education Debt Service			
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	0	536,838	1,214,509	1,364,720			12,951,901
Trustee's Collections - Prior Year	0	10,658	26,716	54,298			373,068
Trustee's Collections - Bankruptcy	0	226	507	1,132			6,919
Circuit/Clerk and Master Collections - Prior Years	0	10,800	24,506	28,138			266,320
Interest and Penalty	0	2,152	5,220	9,117			67,868
Payments in-Lieu-of Taxes - T.V.A.	0	234	532	628			6,092
Payments in-Lieu-of Taxes - Local Utilities	0	2,221	5,029	5,651			48,374
Payments in-Lieu-of Taxes - Other	0	1,783	4,038	609,888			644,375
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	617,792			617,792
Hotel/Motel Tax	0	0	0	0			110,057
Litigation Tax - General	0	0	80,129	0			199,566
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0			153,377
Business Tax	0	0	0	0			367,110
Mixed Drink Tax	0	0	0	0			36,483
Mineral Severance Tax	0	38,776	0	0			38,776
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	3,355	7,595	8,538			85,290
Wholesale Beer Tax	0	0	0	0			220,566
Interstate Telecommunications Tax	0	0	0	0			2,470
Other Statutory Local Taxes	0	0	0	0			882
Total Local Taxes	0	607,043	1,368,781	2,699,902			16,197,286

(Continued)

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Debt Service Funds</u>		
	<u>Drug Control</u>	<u>Highway / Public Works</u>	<u>General Debt Service</u>	<u>Education Debt Service</u>	<u>Total</u>	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 2,524	\$ 5,769	\$ 6,988		\$ 66,712
<u>Permits</u>						
Beer Permits	0	0	0	0		5,067
Building Permits	0	0	0	0		41,965
Other Permits	0	0	0	0		6,300
Total Licenses and Permits	\$ 0	\$ 2,524	\$ 5,769	\$ 6,988		\$ 120,044
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0		\$ 11,041
Officers Costs	0	0	0	0		32,249
Drug Control Fines	10,743	0	0	0		10,743
Drug Court Fees	0	0	0	0		1,894
Jail Fees	0	0	0	0		9,050
DUI Treatment Fines	0	0	0	0		1,822
Data Entry Fee - Circuit Court	0	0	0	0		2,618
Courtroom Security Fee	0	0	0	0		104
<u>General Sessions Court</u>						
Fines	0	0	0	0		23,886
Officers Costs	0	0	0	0		45,793
Game and Fish Fines	0	0	0	0		3,286
Drug Control Fines	10,919	0	0	0		10,919
Drug Court Fees	0	0	0	0		9,519
Jail Fees	0	0	0	0		25,575
DUI Treatment Fines	0	0	0	0		13,264

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Debt Service Funds</u>		
	<u>Drug Control</u>	<u>Highway / Public Works</u>	<u>General Debt Service</u>	<u>Education Debt Service</u>	<u>Total</u>	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Data Entry Fee - General Sessions Court	\$ 0	\$ 0	\$ 0	\$ 0		11,099
Courtroom Security Fee	0	0	0	0		1,332
<u>Juvenile Court</u>						
Fines	0	0	0	0		180
Officers Costs	0	0	0	0		4,566
Data Entry Fee - Juvenile Court	0	0	0	0		1,930
<u>Chancery Court</u>						
Officers Costs	0	0	0	0		1,257
Data Entry Fee - Chancery Court	0	0	0	0		414
<u>Other Courts - In-county</u>						
Drug Court Fees	0	0	0	0		1,975
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	34,497	0	0	0		37,998
Other Fines, Forfeitures, and Penalties	0	0	0	0		3,412
Total Fines, Forfeitures, and Penalties	\$ 56,159	\$ 0	\$ 0	\$ 0		265,926
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Transfer Waste Stations Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0		10,000
Tipping Fees	0	0	0	0		15,907
Other General Service Charges	0	767	0	0		26,783
<u>Fees</u>						
Copy Fees	0	0	0	0		18
Greenbelt Late Application Fee	0	0	0	0		150
Telephone Commissions	0	0	0	0		29,899

(Continued)

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

	Special Revenue Funds (Cont.)			Debt Service Funds			Total
	Drug Control	Highway / Public Works	General Debt Service	Education Debt Service			
<u>Charges for Current Services (Cont.)</u>							
<u>Fees (Cont.)</u>							
Vending Machine Collections	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	123
Data Processing Fee - Register	0	0	0	0	0	0	14,158
Probation Fees	0	0	0	0	0	0	203,111
Data Processing Fee - Sheriff	0	0	0	0	0	0	4,049
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	0	4,755
Data Processing Fee - County Clerk	0	0	0	0	0	0	3,608
Total Charges for Current Services	0 \$	767 \$	0 \$	0 \$	0 \$	0 \$	312,561
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	79,612
Lease/Rentals	0	0	0	0	0	0	25,747
Sale of Materials and Supplies	0	823	0	0	0	0	823
Sale of Maps	0	0	0	0	0	0	115
Sale of Recycled Materials	0	0	0	0	0	0	156,145
Miscellaneous Refunds	2,565	202	78	0	0	0	20,121
<u>Nonrecurring Items</u>							
Sale of Equipment	0	18,497	0	0	0	0	37,349
Sale of Property	5,230	0	0	0	0	0	93,581
Contributions and Gifts	0	0	0	0	0	0	1,307
<u>Other Local Revenues</u>							
Other Local Revenues	0	200	0	0	0	0	52,589
Total Other Local Revenues	7,795 \$	19,722 \$	78 \$	0 \$	0 \$	0 \$	467,389

(Continued)

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Debt Service Funds</u>			<u>Total</u>
	<u>Drug Control</u>	<u>Highway / Public Works</u>	<u>General Debt Service</u>	<u>Education Debt Service</u>			
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	333,995
Circuit Court Clerk	0	0	0	0	0	0	139,757
General Sessions Court Clerk	0	0	0	0	0	0	255,487
Clerk and Master	0	0	0	0	0	0	105,085
Juvenile Court Clerk	0	0	0	0	0	0	36,729
Register	0	0	0	0	0	0	170,110
Sheriff	0	0	0	0	0	0	16,693
Trustee	0	0	0	0	0	0	671,665
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,729,521
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Solid Waste Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	15,912
On-behalf Contributions for OPEB	0	0	0	0	0	0	2,290
Other General Government Grants	0	0	0	0	0	0	7,730
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	0	28,800
<u>Health and Welfare Grants</u>							
Health Department Programs	0	0	0	0	0	0	139,140
<u>Public Works Grants</u>							
Bridge Program	0	55,008	0	0	0	0	55,008
State Aid Program	0	0	0	0	0	0	452,645
Litter Program	0	0	0	0	0	0	37,186
Tennessee Industrial Infrastructure Program	0	0	0	0	0	0	191,402

(Continued)

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Debt Service Funds</u>			<u>Total</u>
	<u>Drug Control</u>	<u>Highway / Public Works</u>	<u>General Debt Service</u>	<u>Education Debt Service</u>			
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues</u>							
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	182,011
Beer Tax	0	0	0	0	0	0	17,806
Vehicle Certificate of Title Fees	0	0	0	0	0	0	7,878
Alcoholic Beverage Tax	0	0	0	0	0	0	74,805
Mixed Drink Tax	0	0	0	0	0	0	9,734
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	1,029,303
Contracted Prisoner Boarding	0	0	0	0	0	0	631,812
Gasoline and Motor Fuel Tax	0	1,901,194	0	0	0	0	1,901,194
Petroleum Special Tax	0	29,621	0	0	0	0	29,621
Registrar's Salary Supplement	0	0	0	0	0	0	15,164
Other State Revenues	0	0	0	0	0	0	38,562
<u>Total State of Tennessee</u>	<u>\$ 0</u>	<u>\$ 1,985,823</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>4,868,003</u>
<u>Federal Government</u>							
<u>Federal Through State</u>							
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	36,350
Homeland Security Grants	0	0	0	0	0	0	44,049
Other Federal through State	0	0	0	0	0	0	111,971
<u>Direct Federal Revenue</u>							
Forest Service	0	0	0	0	0	0	1,695
Other Direct Federal Revenue	49,001	0	0	0	0	0	713,704
<u>Total Federal Government</u>	<u>\$ 49,001</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>907,769</u>

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Debt Service Funds</u>		
	<u>Drug Control</u>	<u>Highway / Public Works</u>	<u>General Debt Service</u>	<u>Education Debt Service</u>	<u>Total</u>	
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 738,574	\$	\$ 950,465
<u>Citizens Groups</u>						
Donations	50	0	0	0	0	59,802
<u>Other</u>						
Other	0	0	0	0	0	64,559
<u>Total Other Governments and Citizens Groups</u>	<u>\$ 50</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 738,574</u>	<u>\$</u>	<u>\$ 1,074,826</u>
<u>Total</u>	<u>\$ 113,005</u>	<u>\$ 2,615,879</u>	<u>\$ 1,374,628</u>	<u>\$ 3,445,464</u>	<u>\$</u>	<u>\$ 25,943,325</u>

Franklin County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Franklin County School Department
 For the Year Ended June 30, 2014

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria		
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 9,187,762	\$ 0	\$ 0	\$ 0	\$ 9,187,762
Trustee's Collections - Prior Year	273,583	0	0	0	273,583
Trustee's Collections - Bankruptcy	5,907	0	0	0	5,907
Circuit/Clerk and Master Collections - Prior Years	187,285	0	0	0	187,285
Interest and Penalty	49,650	0	0	0	49,650
Payments in-Lieu-of Taxes - T.V.A.	4,122	0	0	0	4,122
Payments in-Lieu-of Taxes - Local Utilities	37,162	0	0	0	37,162
Payments in-Lieu-of Taxes - Other	34,430	0	0	0	34,430
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,930,600	0	0	0	3,930,600
Mixed Drink Tax	87,631	0	0	0	87,631
<u>Statutory Local Taxes</u>					
Bank Excise Tax	57,478	0	0	0	57,478
Interstate Telecommunications Tax	4,499	0	0	0	4,499
Total Local Taxes	\$ 13,860,109	\$ 0	\$ 0	\$ 0	\$ 13,860,109
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	2,812	0	0	0	2,812
Cable TV Franchise	45,253	0	0	0	45,253
Total Licenses and Permits	\$ 48,065	\$ 0	\$ 0	\$ 0	\$ 48,065

(Continued)

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

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria		
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Other	\$ 242,884	\$ 0	\$ 0	\$ 0	242,884
Lunch Payments - Children	0	0	542,366	0	542,366
Lunch Payments - Adults	0	0	56,852	0	56,852
Income from Breakfast	0	0	59,496	0	59,496
A la carte Sales	0	0	427,974	0	427,974
Total Charges for Current Services	\$ 242,884	\$ 0	\$ 1,086,688	\$ 0	\$ 1,329,572
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	6,596	\$ 0	6,596
Lease/Rentals	12,204	0	0	0	12,204
E-Rate Funding	44,859	0	0	0	44,859
Miscellaneous Refunds	12,861	0	1,151	0	14,012
<u>Nonrecurring Items</u>					
Sale of Equipment	2,802	0	0	0	2,802
Sale of Property	8,500	0	0	0	8,500
Contributions and Gifts	53,115	0	0	0	53,115
<u>Other Local Revenues</u>					
Other Local Revenues	308,233	0	0	0	308,233
Total Other Local Revenues	\$ 442,574	\$ 0	\$ 7,747	\$ 0	\$ 450,321
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 181,092	\$ 0	\$ 0	\$ 0	\$ 181,092

(Continued)

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Total	
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 25,654,001	\$ 0	\$ 0	\$ 25,654,001	
Early Childhood Education	1,132,051	0	0	1,132,051	
School Food Service	0	0	32,736	32,736	
Driver Education	3,395	0	0	3,395	
Other State Education Funds	976,273	0	0	976,273	
Career Ladder Program	199,688	0	0	199,688	
Career Ladder - Extended Contract	45,370	0	0	45,370	
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	50,000	0	0	50,000	
Other State Grants	3,035	0	0	3,035	
Total State of Tennessee	<u>\$ 28,244,905</u>	<u>\$ 0</u>	<u>\$ 32,736</u>	<u>\$ 28,277,641</u>	
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,466,586	\$ 1,466,586	
USDA - Commodities	0	0	206,991	206,991	
Breakfast	0	0	468,781	468,781	
USDA - Other	0	0	28,184	28,184	
Vocational Education - Basic Grants to States	0	85,518	0	85,518	
Title I Grants to Local Education Agencies	0	1,290,041	0	1,290,041	
Special Education - Grants to States	73,920	1,371,570	0	1,445,490	
Special Education Preschool Grants	0	96,161	0	96,161	
Rural Education	0	112,031	0	112,031	
Eisenhower Professional Development State Grants	0	269,312	0	269,312	

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria		
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Job Training Partnership Act	\$ 52,620	\$ 0	\$ 0	\$ 0	\$ 52,620
Race-to-the-Top - ARRA	0	8,182	0	0	8,182
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	83	0	0	0	83
Other Direct Federal Revenue	103,135	0	0	0	103,135
Total Federal Government	<u>\$ 229,758</u>	<u>\$ 3,232,815</u>	<u>\$ 2,170,542</u>	<u>\$ 5,633,115</u>	
Total	<u>\$ 43,068,295</u>	<u>\$ 3,232,815</u>	<u>\$ 3,297,713</u>	<u>\$ 49,598,823</u>	

Exhibit J-7

Franklin County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2014

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	68,414	
Social Security		3,525	
State Retirement		183	
Medical Insurance		270	
Unemployment Compensation		14	
Employer Medicare		991	
Audit Services		12,316	
Dues and Memberships		12,510	
Legal Services		1,493	
Legal Notices, Recording, and Court Costs		2,678	
Maintenance Agreements		1,857	
Travel		932	
Other Contracted Services		15,000	
Office Supplies		5,623	
Refunds		397	
In Service/Staff Development		695	
Tax Relief Program		100,536	
Other Charges		95,982	
Total County Commission			\$ 323,416

Beer Board

Legal Notices, Recording, and Court Costs	\$	459	
Travel		245	
Total Beer Board			704

County Mayor/Executive

County Official/Administrative Officer	\$	78,508	
Assistant(s)		28,758	
Social Security		6,624	
State Retirement		14,417	
Life Insurance		94	
Medical Insurance		12,668	
Disability Insurance		904	
Unemployment Compensation		99	
Employer Medicare		1,549	
Other Fringe Benefits		200	
Communication		419	
Dues and Memberships		1,845	
Maintenance Agreements		2,602	
Travel		189	
Other Contracted Services		250	
Office Supplies		801	
Premiums on Corporate Surety Bonds		175	
In Service/Staff Development		600	
Other Charges		699	
Total County Mayor/Executive			151,401

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

Dues and Memberships	\$	100	
Legal Services		9,600	
Total County Attorney			\$ 9,700

Election Commission

County Official/Administrative Officer	\$	61,175	
Deputy(ies)		24,486	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		720	
Overtime Pay		2,889	
Other Salaries and Wages		9,522	
Election Commission		715	
Election Workers		19,092	
Social Security		7,278	
State Retirement		10,201	
Life Insurance		94	
Medical Insurance		12,933	
Disability Insurance		710	
Unemployment Compensation		555	
Employer Medicare		1,702	
Other Fringe Benefits		450	
Communication		997	
Data Processing Services		16,857	
Dues and Memberships		275	
Legal Notices, Recording, and Court Costs		5,570	
Maintenance Agreements		1,585	
Maintenance and Repair Services - Equipment		165	
Postal Charges		3,261	
Printing, Stationery, and Forms		2,491	
Travel		1,883	
Other Contracted Services		5,500	
Office Supplies		3,518	
Other Supplies and Materials		2,375	
In Service/Staff Development		1,090	
Office Equipment		85,629	
Total Election Commission			284,718

Register of Deeds

County Official/Administrative Officer	\$	67,973
Deputy(ies)		107,923
Educational Incentive - Other County Employees		4,000
Longevity Pay		3,480
Social Security		10,916
State Retirement		24,211
Life Insurance		234
Medical Insurance		32,980
Disability Insurance		1,489

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Unemployment Compensation	\$	432	
Employer Medicare		2,553	
Other Fringe Benefits		800	
Communication		364	
Data Processing Services		15,606	
Dues and Memberships		647	
Maintenances		463	
Maintenance and Repair Services - Office Equipment		2,170	
Postal Charges		968	
Travel		1,417	
Other Contracted Services		3,650	
Office Supplies		9,592	
Premiums on Corporate Surety Bonds		100	
In Service/Staff Development		450	
Total Register of Deeds			\$ 292,418

Planning

Supervisor/Director	\$	53,827	
Deputy(ies)		32,534	
Part-time Personnel		360	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		1,000	
Longevity Pay		1,560	
Overtime Pay		1,599	
Social Security		5,595	
State Retirement		12,152	
Life Insurance		94	
Medical Insurance		13,419	
Disability Insurance		715	
Unemployment Compensation		220	
Employer Medicare		1,309	
Other Fringe Benefits		400	
Communication		758	
Dues and Memberships		390	
Legal Notices, Recording, and Court Costs		1,244	
Maintenances		1,100	
Maintenance and Repair Services - Office Equipment		600	
Maintenance and Repair Services - Vehicles		1,228	
Postal Charges		722	
Travel		797	
Gasoline		1,911	
Library Books/Media		294	
Office Supplies		2,654	
In Service/Staff Development		1,419	
Total Planning			138,901

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Supervisor/Director	\$	30,729	
Custodial Personnel		103,161	
Maintenance Personnel		30,036	
Longevity Pay		2,100	
Other Salaries and Wages		276	
Social Security		9,444	
State Retirement		18,613	
Life Insurance		316	
Medical Insurance		45,059	
Disability Insurance		1,092	
Unemployment Compensation		907	
Employer Medicare		2,209	
Other Fringe Benefits		1,400	
Communication		57,368	
Engineering Services		6,600	
Maintenance Agreements		17,909	
Maintenance and Repair Services - Buildings		64,077	
Maintenance and Repair Services - Equipment		16,030	
Maintenance and Repair Services - Vehicles		2,063	
Pest Control		9,326	
Disposal Fees		9,333	
Custodial Supplies		18,773	
Gasoline		2,434	
Uniforms		1,927	
Utilities		366,053	
Other Supplies and Materials		775	
Other Charges		4,749	
Principal on Capital Leases		107,172	
Interest on Capital Leases		13,517	
Other Capital Outlay		17,237	
Total County Buildings			\$ 960,685

Other General Administration

Instructional Computer Personnel	\$	36,999	
Longevity Pay		1,200	
Social Security		2,313	
State Retirement		5,076	
Life Insurance		43	
Medical Insurance		6,412	
Disability Insurance		277	
Unemployment Compensation		108	
Employer Medicare		541	
On-behalf Payments to OPEB		2,290	
Other Fringe Benefits		200	
Communication		1,101	
Maintenance Agreements		1,000	
Other Contracted Services		3,120	
Data Processing Equipment		10,880	
Total Other General Administration			71,560

(Continued)

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

General Fund (Cont.)

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		184,349	
Educational Incentive - Other County Employees		6,000	
Longevity Pay		5,160	
Board and Committee Members Fees		4,610	
Social Security		16,198	
State Retirement		34,991	
Life Insurance		328	
Medical Insurance		46,078	
Disability Insurance		2,065	
Unemployment Compensation		756	
Employer Medicare		3,788	
Other Fringe Benefits		1,200	
Contracts with Government Agencies		19,556	
Contracts with Private Agencies		23,681	
Dues and Memberships		1,800	
Legal Notices, Recording, and Court Costs		68	
Maintenance Agreements		6,217	
Maintenance and Repair Services - Vehicles		1,052	
Postal Charges		2,660	
Travel		120	
Other Contracted Services		122	
Gasoline		3,395	
Office Supplies		1,713	
In Service/Staff Development		287	
Other Charges		47	
Total Property Assessor's Office			\$ 434,214

County Trustee's Office

County Official/Administrative Officer	\$	67,973
Deputy(ies)		109,793
Educational Incentive - Other County Employees		4,000
Longevity Pay		3,480
Other Salaries and Wages		1,287
Social Security		11,029
State Retirement		24,595
Life Insurance		234
Medical Insurance		32,332
Disability Insurance		1,452
Unemployment Compensation		447
Employer Medicare		2,579
Other Fringe Benefits		800
Data Processing Services		6,605
Dues and Memberships		657
Postal Charges		9,494
Travel		1,485
Other Contracted Services		4,598

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Office Supplies	\$	3,966	
In Service/Staff Development		375	
Total County Trustee's Office			\$ 287,181

County Clerk's Office

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		245,957	
Part-time Personnel		18,460	
Educational Incentive - Other County Employees		6,850	
Longevity Pay		5,400	
Social Security		20,739	
State Retirement		43,337	
Life Insurance		421	
Medical Insurance		58,241	
Disability Insurance		2,587	
Unemployment Compensation		1,057	
Employer Medicare		4,850	
Other Fringe Benefits		1,800	
Communication		497	
Data Processing Services		18,669	
Dues and Memberships		672	
Maintenance Agreements		4,113	
Postal Charges		8,000	
Travel		1,526	
Other Contracted Services		150	
Office Supplies		7,077	
Premiums on Corporate Surety Bonds		116	
In Service/Staff Development		635	
Other Equipment		1,388	
Total County Clerk's Office			520,515

Other Finance

Assistant(s)	\$	33,406	
Supervisor/Director		60,960	
Deputy(ies)		50,800	
Accountants/Bookkeepers		240,314	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		4,850	
Longevity Pay		7,500	
Social Security		23,566	
State Retirement		52,989	
Life Insurance		456	
Medical Insurance		58,629	
Disability Insurance		3,153	
Unemployment Compensation		1,080	
Employer Medicare		5,511	
Other Fringe Benefits		2,000	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Other Finance (Cont.)

Communication	\$	2,208	
Data Processing Services		19,919	
Dues and Memberships		600	
Maintenance Agreements		8,174	
Postal Charges		5,049	
Travel		4,113	
Other Contracted Services		435	
Office Supplies		13,261	
Premiums on Corporate Surety Bonds		652	
In Service/Staff Development		1,795	
Other Charges		8,525	
Data Processing Equipment		27,027	
Total Other Finance			\$ 637,972

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		468,789	
Part-time Personnel		21,154	
Educational Incentive - Other County Employees		1,000	
Longevity Pay		7,020	
Overtime Pay		1,855	
Jury and Witness Expense		10,545	
Social Security		33,992	
State Retirement		65,593	
Life Insurance		698	
Medical Insurance		83,622	
Disability Insurance		4,130	
Unemployment Compensation		1,858	
Employer Medicare		7,950	
Other Fringe Benefits		3,200	
Communication		738	
Data Processing Services		17,540	
Dues and Memberships		612	
Legal Notices, Recording, and Court Costs		584	
Maintenance Agreements		7,088	
Postal Charges		10,000	
Travel		1,233	
Library Books/Media		1,471	
Office Supplies		13,144	
Premiums on Corporate Surety Bonds		166	
In Service/Staff Development		225	
Other Charges		4,467	
Data Processing Equipment		9,400	
Furniture and Fixtures		860	
Total Circuit Court			846,907

(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

Judge(s)	\$	146,119	
Deputy(ies)		70,813	
Educational Incentive - Other County Employees		1,000	
Longevity Pay		1,380	
Social Security		11,527	
State Retirement		29,046	
Life Insurance		124	
Medical Insurance		19,831	
Disability Insurance		1,490	
Unemployment Compensation		216	
Employer Medicare		3,120	
Other Fringe Benefits		400	
Communication		875	
Maintenance and Repair Services - Equipment		1,583	
Travel		1,098	
Library Books/Media		81	
Office Supplies		4,281	
In Service/Staff Development		215	
Total General Sessions Court			\$ 293,199

Drug Court

Supervisor/Director	\$	40,612	
Social Security		2,484	
State Retirement		5,395	
Life Insurance		47	
Medical Insurance		6,736	
Disability Insurance		333	
Unemployment Compensation		108	
Employer Medicare		581	
Other Fringe Benefits		200	
Communication		1,261	
Total Drug Court			57,757

Chancery Court

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		57,669	
Longevity Pay		2,100	
Social Security		7,722	
State Retirement		16,967	
Life Insurance		140	
Medical Insurance		19,399	
Disability Insurance		1,027	
Unemployment Compensation		324	
Employer Medicare		1,806	
Other Fringe Benefits		600	
Communication		26	
Data Processing Services		9,373	

(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.)

Dues and Memberships	\$	522	
Maintenance Agreements		1,647	
Postal Charges		1,000	
Travel		613	
Other Contracted Services		1,169	
Library Books/Media		603	
Office Supplies		2,125	
Premiums on Corporate Surety Bonds		131	
Data Processing Equipment		2,000	
Total Chancery Court			\$ 194,936

Juvenile Court

Assistant(s)	\$	44,600	
Deputy(ies)		38,858	
Longevity Pay		1,440	
Social Security		5,149	
State Retirement		11,276	
Life Insurance		94	
Medical Insurance		12,933	
Disability Insurance		655	
Unemployment Compensation		216	
Employer Medicare		1,204	
Other Fringe Benefits		400	
Communication		673	
Dues and Memberships		70	
Travel		1,603	
Library Books/Media		596	
Office Supplies		184	
In Service/Staff Development		490	
Total Juvenile Court			120,441

Judicial Commissioners

County Official/Administrative Officer	\$	68,075	
Part-time Personnel		9,296	
Longevity Pay		1,380	
Social Security		4,666	
State Retirement		6,235	
Life Insurance		113	
Medical Insurance		19,885	
Disability Insurance		496	
Unemployment Compensation		512	
Employer Medicare		1,091	
Other Fringe Benefits		800	
Office Supplies		498	
Total Judicial Commissioners			113,047

(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	\$ 4,300	
Total Other Administration of Justice		\$ 4,300

Probation Services

Supervisor/Director	\$ 42,637	
Part-time Personnel	15,790	
Other Salaries and Wages	22,642	
Social Security	4,902	
State Retirement	8,677	
Life Insurance	94	
Medical Insurance	13,635	
Disability Insurance	535	
Unemployment Compensation	334	
Employer Medicare	1,147	
Other Fringe Benefits	360	
Communication	13	
Office Supplies	1,511	
Total Probation Services		112,277

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 74,770	
Assistant(s)	59,113	
Supervisor/Director	44,152	
Deputy(ies)	564,693	
Investigator(s)	235,293	
Captain(s)	92,253	
Sergeant(s)	155,804	
Accountants/Bookkeepers	58,521	
Salary Supplements	33,800	
Guards	195,203	
Part-time Personnel	27,431	
School Resource Officer	388,948	
Longevity Pay	21,180	
Overtime Pay	47,983	
Other Salaries and Wages	34,065	
Social Security	121,855	
State Retirement	240,433	
Life Insurance	2,055	
Medical Insurance	274,528	
Disability Insurance	13,124	
Unemployment Compensation	6,525	
Employer Medicare	28,676	
Other Fringe Benefits	10,900	
Communication	26,463	
Contracts with Private Agencies	12,138	
Dues and Memberships	3,163	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Maintenance Agreements	\$	19,522	
Maintenance and Repair Services - Equipment		1,309	
Maintenance and Repair Services - Vehicles		96,163	
Medical and Dental Services		155	
Postal Charges		930	
Travel		11,359	
Diesel Fuel		11,043	
Gasoline		203,685	
Law Enforcement Supplies		8,448	
Office Supplies		12,742	
Propane Gas		571	
Tires and Tubes		21,925	
Uniforms		16,004	
Other Supplies and Materials		2,970	
Premiums on Corporate Surety Bonds		406	
In Service/Staff Development		6,638	
Constitutional Officers' Operating Expenses		261	
Other Charges		13,232	
Data Processing Equipment		15,165	
Law Enforcement Equipment		16,253	
Motor Vehicles		118,459	
Other Capital Outlay		7,090	
Total Sheriff's Department			\$ 3,357,399

Administration of the Sexual Offender Registry

Guards	\$	16,384	
Social Security		1,028	
Unemployment Compensation		179	
Employer Medicare		240	
Other Fringe Benefits		200	
Remittance of Revenue Collected		600	
Total Administration of the Sexual Offender Registry			18,631

Jail

Assistant(s)	\$	48,984	
Deputy(ies)		35,013	
Medical Personnel		74,998	
Salary Supplements		2,000	
Guards		441,609	
Clerical Personnel		3,127	
Cafeteria Personnel		42,499	
Part-time Personnel		41,647	
Longevity Pay		5,520	
Overtime Pay		34,000	
Other Salaries and Wages		22,180	
Social Security		45,346	
State Retirement		83,970	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Life Insurance	\$	1,033	
Medical Insurance		139,228	
Disability Insurance		4,642	
Unemployment Compensation		3,442	
Employer Medicare		10,606	
Other Fringe Benefits		5,000	
Maintenance Agreements		13,610	
Maintenance and Repair Services - Buildings		16,159	
Maintenance and Repair Services - Equipment		17,781	
Medical and Dental Services		18,602	
Pest Control		1,500	
Transportation - Other than Students		8,009	
Travel		5,589	
Disposal Fees		2,626	
Custodial Supplies		34,876	
Food Supplies		227,776	
Law Enforcement Supplies		898	
Prisoners Clothing		11,938	
Uniforms		4,573	
Other Supplies and Materials		2,038	
Medical Claims		304,324	
In Service/Staff Development		700	
Other Charges		7,489	
Building Improvements		20,381	
Data Processing Equipment		1,983	
Other Equipment		7,755	
Other Capital Outlay		14,977	
Total Jail			\$ 1,768,428

Correctional Incentive Program Improvements

Other Salaries and Wages	\$	200,344	
Social Security		12,101	
Unemployment Compensation		907	
Employer Medicare		2,855	
Contracts with Private Agencies		260,793	
Travel		20,889	
Other Contracted Services		115,792	
Office Supplies		30	
Other Supplies and Materials		8,840	
Liability Insurance		2,271	
Other Charges		5,033	
Other Equipment		8,699	
Total Correctional Incentive Program Improvements			638,554

Juvenile Services

Contracts with Private Agencies	\$	6,300	
Other Contracted Services		6,218	
Total Juvenile Services			12,518

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense

Assistant(s)	\$	25,491	
Supervisor/Director		44,557	
Longevity Pay		1,440	
Overtime Pay		15,843	
Social Security		5,335	
State Retirement		11,610	
Life Insurance		94	
Medical Insurance		6,466	
Disability Insurance		573	
Unemployment Compensation		216	
Employer Medicare		1,248	
Other Fringe Benefits		400	
Communication		3,694	
Dues and Memberships		200	
Maintenance and Repair Services - Buildings		1,182	
Maintenance and Repair Services - Equipment		2,748	
Maintenance and Repair Services - Vehicles		4,286	
Postal Charges		132	
Travel		1,797	
Other Contracted Services		5,056	
Diesel Fuel		3,705	
Gasoline		3,746	
Office Supplies		3,521	
Other Supplies and Materials		3,996	
In Service/Staff Development		165	
Other Charges		2,038	
Other Equipment		8,975	
Total Civil Defense			\$ 158,514

Rescue Squad

Dues and Memberships	\$	326	
Diesel Fuel		383	
Gasoline		538	
Other Supplies and Materials		497	
In Service/Staff Development		480	
Other Equipment		26,239	
Total Rescue Squad			28,463

Other Emergency Management

Assistant(s)	\$	30,938
Supervisor/Director		40,612
Dispatchers/Radio Operators		368,547
Part-time Personnel		1,894
Longevity Pay		3,540
Overtime Pay		14,819
Other Salaries and Wages		19,505
Social Security		28,687

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

State Retirement	\$	58,463	
Life Insurance		725	
Medical Insurance		98,302	
Disability Insurance		3,247	
Unemployment Compensation		2,051	
Employer Medicare		6,709	
Other Fringe Benefits		3,200	
Communication		56,171	
Contracts with Private Agencies		92,509	
Maintenance and Repair Services - Equipment		1,876	
Maintenance and Repair Services - Vehicles		1,449	
Postal Charges		120	
Travel		3,732	
Gasoline		1,418	
Office Supplies		5,199	
Propane Gas		240	
Uniforms		1,000	
In Service/Staff Development		3,518	
Other Charges		43	
Communication Equipment		4,184	
Data Processing Equipment		2,178	
Other Equipment		363	
Total Other Emergency Management			\$ 855,239

County Coroner/Medical Examiner

Other Contracted Services	\$	6,000	
Medical Claims		17,750	
Total County Coroner/Medical Examiner			23,750

Public Safety Grants Programs

Overtime Pay	\$	33,931	
Other Fringe Benefits		4,197	
Communication Equipment		32,933	
Other Equipment		9,095	
Other Capital Outlay		165,541	
Total Public Safety Grants Programs			245,697

Public Health and Welfare

Local Health Center

Communication	\$	1,208	
Dues and Memberships		200	
Janitorial Services		8,420	
Maintenance and Repair Services - Buildings		5,340	
Disposal Fees		1,651	
Custodial Supplies		2,823	
Office Supplies		664	
Utilities		16,063	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Building and Contents Insurance	\$	3,183	
Liability Insurance		508	
Other Charges		47	
Total Local Health Center			\$ 40,107

Rabies and Animal Control

Assistant(s)	\$	76,588	
Supervisor/Director		11,666	
Longevity Pay		600	
Overtime Pay		2,067	
Other Salaries and Wages		1,147	
Social Security		5,651	
State Retirement		12,250	
Life Insurance		129	
Medical Insurance		16,564	
Disability Insurance		573	
Unemployment Compensation		342	
Employer Medicare		1,322	
Other Fringe Benefits		600	
Communication		1,673	
Dues and Memberships		150	
Licenses		480	
Maintenance and Repair Services - Buildings		1,493	
Maintenance and Repair Services - Vehicles		1,923	
Postal Charges		165	
Travel		462	
Other Contracted Services		55,210	
Animal Food and Supplies		760	
Diesel Fuel		5,025	
Drugs and Medical Supplies		1,173	
Gasoline		8,572	
Office Supplies		354	
Uniforms		1,461	
Other Supplies and Materials		2,798	
Refunds		125	
In Service/Staff Development		660	
Other Equipment		971	
Total Rabies and Animal Control			212,954

Other Local Health Services

Other Salaries and Wages	\$	85,599	
Social Security		5,191	
State Retirement		7,323	
Life Insurance		148	
Medical Insurance		11,103	
Disability Insurance		523	
Unemployment Compensation		547	

(Continued)

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.)

Employer Medicare	\$	1,214	
Other Fringe Benefits		675	
Travel		16,869	
Other Contracted Services		5,029	
Total Other Local Health Services			\$ 134,221

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	\$	42,456	
Overtime Pay		434	
Other Salaries and Wages		1,094	
Social Security		2,745	
State Retirement		6,043	
Life Insurance		86	
Medical Insurance		7,041	
Disability Insurance		339	
Unemployment Compensation		210	
Employer Medicare		642	
Other Fringe Benefits		400	
Contracts with Other Public Agencies		3,794	
Travel		113	
Other Supplies and Materials		1,963	
In Service/Staff Development		325	
Total Waste Pickup			67,685

Other Public Health and Welfare

Other Charges	\$	5,831	
Total Other Public Health and Welfare			5,831

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Maintenance and Repair Services - Buildings	\$	1,008	
Other Contracted Services		22,050	
Custodial Supplies		1,577	
Gasoline		108,561	
Total Senior Citizens Assistance			133,196

Parks and Fair Boards

Supervisor/Director	\$	10,515	
Other Salaries and Wages		10,249	

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Social Security	\$	1,300	
Unemployment Compensation		252	
Employer Medicare		304	
Other Fringe Benefits		200	
Communication		438	
Maintenance Agreements		539	
Maintenance and Repair Services - Buildings		108	
Other Supplies and Materials		2,550	
Other Charges		475	
Total Parks and Fair Boards			\$ 26,930

Agriculture and Natural Resources

Agricultural Extension Service

Other Salaries and Wages	\$	86,045	
Social Security		360	
Unemployment Compensation		70	
Employer Medicare		84	
Other Fringe Benefits		11,707	
Communication		2,012	
Travel		2,000	
Other Contracted Services		648	
Other Supplies and Materials		478	
Other Charges		152	
Total Agricultural Extension Service			103,556

Soil Conservation

Secretary to Board	\$	23,260	
Longevity Pay		660	
Other Salaries and Wages		25,678	
Social Security		2,883	
State Retirement		6,610	
Life Insurance		94	
Medical Insurance		13,635	
Disability Insurance		398	
Unemployment Compensation		216	
Employer Medicare		674	
Other Fringe Benefits		400	
Dues and Memberships		275	
Travel		976	
Premiums on Corporate Surety Bonds		489	
In Service/Staff Development		621	
Other Charges		731	
Other Equipment		369	
Total Soil Conservation			77,969

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations

Industrial Development

Assistant(s)	\$	4,258	
Social Security		155	
State Retirement		480	
Medical Insurance		473	
Unemployment Compensation		8	
Employer Medicare		36	
Dues and Memberships		4,639	
Maintenance Agreements		3,709	
Maintenance and Repair Services - Buildings		5,223	
Pest Control		900	
Postal Charges		218	
Travel		320	
Other Contracted Services		3,792	
Gasoline		3,624	
Office Supplies		128	
In Service/Staff Development		764	
Other Charges		1,197	
Total Industrial Development			\$ 29,924

Other Economic and Community Development

Contracts with Government Agencies	\$	104,628	
Other Contracted Services		264,441	
Total Other Economic and Community Development			369,069

Veterans' Services

Supervisor/Director	\$	16,732	
Social Security		1,044	
Unemployment Compensation		123	
Employer Medicare		244	
Other Fringe Benefits		100	
Contracts with Private Agencies		399	
Dues and Memberships		25	
Travel		774	
Office Supplies		483	
Total Veterans' Services			19,924

Other Charges

Other Fringe Benefits	\$	6,439	
Medical and Dental Services		1,720	
Building and Contents Insurance		79,069	
Liability Insurance		113,041	
Medical Claims		22,086	
Trustee's Commission		201,107	
Vehicle and Equipment Insurance		95,985	
Workers' Compensation Insurance		126,334	
Other Charges		4,858	
Total Other Charges			650,639

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Capital Projects

Other General Government Projects

Other Equipment	\$ 202,580	
Total Other General Government Projects		\$ 202,580

Highway and Street Capital Projects

State Aid Projects	\$ 625,716	
Total Highway and Street Capital Projects		<u>625,716</u>

Total General Fund		\$ 15,712,164
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Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

Trustee's Commission	\$ 1,544	
Total Other Charges		<u>\$ 1,544</u>

Total Courthouse and Jail Maintenance Fund		1,544
--	--	-------

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Assistant(s)	\$ 45,820	
Supervisor/Director	40,612	
Librarians	23,082	
Longevity Pay	1,440	
Other Salaries and Wages	24,633	
Social Security	8,239	
State Retirement	14,904	
Life Insurance	171	
Medical Insurance	26,081	
Disability Insurance	909	
Unemployment Compensation	707	
Employer Medicare	1,927	
Other Fringe Benefits	1,060	
Communication	2,639	
Dues and Memberships	200	
Maintenance and Repair Services - Buildings	11,161	
Maintenance and Repair Services - Office Equipment	1,007	
Travel	922	
Other Contracted Services	1,693	
Library Books/Media	21,207	
Office Supplies	2,354	
Periodicals	768	
Other Supplies and Materials	2,581	
Other Charges	1,021	
Office Equipment	2,777	
Other Capital Outlay	<u>10,293</u>	
Total Libraries		\$ 248,208

(Continued)

Exhibit J-7

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

Public Library Fund (Cont.)

Other Operations

Other Charges

Pest Control	\$	600	
Utilities		19,583	
Building and Contents Insurance		3,128	
Liability Insurance		1,071	
Trustee's Commission		5,977	
Workers' Compensation Insurance		1,457	
Total Other Charges			\$ 31,816

Total Public Library Fund \$ 280,024

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Advertising	\$	862	
Other Supplies and Materials		288	
Total Sanitation Education/Information			\$ 1,150

Convenience Centers

Laborers	\$	169,361	
Social Security		10,615	
Unemployment Compensation		1,884	
Employer Medicare		2,483	
Other Fringe Benefits		1,850	
Communication		8,580	
Maintenance and Repair Services - Buildings		4,200	
Maintenance and Repair Services - Equipment		17,696	
Utilities		12,569	
Other Supplies and Materials		1,986	
Total Convenience Centers			231,224

Transfer Stations

Supervisor/Director	\$	40,372	
Deputy(ies)		38,768	
Foremen		30,714	
Mechanic(s)		27,048	
Equipment Operators - Light		94,283	
Truck Drivers		23,260	
Laborers		49,641	
Educational Incentive - Official/Admin Officer		1,000	
Educational Incentive - Other County Employees		1,000	
Longevity Pay		6,480	
Overtime Pay		4,662	
Other Salaries and Wages		1,068	
Social Security		18,675	
State Retirement		40,581	
Life Insurance		519	
Medical Insurance		64,971	

(Continued)

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.)

Disability Insurance	\$	2,438	
Unemployment Compensation		1,328	
Employer Medicare		4,368	
Other Fringe Benefits		2,200	
Communication		1,485	
Contracts with Government Agencies		324,144	
Contracts with Private Agencies		111,287	
Dues and Memberships		295	
Maintenance and Repair Services - Equipment		29,614	
Maintenance and Repair Services - Vehicles		402	
Pest Control		319	
Diesel Fuel		34,705	
Gasoline		4,564	
Lubricants		2,818	
Office Supplies		750	
Tires and Tubes		7,831	
Uniforms		1,771	
Utilities		10,825	
Vehicle Parts		5,010	
Other Supplies and Materials		16,500	
In Service/Staff Development		75	
Total Transfer Stations		<u>75</u>	\$ 1,005,771

Postclosure Care Costs

Contracts with Private Agencies	\$	6,850	
Total Postclosure Care Costs			6,850

Other Operations

Other Charges

Medical and Dental Services	\$	1,319	
Building and Contents Insurance		13,854	
Liability Insurance		16,163	
Medical Claims		3,750	
Trustee's Commission		20,462	
Vehicle and Equipment Insurance		16,163	
Workers' Compensation Insurance		8,742	
Other Charges		1,362	
Total Other Charges		<u>1,362</u>	<u>81,815</u>

Total Solid Waste/Sanitation Fund \$ 1,326,810

Local Purpose Tax Fund

Public Safety

Fire Prevention and Control

Contracts with Government Agencies	\$	2,000	
Other Contracted Services		490,005	
Other Supplies and Materials		368	

(Continued)

Exhibit J-7

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

Local Purpose Tax Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Trustee's Commission	\$	8,577	
In Service/Staff Development		341	
Total Fire Prevention and Control			\$ 501,291

Total Local Purpose Tax Fund \$ 501,291

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	10,000	
Maintenance and Repair Services - Vehicles		435	
Travel		1,688	
Other Contracted Services		8,431	
Animal Food and Supplies		1,298	
Instructional Supplies and Materials		12,923	
Law Enforcement Supplies		1,876	
Other Supplies and Materials		775	
In Service/Staff Development		2,480	
Other Charges		3,718	
Law Enforcement Equipment		26,425	
Other Equipment		4,139	
Total Drug Enforcement			\$ 74,188

Other Operations

Other Charges

Trustee's Commission	\$	558	
Total Other Charges			558

Total Drug Control Fund 74,746

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	74,770	
Assistant(s)		98,524	
Longevity Pay		4,020	
Other Salaries and Wages		1,526	
Board and Committee Members Fees		18,240	
Social Security		12,306	
State Retirement		23,521	
Life Insurance		187	
Medical Insurance		29,569	
Dental Insurance		1,000	
Disability Insurance		1,475	
Unemployment Compensation		4,533	
Employer Medicare		2,878	
Other Fringe Benefits		945	

(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.)

Dues and Memberships	\$	4,163	
Legal Notices, Recording, and Court Costs		284	
Maintenance and Repair Services - Office Equipment		1,597	
Postal Charges		100	
Travel		2,135	
Other Contracted Services		154	
Office Supplies		904	
In Service/Staff Development		1,486	
Other Charges		1,435	
Total Administration			\$ 285,752

Highway and Bridge Maintenance

Foremen	\$	30,731	
Mechanic(s)		41,596	
Equipment Operators - Heavy		80,613	
Equipment Operators - Light		103,518	
Truck Drivers		69,909	
Longevity Pay		10,080	
Overtime Pay		4,827	
Social Security		21,269	
State Retirement		45,460	
Life Insurance		601	
Medical Insurance		91,314	
Dental Insurance		3,098	
Disability Insurance		2,853	
Employer Medicare		4,974	
Other Fringe Benefits		3,133	
Other Contracted Services		2,166	
Asphalt - Cold Mix		12,338	
Crushed Stone		1,075	
General Construction Materials		2,792	
Other Road Materials		10,057	
Pipe		5,769	
Road Signs		27,247	
Small Tools		1,662	
Other Supplies and Materials		2,194	
Total Highway and Bridge Maintenance			579,276

Operation and Maintenance of Equipment

Foremen	\$	31,741	
Other Salaries and Wages		3,850	
Social Security		2,218	
State Retirement		4,731	
Life Insurance		55	
Medical Insurance		8,396	
Dental Insurance		291	
Disability Insurance		284	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Employer Medicare	\$	519	
Other Fringe Benefits		302	
Maintenance and Repair Services - Equipment		2,220	
Diesel Fuel		80,795	
Equipment and Machinery Parts		32,577	
Garage Supplies		12,186	
Gasoline		22,497	
Lubricants		7,599	
Small Tools		148	
Tires and Tubes		20,469	
Other Supplies and Materials		34	
Total Operation and Maintenance of Equipment			\$ 230,912

Quarry Operations

Foremen	\$	31,426	
Equipment Operators - Light		36,260	
Longevity Pay		1,860	
Overtime Pay		65	
Other Salaries and Wages		1,701	
Social Security		4,395	
State Retirement		9,480	
Life Insurance		94	
Medical Insurance		18,534	
Dental Insurance		611	
Disability Insurance		471	
Employer Medicare		1,028	
Other Fringe Benefits		502	
Communication		926	
Engineering Services		2,359	
Explosive and Drilling Services		20,506	
Operating Lease Payments		9,000	
Maintenance and Repair Services - Buildings		1,813	
Maintenance and Repair Services - Equipment		5,805	
Diesel Fuel		13,451	
Electricity		31,450	
Equipment and Machinery Parts		9,942	
Garage Supplies		3,703	
Lubricants		2,923	
Water and Sewer		610	
Total Quarry Operations			208,915

Other Charges

Communication	\$	6,714	
Medical and Dental Services		230	
Pest Control		300	
Disposal Fees		4,333	
Permits		3,104	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Uniforms	\$	3,427	
Utilities		12,693	
Building and Contents Insurance		25,190	
Liability Insurance		29,388	
Medical Claims		9,033	
Premiums on Corporate Surety Bonds		925	
Trustee's Commission		30,813	
Vehicle and Equipment Insurance		29,388	
Workers' Compensation Insurance		11,656	
Other Self-insured Claims		228	
Other Charges		3,037	
Total Other Charges			\$ 170,459

Capital Outlay

Bridge Construction	\$	93,387	
Communication Equipment		7,200	
Highway Construction		423,622	
Motor Vehicles		7,750	
Other Construction		7,114	
Other Capital Outlay		4,054	
Total Capital Outlay			543,127

Principal on Debt

Highways and Streets

Principal on Notes	\$	11,880	
Principal on Capital Leases		38,881	
Total Highways and Streets			50,761

Interest on Debt

Highways and Streets

Interest on Notes	\$	7,241	
Interest on Capital Leases		2,264	
Total Highways and Streets			9,505

Total Highway/Public Works Fund \$ 2,078,707

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	1,365,768	
Principal on Notes		555,335	
Total General Government			\$ 1,921,103

Interest on Debt

General Government

Interest on Bonds	\$	316,810	
Interest on Notes		39,036	
Total General Government			355,846

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Trustee's Commission	\$	26,196	
Other Debt Issuance Charges		1,500	
Other Debt Service		900	
Total General Government		<u>28,596</u>	\$ <u>28,596</u>

Total General Debt Service Fund \$ 2,305,545

Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$	2,568,400	
Principal on Capital Leases		204,186	
Total Education		<u>2,772,586</u>	\$ <u>2,772,586</u>

Interest on Debt

Education

Interest on Bonds	\$	532,032	
Interest on Capital Leases		24,388	
Total Education		<u>556,420</u>	

Other Debt Service

Education

Trustee's Commission	\$	41,082	
Other Debt Service		500	
Total Education		<u>41,582</u>	<u>41,582</u>

Total Education Debt Service Fund 3,370,588

Total Governmental Funds - Primary Government \$ 25,651,419

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, 2014

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	12,459,498	
Career Ladder Program		113,796	
Career Ladder Extended Contracts		39,431	
Homebound Teachers		30,203	
Educational Assistants		532,683	
Other Salaries and Wages		74,715	
Certified Substitute Teachers		84,035	
Non-certified Substitute Teachers		100,612	
Social Security		788,244	
State Retirement		1,196,640	
Medical Insurance		2,326,859	
Disability Insurance		4,594	
Unemployment Compensation		9,037	
Employer Medicare		184,644	
Tuition		290,448	
Other Contracted Services		227,277	
Instructional Supplies and Materials		607,755	
Textbooks		174,927	
Other Supplies and Materials		2,875	
Other Charges		4,163	
Regular Instruction Equipment		220,902	
Total Regular Instruction Program			\$ 19,473,338

Alternative Instruction Program

Teachers	\$	153,246	
Career Ladder Program		1,000	
Certified Substitute Teachers		300	
Non-certified Substitute Teachers		270	
Social Security		9,011	
State Retirement		13,259	
Medical Insurance		22,434	
Employer Medicare		2,181	
Other Contracted Services		1,520	
Total Alternative Instruction Program			203,221

Special Education Program

Teachers	\$	2,171,132	
Career Ladder Program		15,999	
Homebound Teachers		34,225	
Educational Assistants		376,931	
Certified Substitute Teachers		8,985	
Non-certified Substitute Teachers		28,654	
Social Security		153,626	
State Retirement		245,813	
Medical Insurance		469,101	
Disability Insurance		2,659	

(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.)

Unemployment Compensation	\$	5,858	
Employer Medicare		36,091	
Contracts with Private Agencies		110,535	
Maintenance and Repair Services - Equipment		13,002	
Other Contracted Services		975	
Instructional Supplies and Materials		12,091	
Other Supplies and Materials		3,372	
Other Charges		700	
Special Education Equipment		56,180	
Total Special Education Program			\$ 3,745,929

Vocational Education Program

Teachers	\$	899,378	
Career Ladder Program		4,000	
Certified Substitute Teachers		1,800	
Non-certified Substitute Teachers		14,568	
Social Security		53,478	
State Retirement		80,220	
Medical Insurance		181,402	
Employer Medicare		12,530	
Instructional Supplies and Materials		23,904	
Other Charges		2,089	
Vocational Instruction Equipment		33,136	
Total Vocational Education Program			1,306,505

Student Body Education Program

Other Salaries and Wages	\$	23,161	
Social Security		1,163	
State Retirement		1,049	
Employer Medicare		336	
Other Contracted Services		85,190	
Other Supplies and Materials		7,468	
Other Charges		2,770	
Total Student Body Education Program			121,137

Support Services

Attendance

Clerical Personnel	\$	93,846	
Other Salaries and Wages		39,390	
Non-certified Substitute Teachers		55	
Social Security		8,101	
State Retirement		17,614	
Medical Insurance		22,721	
Disability Insurance		1,127	
Employer Medicare		1,895	
Travel		254	

(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.)

Attendance (Cont.)

Other Contracted Services	\$	14,873	
Other Supplies and Materials		483	
In Service/Staff Development		478	
Attendance Equipment		918	
Total Attendance			\$ 201,755

Health Services

Medical Personnel	\$	272,236	
Non-certified Substitute Teachers		4,170	
Social Security		15,466	
State Retirement		35,989	
Medical Insurance		58,031	
Disability Insurance		2,028	
Employer Medicare		3,617	
Travel		93	
Other Supplies and Materials		3,528	
In Service/Staff Development		20	
Total Health Services			395,178

Other Student Support

Career Ladder Program	\$	8,000	
Guidance Personnel		671,004	
Social Workers		67,911	
Assessment Personnel		8,970	
Secretary(ies)		64,784	
School Resource Officer		51,200	
Other Salaries and Wages		48,793	
Certified Substitute Teachers		6,713	
Non-certified Substitute Teachers		890	
Social Security		51,750	
State Retirement		83,017	
Medical Insurance		139,732	
Disability Insurance		1,026	
Employer Medicare		12,102	
Evaluation and Testing		22,585	
Travel		2,042	
In Service/Staff Development		6,819	
Other Charges		27,997	
Total Other Student Support			1,275,335

Regular Instruction Program

Supervisor/Director	\$	124,705	
Career Ladder Program		9,000	
Librarians		581,910	
Clerical Personnel		16,307	
Educational Assistants		46,034	

(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.)

Regular Instruction Program (Cont.)

Other Salaries and Wages	\$	13,327	
Certified Substitute Teachers		810	
Non-certified Substitute Teachers		2,605	
Social Security		44,577	
State Retirement		68,442	
Medical Insurance		94,665	
Disability Insurance		509	
Employer Medicare		11,157	
Travel		17,309	
Other Contracted Services		18,363	
Library Books/Media		13,947	
Other Supplies and Materials		10,328	
In Service/Staff Development		33,800	
Other Charges		2,669	
Total Regular Instruction Program			\$ 1,110,464

Special Education Program

Supervisor/Director	\$	75,776	
Career Ladder Program		1,000	
Clerical Personnel		87,833	
Other Salaries and Wages		63,800	
Social Security		13,971	
State Retirement		18,429	
Medical Insurance		24,743	
Disability Insurance		716	
Employer Medicare		3,270	
Travel		19,053	
Other Supplies and Materials		22,008	
In Service/Staff Development		15,399	
Other Charges		873	
Total Special Education Program			346,871

Vocational Education Program

Secretary(ies)	\$	36,570	
Social Security		2,212	
State Retirement		4,770	
Medical Insurance		6,296	
Disability Insurance		312	
Employer Medicare		517	
Maintenance and Repair Services - Equipment		2,662	
Travel		2,761	
Other Contracted Services		5,414	
In Service/Staff Development		2,297	
Other Charges		100	
Total Vocational Education Program			63,911

(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	\$ 181,092	
Total Other Programs		\$ 181,092

Board of Education

Secretary to Board	\$ 802	
Board and Committee Members Fees	31,200	
Social Security	1,279	
State Retirement	106	
Employer Medicare	464	
Other Fringe Benefits	153,759	
Audit Services	18,000	
Dues and Memberships	14,535	
Legal Services	11,459	
Other Contracted Services	7,743	
Other Supplies and Materials	2,700	
Liability Insurance	170,793	
Premiums on Corporate Surety Bonds	175	
Trustee's Commission	301,393	
Workers' Compensation Insurance	331,136	
In Service/Staff Development	8,905	
Criminal Investigation of Applicants - TBI	9,480	
Other Charges	2,393	
Total Board of Education		1,066,322

Director of Schools

County Official/Administrative Officer	\$ 113,315	
Assistant(s)	77,904	
Career Ladder Program	1,000	
Clerical Personnel	24,012	
Social Security	13,189	
State Retirement	20,243	
Medical Insurance	18,978	
Disability Insurance	1,082	
Employer Medicare	3,084	
Communication	48,612	
Contributions	2,098	
Dues and Memberships	3,274	
Maintenance and Repair Services - Equipment	384	
Postal Charges	1,419	
Travel	468	
Other Contracted Services	15,317	
Office Supplies	5,627	
In Service/Staff Development	5,180	
Other Charges	756	
Administration Equipment	905	
Total Director of Schools		356,847

(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.)

Office of the Principal

Principals	\$	756,853	
Career Ladder Program		20,000	
Assistant Principals		513,659	
Secretary(ies)		356,228	
Other Salaries and Wages		46,522	
Certified Substitute Teachers		8,306	
Non-certified Substitute Teachers		608	
Social Security		100,996	
State Retirement		167,841	
Medical Insurance		264,759	
Disability Insurance		3,228	
Employer Medicare		23,737	
Total Office of the Principal			\$ 2,262,737

Human Services/Personnel

Clerical Personnel	\$	69,489	
Social Security		4,308	
State Retirement		9,186	
Medical Insurance		12,690	
Disability Insurance		566	
Employer Medicare		1,008	
Other Contracted Services		6,161	
In Service/Staff Development		2,234	
Total Human Services/Personnel			105,642

Operation of Plant

Guards	\$	17,521	
Custodial Personnel		863,694	
Other Salaries and Wages		102,004	
Non-certified Substitute Teachers		16,899	
Social Security		60,187	
State Retirement		120,584	
Medical Insurance		205,537	
Disability Insurance		7,367	
Unemployment Compensation		329	
Employer Medicare		14,076	
Disposal Fees		45,057	
Other Contracted Services		201,600	
Custodial Supplies		127,223	
Electricity		1,285,993	
Gasoline		1,638	
Natural Gas		131,153	
Water and Sewer		109,713	
Other Supplies and Materials		6,650	
Boiler Insurance		12,604	
Building and Contents Insurance		230,242	

(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.)

In Service/Staff Development	\$	2,398	
Other Charges		512	
Plant Operation Equipment		11,132	
Total Operation of Plant			\$ 3,574,113

Maintenance of Plant

Supervisor/Director	\$	62,484	
Maintenance Personnel		469,630	
Other Salaries and Wages		7,309	
Social Security		31,061	
State Retirement		65,228	
Medical Insurance		89,292	
Disability Insurance		4,029	
Employer Medicare		7,266	
Communication		835	
Laundry Service		6,307	
Maintenance and Repair Services - Buildings		414,109	
Maintenance and Repair Services - Equipment		6,067	
Maintenance and Repair Services - Vehicles		15,765	
Other Contracted Services		50,298	
Gasoline		31,898	
Other Supplies and Materials		728	
Maintenance Equipment		9,465	
Total Maintenance of Plant			1,271,771

Transportation

Supervisor/Director	\$	61,395	
Bus Drivers		177,064	
Other Salaries and Wages		32,343	
Non-certified Substitute Teachers		20,306	
Social Security		17,090	
State Retirement		32,675	
Medical Insurance		59,980	
Disability Insurance		1,359	
Employer Medicare		4,085	
Communication		1,684	
Contracts with Vehicle Owners		1,481,143	
Maintenance and Repair Services - Vehicles		134,645	
Other Contracted Services		16,633	
Gasoline		78,678	
Tires and Tubes		1,977	
Other Supplies and Materials		710	
Vehicle and Equipment Insurance		21,600	
In Service/Staff Development		942	
Other Charges		1,575	
Administration Equipment		1,411	
Transportation Equipment		276,894	
Total Transportation			2,424,189

(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

Supervisor/Director	\$	85,347	
Clerical Personnel		36,206	
Other Salaries and Wages		225,149	
Social Security		19,998	
State Retirement		45,834	
Medical Insurance		45,563	
Disability Insurance		2,800	
Employer Medicare		4,745	
Data Processing Services		11,561	
Travel		2,759	
Other Contracted Services		7,067	
Other Supplies and Materials		51,535	
In Service/Staff Development		9,526	
Other Equipment		59,912	
Total Central and Other			\$ 608,002

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$	105,682	
Teachers		52,507	
Other Salaries and Wages		309,803	
Non-certified Substitute Teachers		55	
Social Security		28,519	
State Retirement		42,472	
Medical Insurance		32,738	
Disability Insurance		1,299	
Employer Medicare		6,670	
Communication		890	
Travel		32,601	
Other Contracted Services		97,755	
Food Supplies		1,847	
Other Supplies and Materials		95,841	
In Service/Staff Development		7,868	
Other Charges		39,285	
Total Community Services			855,832

Early Childhood Education

Supervisor/Director	\$	33,780
Teachers		542,811
Educational Assistants		319,900
Other Salaries and Wages		34,650
Certified Substitute Teachers		270
Non-certified Substitute Teachers		2,190
Social Security		53,478
State Retirement		98,606
Medical Insurance		214,672

(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.)

Disability Insurance	\$	2,763	
Employer Medicare		12,507	
Travel		657	
Other Contracted Services		4,737	
Other Supplies and Materials		23,526	
In Service/Staff Development		1,200	
Other Equipment		4,187	
Total Early Childhood Education			\$ 1,349,934

Capital Outlay

Regular Capital Outlay

Architects	\$	2,500	
Engineering Services		416	
Building Construction		11,772	
Other Capital Outlay		186,957	
Total Regular Capital Outlay			201,645

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	204,186	
Total Education			204,186

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	24,388	
Total Education			24,388

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	510,000	
Total Education			510,000

Total General Purpose School Fund \$ 43,240,344

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	865,927	
Educational Assistants		93,892	
Certified Substitute Teachers		120	
Non-certified Substitute Teachers		522	
Social Security		54,188	
State Retirement		86,567	
Medical Insurance		183,401	
Employer Medicare		13,121	
Other Fringe Benefits		720	

(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.)

Instructional Supplies and Materials	\$	22,168	
Regular Instruction Equipment		198,853	
Total Regular Instruction Program			\$ 1,519,479

Special Education Program

Teachers	\$	144,564	
Educational Assistants		346,502	
Social Security		28,238	
State Retirement		58,645	
Medical Insurance		150,986	
Employer Medicare		6,604	
Other Fringe Benefits		2,826	
Instructional Supplies and Materials		13,987	
Other Supplies and Materials		7,401	
Special Education Equipment		86,509	
Total Special Education Program			846,262

Vocational Education Program

Clerical Personnel	\$	3,949	
Social Security		265	
Employer Medicare		53	
Instructional Supplies and Materials		2,824	
Other Supplies and Materials		7,285	
Vocational Instruction Equipment		49,677	
Total Vocational Education Program			64,053

Support Services

Health Services

Medical Personnel	\$	136,457	
Social Security		8,115	
State Retirement		18,040	
Medical Insurance		17,184	
Employer Medicare		1,898	
Other Fringe Benefits		1,122	
Total Health Services			182,816

Other Student Support

Travel	\$	9,798	
Other Contracted Services		6,882	
Other Supplies and Materials		11,331	
In Service/Staff Development		500	
Total Other Student Support			28,511

Regular Instruction Program

Supervisor/Director	\$	55,409	
Other Salaries and Wages		9,290	

(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.)

Regular Instruction Program (Cont.)

Social Security	\$	3,836	
State Retirement		5,904	
Medical Insurance		8,148	
Employer Medicare		894	
Maintenance and Repair Services - Equipment		1,037	
Travel		175	
Library Books/Media		1,733	
In Service/Staff Development		73,063	
Total Regular Instruction Program			\$ 159,489

Special Education Program

Psychological Personnel	\$	157,582	
Clerical Personnel		28,454	
Social Security		11,328	
State Retirement		17,755	
Medical Insurance		30,944	
Employer Medicare		2,649	
Other Fringe Benefits		234	
Other Supplies and Materials		19,232	
In Service/Staff Development		2,500	
Total Special Education Program			270,678

Vocational Education Program

Clerical Personnel	\$	3,949	
Social Security		265	
Employer Medicare		62	
Total Vocational Education Program			4,276

Special Education Program

Other Supplies and Materials	\$	1	
Total Special Education Program			1

Transportation

Other Salaries and Wages	\$	116,962	
Social Security		6,866	
State Retirement		15,462	
Medical Insurance		41,706	
Employer Medicare		1,606	
Other Fringe Benefits		895	
Total Transportation			183,497

Total School Federal Projects Fund \$ 3,259,062

(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

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	60,000	
Clerical Personnel		28,148	
Cafeteria Personnel		797,415	
Other Salaries and Wages		20,067	
In-service Training		750	
Social Security		53,478	
State Retirement		100,829	
Medical Insurance		207,568	
Disability Insurance		5,994	
Unemployment Compensation		2,169	
Employer Medicare		12,507	
Communication		2,720	
Maintenance and Repair Services - Equipment		5,699	
Travel		6,148	
Disposal Fees		20,305	
Other Contracted Services		12,179	
Food Supplies		1,312,936	
Office Supplies		999	
USDA - Commodities		206,991	
Other Supplies and Materials		34,886	
In Service/Staff Development		8,593	
Other Charges		878	
Total Food Service			\$ 2,901,259

Total Central Cafeteria Fund \$ 2,901,259

Total Governmental Funds - Franklin County School Department \$ 49,400,665

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, 2014

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,373,264
Total Cash Receipts	<u>\$ 3,373,264</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,339,543
Trustee's Commission	<u>33,721</u>
Total Cash Disbursements	<u>\$ 3,373,264</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2013	<u>0</u>
 Cash Balance, June 30, 2014	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
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**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***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2014, and the related notes to the financial statements, which collectively comprise Franklin County's basic financial statements, and have issued our report thereon dated November 26, 2014. Our report includes a reference to other auditors who audited the financial statements of the Franklin County Emergency Communications District, as described in our report on Franklin County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Franklin County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Franklin County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to

prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency: 2014-003.

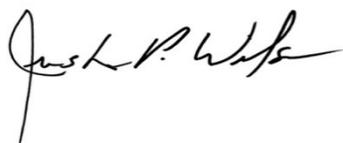
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2014-001, 2014-002, and 2014-004.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Franklin County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 26, 2014

JPW/kp



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Franklin County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Franklin County's major federal programs for the year ended June 30, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Franklin County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Franklin County's compliance.

Opinion on Each Major Federal Program

In our opinion, Franklin County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Franklin County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Franklin County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we

consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2014, and the related notes to the financial statements, which collectively comprise Franklin County's basic financial statements. We issued our report thereon dated November 26, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 26, 2014

JPW/kp

Franklin County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2014

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	\$ 206,991 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	468,781
National School Lunch Program	10.555	N/A	1,466,586 (3)
Fresh Fruit and Vegetable Program	10.582	(2)	28,184
Total U.S. Department of Agriculture			<u>\$ 2,170,542</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program	12.UNKNOWN	N/A	\$ 304,904
Total U.S. Department of Defense			<u>\$ 304,904</u>
U.S. Department of Justice:			
Direct Programs:			
Second Chance Act Prisoner Reentry Initiative	16.812	N/A	\$ 640,142
Equitable Sharing Program	16.922	N/A	48,786
Total U.S. Department of Justice			<u>\$ 688,928</u>
U.S. Department of Labor:			
Passed-through Workforce Solutions:			
WIA Youth Activities	17.259	(2)	\$ 52,620
Total U.S. Department of Labor			<u>\$ 52,620</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(4)	\$ 32,722
Total U.S. Department of Transportation			<u>\$ 32,722</u>
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State			
Grants to States	45.310	N/A	\$ 1,419
Total Institute of Museum and Library Services:			<u>\$ 1,419</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,298,409
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,452,405
Special Education - Preschool Grants	84.173	N/A	104,769
Career and Technical Education - Basic Grants to States	84.048	N/A	85,518
Improving Teacher Quality State Grants	84.367	(2)	268,762
Education Jobs Fund	84.410	(2)	111,938
Race-to-the-Top	84.413	(2)	11,181
Total U.S. Department of Education			<u>\$ 3,332,982</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State			
Help America Vote Act Requirements Payments	90.401	(2)	\$ 77,830
Total U.S. Election Assistance Commission			<u>\$ 77,830</u>
U.S. Department of Health and Human Services:			
Direct Programs:			
Drug-free Communities Support Program Grants	93.276	(2)	\$ 103,135
Passed-through State Department of Mental Health and Substance Abuse Services:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(5)	190,311
Total U.S. Department of Health and Human Services			<u>\$ 293,446</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(2)	\$ 36,350
Homeland Security Grant Program	97.067	(2)	44,049
Total U.S. Department of Homeland Security			\$ 80,399
Total Expenditures of Federal Awards			\$ 7,035,792

State Grants	Federal CFDA Number	Contract Number	Expenditures
Early Childhood Education - State Department of Education	N/A	(2)	\$ 1,132,051
Lifeline Peer Project - State Department of Mental Health and Substance Abuse Services	N/A	(2)	104,974
Student Tickets Subsidy Grant - State Arts Commission	N/A	(2)	3,035
ACT Explore/Plan Testing - State Department of Education	N/A	(2)	6,951
Safe and Supportive Schools Climate Grant - State Department of Education	N/A	(2)	30,474
Star Student Management System - State Department of Education	N/A	(2)	14,873
Family Resource Center - State Department of Education	N/A	(2)	29,612
Safe Schools - State Department of Education	N/A	(2)	31,200
Coordinated School Health - State Department of Education	N/A	(2)	124,797
State Computer HAVA Grant - State Division of Elections	N/A	(2)	77
Voting Equipment HAVA Grant - State Division of Elections	N/A	(2)	4,019
Direct Grants to Local Government Archives Program - State Library and Archives	N/A	(2)	1,922
Fair Merit Award - State Department of Agriculture	N/A	(2)	1,712
FastTrack Industrial Development Program - State Department of Economic and Community Development	N/A	(2)	191,402
Litter Program - State Department of Transportation	N/A	(2)	37,186
Rural Local Health Services - State Department of Health	N/A	(2)	139,140
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	15,912
Total State Grants			\$ 1,869,337

SUBRECIPIENTS

Program Title	Federal CFDA Number	Amount Provided to Subrecipient	Subrecipient
Second Chance Act Prisoner Reentry Initiative	16.812	\$ 640,142	Franklin County Community Reentry Program

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 \$1,673,577.
- (4) Z-13-GHS116: \$4,962; Z-13-GHS117: \$16,368; Z-14-GHS124: \$11,392.
- (5) GG1339198: \$83,982; (2) \$106,329.

Franklin County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2014

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, 2013, which have not been corrected.

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-002	172	The Extended School Program did not deposit some funds within three days of collection

OFFICE OF COUNTY CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-003	173	Duties were not segregated adequately

FRANKLIN COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Franklin County is unmodified.
2. The audit of the financial statements of Franklin County disclosed a significant deficiency in internal control. This deficiency was not 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 unmodified 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) and the Section 1033 Excess Property Program (CFDA No. 12.UNKNOWN) 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 qualified 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 2014-001

EXPENDITURES EXCEEDED APPROPRIATIONS IN ONE MAJOR CATEGORY OF THE GENERAL FUND (Noncompliance Under *Government Auditing Standards*)

General Fund expenditures exceeded appropriations approved by the County Commission in the Correctional Incentive Program Improvements major appropriation category (the legal level of control) by \$41,423. Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.” This deficiency exists because management failed to budget the proper amount for outstanding encumbrances on June 30, 2014.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2014-002

THE EXTENDED SCHOOL PROGRAM DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION (Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that Extended School Program funds were deposited with the county trustee within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected the month of October to examine receipts and deposits at seven schools. The program office did not deposit some funds with the county trustee within three days of collection in nine of 36 deposits made during the month. This deficiency exists because management failed to correct the finding noted in the prior-year audit report. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

RECOMMENDATION

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

OFFICE OF COUNTY CLERK

FINDING 2014-003

DUTIES WERE NOT SEGREGATED ADEQUATELY

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the official and employees in the Office of County Clerk. The official 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

The county clerk should segregate duties to the extent possible using available resources.

OFFICE OF CLERK AND MASTER

FINDING 2014-004

THE DOCKET TRIAL BALANCE DID NOT RECONCILE WITH GENERAL LEDGER ACCOUNTS

(Noncompliance Under *Government Auditing Standards*)

At June 30, 2014, the clerk and master had prepared a trial balance of execution docket cause balances as required by Section 18-2-103, *Tennessee Code Annotated (TCA)*. However, this trial balance did not reconcile with general ledger accounts by \$4,730. Therefore, we were unable to determine if the clerk and master had complied with provisions of the Unclaimed Property Act, Section 66-29-113, *TCA*. This statute provides that any funds held by the court for one year and unclaimed by the owner are considered abandoned. Section 66-29-113, *TCA*, further requires these funds to be reported and paid to the state Treasurer's Office. This deficiency exists due to the failure of management to identify all funds placed on deposit with the court.

RECOMMENDATION

The execution docket trial balance should be reconciled with general ledger accounts. Any funds held by the court for one year and unclaimed by the owner are considered abandoned

and should be reported and paid to the state Treasurer's Office in compliance with state statute.

**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, 2014**

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