

ANNUAL FINANCIAL REPORT
FRANKLIN COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015



DIVISION OF LOCAL GOVERNMENT AUDIT



**ANNUAL FINANCIAL REPORT
FRANKLIN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2015**

***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, 2015

Scope

We have audited the basic financial statements of Franklin County as of and for the year ended June 30, 2015.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF FINANCE DEPARTMENT

- ◆ A note was not issued in compliance with state statute.
-

OFFICE OF DIRECTOR OF SCHOOLS

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

OFFICE OF CLERK AND MASTER

- ◆ The office did not consistently review its software audit logs.
 - ◆ The docket trial balance did not reconcile with general ledger accounts.
-

OFFICE OF SHERIFF

- ◆ The office had deficiencies in cash collection procedures.
- ◆ The annual financial report was not accurate.

INTRODUCTORY SECTION

Franklin County Officials

June 30, 2015

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 | Johnny Hughes |
| Dale Amacher | Lisa Mason |
| Stanley Bean | Iris Rudder |
| Don Cofer | Dale Schultz |
| David Eldridge | Gene Snead |
| Barbara Finney | Helen Stapleton |
| Angie Fuller | Charles Stines |
| Douglas Goodman | Dave Van Buskirk |

Highway Commission

| | |
|-----------------------|-----------|
| Chuck Tipps, Chairman | Wade Hill |
| Bobby Clark | Joe McBee |

Board of Education

| | |
|--------------------------|----------------|
| Kevin Caroland, Chairman | Sara Liechty |
| Chris Guess | Adam Tucker |
| Gary Hanger | Clei Jo Walker |
| Christine Hopkins | 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
David Eldridge

Johnny Hughes
Iris Rudder
Dave Van Buskirk

Audit Committee

Glen Seaton, Chairman
Jackie Axt
Margaret Lynch

Glen Glasner
Ron Schlagheck

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. FRANKLIN 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, 2015, 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 3.5 percent, 5.2 percent, and 1.6 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have 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 reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted

in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2015, and the respective changes in financial position thereof 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. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to these matters.

Emphasis of Matter

We draw attention to Note I.D.10. to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position by \$752,643 and the discretely presented Franklin County School Department's net position by \$8,224,107 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to these matters.

We also draw attention to Note VI.H. to the financial statements, which describes a restatement decreasing the discretely presented Franklin County Emergency Communications District's beginning net position by \$40,204 on the Government-wide Statement of Activities. This restatement was necessary to reflect capital lease activity that was previously omitted. 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 schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefit plans on pages 86 - 92 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 February 2, 2016, 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

February 2, 2016

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Franklin County, Tennessee
Statement of Net Position
June 30, 2015

| | Primary Governmental Activities | Component Units | |
|--|---------------------------------------|--|---|
| | | Franklin County School Department | Franklin County Emergency Communications District |
| <u>ASSETS</u> | | | |
| Cash | \$ 2,355 | \$ 1,634 | \$ 2,164,904 |
| Equity in Pooled Cash and Investments | 16,981,820 | 9,384,168 | 0 |
| Accounts Receivable | 38,332 | 34,926 | 3,247 |
| Due from Primary Government | 0 | 1,581 | 0 |
| Due from Component Units | 506,411 | 0 | 0 |
| Due from Other Governments | 1,306,804 | 1,085,534 | 0 |
| Property Taxes Receivable | 13,669,169 | 9,564,143 | 0 |
| Allowance for Uncollectible Property Taxes | (527,331) | (367,122) | 0 |
| Prepaid Items | 46,740 | 5,211 | 2,000 |
| Net Pension Asset - Agent Plan | 185,592 | 295,217 | 0 |
| Net Pension Asset - Cost-sharing Plan | 0 | 86,767 | 0 |
| Capital Assets: | | | |
| Assets Not Depreciated: | | | |
| Land | 28,294,836 | 5,426,186 | 0 |
| Construction in Progress | 132,018 | 0 | 74,883 |
| Assets Net of Accumulated Depreciation: | | | |
| Buildings and Improvements | 12,270,462 | 33,783,861 | 0 |
| Other Capital Assets | 11,517,870 | 3,185,074 | 19,663 |
| Infrastructure | 2,812,158 | 0 | 0 |
| Total Assets | <u>\$ 87,237,236</u> | <u>\$ 62,487,180</u> | <u>\$ 2,264,697</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | |
| Deferred Charge on Refunding | \$ 363,053 | \$ 0 | \$ 0 |
| Pension Changes in Experience | 0 | 210,649 | 0 |
| Pension Contributions After Measurement Date | 973,133 | 2,614,550 | 0 |
| Total Deferred Outflows of Resources | <u>\$ 1,336,186</u> | <u>\$ 2,825,199</u> | <u>\$ 0</u> |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 73,747 | \$ 109,195 | \$ 2,900 |
| Accrued Payroll | 237,601 | 58,583 | 0 |
| Payroll Deductions Payable | 100,976 | 0 | 0 |
| Due to Primary Government | 0 | 506,411 | 0 |
| Due to Component Units | 1,581 | 0 | 0 |
| Due to State of Tennessee | 4,602 | 0 | 0 |
| Accrued Interest Payable | 188,343 | 0 | 0 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 5,025,887 | 215,506 | 0 |
| Due in More Than One Year (net of unamortized premium on debt) | 22,346,268 | 5,342,026 | 0 |
| Total Liabilities | <u>\$ 27,979,005</u> | <u>\$ 6,231,721</u> | <u>\$ 2,900</u> |

(Continued)

Exhibit A

Franklin County, Tennessee
Statement of Net Position (Cont.)

| | Primary Government Governmental Activities | Component Units | |
|---|---|--|---|
| | | Franklin County School Department | Franklin County Emergency Communications District |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred Current Property Taxes | \$ 12,742,361 | \$ 8,930,911 | \$ 0 |
| Pension Changes in Experience | 220,514 | 350,765 | 0 |
| Pension Changes in Investment Earnings | 912,043 | 8,599,810 | 0 |
| Pension Other Deferrals | 0 | 86,446 | 0 |
| Total Deferred Inflows of Resources | <u>\$ 13,874,918</u> | <u>\$ 17,967,932</u> | <u>\$ 0</u> |
| <u>NET POSITION</u> | | | |
| Net Investment in Capital Assets | \$ 44,965,038 | \$ 42,395,121 | \$ 94,546 |
| Restricted for: | | | |
| General Government | 44,701 | 0 | 0 |
| Finance | 9,756 | 0 | 0 |
| Public Safety | 175,394 | 0 | 0 |
| Public Health and Welfare | 114,153 | 0 | 0 |
| Social, Cultural, and Recreational Services | 220,906 | 0 | 0 |
| Highways/Public Works | 3,461,375 | 0 | 0 |
| Debt Service | 5,082,535 | 0 | 0 |
| Education | 0 | 842,556 | 0 |
| Other Purposes | 185,592 | 0 | 0 |
| Unrestricted | <u>(7,539,951)</u> | <u>(2,124,951)</u> | <u>2,167,251</u> |
| Total Net Position | <u>\$ 46,719,499</u> | <u>\$ 41,112,726</u> | <u>\$ 2,261,797</u> |

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

Exhibit B

Franklin County, Tennessee
Statement of Activities
For the Year Ended June 30, 2015

| Functions/Programs | | | | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|----------------------|----------------------------|---|---|--|---|---|--|
| | Program Revenues | | | | Primary Governmental Total Activities | Component Units | | |
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | | Franklin County School Department | Franklin County Emergency Communications District | |
| Primary Government: | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General Government | \$ 4,103,458 | \$ 341,796 | \$ 84,077 | \$ 443,117 | \$ (3,234,468) | \$ 0 | \$ 0 | |
| Finance | 1,806,914 | 1,031,779 | 8,776 | 0 | (766,359) | 0 | 0 | |
| Administration of Justice | 1,635,421 | 1,108,830 | 9,000 | 0 | (517,591) | 0 | 0 | |
| Public Safety | 7,400,915 | 974,754 | 1,135,268 | 0 | (5,290,893) | 0 | 0 | |
| Public Health and Welfare | 1,850,025 | 175,722 | 236,903 | 25,000 | (1,412,400) | 0 | 0 | |
| Social, Cultural, and Recreational Services | 455,671 | 14,829 | 130,384 | 2,076 | (308,382) | 0 | 0 | |
| Agriculture and Natural Resources | 149,579 | 0 | 0 | 0 | (149,579) | 0 | 0 | |
| Highways/Public Works | 2,979,866 | 1,965 | 1,973,508 | 341,891 | (662,502) | 0 | 0 | |
| Education | 0 | 0 | 0 | 529,405 | 529,405 | 0 | 0 | |
| Interest on Long-term Debt | 813,789 | 0 | 0 | 0 | (813,789) | 0 | 0 | |
| Total Primary Government | \$ 21,195,638 | \$ 3,649,675 | \$ 3,577,916 | \$ 1,341,489 | \$ (12,626,558) | \$ 0 | \$ 0 | |
| Component Units: | | | | | | | | |
| Franklin County School Department | \$ 46,965,234 | \$ 1,231,955 | \$ 6,057,323 | \$ 0 | \$ 0 | \$ (39,675,956) | \$ 0 | |
| Franklin County Emergency Communications District | 338,396 | 153,671 | 236,811 | 318,604 | 0 | 0 | 370,690 | |
| Total Component Units | \$ 47,303,630 | \$ 1,385,626 | \$ 6,294,134 | \$ 318,604 | \$ 0 | \$ (39,675,956) | \$ 370,690 | |

(Continued)

Exhibit B

Franklin County, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|----------|----------------------------|---|---|--|--|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Governmental Total Governmental Activities | Component Units | |
| | | | | | | Franklin County School Department | Franklin County Emergency Communications District |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes Levied for General Purposes | | | | | \$ 11,211,234 | \$ 9,728,343 | \$ 0 |
| Property Taxes Levied for Debt Service | | | | | 2,659,754 | 0 | 0 |
| Local Option Sales Taxes | | | | | 1,064,479 | 3,929,522 | 0 |
| Hotel/Motel Tax | | | | | 212,104 | 0 | 0 |
| Litigation Tax - General | | | | | 193,699 | 0 | 0 |
| Litigation Tax - Jail, Workhouse, or Courthouse | | | | | 155,890 | 0 | 0 |
| Mixed Drink Tax | | | | | 32,230 | 0 | 0 |
| Business Tax | | | | | 349,328 | 0 | 0 |
| Mineral Severance Tax | | | | | 42,916 | 0 | 0 |
| Wholesale Beer Tax | | | | | 214,578 | 0 | 0 |
| Other Local Taxes | | | | | 2,627 | 17,091 | 0 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 2,089,152 | 27,436,683 | 49,138 |
| Unrestricted Investment Earnings | | | | | 68,817 | 8,451 | 9,267 |
| Miscellaneous | | | | | 156,359 | 68,401 | 0 |
| Sale of Assets/Equipment | | | | | 4,349 | 0 | 0 |
| Pension Income | | | | | 0 | 88,822 | 0 |
| Total General Revenues | | | | | \$ 18,457,516 | \$ 41,277,313 | \$ 58,405 |
| Change in Net Position | | | | | | | |
| Change in Net Position | | | | | \$ 5,830,958 | \$ 1,601,357 | \$ 429,095 |
| Net Position, July 1, 2014 | | | | | 41,641,184 | 47,735,476 | 1,872,906 |
| Restatement - See Note I.D.10 | | | | | (752,643) | (8,224,107) | 0 |
| Restatement - See Note VI.H | | | | | 0 | 0 | (40,204) |
| Net Position, June 30, 2015 | | | | | \$ 46,719,499 | \$ 41,112,726 | \$ 2,261,797 |

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, 2015

| | Major Funds | | | Nonmajor Funds | Total |
|--|------------------------------|------------------------------|-------------------------------------|-----------------------|-----------------------|
| | Highway / Public Works | Education Debt Service | Other Govern- mental Funds | Governmental Funds | Governmental Funds |
| <u>ASSETS</u> | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 0 | \$ 2,355 | \$ 2,355 |
| Equity in Pooled Cash and Investments | 8,422,063 | 1,114,402 | 3,248,257 | 4,197,098 | 16,981,820 |
| Accounts Receivable | 33,587 | 496 | 5 | 4,244 | 38,332 |
| Due from Other Governments | 511,222 | 369,716 | 425,454 | 412 | 1,306,804 |
| Due from Other Funds | 2,776 | 0 | 0 | 152,600 | 155,376 |
| Property Taxes Receivable | 8,857,027 | 563,015 | 1,520,775 | 2,728,352 | 13,669,169 |
| Allowance for Uncollectible Property Taxes | (340,055) | (21,613) | (58,409) | (107,254) | (527,331) |
| Prepaid Items | 44,701 | 999 | 0 | 1,040 | 46,740 |
| Total Assets | \$ 17,531,321 | \$ 2,027,015 | \$ 5,136,082 | \$ 6,978,847 | \$ 31,673,265 |
| <u>LIABILITIES</u> | | | | | |
| Accounts Payable | \$ 53,325 | \$ 18,562 | \$ 0 | \$ 1,860 | \$ 73,747 |
| Accrued Payroll | 211,774 | 4,257 | 0 | 21,570 | 237,601 |
| Payroll Deductions Payable | 89,900 | 4,221 | 0 | 6,855 | 100,976 |
| Due to Other Funds | 0 | 0 | 0 | 155,376 | 155,376 |
| Due to Component Units | 1,581 | 0 | 0 | 0 | 1,581 |
| Due to State of Tennessee | 3,528 | 0 | 0 | 1,074 | 4,602 |
| Total Liabilities | \$ 360,108 | \$ 27,040 | \$ 0 | \$ 186,735 | \$ 573,883 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | |
| Deferred Current Property Taxes | \$ 8,270,613 | \$ 525,738 | \$ 1,420,086 | \$ 2,525,924 | \$ 12,742,361 |
| Deferred Delinquent Property Taxes | 227,146 | 14,420 | 39,118 | 88,632 | 369,316 |
| Other Deferred/Unavailable Revenue | 30,200 | 182,468 | 0 | 0 | 212,668 |
| Total Deferred Inflows of Resources | \$ 8,527,959 | \$ 722,626 | \$ 1,459,204 | \$ 2,614,556 | \$ 13,324,345 |

(Continued)

Exhibit C-1

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

| | Major Funds | | | Nonmajor Funds | Total |
|---|------------------------------|------------------------------|-------------------------------------|-----------------------|-----------------------|
| | Highway / Public Works | Education Debt Service | Other Govern- mental Funds | Governmental Funds | Governmental Funds |
| | General | | | | |
| <u>FUND BALANCES</u> | | | | | |
| Nonspendable: | | | | | |
| Prepaid Items | \$ 44,701 | \$ 0 | \$ 0 | \$ 1,000 | \$ 45,701 |
| Restricted: | | | | | |
| Restricted for Finance | 9,756 | 0 | 0 | 0 | 9,756 |
| Restricted for Public Safety | 0 | 0 | 0 | 175,394 | 175,394 |
| Restricted for Public Health and Welfare | 0 | 0 | 0 | 114,153 | 114,153 |
| Restricted for Social, Cultural, and Recreational Services | 0 | 0 | 0 | 220,906 | 220,906 |
| Restricted for Highways/Public Works | 0 | 1,229,339 | 0 | 2,268,919 | 3,498,258 |
| Restricted for Debt Service | 0 | 0 | 3,676,878 | 1,157,430 | 4,834,308 |
| Committed: | | | | | |
| Committed for Public Safety | 0 | 0 | 0 | 33,746 | 33,746 |
| Committed for Public Health and Welfare | 0 | 0 | 0 | 26,777 | 26,777 |
| Committed for Social, Cultural, and Recreational Services | 0 | 0 | 0 | 33,009 | 33,009 |
| Committed for Other Purposes | 5,000,000 | 0 | 0 | 0 | 5,000,000 |
| Assigned: | | | | | |
| Assigned for General Government | 462,479 | 0 | 0 | 0 | 462,479 |
| Assigned for Finance | 3,053 | 0 | 0 | 0 | 3,053 |
| Assigned for Administration of Justice | 1,594 | 0 | 0 | 0 | 1,594 |
| Assigned for Public Safety | 66,421 | 0 | 0 | 28,547 | 94,968 |
| Assigned for Public Health and Welfare | 12,953 | 0 | 0 | 114,239 | 127,192 |
| Assigned for Social, Cultural, and Recreational Services | 6,991 | 0 | 0 | 3,436 | 10,427 |
| Assigned for Agriculture and Natural Resources | 222 | 0 | 0 | 0 | 222 |
| Assigned for Other Operations | 324,861 | 0 | 0 | 0 | 324,861 |
| Assigned for Highways/Public Works | 0 | 48,010 | 0 | 0 | 48,010 |
| Assigned for Capital Projects | 5,900 | 0 | 0 | 0 | 5,900 |
| Unassigned | 2,704,323 | 0 | 0 | 0 | 2,704,323 |
| Total Fund Balances | \$ 8,643,254 | \$ 1,277,349 | \$ 3,676,878 | \$ 4,177,556 | \$ 17,775,037 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 17,531,321 | \$ 2,027,015 | \$ 5,136,082 | \$ 6,978,847 | \$ 31,673,265 |

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, 2015

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) | | \$ 17,775,037 |
| | | |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds | | |
| Add: land | \$ 28,294,836 | |
| Add: construction in progress | 132,018 | |
| Add: buildings and improvements net of accumulated depreciation | 12,270,462 | |
| Add: infrastructure net of accumulated depreciation | 11,517,870 | |
| Add: other capital assets net of accumulated depreciation | <u>2,812,158</u> | 55,027,344 |
| | | |
| (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 | \$ (4,040,006) | |
| Less: capital leases payable | (651,096) | |
| Less: bonds payable | (19,217,845) | |
| Add: debt to be contributed by the School Department | 506,411 | |
| Less: compensated absences payable | (683,595) | |
| Less: landfill closure/postclosure care costs | (324,910) | |
| Less: accrued interest on bonds, notes, and capital leases | (188,343) | |
| Less: other deferred revenue - premium on debt | (100,788) | |
| Less: other postemployment benefits liability | (2,353,915) | |
| Add: deferred amount on refunding | <u>363,053</u> | (26,691,034) |
| | | |
| (3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years: | | |
| Add: deferred outflows of resources related to pensions | \$ 973,133 | |
| Less: deferred inflows of resources related to pensions | <u>(1,132,557)</u> | (159,424) |
| | | |
| (4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds. | | 185,592 |
| | | |
| (5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | <u>581,984</u> |
| Net position of governmental activities (Exhibit A) | | <u>\$ 46,719,499</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, 2015

| | Major Funds | | | Nonmajor Funds | Total Governmental Funds |
|---|----------------------|------------------------------|------------------------------|-------------------------------------|--------------------------------|
| | General | Highway / Public Works | Education Debt Service | Other Govern- mental Funds | |
| <u>Revenues</u> | | | | | |
| Local Taxes | \$ 9,831,124 | \$ 623,825 | \$ 3,231,598 | \$ 3,229,650 | \$ 16,916,197 |
| Licenses and Permits | 72,118 | 2,940 | 7,958 | 37,916 | 120,932 |
| Fines, Forfeitures, and Penalties | 204,394 | 0 | 0 | 47,794 | 252,188 |
| Charges for Current Services | 335,457 | 2,015 | 0 | 57,362 | 394,834 |
| Other Local Revenues | 124,608 | 7,188 | 0 | 210,250 | 342,046 |
| Fees Received from County Officials | 1,835,430 | 0 | 0 | 0 | 1,835,430 |
| State of Tennessee | 2,733,144 | 2,297,389 | 0 | 15,270 | 5,045,803 |
| Federal Government | 1,143,201 | 0 | 0 | 8,909 | 1,152,110 |
| Other Governments and Citizens Groups | 481,762 | 0 | 738,574 | 29,840 | 1,250,176 |
| Total Revenues | \$ 16,761,238 | \$ 2,933,357 | \$ 3,978,130 | \$ 3,636,991 | \$ 27,309,716 |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| General Government | \$ 2,548,436 | \$ 0 | \$ 0 | \$ 61 | \$ 2,548,497 |
| Finance | 1,958,998 | 0 | 0 | 0 | 1,958,998 |
| Administration of Justice | 1,772,329 | 0 | 0 | 28 | 1,772,357 |
| Public Safety | 6,956,907 | 0 | 0 | 593,261 | 7,550,168 |
| Public Health and Welfare | 592,382 | 0 | 0 | 1,142,447 | 1,734,829 |
| Social, Cultural, and Recreational Services | 155,425 | 0 | 0 | 254,470 | 409,895 |
| Agriculture and Natural Resources | 139,893 | 0 | 0 | 0 | 139,893 |
| Other Operations | 1,334,860 | 0 | 0 | 129,735 | 1,464,595 |
| Highways | 0 | 2,983,959 | 0 | 0 | 2,983,959 |
| Debt Service: | | | | | |
| Principal on Debt | 0 | 39,414 | 2,850,069 | 941,602 | 3,831,085 |
| Interest on Debt | 0 | 7,139 | 495,952 | 323,641 | 826,732 |
| Other Debt Service | 0 | 0 | 49,941 | 26,162 | 76,103 |

(Continued)

Exhibit C-3

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

| | Major Funds | | | Nonmajor Funds | Total |
|--|---------------|------------------------------|------------------------------|-------------------------------------|-----------------------|
| | General | Highway / Public Works | Education Debt Service | Other Govern- mental Funds | Governmental Funds |
| <u>Expenditures (Cont.)</u> | | | | | |
| Capital Projects | \$ 255,235 | \$ 0 | \$ 0 | \$ 815,249 | \$ 1,070,484 |
| Total Expenditures | \$ 15,714,465 | \$ 3,030,512 | \$ 3,395,962 | \$ 4,226,656 | \$ 26,367,595 |
| <u>Excess (Deficiency) of Revenues</u> | | | | | |
| Over Expenditures | \$ 1,046,773 | \$ (97,155) | \$ 582,168 | \$ (589,665) | \$ 942,121 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Notes Issued | \$ 3,000,000 | \$ 0 | \$ 0 | \$ 0 | \$ 3,000,000 |
| Proceeds from Sale of Capital Assets | 91,275 | 0 | 0 | 0 | 91,275 |
| Transfers In | 10,606 | 6,880 | 0 | 3,152,600 | 3,170,086 |
| Transfers Out | (3,006,880) | (3,803) | 0 | (159,403) | (3,170,086) |
| Total Other Financing Sources (Uses) | \$ 95,001 | \$ 3,077 | \$ 0 | \$ 2,993,197 | \$ 3,091,275 |
| <u>Net Change in Fund Balances</u> | | | | | |
| Fund Balance, July 1, 2014 | \$ 1,141,774 | \$ (94,078) | \$ 582,168 | \$ 2,403,532 | \$ 4,033,396 |
| Fund Balance, July 1, 2014 | 7,501,480 | 1,371,427 | 3,094,710 | 1,774,024 | 13,741,641 |
| Fund Balance, June 30, 2015 | \$ 8,643,254 | \$ 1,277,349 | \$ 3,676,878 | \$ 4,177,556 | \$ 17,775,037 |

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, 2015

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) | | \$ 4,033,396 |
| | | |
| (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 | \$ 2,704,503 | |
| Less: current-year depreciation expense | <u>(2,038,844)</u> | 665,659 |
| | | |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position. | | |
| Less: book value of capital assets disposed | | (129,352) |
| | | |
| (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, 2015 | \$ 581,984 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2014 | <u>(697,737)</u> | (115,753) |
| | | |
| (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 | \$ (3,000,000) | |
| Less: change in deferred amount on refunding debt | (54,522) | |
| Add: change in premium on debt issuance | 45,810 | |
| Less: contributions from the School Department for capital leases | (209,169) | |
| Add: principal payments on notes | 140,014 | |
| Add: principal payments on capital leases | 302,541 | |
| Add: principal payments on bonds | <u>3,454,948</u> | 679,622 |
| | | |
| (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 | \$ 12,943 | |
| Change in net pension liability/asset | 938,235 | |
| Change in deferred outflows related to pensions | 973,133 | |
| Change in deferred inflows related to pensions | (1,132,557) | |
| Change in compensated absences payable | 34,183 | |
| Change in other postemployment benefits liability | (130,442) | |
| Change in landfill closure/postclosure care costs | <u>1,891</u> | <u>697,386</u> |
| | | |
| Change in net position of governmental activities (Exhibit B) | | <u>\$ 5,830,958</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, 2015

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|----------------------|----------------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 9,831,124 | \$ 0 | \$ 0 | \$ 9,831,124 | \$ 9,802,636 | \$ 9,875,617 | \$ (44,493) |
| Licenses and Permits | 72,118 | 0 | 0 | 72,118 | 74,000 | 78,000 | (5,882) |
| Fines, Forfeitures, and Penalties | 204,394 | 0 | 0 | 204,394 | 201,574 | 214,874 | (10,480) |
| Charges for Current Services | 335,457 | 0 | 0 | 335,457 | 251,875 | 321,083 | 14,374 |
| Other Local Revenues | 124,608 | 0 | 0 | 124,608 | 87,500 | 130,656 | (6,048) |
| Fees Received from County Officials | 1,835,430 | 0 | 0 | 1,835,430 | 1,752,000 | 1,836,050 | (620) |
| State of Tennessee | 2,733,144 | 0 | 0 | 2,733,144 | 2,777,855 | 2,587,781 | 145,363 |
| Federal Government | 1,143,201 | 0 | 0 | 1,143,201 | 1,544,879 | 2,051,135 | (907,934) |
| Other Governments and Citizens Groups | 481,762 | 0 | 0 | 481,762 | 379,306 | 555,053 | (73,291) |
| Total Revenues | \$ 16,761,238 | \$ 0 | \$ 0 | \$ 16,761,238 | \$ 16,871,625 | \$ 17,650,249 | \$ (889,011) |
| <u>Expenditures</u> | | | | | | | |
| <u>General Government</u> | | | | | | | |
| County Commission | \$ 322,859 | \$ (635) | \$ 4,088 | \$ 326,312 | \$ 297,251 | \$ 365,802 | \$ 39,490 |
| Beer Board | 256 | 0 | 344 | 600 | 1,300 | 1,300 | 700 |
| County Mayor/Executive | 155,097 | (298) | 106 | 154,905 | 156,421 | 156,421 | 1,516 |
| County Attorney | 9,600 | 0 | 0 | 9,600 | 10,225 | 10,225 | 625 |
| Election Commission | 237,281 | 0 | 1,095 | 238,376 | 262,140 | 262,141 | 23,765 |
| Register of Deeds | 306,974 | (7,453) | 7,961 | 307,482 | 324,324 | 324,324 | 16,842 |
| Planning | 142,252 | (940) | 456 | 141,768 | 148,400 | 148,401 | 6,633 |
| County Buildings | 1,301,663 | (57,816) | 375,717 | 1,619,564 | 1,544,729 | 1,822,923 | 203,359 |
| Other General Administration | 72,454 | 0 | 5,000 | 77,454 | 84,055 | 87,293 | 9,839 |
| <u>Finance</u> | | | | | | | |
| Property Assessor's Office | 431,685 | (20,483) | 423 | 411,625 | 493,730 | 494,229 | 82,604 |
| County Trustee's Office | 309,960 | 0 | 125 | 310,085 | 315,615 | 315,616 | 5,531 |
| County Clerk's Office | 552,981 | 0 | 1,934 | 554,915 | 554,100 | 569,759 | 14,844 |
| Other Finance | 664,372 | (5,942) | 570 | 659,000 | 685,838 | 685,838 | 26,838 |
| <u>Administration of Justice</u> | | | | | | | |
| Circuit Court | 877,239 | (197) | 854 | 877,896 | 910,583 | 910,583 | 32,687 |
| General Sessions Court | 284,881 | (210) | 0 | 284,671 | 301,045 | 299,345 | 14,674 |
| Drug Court | 58,981 | 0 | 0 | 58,981 | 59,532 | 59,532 | 551 |

(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 7/1/2014 | Add: Encumbrances 6/30/2015 | 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 | \$ 190,068 | \$ 0 | \$ 740 | \$ 190,808 | \$ 251,549 | \$ 251,550 | \$ 60,742 |
| Juvenile Court | 123,339 | 0 | 0 | 123,339 | 126,713 | 126,713 | 3,374 |
| Judicial Commissioners | 119,518 | 0 | 0 | 119,518 | 128,441 | 128,441 | 8,923 |
| Other Administration of Justice | 1,400 | 0 | 0 | 1,400 | 18,000 | 18,000 | 16,600 |
| Probation Services | 116,903 | 0 | 0 | 116,903 | 118,105 | 118,404 | 1,501 |
| <u>Public Safety</u> | | | | | | | |
| Sheriff's Department | 3,449,068 | (31,228) | 34,365 | 3,452,205 | 3,475,346 | 3,524,705 | 72,500 |
| Administration of the Sexual Offender Registry | 17,893 | 0 | 400 | 18,293 | 21,039 | 21,039 | 2,746 |
| Jail | 1,689,090 | (9,760) | 27,082 | 1,706,412 | 1,812,299 | 1,812,299 | 105,887 |
| Correctional Incentive Program Improvements | 691,132 | (64,159) | 0 | 626,973 | 790,090 | 730,140 | 103,167 |
| Juvenile Services | 19,182 | 0 | 400 | 19,582 | 23,000 | 23,000 | 3,418 |
| Civil Defense | 152,157 | (981) | 2,689 | 153,865 | 154,711 | 160,023 | 6,158 |
| Rescue Squad | 17,106 | 0 | 600 | 17,706 | 32,575 | 36,098 | 18,392 |
| Other Emergency Management | 819,851 | (1,796) | 886 | 818,941 | 864,493 | 864,492 | 45,551 |
| County Coroner/Medical Examiner | 30,301 | 0 | 0 | 30,301 | 32,350 | 32,350 | 2,049 |
| Public Safety Grants Program | 71,127 | (5,614) | 0 | 65,513 | 39,951 | 95,631 | 30,118 |
| <u>Public Health and Welfare</u> | | | | | | | |
| Local Health Center | 33,854 | 0 | 665 | 34,519 | 43,176 | 47,752 | 13,233 |
| Rabies and Animal Control | 222,476 | (4,484) | 6,089 | 224,081 | 238,238 | 238,337 | 14,256 |
| Other Local Health Services | 136,834 | (871) | 350 | 136,313 | 160,395 | 160,395 | 24,082 |
| Appropriation to State | 26,070 | 0 | 0 | 26,070 | 30,646 | 26,070 | 0 |
| General Welfare Assistance | 17,775 | 0 | 0 | 17,775 | 17,775 | 17,775 | 0 |
| Waste Pickup | 103,892 | (15,185) | 1,339 | 90,046 | 97,918 | 97,919 | 7,873 |
| Other Public Health and Welfare | 51,481 | (14,298) | 4,510 | 41,693 | 28,434 | 63,140 | 21,447 |
| <u>Social, Cultural, and Recreational Services</u> | | | | | | | |
| Senior Citizens Assistance | 110,522 | (10,091) | 5,171 | 105,602 | 140,350 | 130,350 | 24,748 |
| Parks and Fair Boards | 44,903 | (2,150) | 1,820 | 44,573 | 50,899 | 53,794 | 9,221 |
| <u>Agriculture and Natural Resources</u> | | | | | | | |
| Agricultural Extension Service | 75,418 | 0 | 0 | 75,418 | 103,209 | 103,209 | 27,791 |
| Soil Conservation | 64,475 | 0 | 222 | 64,697 | 81,274 | 81,273 | 16,576 |

(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 7/1/2014 | Add: Encumbrances 6/30/2015 | 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 | \$ 150,792 | \$ (108,006) | \$ 392 | \$ 43,178 | \$ 58,877 | \$ 135,127 | \$ 91,949 |
| Other Economic and Community Development | 494,403 | (40,534) | 0 | 453,869 | 600,180 | 851,189 | 397,320 |
| Veterans' Services | 22,636 | 0 | 0 | 22,636 | 23,718 | 23,718 | 1,082 |
| Other Charges | 667,029 | (204) | 0 | 666,825 | 766,902 | 766,902 | 100,077 |
| <u>Capital Projects</u> | | | | | | | |
| Other General Government Projects | 255,235 | (169,265) | 5,900 | 91,870 | 78,000 | 164,000 | 72,130 |
| Total Expenditures | \$ 15,714,465 | \$ (572,600) | \$ 492,293 | \$ 15,634,158 | \$ 16,557,941 | \$ 17,417,567 | \$ 1,783,409 |
| Excess (Deficiency) of Revenues | | | | | | | |
| Over Expenditures | \$ 1,046,773 | \$ 572,600 | \$ (492,293) | \$ 1,127,080 | \$ 313,684 | \$ 232,682 | \$ 894,398 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Notes Issued | \$ 3,000,000 | \$ 0 | \$ 0 | \$ 3,000,000 | \$ 3,000,000 | \$ 3,000,000 | \$ 0 |
| Proceeds from Sale of Capital Assets | 91,275 | 0 | 0 | 91,275 | 0 | 91,275 | 0 |
| Transfers In | 10,606 | 0 | 0 | 10,606 | 110,606 | 10,606 | 0 |
| Transfers Out | (3,006,880) | 0 | 0 | (3,006,880) | (3,115,000) | (3,015,000) | 8,120 |
| Total Other Financing Sources | \$ 95,001 | \$ 0 | \$ 0 | \$ 95,001 | \$ (4,394) | \$ 86,881 | \$ 8,120 |
| Net Change in Fund Balance | | | | | | | |
| Fund Balance, July 1, 2014 | \$ 1,141,774 | \$ 572,600 | \$ (492,293) | \$ 1,222,081 | \$ 309,290 | \$ 319,563 | \$ 902,518 |
| Fund Balance, June 30, 2015 | 7,501,480 | (572,600) | 0 | 6,928,880 | 5,991,832 | 5,991,832 | 937,048 |
| Fund Balance, June 30, 2015 | \$ 8,643,254 | \$ 0 | \$ (492,293) | \$ 8,150,961 | \$ 6,301,122 | \$ 6,311,395 | \$ 1,839,566 |

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, 2015

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|---------------------|---------------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 623,825 | \$ 0 | \$ 0 | \$ 623,825 | \$ 616,712 | \$ 624,656 | \$ (831) |
| Licenses and Permits | 2,940 | 0 | 0 | 2,940 | 2,300 | 2,300 | 640 |
| Charges for Current Services | 2,015 | 0 | 0 | 2,015 | 1,500 | 1,500 | 515 |
| Other Local Revenues | 7,188 | 0 | 0 | 7,188 | 13,600 | 19,732 | (12,544) |
| State of Tennessee | 2,297,389 | 0 | 0 | 2,297,389 | 2,275,142 | 2,316,497 | (19,108) |
| Total Revenues | \$ 2,933,357 | \$ 0 | \$ 0 | \$ 2,933,357 | \$ 2,909,254 | \$ 2,964,685 | \$ (31,328) |
| <u>Expenditures</u> | | | | | | | |
| <u>Highways</u> | | | | | | | |
| Administration | \$ 311,131 | \$ 0 | \$ 65 | \$ 311,196 | \$ 329,848 | \$ 329,850 | \$ 18,654 |
| Highway and Bridge Maintenance | 741,835 | (9,998) | 6,797 | 738,634 | 811,703 | 781,206 | 42,572 |
| Operation and Maintenance of Equipment | 278,022 | (17,868) | 14,507 | 274,661 | 341,403 | 326,403 | 51,742 |
| Quarry Operations | 373,043 | (141,378) | 4,059 | 235,724 | 305,645 | 296,645 | 60,921 |
| Other Charges | 177,752 | (42) | 637 | 178,347 | 210,247 | 210,403 | 32,056 |
| Capital Outlay | 1,102,176 | (71,918) | 21,945 | 1,052,203 | 1,091,500 | 1,154,556 | 102,353 |
| <u>Principal on Debt</u> | | | | | | | |
| Highways and Streets | 39,414 | 0 | 0 | 39,414 | 39,415 | 39,415 | 1 |
| <u>Interest on Debt</u> | | | | | | | |
| Highways and Streets | 7,139 | 0 | 0 | 7,139 | 7,142 | 7,142 | 3 |
| Total Expenditures | \$ 3,030,512 | \$ (241,204) | \$ 48,010 | \$ 2,837,318 | \$ 3,136,903 | \$ 3,145,620 | \$ 308,302 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (97,155) | \$ 241,204 | \$ (48,010) | \$ 96,039 | \$ (227,649) | \$ (180,935) | \$ 276,974 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Transfers In | \$ 6,880 | \$ 0 | \$ 0 | \$ 6,880 | \$ 18,000 | \$ 28,000 | \$ (21,120) |
| Transfers Out | (3,803) | 0 | 0 | (3,803) | (3,803) | (3,803) | 0 |
| Total Other Financing Sources | \$ 3,077 | \$ 0 | \$ 0 | \$ 3,077 | \$ 14,197 | \$ 24,197 | \$ (21,120) |

(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 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|-----------------------------|---------------------------|-----------------------------------|-----------------------------------|---|-------------------|-------------------|--|
| | | | | | Original | Final | |
| Net Change in Fund Balance | \$ (94,078) | \$ 241,204 | \$ (48,010) | \$ 99,116 | \$ (213,452) | \$ (156,738) | \$ 255,854 |
| Fund Balance, July 1, 2014 | 1,371,427 | (241,204) | 0 | 1,130,223 | 1,149,640 | 1,149,640 | (19,417) |
| Fund Balance, June 30, 2015 | <u>\$ 1,277,349</u> | <u>\$ 0</u> | <u>\$ (48,010)</u> | <u>\$ 1,229,339</u> | <u>\$ 936,188</u> | <u>\$ 992,902</u> | <u>\$ 236,437</u> |

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

Exhibit D

Franklin County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2015

| | <u>Agency Funds</u> |
|-------------------------------------|----------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 1,657,032 |
| Due from Other Governments | <u>626,086</u> |
| Total Assets | <u><u>\$ 2,283,118</u></u> |
| <u>LIABILITIES</u> | |
| Due to Other Taxing Units | \$ 626,086 |
| Due to Litigants, Heirs, and Others | <u>1,657,032</u> |
| Total Liabilities | <u><u>\$ 2,283,118</u></u> |

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

FRANKLIN COUNTY, TENNESSEE
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FRANKLIN COUNTY, TENNESSEE
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FRANKLIN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

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, 2015.

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:

Capital Projects Fund – The Highway Capital Projects Fund is used to account for various road construction/repair projects within the county.

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. Deferred outflows of resources represent 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 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 items are for pension changes in experience, employer contributions made to the pension plan after the measurement date, and 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. Deferred inflows of resources represent 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 items are from the following sources: current and delinquent property taxes, pension changes in

experience, pension changes in investment earnings, changes in proportionate share of pension contributions, and various receivables for revenues 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.

On the government-wide Statement of Net Position (Exhibit A), the account Restricted for Other Purposes for the primary government consists of pension obligations.

As of June 30, 2015, Franklin County has \$13,857,111 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.

10. Restatement

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position. Therefore, a restatement to decrease Franklin County and the Franklin County School Department’s beginning net position has been recognized on the Statement of Activities by \$752,643 and \$8,224,107, respectively.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Franklin County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Franklin County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Franklin County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

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, and the Highway Capital Projects Fund, which adopts a project length budget. 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, 2015, Franklin County and the Franklin County School Department reported the following significant encumbrances:

| Funds | Description | Amount |
|------------------------|--------------------------------|------------|
| Primary Government | | |
| Major Funds: | | |
| General | Various Airport Projects | \$ 210,069 |
| " | Heating and Air System Upgrade | 24,764 |
| " | Courthouse Renovation Projects | 117,822 |
| " | Gasoline and Diesel | 31,986 |
| Highway/Public Works | Signs | 15,080 |
| " | Stripping | 3,000 |
| Nonmajor Funds: | | |
| Solid Waste/Sanitation | Garbage Hauling | 81,933 |
| " | Tire Disposal | 6,586 |
| " | Vehicle Repair | 6,000 |
| Local Purpose Tax | Annual Fire Service | 27,000 |
| School Department | | |
| Major Fund: | | |
| General Purpose School | Textbooks | 254,712 |
| " | Paper | 38,993 |
| " | Boiler Replacement | 37,800 |
| " | Bus | 103,990 |

B. Cash Shortage – Prior Year

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 stole scrap metal, which was the property of Franklin County and sold the metal for personal gain. On August 27, 2015, these two ex-employees pled guilty to theft of property under \$500, they were sentenced to 11 months 29 days supervised probation, 100 hours of public service, and a \$50 fine. The defendants paid their fines and court costs, but no restitution was granted to the county; therefore, this case is closed and no further payments will be collected by Franklin County.

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, 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, 2015, 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.

| <u>Investment</u> | <u>Weighted Average Maturity (days)</u> | <u>Maturities</u> | <u>Fair Value</u> |
|-----------------------------------|---|-------------------|-----------------------|
| State Treasurer's Investment Pool | 3 to 139 | N/A | \$ 58,521 |

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, 2015, 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, 2015, was as follows:

Primary Government

Governmental Activities:

| | <u>Balance 7-1-14</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance 6-30-15</u> |
|---|---------------------------|------------------|------------------|----------------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 28,423,988 | \$ 0 | \$ (129,152) | \$ 28,294,836 |
| Construction in Progress | 0 | 132,018 | 0 | 132,018 |
| Total Capital Assets Not Depreciated | \$ 28,423,988 | \$ 132,018 | \$ (129,152) | \$ 28,426,854 |

Governmental Activities (Cont.):

| | Balance 7-1-14 | Increases | Decreases | Balance 6-30-15 |
|--------------------------------|----------------------|---------------------|---------------------|----------------------|
| Capital Assets | | | | |
| Depreciated: | | | | |
| Buildings and | | | | |
| Improvements | \$ 19,021,695 | \$ 322,462 | \$ 0 | \$ 19,344,157 |
| Infrastructure | 39,771,115 | 1,513,655 | 0 | 41,284,770 |
| Other Capital Assets | 9,007,425 | 736,368 | (22,289) | 9,721,504 |
| Total Capital Assets | | | | |
| Depreciated | <u>\$ 67,800,235</u> | <u>\$ 2,572,485</u> | <u>\$ (22,289)</u> | <u>\$ 70,350,431</u> |
| Less Accumulated | | | | |
| Depreciated For: | | | | |
| Buildings and | | | | |
| Improvements | \$ 6,615,255 | \$ 458,440 | \$ 0 | \$ 7,073,695 |
| Infrastructure | 28,713,293 | 1,053,607 | 0 | 29,766,900 |
| Other Capital Assets | 6,404,638 | 526,797 | (22,089) | 6,909,346 |
| Total Accumulated | | | | |
| Depreciation | <u>\$ 41,733,186</u> | <u>\$ 2,038,844</u> | <u>\$ (22,089)</u> | <u>\$ 43,749,941</u> |
| Total Capital Assets | | | | |
| Depreciated, Net | <u>\$ 26,067,049</u> | <u>\$ 533,641</u> | <u>\$ (200)</u> | <u>\$ 26,600,490</u> |
| Governmental Activities | | | | |
| Capital Assets, Net | <u>\$ 54,491,037</u> | <u>\$ 665,659</u> | <u>\$ (129,352)</u> | <u>\$ 55,027,344</u> |

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

Governmental Activities:

| | |
|---|---------------------|
| General Government | \$ 269,294 |
| Finance | 7,451 |
| Administration of Justice | 6,051 |
| Public Safety | 469,711 |
| Public Health and Welfare | 90,611 |
| Social, Cultural, and Recreational Services | 26,760 |
| Agriculture and Natural Resources | 12,463 |
| Highways/Public Works | 1,156,503 |
| Total Depreciation Expense - | |
| Governmental Activities | <u>\$ 2,038,844</u> |

Discretely Presented Franklin County School Department

Governmental Activities:

| | Balance 7-1-14 | Increases | Decreases | Balance 6-30-15 |
|--|----------------------|-----------------------|---------------------|----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 5,426,186 | \$ 0 | \$ 0 | \$ 5,426,186 |
| Total Capital Assets Not Depreciated | <u>\$ 5,426,186</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 5,426,186</u> |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 60,098,099 | \$ 0 | \$ 0 | \$ 60,098,099 |
| Other Capital Assets | 8,215,511 | 684,766 | (244,067) | 8,656,210 |
| Total Capital Assets Depreciated | <u>\$ 68,313,610</u> | <u>\$ 684,766</u> | <u>\$ (244,067)</u> | <u>\$ 68,754,309</u> |
| Less Accumulated Depreciated For: | | | | |
| Buildings and Improvements | \$ 24,945,464 | \$ 1,368,774 | \$ 0 | \$ 26,314,238 |
| Other Capital Assets | 4,888,032 | 802,764 | (219,660) | 5,471,136 |
| Total Accumulated Depreciation | <u>\$ 29,833,496</u> | <u>\$ 2,171,538</u> | <u>\$ (219,660)</u> | <u>\$ 31,785,374</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 38,480,114</u> | <u>\$ (1,486,772)</u> | <u>\$ (24,407)</u> | <u>\$ 36,968,935</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 43,906,300</u> | <u>\$ (1,486,772)</u> | <u>\$ (24,407)</u> | <u>\$ 42,395,121</u> |

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

Governmental Activities:

| | |
|---|---------------------|
| Instruction | \$ 1,672,095 |
| Support Services | 271,413 |
| Operation of Non-instructional Services | <u>228,030</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 2,171,538</u> |

C. Construction Commitments

At June 30, 2015, the county had uncompleted construction contracts of approximately \$117,822 for courthouse renovation projects and approximately \$100,000 for airport renovation projects. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, was as follows:

Due to/from Other Funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------|---------------|
| Primary Government: | | |
| General | Nonmajor governmental | \$ 2,776 |
| Nonmajor governmental | " | 152,600 |

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 Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|--|---|---------------|
| Primary Government: | | |
| Nonmajor governmental | Component Unit: School Department: General Purpose School | \$ 506,411 |
| Component Unit: | | |
| School Department: General Purpose School | Primary Government: General | 1,581 |

The Due to Primary Government (\$506,411) consists of the balance of a capital lease issued by the county for the School Department. The School Department has agreed to contribute the funds annually to the county's General Debt Service Fund to retire this lease. This long-term obligation is reflected in the governmental activities on the Statement of Net Position. The Due to Component Unit (\$1,581) represents reimbursement for various expenditures from the General Fund to the General Purpose School Fund.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2015, consisted of the following amounts:

Primary Government

| Transfers Out | Transfers In | | |
|-----------------------------|------------------|-------------------------------|-----------------------------------|
| | General Fund | Highway/ Public Works Fund | Nonmajor Governmental Funds |
| General Fund | \$ 0 | \$ 6,880 | \$ 3,000,000 |
| Highway/Public Works Fund | 3,803 | 0 | 0 |
| Nonmajor governmental funds | 6,803 | 0 | 152,600 |
| Total | <u>\$ 10,606</u> | <u>\$ 6,880</u> | <u>\$ 3,152,600</u> |

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

E. 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 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

| Asset | Governmental Activities |
|--------------------------------|----------------------------|
| Machinery and Equipment | \$ 308,473 |
| Less: Accumulated Depreciation | <u>(60,390)</u> |
| Total Book Value | <u><u>\$ 248,083</u></u> |

Discretely Presented Franklin County School Department

| Asset | Governmental Activities |
|--------------------------------|----------------------------|
| Machinery and Equipment | \$ 1,468,551 |
| Less: Accumulated Depreciation | <u>(330,424)</u> |
| Total Book Value | <u><u>\$ 1,138,127</u></u> |

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2015, were as follows:

| Year Ending June 30 | Governmental Funds |
|---|--------------------------|
| 2016 | \$ 218,355 |
| 2017 | 197,513 |
| 2018 | 143,976 |
| 2019 | 73,773 |
| 2020 | <u>73,773</u> |
| Total Minimum Lease Payments | \$ 707,390 |
| Less: Amount Representing Interest | <u>(56,294)</u> |
| Present Value of Minimum Lease Payments | <u><u>\$ 651,096</u></u> |

F. 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, 2015, for governmental activities are as follows:

| Type | Interest Rate | Final Maturity | Original Amount of Issue | Balance 6-30-15 |
|--------------------------------------|---------------|----------------|--------------------------|-----------------|
| General Obligation Bonds | 2.5 to 5 % | 5-21-48 | \$ 10,878,000 | \$ 7,512,845 |
| General Obligation Bonds - Refunding | 1.23 to 3.75 | 6-1-21 | 22,730,000 | 11,705,000 |
| Capital Outlay Notes | 2.33 to 4.875 | 2-1-23 | 4,449,666 | 4,040,006 |
| Capital Leases | 0 to 5 | 4-1-20 | 1,777,024 | 651,096 |

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2015, including interest payments, are presented in the following tables:

| Year Ending June 30 | Bonds | | |
|------------------------|----------------------|---------------------|----------------------|
| | Principal | Interest | Total |
| 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 |
| 2021-2025 | 4,598,045 | 567,325 | 5,165,370 |
| 2026-2030 | 168,966 | 225,259 | 394,225 |
| 2031-2035 | 206,812 | 187,413 | 394,225 |
| 2036-2040 | 253,134 | 141,091 | 394,225 |
| 2041-2045 | 309,830 | 84,395 | 394,225 |
| 2046-2048 | 218,274 | 18,254 | 236,528 |
| Total | <u>\$ 19,217,845</u> | <u>\$ 3,672,378</u> | <u>\$ 22,890,223</u> |

| Year Ending June 30 | Notes | | |
|------------------------|---------------------|-------------------|---------------------|
| | Principal | Interest | Total |
| 2016 | \$ 572,486 | \$ 106,437 | \$ 678,923 |
| 2017 | 576,389 | 93,471 | 669,860 |
| 2018 | 580,448 | 77,872 | 658,320 |
| 2019 | 584,689 | 62,090 | 646,779 |
| 2020 | 589,111 | 46,128 | 635,239 |
| 2021-2023 | 1,136,883 | 44,291 | 1,181,174 |
| Total | <u>\$ 4,040,006</u> | <u>\$ 430,289</u> | <u>\$ 4,470,295</u> |

There is \$1,133,734 available in the General Debt Service Fund and \$3,676,878 available in the Education Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and capital leases totaled \$582, 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 6-30-15 |
|---|------------------------|
| <u>Capital Leases</u> | |
| <u>Contributions from the General Purpose School Fund</u> | |
| Energy Efficient Lighting (State 1) | \$ 160,736 |
| Energy Efficient Lighting (State 2) | 20,747 |
| Energy Efficient Lighting (Excel) | <u>324,928</u> |
| Total | <u>\$ 506,411</u> |

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

| | Bonds | Notes | Capital Leases |
|-----------------------------|----------------------|---------------------|-------------------|
| Balance, July 1, 2014 | \$ 22,672,793 | \$ 1,180,020 | \$ 953,637 |
| Additions | 0 | 3,000,000 | 0 |
| Reductions | <u>(3,454,948)</u> | <u>(140,014)</u> | <u>(302,541)</u> |
| Balance, June 30, 2015 | <u>\$ 19,217,845</u> | <u>\$ 4,040,006</u> | <u>\$ 651,096</u> |
| Balance Due Within One Year | <u>\$ 3,565,771</u> | <u>\$ 572,486</u> | <u>\$ 197,185</u> |

| | Landfill Postclosure Care Costs | Other Postemployment Benefits | Compensated Absences |
|-----------------------------|---------------------------------------|-------------------------------------|-------------------------|
| Balance, July 1, 2014 | \$ 326,801 | \$ 2,223,473 | \$ 717,778 |
| Additions | 4,959 | 156,291 | 456,738 |
| Reductions | <u>(6,850)</u> | <u>(25,849)</u> | <u>(490,921)</u> |
| Balance, June 30, 2015 | <u>\$ 324,910</u> | <u>\$ 2,353,915</u> | <u>\$ 683,595</u> |
| Balance Due Within One Year | <u>\$ 6,850</u> | <u>\$ 0</u> | <u>\$ 683,595</u> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|----------------------|
| Total Noncurrent Liabilities, June 30, 2015 | \$ 27,271,367 |
| Less: Balance Due Within One Year | (5,025,887) |
| Add: Unamortized Premium on Debt | <u>100,788</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 22,346,268</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, 2015, was as follows:

Governmental Activities:

| | Compensated Absences | Other Postemployment Benefits |
|-----------------------------|-------------------------|-------------------------------------|
| Balance, July 1, 2014 | \$ 199,048 | \$ 4,805,773 |
| Additions | 165,032 | 1,035,952 |
| Reductions | (148,574) | (499,699) |
| Balance, June 30, 2015 | <u>\$ 215,506</u> | <u>\$ 5,342,026</u> |
| Balance Due Within One Year | <u>\$ 215,506</u> | <u>\$ 0</u> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|---------------------|
| Total Noncurrent Liabilities, June 30, 2015 | \$ 5,557,532 |
| Less: Balance Due Within One Year | <u>(215,506)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 5,342,026</u> |

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

G. On-Behalf Payments

Primary Government

The State of Tennessee pays health insurance premiums for retired employee's on-behalf of Franklin County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year

ended June 30, 2015, were \$2,350. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

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, 2015, were \$141,408 and \$44,875, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. 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. Short-term debt activity for the year ended June 30, 2015, was as follows:

| | Balance | | | Balance |
|---------------------------|---------|------------|--------------|---------|
| | 7-1-14 | Issued | Paid | 6-30-15 |
| 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, 2015, was as follows:

| | Balance | | | Balance |
|---------------------------|---------|------------|--------------|---------|
| | 7-1-14 | Issued | Paid | 6-30-15 |
| Revenue Anticipation Note | \$ 0 | \$ 100,000 | \$ (100,000) | \$ 0 |

V. OTHER INFORMATION

A. Risk Management

Franklin County 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. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to amounts of contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

C. Subsequent Events

On June 30, 2015, Dr. Rebecca Sharber left the Office of Director of Schools and was succeeded by Dr. Amie Lonas.

On July 21, 2015, 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 August 20, 2015, 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.

The county is involved in other pending lawsuits. Attorneys for the county and the School Department estimate that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

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 \$324,910 reported as landfill postclosure care liability at June 30, 2015, represents amounts based on what it would cost to perform all postclosure care in 2015. 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. On March 31, 2015, Giles County withdrew from the Interlocal Solid Waste Authority. 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, 2015.

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, 2015.

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

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Franklin County and non-certified employees of the discretely presented Franklin County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 38.6 percent and the non-certified employees of the discretely presented School Department comprise 61.4 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by

statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

| | |
|--|-------------------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 300 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 356 |
| Active Employees | <u>500</u> |
| Total | <u><u>1,156</u></u> |

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Franklin County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Franklin County were \$1,779,696 based on a rate of 13.18 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Franklin County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution and member contributions are expected to

finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Franklin County's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 3% |
| Salary Increases | Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25% |
| Investment Rate of Return | 7.5%, Net of Pension Plan Investment Expenses, Including Inflation |
| Cost of Living Adjustment | 2.5% |

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real

rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Percentage Long-term Expected Real Rate of Return | Percentage Target Allocations |
|---|---|-------------------------------------|
| U.S. Equity Developed Market | 6.46 % | 33 % |
| International Equity Emerging Market | 6.26 | 17 |
| International Equity Private Equity and Strategic Lending | 6.40 | 5 |
| U.S. Fixed Income | 4.61 | 8 |
| Real Estate | 0.98 | 29 |
| Short-term Securities | 4.73 | 7 |
| | 0.00 | 1 |
| Total | | 100 % |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Franklin County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

| | Increase (Decrease) | | |
|---|--------------------------------------|--|--|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
| Balance, July 1, 2013 | \$ 36,051,608 | \$ 32,345,559 | \$ 3,706,049 |
| Changes for the Year: | | | |
| Service Cost | \$ 934,637 | \$ 0 | \$ 934,637 |
| Interest | 2,724,212 | 0 | 2,724,212 |
| Differences Between Expected and Actual Experience | (714,099) | 0 | (714,099) |
| Contributions-Employer | 0 | 1,756,198 | (1,756,198) |
| Contributions-Employees | 0 | 0 | 0 |
| Net Investment Income | 0 | 5,394,799 | (5,394,799) |
| Benefit Payments, Including Refunds of Employee Contributions | (1,326,831) | (1,326,831) | 0 |
| Administrative Expense | 0 | (19,389) | 19,389 |
| Other Changes | 0 | 0 | 0 |
| Net Changes | <u>\$ 1,617,919</u> | <u>\$ 5,804,777</u> | <u>\$ (4,186,858)</u> |
| Balance, June 30, 2014 | <u>\$ 37,669,527</u> | <u>\$ 38,150,336</u> | <u>\$ (480,809)</u> |

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
|--------------------------|-------------------------------|--------------------------------------|--|
| Primary Government 38.6% | \$ 14,540,437 | \$ 14,726,030 | \$ (185,592) |
| School Department 61.4% | <u>23,129,090</u> | <u>23,424,306</u> | <u>(295,217)</u> |
| Total | <u>\$ 37,669,527</u> | <u>\$ 38,150,336</u> | <u>\$ (480,809)</u> |

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Franklin County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

| Franklin County | 1% Decrease 6.5% | Current Discount Rate 7.5% | 1% Increase 8.5% |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 4,491,148 | \$ (480,809) | \$ (4,637,420) |

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2015, Franklin County recognized pension expense of \$503,425.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, Franklin County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences Between Expected and Actual Experience | \$ 0 | \$ 571,279 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 0 | 2,362,806 |
| Contributions Subsequent to the Measurement Date of June 30, 2014 (1) | 1,779,696 | N/A |
| Total | \$ 1,779,696 | \$ 2,934,085 |

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--------------------|--------------------------------------|-------------------------------------|
| Primary Government | \$ 973,133 | \$ 1,132,557 |
| School Department | 806,563 | 1,801,528 |
| Total | <u>\$ 1,779,696</u> | <u>\$ 2,934,085</u> |

Amounts reported as deferred outflows of resources, except for contributions after the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30 | Amount |
|------------------------|--------------|
| 2016 | \$ (733,522) |
| 2017 | (733,522) |
| 2018 | (733,522) |
| 2019 | (733,522) |
| 2020 | 0 |
| Thereafter | 0 |

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Discretely Presented Franklin County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Franklin County and non-certified employees of the discretely presented Franklin County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 38.6 percent and the non-certified employees of the discretely present School Department comprise 61.4 percent of the plan based on census data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Franklin County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members of the Teachers Retirement Plan are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability

controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015, to the Teacher Retirement Plan were \$25,891, which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities. Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is not any net pension liability to report at June 30, 2015.

Pension Expense. Since the measurement date is June 30, 2014, the Franklin County School Department did not recognize any pension expense at June 30, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Franklin County School Department reported deferred outflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| LEAs Contributions Subsequent to the Measurement Date of June 30, 2014 | \$ 25,891 | N/A |

The Franklin County School Department's employer contributions of \$25,891 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ending June 30, 2016.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Franklin County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change

is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Franklin County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$1,782,096, which is 9.04 percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Assets. At June 30, 2015, the Franklin County School Department reported an asset of \$86,767 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Franklin County School Department's proportion of the net pension asset was based on the Franklin County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, the Franklin County School Department's proportion was .533966 percent. The proportion measured as of June 30, 2013, was .540094 percent.

Pension Income. For the year ended June 30, 2015, the Franklin County School Department recognized a pension income of \$88,822.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Franklin County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences Between Expected and Actual Experience | \$ 210,649 | \$ 0 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 0 | 7,149,047 |
| Changes in Proportion and Differences Between LEAs Contributions and Proportionate Share of Contributions | 0 | 86,446 |
| LEAs Contributions Subsequent to the Measurement Date of June 30, 2014 | <u>1,782,096</u> | <u>N/A</u> |
| Total | <u>\$ 1,992,745</u> | <u>\$ 7,235,493</u> |

The Franklin County School Department's employer contributions of \$1,782,096 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30 | Amount |
|------------------------|----------------|
| 2016 | \$ (1,766,561) |
| 2017 | (1,766,561) |
| 2018 | (1,766,561) |
| 2019 | (1,766,561) |
| 2020 | 20,700 |
| Thereafter | 20,700 |

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 3% |
| Salary Increases | Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25% |
| Investment Rate of Return | 7.5%, Net of Pension Plan Investment Expenses, Including Inflation |
| Cost of Living Adjustment | 2.5% |

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Percentage Long-term Expected Real Rate of Return | Percentage Target Allocations |
|---|---|-------------------------------------|
| U.S. Equity Developed Market | 6.46 % | 33 % |
| International Equity Emerging Market | 6.26 | 17 |
| International Equity Private Equity and Strategic Lending | 6.40 | 5 |
| U.S. Fixed Income Real Estate | 4.61 | 8 |
| Short-term Securities | 0.98 | 29 |
| | 4.73 | 7 |
| | 0.00 | 1 |
| Total | | 100 % |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the four factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents Franklin County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Franklin County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5 %) or one percentage point higher (8.5 %) than the current rate:

| School Department's Proportionate Share of the Net Pension Liability (Asset) | 1% Decrease 6.5% | Current Discount Rate 7.5% | 1% Increase 8.5% |
|--|---------------------|-------------------------------|---------------------|
|--|---------------------|-------------------------------|---------------------|

Net Pension Liability \$ 14,634,232 \$ (86,767) \$ (12,274,158)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

2. Deferred Compensation

Teachers hired after July 1, 2014, by the discretely presented Franklin County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the Franklin County School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the Franklin County School Department contributed \$32,363 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

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 a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. 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 \$1,150 per month. During the year ended June 30, 2015, the county and the School Department contributed \$25,849 and \$499,699, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

| | Local Education Group Plan | Local Government Group Plan |
|------------------------------|-------------------------------------|--------------------------------------|
| ARC | \$ 1,031,000 | \$ 154,000 |
| Interest on the NOPEBO | 192,231 | 88,939 |
| Adjustment to the ARC | (187,279) | (86,648) |
| Annual OPEB cost | \$ 1,035,952 | \$ 156,291 |
| Amount of contribution | (499,699) | (25,849) |
| Increase/decrease in NOPEBO | \$ 536,253 | \$ 130,442 |
| Net OPEB obligation, 7-1-14 | 4,805,773 | 2,223,473 |
| Net OPEB obligation, 6-30-15 | \$ 5,342,026 | \$ 2,353,915 |

| Fiscal Year Ended | Plans | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation at Year End |
|-------------------|------------------------|------------------|--|---------------------------------|
| 6-30-13 | Local Education Group | \$ 1,495,622 | 34 % | \$ 4,389,903 |
| 6-30-14 | " | 1,000,523 | 58 | 4,805,773 |
| 6-30-15 | " | 1,035,952 | 48 | 5,342,026 |
| 6-30-13 | Local Government Group | 393,793 | 5 | 2,084,968 |
| 6-30-14 | " | 150,148 | 8 | 2,223,473 |
| 6-30-15 | " | 156,291 | 17 | 2,353,915 |

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% | 20% |

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 Education Plan and the Local Government 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 health care cost trend rate of seven percent for fiscal year 2015. The trend rate will decrease to 6.5 percent in fiscal year 2016, 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 Executive and confirmed by the 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 non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

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

- Investment in capital assets includes the district's capital assets (net of accumulated depreciation).
- 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, 2015.
- Unrestricted Net Position typically includes unrestricted liquid assets. The Board of Directors has the authority to revisit or alter this designation.

Utility Plant

Equipment and property additions are recorded at cost. Depreciation is calculated using the straight-line method over the estimated useful life. The district estimates the useful life of its equipment to be between 5 and 10 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 ordinance 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. Cash and Cash Equivalents

Investments that have maturities of three months or less at the date of purchase are classified as cash equivalents. Cash represents money on deposit in various banks. Cash and investments are stated at cost, which approximates market value. A summary of cash balances is as follows:

| | |
|--|---------------------|
| Cash and Cash Equivalents | <u>\$ 337,173</u> |
| Certificates of Deposit with Maturities of More Than Three Months | <u>\$ 1,827,731</u> |

State of Tennessee law authorizes the district to invest in obligations of the United States of America or its agencies, nonconvertible debt securities of certain federal agencies, other obligations guaranteed as to principal and interest by the United States of America or any of its agencies, secured certificates of deposit and other evidences of deposit in state and federal banks and savings and loan associations, and the Tennessee Department of Treasury Local Government Investment Pool. The LGIP contains investments in certificates of deposit, U.S. Treasury securities and repurchase agreements, backed by the U.S. Treasury securities. The Treasurer of the State of Tennessee administers the investment pool.

All deposits with financial institutions in excess of federal Deposit Insurance Corporation (FDIC) limits are required to be secured by one of two methods. Excess funds can be deposited with financial institutions that participate in the State of Tennessee Bank Collateral Pool. For deposits with financial institutions that do not participate in the State of Tennessee Bank Collateral Pool, state statutes require and the district's policy is that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits.

At June 30, 2015, the district's bank balances totaled \$2,164,904. This amount was entirely insured through the Federal Deposit Insurance Corporation or the State of Tennessee Bank Collateral Pool.

C. Capital Assets

A summary of changes in capital assets is as follows:

| | Balance 7-1-14 | Additions | Balance 6-30-15 |
|---|-------------------|-------------|--------------------|
| Capital Assets not Being Depreciated: | | | |
| Construction in Progress | \$ 0 | \$ 74,883 | \$ 74,883 |
| Capital Assets Being Depreciated: | | | |
| Equipment | \$ 379,215 | \$ 11,838 | \$ 391,053 |
| Less Accumulated Depreciation | (337,381) | (34,009) | (371,390) |
| Total Capital Assets Being Depreciated, Net | \$ 41,834 | \$ (22,171) | \$ 19,663 |
| Total Capital Assets, Net | \$ 41,834 | \$ 52,712 | \$ 94,546 |

D. Budgeting Procedures

The official budget for June 30, 2015, was prepared for adoption for the proprietary fund by June 16, 2014. The district's actual expenditures exceeded the amount appropriated in the final budget passed on June 15, 2015. This practice is contrary to state statutes, which require all expenditures of the district be authorized by the governing body.

E. Exposure

The district is included under Franklin County's 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 \$41,138 and a reimbursement for a communication system, upgrades, and renovations of \$318,604 as well as a training reimbursement of \$8,000 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 2015 fiscal year:

| | Balance 7-1-14 | Adjustments and Retirements | Balance 6-30-15 |
|-----------------------|-------------------|--------------------------------|--------------------|
| AT&T Capital Services | \$ 27,658 | \$ (27,658) | \$ 0 |

H. Restatement

During the year, certain matters were noted that required restatement of the prior year. The beginning net position has been restated to more accurately report capital lease balances for activity relating to prior fiscal years. Reconciliation of the prior period ending net position to the current year beginning net position are as follows:

| | |
|---|---------------------|
| Net Position, Beginning of Year, as Previously Reported | \$ 1,872,906 |
| Restatement as Discussed Above | <u>(40,204)</u> |
| Fund Net Position, Beginning of Year, as Restated Three Months | <u>\$ 1,832,702</u> |

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Franklin County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

| | <u>2014</u> |
|---|----------------------|
| Total Pension Liability Asset | |
| Service Cost | \$ 934,637 |
| Interest | 2,724,212 |
| Changes in Benefit Terms | 0 |
| Differences Between Actual and Expected Experience | (714,099) |
| Changes in Assumptions | 0 |
| Benefit Payments, Including Refunds of Employee Contributions | <u>(1,326,831)</u> |
| Net Change in Total Pension Liability (Asset) | \$ 1,617,919 |
| Total Pension Liability (Asset), Beginning | <u>36,051,608</u> |
| | |
| Total Pension Liability (Asset), Ending (a) | <u>\$ 37,669,527</u> |
| | |
| Plan Fiduciary Net Position | |
| Contributions - Employer | \$ 1,756,198 |
| Contributions - Employee | 0 |
| Net Investment Income | 5,394,799 |
| Benefit Payments, Including Refunds of Employee Contributions | (1,326,831) |
| Administrative Expense | <u>(19,389)</u> |
| Net Change in Plan Fiduciary Net Position | \$ 5,804,777 |
| Plan Fiduciary Net Position, Beginning | <u>32,345,559</u> |
| | |
| Plan Fiduciary Net Position, Ending (b) | <u>\$ 38,150,336</u> |
| | |
| Net Pension Liability (Asset), Ending (a - b) | <u>\$ (480,809)</u> |
| | |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 101.28% |
| Covered Employee Payroll | \$ 13,284,415 |
| Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll | 3.62% |

Note: ten years of data will be presented when available.

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit E-2

Franklin County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

| | <u>2014</u> | <u>2015</u> |
|---|--------------------|--------------------|
| Actuarially Determined Contribution | \$ 1,756,198 | \$ 1,779,696 |
| Less Contributions in Relation to the Actuarially Determined Contribution | <u>(1,756,198)</u> | <u>(1,779,696)</u> |
| Contribution Deficiency (Excess) | <u>\$ 0</u> | <u>\$ 0</u> |
| Covered Employee Payroll | \$ 13,284,415 | \$ 13,503,627 |
| Contributions as a Percentage of Covered Employee Payroll | 13.22% | 13.18% |

Note: ten years of data will be presented when available.

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit E-3

Franklin County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Franklin County School Department
For the Fiscal Year Ended June 30

| | <u>2015</u> |
|---|-------------------|
| Actuarially Determined Contribution | \$ 16,182 |
| Less Contributions in Relation to the Actuarially Determined Contribution | <u>(25,891)</u> |
| Contribution Deficiency (Excess) | <u>\$ (9,709)</u> |
| Covered Employee Payroll | \$ 647,261 |
| Contributions as a Percentage of Covered Employee Payroll | 4.00% |

Note: ten years of data will be presented when available.

Exhibit E-4

Franklin County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Franklin County School Department
For the Fiscal Year Ended June 30

| | <u>2014</u> | <u>2015</u> |
|---|--------------------|--------------------|
| Actuarially Determined Contribution | \$ 1,861,081 | \$ 1,782,096 |
| Less Contributions in Relation to the Actuarially Determined Contribution | <u>(1,861,081)</u> | <u>(1,782,096)</u> |
| Contribution Deficiency (Excess) | <u>\$ 0</u> | <u>\$ 0</u> |
| Covered Employee Payroll | \$ 20,958,110 | \$ 19,703,385 |
| Contributions as a Percentage of Covered Employee Payroll | 8.88% | 9.04% |

Note: ten years of data will be presented when available.

Exhibit E-5

Franklin County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Franklin County School Department
For the Fiscal Year Ended June 30 *

| | <u>2014</u> |
|--|---------------|
| School Department's Proportion of the Net Pension Asset | 0.533966% |
| School Department's Proportionate Share of the Net Pension Asset | \$ 86,767 |
| Covered Employee Payroll | \$ 20,958,110 |
| School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll | 0.41% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 100.08% |

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit E-6

Franklin County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Franklin County School Department
June 30, 2015

(Dollar amounts in thousands)

| <u>Plans</u> | <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets (a)</u> | <u>Actuarial Accrued Liability (AAL) Projected Unit Credit (b)</u> | <u>Unfunded AAL (UAAL) (b)-(a)</u> | <u>Funded Ratio (a/b)</u> | <u>Covered Payroll (c)</u> | <u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u> |
|---|---|--|--|--|-----------------------------------|------------------------------------|--|
| <u>PRIMARY GOVERNMENT</u> | | | | | | | |
| Local Government Group | 7-1-10 | \$ 0 | \$ 3,310 | \$ 3,310 | 0 % | \$ 7,071 | 47 % |
| " | 7-1-11 | 0 | 2,669 | 2,669 | 0 | 6,525 | 41 |
| " | 7-1-13 | 0 | 1,331 | 1,331 | 0 | 6,581 | 20 |
| <u>DISCRETELY PRESENTED FRANKLIN COUNTY SCHOOL DEPARTMENT</u> | | | | | | | |
| Local Education Group | 7-1-10 | 0 | 9,872 | 9,872 | 0 | 18,540 | 53 |
| " | 7-1-11 | 0 | 11,604 | 11,604 | 0 | 22,852 | 51 |
| " | 7-1-13 | 0 | 9,095 | 9,095 | 0 | 19,627 | 46 |

FRANKLIN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Frozen Initial Liability |
| Amortization Method | Level Dollar, Closed (Not to Exceed 20 Years) |
| Remaining Amortization Period | Five Years |
| Asset Valuation | 10-Year Smoothed Within a 20% Corridor to Market Value |
| Inflation | 3% |
| Salary Increases | Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25% |
| Investment Rate of Return | 7.5%, Net of Investment Expense, Including Inflation |
| Retirement Age | Pattern of Retirement Determined by Experience Study |
| Mortality | Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement |
| Cost of Living Adjustment | 2.5% |

**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.

Capital Projects Fund

The Highway Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of road projects.

Exhibit F-1

Franklin County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

| | Special Revenue Funds | | | | |
|--|---------------------------------------|-------------------|--------------------------------|-------------------------|------------------|
| | Courthouse and Jail Maintenance | Public Library | Solid Waste / Sanitation | Local Purpose Tax | Drug Control |
| <u>ASSETS</u> | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Equity in Pooled Cash and Investments | 176,296 | 262,230 | 277,572 | 194,837 | 39,254 |
| Accounts Receivable | 0 | 1 | 678 | 3,180 | 0 |
| Due from Other Governments | 0 | 86 | 0 | 0 | 0 |
| Due from Other Funds | 0 | 0 | 0 | 0 | 0 |
| Property Taxes Receivable | 0 | 287,326 | 977,633 | 368,682 | 0 |
| Allowance for Uncollectible Property Taxes | 0 | (11,029) | (38,984) | (15,277) | 0 |
| Prepaid Items | 0 | 0 | 40 | 0 | 0 |
| Total Assets | <u>\$ 176,296</u> | <u>\$ 538,614</u> | <u>\$ 1,216,939</u> | <u>\$ 551,422</u> | <u>\$ 39,254</u> |
| <u>LIABILITIES</u> | | | | | |
| Accounts Payable | \$ 0 | \$ 97 | \$ 1,552 | \$ 0 | \$ 211 |
| Accrued Payroll | 0 | 4,012 | 17,558 | 0 | 0 |
| Payroll Deductions Payable | 0 | 1,328 | 5,527 | 0 | 0 |
| Due to Other Funds | 152,600 | 0 | 39 | 0 | 0 |
| Due to State of Tennessee | 0 | 166 | 908 | 0 | 0 |
| Total Liabilities | <u>\$ 152,600</u> | <u>\$ 5,603</u> | <u>\$ 25,584</u> | <u>\$ 0</u> | <u>\$ 211</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | |
| Deferred Current Property Taxes | \$ 0 | \$ 268,303 | \$ 900,312 | \$ 335,078 | \$ 0 |
| Deferred Delinquent Property Taxes | 0 | 7,357 | 35,874 | 17,700 | 0 |
| Total Deferred Inflows of Resources | <u>\$ 0</u> | <u>\$ 275,660</u> | <u>\$ 936,186</u> | <u>\$ 352,778</u> | <u>\$ 0</u> |

(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 |
| <u>FUND BALANCES</u> | | | | | |
| Nonspendable: | | | | | |
| Prepaid Items | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Restricted: | | | | | |
| Restricted for Public Safety | 0 | 0 | 0 | 171,644 | 3,750 |
| Restricted for Public Health and Welfare | 0 | 0 | 114,153 | 0 | 0 |
| Restricted for Social, Cultural, and Recreational Services | 0 | 220,906 | 0 | 0 | 0 |
| Restricted for Highways/Public Works | 0 | 0 | 0 | 0 | 0 |
| Restricted for Debt Service | 23,696 | 0 | 0 | 0 | 0 |
| Committed: | | | | | |
| Committed for Public Safety | 0 | 0 | 0 | 0 | 33,746 |
| Committed for Public Health and Welfare | 0 | 0 | 26,777 | 0 | 0 |
| Committed for Social, Cultural, and Recreational Services | 0 | 33,009 | 0 | 0 | 0 |
| Assigned: | | | | | |
| Assigned for Public Safety | 0 | 0 | 0 | 27,000 | 1,547 |
| Assigned for Public Health and Welfare | 0 | 0 | 114,239 | 0 | 0 |
| Assigned for Social, Cultural, and Recreational Services | 0 | 3,436 | 0 | 0 | 0 |
| Total Fund Balances | <u>\$ 23,696</u> | <u>\$ 257,351</u> | <u>\$ 255,169</u> | <u>\$ 198,644</u> | <u>\$ 39,043</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 176,296</u> | <u>\$ 538,614</u> | <u>\$ 1,216,939</u> | <u>\$ 551,422</u> | <u>\$ 39,254</u> |

(Continued)

Exhibit F-1

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

| | <u>Special Revenue Funds (Cont.)</u> | | <u>Debt Service Fund</u> | <u>Capital Projects Fund</u> | <u>Total Nonmajor Governmental Funds</u> |
|--|---|--------------|-------------------------------------|---|--|
| | <u>Constituti- onal Officers - Fees</u> | <u>Total</u> | <u>General Debt Service</u> | <u>Highway Capital Projects</u> | |
| <u>ASSETS</u> | | | | | |
| Cash | \$ 2,355 | \$ 2,355 | \$ 0 | \$ 0 | \$ 2,355 |
| Equity in Pooled Cash and Investments | 0 | 950,189 | 977,990 | 2,268,919 | 4,197,098 |
| Accounts Receivable | 382 | 4,241 | 3 | 0 | 4,244 |
| Due from Other Governments | 0 | 86 | 326 | 0 | 412 |
| Due from Other Funds | 0 | 0 | 152,600 | 0 | 152,600 |
| Property Taxes Receivable | 0 | 1,633,641 | 1,094,711 | 0 | 2,728,352 |
| Allowance for Uncollectible Property Taxes | 0 | (65,290) | (41,964) | 0 | (107,254) |
| Prepaid Items | 0 | 40 | 1,000 | 0 | 1,040 |
| Total Assets | \$ 2,737 | \$ 2,525,262 | \$ 2,184,666 | \$ 2,268,919 | \$ 6,978,847 |
| <u>LIABILITIES</u> | | | | | |
| Accounts Payable | \$ 0 | \$ 1,860 | \$ 0 | \$ 0 | \$ 1,860 |
| Accrued Payroll | 0 | 21,570 | 0 | 0 | 21,570 |
| Payroll Deductions Payable | 0 | 6,855 | 0 | 0 | 6,855 |
| Due to Other Funds | 2,737 | 155,376 | 0 | 0 | 155,376 |
| Due to State of Tennessee | 0 | 1,074 | 0 | 0 | 1,074 |
| Total Liabilities | \$ 2,737 | \$ 186,735 | \$ 0 | \$ 0 | \$ 186,735 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | |
| Deferred Current Property Taxes | \$ 0 | \$ 1,503,693 | \$ 1,022,231 | \$ 0 | \$ 2,525,924 |
| Deferred Delinquent Property Taxes | 0 | 60,931 | 27,701 | 0 | 88,632 |
| Total Deferred Inflows of Resources | \$ 0 | \$ 1,564,624 | \$ 1,049,932 | \$ 0 | \$ 2,614,556 |

(Continued)

Exhibit F-1

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

| | <u>Special Revenue Funds (Cont.)</u> | | <u>Debt Service Fund</u> | <u>Capital Projects Fund</u> | <u>Total Nonmajor Governmental Funds</u> |
|---|--|--------------|-----------------------------|---------------------------------|--|
| | <u>Constitu-tional Officers - Fees</u> | <u>Total</u> | <u>General Debt Service</u> | <u>Highway Capital Projects</u> | |
| FUND BALANCES | | | | | |
| Nonspendable: | | | | | |
| Prepaid Items | \$ 0 | \$ 0 | \$ 1,000 | \$ 0 | \$ 1,000 |
| Restricted: | | | | | |
| Restricted for Public Safety | 0 | 175,394 | 0 | 0 | 175,394 |
| Restricted for Public Health and Welfare | 0 | 114,153 | 0 | 0 | 114,153 |
| Restricted for Social, Cultural, and Recreational Services | 0 | 220,906 | 0 | 0 | 220,906 |
| Restricted for Highways/Public Works | 0 | 0 | 0 | 2,268,919 | 2,268,919 |
| Restricted for Debt Service | 0 | 23,696 | 1,133,734 | 0 | 1,157,430 |
| Committed: | | | | | |
| Committed for Public Safety | 0 | 33,746 | 0 | 0 | 33,746 |
| Committed for Public Health and Welfare | 0 | 26,777 | 0 | 0 | 26,777 |
| Committed for Social, Cultural, and Recreational Services | 0 | 33,009 | 0 | 0 | 33,009 |
| Assigned: | | | | | |
| Assigned for Public Safety | 0 | 28,547 | 0 | 0 | 28,547 |
| Assigned for Public Health and Welfare | 0 | 114,239 | 0 | 0 | 114,239 |
| Assigned for Social, Cultural, and Recreational Services | 0 | 3,436 | 0 | 0 | 3,436 |
| Total Fund Balances | \$ 0 | \$ 773,903 | \$ 1,134,734 | \$ 2,268,919 | \$ 4,177,556 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 2,737 | \$ 2,525,262 | \$ 2,184,666 | \$ 2,268,919 | \$ 6,978,847 |

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, 2015

| | Special Revenue Funds | | | | |
|---|---------------------------------------|-------------------|--------------------------------|-------------------------|-------------------|
| | Courthouse and Jail Maintenance | Public Library | Solid Waste / Sanitation | Local Purpose Tax | Drug Control |
| <u>Revenues</u> | | | | | |
| Local Taxes | \$ 155,890 | \$ 295,825 | \$ 984,710 | \$ 578,604 | \$ 0 |
| Licenses and Permits | 0 | 1,501 | 7,219 | 23,466 | 0 |
| Fines, Forfeitures, and Penalties | 0 | 0 | 0 | 0 | 47,794 |
| Charges for Current Services | 0 | 14,829 | 42,444 | 0 | 0 |
| Other Local Revenues | 0 | 2,859 | 200,993 | 0 | 5,840 |
| State of Tennessee | 0 | 0 | 15,270 | 0 | 0 |
| Federal Government | 0 | 2,076 | 0 | 0 | 6,833 |
| Other Governments and Citizens Groups | 0 | 28,140 | 0 | 0 | 1,700 |
| Total Revenues | \$ 155,890 | \$ 345,230 | \$ 1,250,636 | \$ 602,070 | \$ 62,167 |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| General Government | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Administration of Justice | 0 | 0 | 0 | 0 | 0 |
| Public Safety | 0 | 0 | 0 | 486,185 | 107,076 |
| Public Health and Welfare | 0 | 0 | 1,142,447 | 0 | 0 |
| Social, Cultural, and Recreational Services | 0 | 254,470 | 0 | 0 | 0 |
| Other Operations | 1,549 | 34,193 | 93,420 | 0 | 567 |
| Debt Service: | | | | | |
| Principal on Debt | 0 | 0 | 0 | 0 | 0 |
| Interest on Debt | 0 | 0 | 0 | 0 | 0 |
| Other Debt Service | 0 | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 83,616 | 0 | 0 | 0 |
| Total Expenditures | \$ 1,549 | \$ 372,279 | \$ 1,235,867 | \$ 486,185 | \$ 107,643 |

(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 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 154,341 | \$ (27,049) | \$ 14,769 | \$ 115,885 | \$ (45,476) |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers In | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Transfers Out | (152,600) | (3,000) | (3,803) | 0 | 0 |
| Total Other Financing Sources (Uses) | \$ (152,600) | \$ (3,000) | \$ (3,803) | \$ 0 | 0 |
| Net Change in Fund Balances | \$ 1,741 | \$ (30,049) | \$ 10,966 | \$ 115,885 | \$ (45,476) |
| Fund Balance, July 1, 2014 | 21,955 | 287,400 | 244,203 | 82,759 | 84,519 |
| Fund Balance, June 30, 2015 | \$ 23,696 | \$ 257,351 | \$ 255,169 | \$ 198,644 | \$ 39,043 |

(Continued)

Exhibit F-2

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

| | <u>Special Revenue Funds (Cont.)</u> | | <u>Debt Service</u> | <u>Capital</u> | <u>Total</u> |
|---|---|---------------------|--|---|---------------------|
| | <u>Constitu-</u> <u>tional</u> <u>Officers -</u> <u>Fees</u> | <u>Total</u> | <u>Fund</u> <u>General</u> <u>Debt</u> <u>Service</u> | <u>Projects Fund</u> <u>Highway</u> <u>Capital</u> <u>Projects</u> | |
| <u>Revenues</u> | | | | | |
| Local Taxes | \$ 0 | \$ 2,015,029 | \$ 1,214,621 | \$ 0 | \$ 3,229,650 |
| Licenses and Permits | 0 | 32,186 | 5,730 | 0 | 37,916 |
| Fines, Forfeitures, and Penalties | 0 | 47,794 | 0 | 0 | 47,794 |
| Charges for Current Services | 89 | 57,362 | 0 | 0 | 57,362 |
| Other Local Revenues | 0 | 209,692 | 0 | 558 | 210,250 |
| State of Tennessee | 0 | 15,270 | 0 | 0 | 15,270 |
| Federal Government | 0 | 8,909 | 0 | 0 | 8,909 |
| Other Governments and Citizens Groups | 0 | 29,840 | 0 | 0 | 29,840 |
| Total Revenues | \$ 89 | \$ 2,416,082 | \$ 1,220,351 | \$ 558 | \$ 3,636,991 |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| General Government | \$ 61 | \$ 61 | \$ 0 | \$ 0 | \$ 61 |
| Administration of Justice | 28 | 28 | 0 | 0 | 28 |
| Public Safety | 0 | 593,261 | 0 | 0 | 593,261 |
| Public Health and Welfare | 0 | 1,142,447 | 0 | 0 | 1,142,447 |
| Social, Cultural, and Recreational Services | 0 | 254,470 | 0 | 0 | 254,470 |
| Other Operations | 0 | 129,729 | 0 | 6 | 129,735 |
| Debt Service: | | | | | |
| Principal on Debt | 0 | 0 | 941,602 | 0 | 941,602 |
| Interest on Debt | 0 | 0 | 323,641 | 0 | 323,641 |
| Other Debt Service | 0 | 0 | 26,162 | 0 | 26,162 |
| Capital Projects | 0 | 83,616 | 0 | 731,633 | 815,249 |
| Total Expenditures | \$ 89 | \$ 2,203,612 | \$ 1,291,405 | \$ 731,639 | \$ 4,226,656 |

(Continued)

Exhibit F-2

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

| | <u>Special Revenue Funds (Cont.)</u> | | <u>Debt Service</u> <u>Fund</u> | <u>Capital</u> <u>Projects Fund</u> | <u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u> |
|--|---|--------------|---|---|--|
| | <u>Constitu-</u> <u>tional</u> <u>Officers -</u> <u>Fees</u> | <u>Total</u> | <u>General</u> <u>Debt</u> <u>Service</u> | <u>Highway</u> <u>Capital</u> <u>Projects</u> | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 0 | \$ 212,470 | \$ (71,054) | \$ (731,081) | \$ (589,665) |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers In | \$ 0 | \$ 0 | \$ 152,600 | \$ 3,000,000 | \$ 3,152,600 |
| Transfers Out | 0 | (159,403) | 0 | 0 | (159,403) |
| Total Other Financing Sources (Uses) | \$ 0 | \$ (159,403) | \$ 152,600 | \$ 3,000,000 | \$ 2,993,197 |
| Net Change in Fund Balances | \$ 0 | \$ 53,067 | \$ 81,546 | \$ 2,268,919 | \$ 2,403,532 |
| Fund Balance, July 1, 2014 | 0 | 720,836 | 1,053,188 | 0 | 1,774,024 |
| Fund Balance, June 30, 2015 | \$ 0 | \$ 773,903 | \$ 1,134,734 | \$ 2,268,919 | \$ 4,177,556 |

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, 2015

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|--------------|------------------|--------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 155,890 | \$ 160,000 | \$ 155,000 | \$ 890 |
| Total Revenues | \$ 155,890 | \$ 160,000 | \$ 155,000 | \$ 890 |
| <u>Expenditures</u> | | | | |
| <u>Other Operations</u> | | | | |
| Other Charges | \$ 1,549 | \$ 1,975 | \$ 1,975 | \$ 426 |
| Total Expenditures | \$ 1,549 | \$ 1,975 | \$ 1,975 | \$ 426 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 154,341 | \$ 158,025 | \$ 153,025 | \$ 1,316 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers Out | \$ (152,600) | \$ (152,600) | \$ (152,600) | \$ 0 |
| Total Other Financing Sources | \$ (152,600) | \$ (152,600) | \$ (152,600) | \$ 0 |
| Net Change in Fund Balance | \$ 1,741 | \$ 5,425 | \$ 425 | \$ 1,316 |
| Fund Balance, July 1, 2014 | 21,955 | 28,553 | 28,553 | (6,598) |
| Fund Balance, June 30, 2015 | \$ 23,696 | \$ 33,978 | \$ 28,978 | \$ (5,282) |

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, 2015

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|-------------------|-------------------|--|
| | | | | | Original | Final | |
| Revenues | | | | | | | |
| Local Taxes | \$ 295,825 | \$ 0 | \$ 0 | \$ 295,825 | \$ 295,841 | \$ 297,839 | \$ (2,014) |
| Licenses and Permits | 1,501 | 0 | 0 | 1,501 | 1,319 | 1,501 | 0 |
| Charges for Current Services | 14,829 | 0 | 0 | 14,829 | 17,877 | 17,877 | (3,048) |
| Other Local Revenues | 2,859 | 0 | 0 | 2,859 | 3,347 | 2,905 | (46) |
| State of Tennessee | 0 | 0 | 0 | 0 | 1,500 | 0 | 0 |
| Federal Government | 2,076 | 0 | 0 | 2,076 | 0 | 1,298 | 778 |
| Other Governments and Citizens Groups | 28,140 | 0 | 0 | 28,140 | 32,243 | 32,243 | (4,103) |
| Total Revenues | \$ 345,230 | \$ 0 | \$ 0 | \$ 345,230 | \$ 352,127 | \$ 353,663 | \$ (8,433) |
| Expenditures | | | | | | | |
| <u>Social, Cultural, and Recreational Services</u> | | | | | | | |
| Libraries | \$ 254,470 | \$ (3,630) | \$ 3,436 | \$ 254,276 | \$ 403,268 | \$ 319,634 | \$ 65,358 |
| <u>Other Operations</u> | | | | | | | |
| Other Charges | 34,193 | 0 | 0 | 34,193 | 35,195 | 36,848 | 2,655 |
| <u>Capital Projects</u> | | | | | | | |
| Social, Cultural, and Recreation Projects | 83,616 | 0 | 0 | 83,616 | 0 | 83,700 | 84 |
| Total Expenditures | \$ 372,279 | \$ (3,630) | \$ 3,436 | \$ 372,085 | \$ 438,463 | \$ 440,182 | \$ 68,097 |
| Excess (Deficiency) of Revenues Over Expenditures | | | | | | | |
| | \$ (27,049) | \$ 3,630 | \$ (3,436) | \$ (26,855) | \$ (86,336) | \$ (86,519) | \$ 59,664 |
| Other Financing Sources (Uses) | | | | | | | |
| Transfers Out | \$ (3,000) | \$ 0 | \$ 0 | \$ (3,000) | \$ (3,000) | \$ (3,000) | \$ 0 |
| Total Other Financing Sources | \$ (3,000) | \$ 0 | \$ 0 | \$ (3,000) | \$ (3,000) | \$ (3,000) | \$ 0 |
| Net Change in Fund Balance | | | | | | | |
| Fund Balance, July 1, 2014 | \$ (30,049) | \$ 3,630 | \$ (3,436) | \$ (29,855) | \$ (89,336) | \$ (89,519) | \$ 59,664 |
| | 287,400 | (3,630) | 0 | 283,770 | 285,579 | 285,579 | (1,809) |
| Fund Balance, June 30, 2015 | \$ 257,351 | \$ 0 | \$ (3,436) | \$ 253,915 | \$ 196,243 | \$ 196,060 | \$ 57,855 |

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, 2015

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 984,710 | \$ 0 | \$ 0 | \$ 984,710 | \$ 987,264 | \$ 999,109 | \$ (14,399) |
| Licenses and Permits | 7,219 | 0 | 0 | 7,219 | 6,450 | 7,215 | 4 |
| Charges for Current Services | 42,444 | 0 | 0 | 42,444 | 30,000 | 45,669 | (3,225) |
| Other Local Revenues | 200,993 | 0 | 0 | 200,993 | 230,000 | 213,275 | (12,282) |
| State of Tennessee | 15,270 | 0 | 0 | 15,270 | 25,500 | 15,500 | (230) |
| Total Revenues | \$ 1,250,636 | \$ 0 | \$ 0 | \$ 1,250,636 | \$ 1,279,214 | \$ 1,280,768 | \$ (30,132) |
| <u>Expenditures</u> | | | | | | | |
| <u>Public Health and Welfare</u> | | | | | | | |
| Sanitation Education/Information | \$ 1,398 | \$ 0 | \$ 100 | \$ 1,498 | \$ 1,500 | \$ 1,500 | \$ 2 |
| Convenience Centers | 250,726 | (916) | 2,797 | 252,607 | 250,601 | 265,186 | 12,579 |
| Transfer Stations | 883,473 | (37,936) | 106,472 | 952,009 | 1,038,689 | 1,012,605 | 60,596 |
| Postclosure Care Costs | 6,850 | (7,470) | 4,870 | 4,250 | 8,000 | 11,800 | 7,550 |
| <u>Other Operations</u> | | | | | | | |
| Other Charges | 93,420 | (24) | 0 | 93,396 | 83,200 | 103,556 | 10,160 |
| Total Expenditures | \$ 1,235,867 | \$ (46,346) | \$ 114,239 | \$ 1,303,760 | \$ 1,381,990 | \$ 1,394,647 | \$ 90,887 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 14,769 | \$ 46,346 | \$ (114,239) | \$ (53,124) | \$ (102,776) | \$ (113,879) | \$ 60,755 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Transfers In | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 100,000 | \$ 0 | \$ 0 |
| Transfers Out | (3,803) | 0 | 0 | (3,803) | (103,803) | (13,803) | 10,000 |
| Total Other Financing Sources | \$ (3,803) | \$ 0 | \$ 0 | \$ (3,803) | \$ (3,803) | \$ (13,803) | \$ 10,000 |
| Net Change in Fund Balance | \$ 10,966 | \$ 46,346 | \$ (114,239) | \$ (56,927) | \$ (106,579) | \$ (127,682) | \$ 70,755 |
| Fund Balance, July 1, 2014 | 244,203 | (46,346) | 0 | 197,857 | 199,956 | 199,956 | (2,099) |
| Fund Balance, June 30, 2015 | \$ 255,169 | \$ 0 | \$ (114,239) | \$ 140,930 | \$ 93,377 | \$ 72,274 | \$ 68,656 |

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, 2015

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|-------------------|-------------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 578,604 | \$ 0 | \$ 0 | \$ 578,604 | \$ 479,071 | \$ 579,250 | \$ (646) |
| Licenses and Permits | 23,466 | 0 | 0 | 23,466 | 23,400 | 23,400 | 66 |
| Total Revenues | <u>\$ 602,070</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 602,070</u> | <u>\$ 502,471</u> | <u>\$ 602,650</u> | <u>\$ (580)</u> |
| <u>Expenditures</u> | | | | | | | |
| <u>Public Safety</u> | | | | | | | |
| Fire Prevention and Control | \$ 486,185 | \$ (325) | \$ 27,000 | \$ 512,860 | \$ 503,600 | \$ 529,836 | \$ 16,976 |
| Total Expenditures | <u>\$ 486,185</u> | <u>\$ (325)</u> | <u>\$ 27,000</u> | <u>\$ 512,860</u> | <u>\$ 503,600</u> | <u>\$ 529,836</u> | <u>\$ 16,976</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 115,885</u> | <u>\$ 325</u> | <u>\$ (27,000)</u> | <u>\$ 89,210</u> | <u>\$ (1,129)</u> | <u>\$ 72,814</u> | <u>\$ 16,396</u> |
| Net Change in Fund Balance | \$ 115,885 | \$ 325 | \$ (27,000) | \$ 89,210 | \$ (1,129) | \$ 72,814 | \$ 16,396 |
| Fund Balance, July 1, 2014 | <u>82,759</u> | <u>(325)</u> | <u>0</u> | <u>82,434</u> | <u>73,817</u> | <u>73,817</u> | <u>8,617</u> |
| Fund Balance, June 30, 2015 | <u>\$ 198,644</u> | <u>\$ 0</u> | <u>\$ (27,000)</u> | <u>\$ 171,644</u> | <u>\$ 72,688</u> | <u>\$ 146,631</u> | <u>\$ 25,013</u> |

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, 2015

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|-------------------|--------------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Fines, Forfeitures, and Penalties | \$ 47,794 | \$ 0 | \$ 0 | \$ 47,794 | \$ 49,000 | \$ 50,200 | \$ (2,406) |
| Charges for Current Services | 0 | 0 | 0 | 0 | 50 | 50 | (50) |
| Other Local Revenues | 5,840 | 0 | 0 | 5,840 | 6,250 | 6,600 | (760) |
| Federal Government | 6,833 | 0 | 0 | 6,833 | 40,000 | 40,000 | (33,167) |
| Other Governments and Citizens Groups | 1,700 | 0 | 0 | 1,700 | 0 | 1,700 | 0 |
| Total Revenues | <u>\$ 62,167</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 62,167</u> | <u>\$ 95,300</u> | <u>\$ 98,550</u> | <u>\$ (36,383)</u> |
| <u>Expenditures</u> | | | | | | | |
| <u>Public Safety</u> | | | | | | | |
| Drug Enforcement | \$ 107,076 | \$ (1,709) | \$ 1,547 | \$ 106,914 | \$ 102,100 | \$ 130,650 | \$ 23,736 |
| <u>Other Operations</u> | | | | | | | |
| Other Charges | 567 | 0 | 0 | 567 | 600 | 800 | 233 |
| Total Expenditures | <u>\$ 107,643</u> | <u>\$ (1,709)</u> | <u>\$ 1,547</u> | <u>\$ 107,481</u> | <u>\$ 102,700</u> | <u>\$ 131,450</u> | <u>\$ 23,969</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (45,476)</u> | <u>\$ 1,709</u> | <u>\$ (1,547)</u> | <u>\$ (45,314)</u> | <u>\$ (7,400)</u> | <u>\$ (32,900)</u> | <u>\$ (12,414)</u> |
| Net Change in Fund Balance | \$ (45,476) | \$ 1,709 | \$ (1,547) | \$ (45,314) | \$ (7,400) | \$ (32,900) | \$ (12,414) |
| Fund Balance, July 1, 2014 | 84,519 | (1,709) | 0 | 82,810 | 89,039 | 89,039 | (6,229) |
| Fund Balance, June 30, 2015 | <u>\$ 39,043</u> | <u>\$ 0</u> | <u>\$ (1,547)</u> | <u>\$ 37,496</u> | <u>\$ 81,639</u> | <u>\$ 56,139</u> | <u>\$ (18,643)</u> |

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, 2015

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 1,214,621 | \$ 1,216,979 | \$ 1,223,429 | \$ (8,808) |
| Licenses and Permits | 5,730 | 5,800 | 5,800 | (70) |
| Total Revenues | <u>\$ 1,220,351</u> | <u>\$ 1,222,779</u> | <u>\$ 1,229,229</u> | <u>\$ (8,878)</u> |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| General Government | \$ 941,602 | \$ 877,312 | \$ 941,603 | \$ 1 |
| <u>Interest on Debt</u> | | | | |
| General Government | 323,641 | 300,803 | 323,806 | 165 |
| <u>Other Debt Service</u> | | | | |
| General Government | 26,162 | 36,500 | 33,499 | 7,337 |
| Total Expenditures | <u>\$ 1,291,405</u> | <u>\$ 1,214,615</u> | <u>\$ 1,298,908</u> | <u>\$ 7,503</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (71,054)</u> | <u>\$ 8,164</u> | <u>\$ (69,679)</u> | <u>\$ (1,375)</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 152,600 | \$ 152,600 | \$ 152,600 | \$ 0 |
| Total Other Financing Sources | <u>\$ 152,600</u> | <u>\$ 152,600</u> | <u>\$ 152,600</u> | <u>\$ 0</u> |
| Net Change in Fund Balance | \$ 81,546 | \$ 160,764 | \$ 82,921 | \$ (1,375) |
| Fund Balance, July 1, 2014 | <u>1,053,188</u> | <u>1,044,918</u> | <u>1,044,918</u> | <u>8,270</u> |
| Fund Balance, June 30, 2015 | <u>\$ 1,134,734</u> | <u>\$ 1,205,682</u> | <u>\$ 1,127,839</u> | <u>\$ 6,895</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, 2015

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 3,231,598 | \$ 2,730,911 | \$ 3,194,961 | \$ 36,637 |
| Licenses and Permits | 7,958 | 7,626 | 7,626 | 332 |
| Other Governments and Citizens Groups | 738,574 | 510,000 | 738,574 | 0 |
| Total Revenues | <u>\$ 3,978,130</u> | <u>\$ 3,248,537</u> | <u>\$ 3,941,161</u> | <u>\$ 36,969</u> |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| Education | \$ 2,850,069 | \$ 2,640,900 | \$ 2,850,069 | \$ 0 |
| <u>Interest on Debt</u> | | | | |
| Education | 495,952 | 476,547 | 495,952 | 0 |
| <u>Other Debt Service</u> | | | | |
| Education | 49,941 | 59,250 | 60,216 | 10,275 |
| Total Expenditures | <u>\$ 3,395,962</u> | <u>\$ 3,176,697</u> | <u>\$ 3,406,237</u> | <u>\$ 10,275</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 582,168</u> | <u>\$ 71,840</u> | <u>\$ 534,924</u> | <u>\$ 47,244</u> |
| Net Change in Fund Balance | \$ 582,168 | \$ 71,840 | \$ 534,924 | \$ 47,244 |
| Fund Balance, July 1, 2014 | <u>3,094,710</u> | <u>3,019,932</u> | <u>3,019,932</u> | <u>74,778</u> |
| Fund Balance, June 30, 2015 | <u>\$ 3,676,878</u> | <u>\$ 3,091,772</u> | <u>\$ 3,554,856</u> | <u>\$ 122,022</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, 2015

| | <u>Agency Funds</u> | | |
|-------------------------------------|--------------------------|--|---------------------|
| | Cities - Sales Tax | Constitutional Officers - Agency | Total |
| <u>ASSETS</u> | | | |
| Cash | \$ 0 | \$ 1,657,032 | \$ 1,657,032 |
| Due from Other Governments | 626,086 | 0 | 626,086 |
| Total Assets | <u>\$ 626,086</u> | <u>\$ 1,657,032</u> | <u>\$ 2,283,118</u> |
| <u>LIABILITIES</u> | | | |
| Due to Other Taxing Units | \$ 626,086 | \$ 0 | \$ 626,086 |
| Due to Litigants, Heirs, and Others | 0 | 1,657,032 | 1,657,032 |
| Total Liabilities | <u>\$ 626,086</u> | <u>\$ 1,657,032</u> | <u>\$ 2,283,118</u> |

Exhibit H-2

Franklin County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2015

| | Beginning Balance | Additions | Deductions | Ending Balance |
|--|----------------------|---------------|---------------|-------------------|
| <u>Cities - Sales Tax Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 3,509,942 | \$ 3,509,942 | \$ 0 |
| Due from Other Governments | 617,670 | 626,086 | 617,670 | 626,086 |
| Total Assets | \$ 617,670 | \$ 4,136,028 | \$ 4,127,612 | \$ 626,086 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 617,670 | \$ 4,136,028 | \$ 4,127,612 | \$ 626,086 |
| Total Liabilities | \$ 617,670 | \$ 4,136,028 | \$ 4,127,612 | \$ 626,086 |
| <u>Constitutional Officers - Agency Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 1,415,752 | \$ 15,040,394 | \$ 14,799,114 | \$ 1,657,032 |
| Total Assets | \$ 1,415,752 | \$ 15,040,394 | \$ 14,799,114 | \$ 1,657,032 |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs, and Others | \$ 1,415,752 | \$ 15,040,394 | \$ 14,799,114 | \$ 1,657,032 |
| Total Liabilities | \$ 1,415,752 | \$ 15,040,394 | \$ 14,799,114 | \$ 1,657,032 |
| <u>Totals - All Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 1,415,752 | \$ 15,040,394 | \$ 14,799,114 | \$ 1,657,032 |
| Equity in Pooled Cash and Investments | 0 | 3,509,942 | 3,509,942 | 0 |
| Due from Other Governments | 617,670 | 626,086 | 617,670 | 626,086 |
| Total Assets | \$ 2,033,422 | \$ 19,176,422 | \$ 18,926,726 | \$ 2,283,118 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 617,670 | \$ 4,136,028 | \$ 4,127,612 | \$ 626,086 |
| Due to Litigants, Heirs, and Others | 1,415,752 | 15,040,394 | 14,799,114 | 1,657,032 |
| Total Liabilities | \$ 2,033,422 | \$ 19,176,422 | \$ 18,926,726 | \$ 2,283,118 |

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, 2015

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) |
|--|---------------|----------------------------|---|--|
| | | Charges for Services | Operating Grants and Contributions | Revenue and Changes in Net Position Total Governmental Activities |
| Governmental Activities: | | | | |
| Instruction | \$ 26,280,758 | \$ 207,649 | \$ 3,927,820 | \$ (22,145,289) |
| Support Services | 15,599,040 | 13,440 | 30,160 | (15,555,440) |
| Operation of Non-instructional Services | 5,066,031 | 1,010,866 | 2,099,343 | (1,955,822) |
| Interest on Long-term Debt | 19,405 | 0 | 0 | (19,405) |
| Total Governmental Activities | \$ 46,965,234 | \$ 1,231,955 | \$ 6,057,323 | \$ (39,675,956) |
| General Revenues: | | | | |
| Taxes: | | | | |
| Property Taxes Levied for General Purposes | | | | \$ 9,728,343 |
| Local Option Sales Taxes | | | | 3,929,522 |
| Other Local Taxes | | | | 17,091 |
| Grants and Contributions Not Restricted to Specific Programs | | | | 27,436,683 |
| Unrestricted Investment Earnings | | | | 8,451 |
| Miscellaneous | | | | 68,401 |
| Pension Income | | | | 88,822 |
| Total General Revenues | | | | \$ 41,277,313 |
| Change in Net Position | | | | \$ 1,601,357 |
| Net Position, July 1, 2014 | | | | 47,735,476 |
| Restatement - See Note I.D.10 | | | | (8,224,107) |
| Net Position, June 30, 2015 | | | | \$ 41,112,726 |

Exhibit I-2

Franklin County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Franklin County School Department
June 30, 2015

| | Major Funds | | Nonmajor | Total |
|---|------------------------|---------------------|------------------------------|----------------------|
| | General Purpose School | Central Cafeteria | Fund School Federal Projects | |
| <u>ASSETS</u> | | | | |
| Cash | \$ 0 | \$ 1,634 | \$ 0 | \$ 1,634 |
| Equity in Pooled Cash and Investments | 6,876,482 | 2,500,325 | 7,361 | 9,384,168 |
| Accounts Receivable | 32,705 | 2,221 | 0 | 34,926 |
| Due from Other Governments | 1,082,188 | 707 | 2,639 | 1,085,534 |
| Due from Primary Government | 1,581 | 0 | 0 | 1,581 |
| Property Taxes Receivable | 9,564,143 | 0 | 0 | 9,564,143 |
| Allowance for Uncollectible Property Taxes | (367,122) | 0 | 0 | (367,122) |
| Prepaid Items | 4,088 | 1,123 | 0 | 5,211 |
| Total Assets | <u>\$ 17,194,065</u> | <u>\$ 2,506,010</u> | <u>\$ 10,000</u> | <u>\$ 19,710,075</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 108,320 | \$ 875 | \$ 0 | \$ 109,195 |
| Accrued Payroll | 57,647 | 936 | 0 | 58,583 |
| Total Liabilities | <u>\$ 165,967</u> | <u>\$ 1,811</u> | <u>\$ 0</u> | <u>\$ 167,778</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Deferred Current Property Taxes | \$ 8,930,911 | \$ 0 | \$ 0 | \$ 8,930,911 |
| Deferred Delinquent Property Taxes | 244,818 | 0 | 0 | 244,818 |
| Other Deferred/Unavailable Revenue | 448,922 | 0 | 0 | 448,922 |
| Total Deferred Inflows of Resources | <u>\$ 9,624,651</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 9,624,651</u> |
| <u>FUND BALANCES</u> | | | | |
| Nonspendable: | | | | |
| Prepaid Items | \$ 4,088 | \$ 1,123 | \$ 0 | \$ 5,211 |
| Restricted: | | | | |
| Restricted for Education | 456,484 | 2,503,076 | 0 | 2,959,560 |
| Committed: | | | | |
| Committed for Education | 1,454,908 | 0 | 10,000 | 1,464,908 |
| Assigned: | | | | |
| Assigned for Education | 635,280 | 0 | 0 | 635,280 |
| Unassigned | 4,852,687 | 0 | 0 | 4,852,687 |
| Total Fund Balances | <u>\$ 7,403,447</u> | <u>\$ 2,504,199</u> | <u>\$ 10,000</u> | <u>\$ 9,917,646</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 17,194,065</u> | <u>\$ 2,506,010</u> | <u>\$ 10,000</u> | <u>\$ 19,710,075</u> |

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, 2015

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) | | \$ 9,917,646 | |
| (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 | 33,783,861 | | |
| Add: other capital assets net of accumulated depreciation | <u>3,185,074</u> | 42,395,121 | |
| (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 | \$ (506,411) | | |
| Less: compensated absences payable | (215,506) | | |
| Less: other postemployment benefits liability | <u>(5,342,026)</u> | (6,063,943) | |
| (3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years: | | | |
| Add: deferred outflows of resources related to pensions | \$ 2,825,199 | | |
| Less: deferred inflows of resources related to pensions | <u>(9,037,021)</u> | (6,211,822) | |
| (4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds. | | | |
| Add: net pension assets - agent plan | \$ 295,217 | | |
| Add: net pension assets - cost-sharing plan | <u>86,767</u> | 381,984 | |
| (5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | | |
| | | <u>693,740</u> | |
| Net position of governmental activities (Exhibit A) | | | <u>\$ 41,112,726</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, 2015

| | Major Funds | | Nonmajor | Total Governmental Funds |
|--|------------------------------|----------------------|-------------------------------|--------------------------------|
| | General Purpose School | Central Cafeteria | School Federal Projects | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 13,796,219 | \$ 0 | \$ 0 | \$ 13,796,219 |
| Licenses and Permits | 53,135 | 0 | 0 | 53,135 |
| Charges for Current Services | 208,885 | 1,010,866 | 0 | 1,219,751 |
| Other Local Revenues | 469,070 | 8,451 | 0 | 477,521 |
| State of Tennessee | 27,597,165 | 32,713 | 0 | 27,629,878 |
| Federal Government | 419,619 | 2,066,630 | 2,823,232 | 5,309,481 |
| Total Revenues | <u>\$ 42,544,093</u> | <u>\$ 3,118,660</u> | <u>\$ 2,823,232</u> | <u>\$ 48,485,985</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Instruction | \$ 24,103,588 | \$ 0 | \$ 1,823,263 | \$ 25,926,851 |
| Support Services | 14,892,319 | 0 | 1,002,750 | 15,895,069 |
| Operation of Non-instructional Services | 2,087,590 | 2,768,911 | 0 | 4,856,501 |
| Debt Service: | | | | |
| Principal on Debt | 209,169 | 0 | 0 | 209,169 |
| Interest on Debt | 19,405 | 0 | 0 | 19,405 |
| Other Debt Service | 510,000 | 0 | 0 | 510,000 |
| Total Expenditures | <u>\$ 41,822,071</u> | <u>\$ 2,768,911</u> | <u>\$ 2,826,013</u> | <u>\$ 47,416,995</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 722,022</u> | <u>\$ 349,749</u> | <u>\$ (2,781)</u> | <u>\$ 1,068,990</u> |
| Net Change in Fund Balances | \$ 722,022 | \$ 349,749 | \$ (2,781) | \$ 1,068,990 |
| Fund Balance, July 1, 2014 | <u>6,681,425</u> | <u>2,154,450</u> | <u>12,781</u> | <u>8,848,656</u> |
| Fund Balance, June 30, 2015 | <u>\$ 7,403,447</u> | <u>\$ 2,504,199</u> | <u>\$ 10,000</u> | <u>\$ 9,917,646</u> |

Exhibit I-5

Franklin County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2015

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

| | | |
|--|--------------------|---------------------|
| Net change in fund balances - total governmental funds (Exhibit I-4) | | \$ 1,068,990 |
| (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 | \$ 684,766 | |
| Less: current-year depreciation expense | <u>(2,171,538)</u> | (1,486,772) |
| (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 | | (24,407) |
| (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, 2015 | \$ 693,740 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2014 | <u>(700,921)</u> | (7,181) |
| (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 | | 209,169 |
| (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 | \$ (16,458) | |
| Change in other postemployment benefits liability | (536,253) | |
| Change in net pension liability/asset | 8,606,091 | |
| Change in deferred outflows related to pensions | 2,825,199 | |
| Change in deferred inflows related to pensions | <u>(9,037,021)</u> | <u>1,841,558</u> |
| Change in net position of governmental activities (Exhibit B) | | <u>\$ 1,601,357</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, 2015

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 13,796,219 | \$ 0 | \$ 0 | \$ 13,796,219 | \$ 13,686,602 | \$ 13,755,102 | \$ 41,117 |
| Licenses and Permits | 53,135 | 0 | 0 | 53,135 | 43,800 | 43,800 | 9,335 |
| Charges for Current Services | 208,885 | 0 | 0 | 208,885 | 264,397 | 265,647 | (56,762) |
| Other Local Revenues | 469,070 | 0 | 0 | 469,070 | 256,956 | 488,974 | (19,904) |
| State of Tennessee | 27,597,165 | 0 | 0 | 27,597,165 | 27,576,237 | 27,658,204 | (61,039) |
| Federal Government | 419,619 | 0 | 0 | 419,619 | 148,397 | 439,544 | (19,925) |
| Total Revenues | \$ 42,544,093 | \$ 0 | \$ 0 | \$ 42,544,093 | \$ 41,976,389 | \$ 42,651,271 | \$ (107,178) |
| <u>Expenditures</u> | | | | | | | |
| <u>Instruction</u> | | | | | | | |
| Regular Instruction Program | \$ 19,077,707 | \$ (309,659) | \$ 352,787 | \$ 19,120,835 | \$ 20,034,075 | \$ 20,206,941 | \$ 1,086,106 |
| Alternative Instruction Program | 90,093 | 0 | 422 | 90,515 | 142,960 | 145,594 | 55,079 |
| Special Education Program | 3,682,794 | (16,197) | 6,506 | 3,673,103 | 3,806,094 | 3,841,345 | 168,242 |
| Vocational Education Program | 1,116,636 | (3,627) | 4,441 | 1,117,450 | 1,216,640 | 1,216,640 | 99,190 |
| Student Body Education Program | 136,358 | (2,000) | 2,000 | 136,358 | 135,235 | 141,371 | 5,013 |
| <u>Support Services</u> | | | | | | | |
| Attendance | 222,146 | 0 | 0 | 222,146 | 238,654 | 242,354 | 20,208 |
| Health Services | 515,481 | 0 | 1,469 | 516,950 | 399,851 | 524,851 | 7,901 |
| Other Student Support | 1,301,933 | 0 | 505 | 1,302,438 | 1,299,750 | 1,334,797 | 32,359 |
| Regular Instruction Program | 1,005,505 | 0 | 0 | 1,005,505 | 1,024,957 | 1,022,551 | 17,046 |
| Special Education Program | 318,921 | (6,124) | 117 | 312,914 | 359,332 | 324,081 | 11,167 |
| Vocational Education Program | 63,309 | (457) | 234 | 63,086 | 66,322 | 66,322 | 3,236 |
| Other Programs | 186,283 | 0 | 0 | 186,283 | 0 | 186,283 | 0 |
| Board of Education | 1,056,052 | (7,463) | 3,103 | 1,051,692 | 1,125,498 | 1,126,171 | 74,479 |
| Director of Schools | 377,813 | (770) | 1,868 | 378,911 | 626,824 | 639,663 | 260,752 |
| Office of the Principal | 2,239,277 | 0 | 250 | 2,239,527 | 2,280,281 | 2,283,078 | 43,551 |
| Human Services/Personnel | 106,887 | 0 | 1,770 | 108,657 | 110,827 | 110,827 | 2,170 |
| Operation of Plant | 3,551,751 | (5,221) | 15,647 | 3,562,177 | 3,795,992 | 3,795,992 | 233,815 |
| Maintenance of Plant | 1,191,032 | (89,396) | 131,973 | 1,233,609 | 1,326,978 | 1,326,978 | 93,369 |
| Transportation | 2,195,704 | (3,625) | 111,554 | 2,303,633 | 2,414,461 | 2,423,481 | 119,848 |

(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: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|----------------|--|
| | | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| <u>Support Services (Cont.)</u> | | | | | | | |
| Central and Other | \$ 560,225 | \$ (15,107) | \$ 434 | \$ 545,552 | \$ 549,194 | \$ 550,694 | \$ 5,142 |
| <u>Operation of Non-instructional Services</u> | | | | | | | |
| Community Services | 742,289 | 0 | 200 | 742,489 | 692,737 | 845,772 | 103,283 |
| Early Childhood Education | 1,345,301 | (3,213) | 0 | 1,342,088 | 1,353,676 | 1,353,676 | 11,588 |
| <u>Principal on Debt</u> | | | | | | | |
| Education | 209,169 | 0 | 0 | 209,169 | 209,169 | 209,169 | 0 |
| <u>Interest on Debt</u> | | | | | | | |
| Education | 19,405 | 0 | 0 | 19,405 | 19,405 | 19,405 | 0 |
| <u>Other Debt Service</u> | | | | | | | |
| Education | 510,000 | 0 | 0 | 510,000 | 510,000 | 510,000 | 0 |
| Total Expenditures | \$ 41,822,071 | \$ (462,859) | \$ 635,280 | \$ 41,994,492 | \$ 43,738,912 | \$ 44,448,036 | \$ 2,453,544 |
| | | | | | | | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 722,022 | \$ 462,859 | \$ (635,280) | \$ 549,601 | \$ (1,762,523) | \$ (1,796,765) | \$ 2,346,366 |
| | | | | | | | |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Transfers Out | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (1,183) | \$ 0 | \$ 0 |
| Total Other Financing Sources | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (1,183) | \$ 0 | \$ 0 |
| | | | | | | | |
| Net Change in Fund Balance | \$ 722,022 | \$ 462,859 | \$ (635,280) | \$ 549,601 | \$ (1,763,706) | \$ (1,796,765) | \$ 2,346,366 |
| Fund Balance, July 1, 2014 | 6,681,425 | (462,859) | 0 | 6,218,566 | 3,588,337 | 3,588,337 | 2,630,229 |
| | | | | | | | |
| Fund Balance, June 30, 2015 | \$ 7,403,447 | \$ 0 | \$ (635,280) | \$ 6,768,167 | \$ 1,824,631 | \$ 1,791,572 | \$ 4,976,595 |

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, 2015

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------|--------------|------------------|--------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Federal Government | \$ 2,823,232 | \$ 3,227,873 | \$ 3,239,739 | \$ (416,507) |
| Total Revenues | \$ 2,823,232 | \$ 3,227,873 | \$ 3,239,739 | \$ (416,507) |
| <u>Expenditures</u> | | | | |
| <u>Instruction</u> | | | | |
| Regular Instruction Program | \$ 1,076,662 | \$ 1,107,824 | \$ 1,115,674 | \$ 39,012 |
| Special Education Program | 680,407 | 781,761 | 773,497 | 93,090 |
| Vocational Education Program | 66,194 | 66,194 | 66,194 | 0 |
| <u>Support Services</u> | | | | |
| Health Services | 187,282 | 190,010 | 190,010 | 2,728 |
| Other Student Support | 30,463 | 209,679 | 203,709 | 173,246 |
| Regular Instruction Program | 383,664 | 470,998 | 471,897 | 88,233 |
| Special Education Program | 200,387 | 196,061 | 213,312 | 12,925 |
| Vocational Education Program | 4,336 | 4,336 | 4,336 | 0 |
| Transportation | 196,618 | 203,845 | 203,845 | 7,227 |
| Total Expenditures | \$ 2,826,013 | \$ 3,230,708 | \$ 3,242,474 | \$ 416,461 |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | \$ (2,781) | \$ (2,835) | \$ (2,735) | \$ (46) |
| Net Change in Fund Balance | | | | |
| Fund Balance, July 1, 2014 | \$ 12,781 | \$ 12,781 | \$ 12,781 | \$ 0 |
| Fund Balance, June 30, 2015 | \$ 10,000 | \$ 9,946 | \$ 10,046 | \$ (46) |

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, 2015

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Charges for Current Services | \$ 1,010,866 | \$ 1,058,896 | \$ 1,058,896 | \$ (48,030) |
| Other Local Revenues | 8,451 | 5,500 | 5,500 | 2,951 |
| State of Tennessee | 32,713 | 32,754 | 32,754 | (41) |
| Federal Government | 2,066,630 | 2,239,940 | 2,239,940 | (173,310) |
| Total Revenues | <u>\$ 3,118,660</u> | <u>\$ 3,337,090</u> | <u>\$ 3,337,090</u> | <u>\$ (218,430)</u> |
| <u>Expenditures</u> | | | | |
| <u>Operation of Non-instructional Services</u> | | | | |
| Food Service | \$ 2,768,911 | \$ 3,537,415 | \$ 3,537,415 | \$ 768,504 |
| Total Expenditures | <u>\$ 2,768,911</u> | <u>\$ 3,537,415</u> | <u>\$ 3,537,415</u> | <u>\$ 768,504</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 349,749</u> | <u>\$ (200,325)</u> | <u>\$ (200,325)</u> | <u>\$ 550,074</u> |
| Net Change in Fund Balance | \$ 349,749 | \$ (200,325) | \$ (200,325) | \$ 550,074 |
| Fund Balance, July 1, 2014 | 2,154,450 | 2,099,298 | 2,099,298 | 55,152 |
| Fund Balance, June 30, 2015 | <u>\$ 2,504,199</u> | <u>\$ 1,898,973</u> | <u>\$ 1,898,973</u> | <u>\$ 605,226</u> |

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, 2015

| Description of Indebtedness | Original Amount of Issue | Interest Rate | Date of Issue | Last Maturity Date | Outstanding 7-1-14 | Paid and/or | | Outstanding 6-30-15 |
|---|--------------------------------|------------------|---------------------|--------------------------|-----------------------|----------------------------|-----------------------------|------------------------|
| | | | | | | Issued During Period | Matured During Period | |
| <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 | \$ 593,367 | \$ 0 | \$ 63,264 | \$ 530,103 |
| Solid Waste/Highway Equipment | 450,000 | 2.63 | 1-9-14 | 1-9-21 | 450,000 | 0 | 64,290 | 385,710 |
| Highway and Road Improvements | 2,000,000 | 2.33 | 1-6-15 | 4-1-22 | 0 | 2,000,000 | 0 | 2,000,000 |
| Highway Capital Road Projects | 1,000,000 | 2.33 | 5-11-15 | 4-1-22 | 0 | 1,000,000 | 0 | 1,000,000 |
| Total Payable through General Debt Service Fund | | | | | \$ 1,043,367 | \$ 3,000,000 | \$ 127,554 | \$ 3,915,813 |
| <u>Payable through Highway/Public Works Fund</u> | | | | | | | | |
| Quarry Land | 177,000 | 4.875 | 11-10-11 | 2-1-23 | \$ 136,653 | \$ 0 | \$ 12,460 | \$ 124,193 |
| Total Payable through Highway/Public Works Fund | | | | | \$ 136,653 | \$ 0 | \$ 12,460 | \$ 124,193 |
| Total Notes Payable | | | | | \$ 1,180,020 | \$ 3,000,000 | \$ 140,014 | \$ 4,040,006 |
| <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 | \$ 22,544 | \$ 0 | \$ 22,544 | \$ 0 |
| Energy Efficiency Lighting System | 308,473 | 4.75 | 1-3-11 | 1-3-18 | 188,559 | 0 | 43,874 | 144,685 |
| Total Payable through General Fund | | | | | \$ 211,103 | \$ 0 | \$ 66,418 | \$ 144,685 |
| <u>Payable through Highway/Public Works Fund</u> | | | | | | | | |
| Highway Equipment - 2 Trucks | 183,021 | 4.7 | 4-27-10 | 2-12-15 | \$ 26,954 | \$ 0 | \$ 26,954 | \$ 0 |
| Total Payable through Highway/Public Works Fund | | | | | \$ 26,954 | \$ 0 | \$ 26,954 | \$ 0 |
| <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 | \$ 232,160 | \$ 0 | \$ 71,424 | \$ 160,736 |
| Energy Efficient Lighting (State 2) | 386,672 | 3 | 9-1-10 | 9-1-15 | 102,167 | 0 | 81,420 | 20,747 |
| Energy Efficient Lighting (Excel) | 581,879 | 5 | 10-1-10 | 4-1-20 | 381,253 | 0 | 56,325 | 324,928 |
| Total Contributions Due by the School Department from the General Purpose School Fund to the Education Debt Service Fund | | | | | \$ 715,580 | \$ 0 | \$ 209,169 | \$ 506,411 |
| Total Capital Leases | | | | | \$ 953,637 | \$ 0 | \$ 302,541 | \$ 651,096 |

(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 7-1-14 | Issued During Period | Paid and/or Matured During Period | Outstanding 6-30-15 |
|---|--------------------------------|------------------|---------------------|--------------------------|-----------------------|----------------------------|--|------------------------|
| <u>BONDS PAYABLE</u> | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| Industrial Revenue | \$ 378,000 | 5 | % 11-18-1978 | 1-1-17 | \$ 60,000 | \$ 0 | \$ 20,000 | \$ 40,000 |
| General Obligation Series 2007 | 6,000,000 | 4.19 | 8-15-07 | 4-1-23 | 4,485,000 | 0 | 415,000 | 4,070,000 |
| General Obligation Judicial Center, Series 2010 | 1,500,000 | 4.13 | 5-21-10 | 5-21-48 | 1,427,793 | 0 | 19,948 | 1,407,845 |
| General Obligation Refunding, Series 2014 | 1,810,000 | 1.28 | 6-7-13 | 6-1-21 | 708,400 | 0 | 359,100 | 349,300 |
| Total Payable through General Debt Service Fund | | | | | <u>\$ 6,681,193</u> | <u>\$ 0</u> | <u>\$ 814,048</u> | <u>\$ 5,867,145</u> |
| <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 | \$ 2,175,000 | \$ 0 | \$ 180,000 | \$ 1,995,000 |
| School Refunding Bonds, Series 2009 | 15,205,000 | 2 to 3.75 | 6-15-09 | 3-1-21 | 10,065,000 | 0 | 1,305,000 | 8,760,000 |
| School Refunding Bonds, Series 2011 | 3,495,000 | 1.35 | 12-28-11 | 3-1-16 | 1,790,000 | 0 | 885,000 | 905,000 |
| School Refunding Bonds, Series 2014 | 2,220,000 | 1.23 to 2 | 6-7-13 | 6-1-21 | 1,961,600 | 0 | 270,900 | 1,690,700 |
| Total Payable through Education Debt Service Fund | | | | | <u>\$ 15,991,600</u> | <u>\$ 0</u> | <u>\$ 2,640,900</u> | <u>\$ 13,350,700</u> |
| Total Bonds Payable | | | | | <u>\$ 22,672,793</u> | <u>\$ 0</u> | <u>\$ 3,454,948</u> | <u>\$ 19,217,845</u> |

Exhibit J-2

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

| Year Ending June 30 | Notes | | |
|---------------------------|---------------------|-------------------|---------------------|
| | Principal | Interest | Total |
| 2016 | \$ 572,486 | \$ 106,437 | \$ 678,923 |
| 2017 | 576,389 | 93,471 | 669,860 |
| 2018 | 580,448 | 77,872 | 658,320 |
| 2019 | 584,689 | 62,090 | 646,779 |
| 2020 | 589,111 | 46,128 | 635,239 |
| 2021 | 592,761 | 29,908 | 622,669 |
| 2022 | 525,890 | 13,494 | 539,384 |
| 2023 | 18,232 | 889 | 19,121 |
| Total | <u>\$ 4,040,006</u> | <u>\$ 430,289</u> | <u>\$ 4,470,295</u> |

| Year Ending June 30 | Capital Leases | | |
|---------------------------|-------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 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 | <u>\$ 651,096</u> | <u>\$ 56,294</u> | <u>\$ 707,390</u> |

| Year Ending June 30 | Bonds | | |
|---------------------------|--------------|------------|--------------|
| | Principal | Interest | Total |
| 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 | \$ 19,217,845 | \$ 3,672,378 | \$ 22,890,223 |

Exhibit J-3

Franklin County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2015

| <u>From Fund</u> | <u>To Fund</u> | <u>Purpose</u> | <u>Amount</u> |
|---------------------------------|--------------------------|-------------------|----------------------------|
| General | Highway/Public Works | Reimbursement | \$ 6,880 |
| " | Highway Capital Projects | Road improvements | 3,000,000 |
| Courthouse and Jail Maintenance | General Debt Service | Debt payments | 152,600 |
| Public Library | General | Reimbursement | 3,000 |
| Solid Waste/Sanitation | " | " | 3,803 |
| Highway/Public Works | " | " | <u>3,803</u> |
| Total Transfers | | | <u><u>\$ 3,170,086</u></u> |

Exhibit J-4

Franklin County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Franklin County School Department
For the Year Ended June 30, 2015

| Official | Authorization for Salary | Salary Paid During Period | Bond | Surety |
|---|---|---------------------------|------------|--------------------------------------|
| County Mayor | Section 8-24-102, <i>TCA</i> | \$ 81,153 | \$ 100,000 | Western Surety Company |
| Superintendent of Highways | Section 8-24-102, <i>TCA</i> and County Commission | 77,290 (1) | 100,000 | " |
| Director of Schools | State Board of Education and Franklin County Board of Education | 119,238 (2) | 50,000 | " |
| Finance Director | County Commission | 63,548 (3) | 100,000 | " |
| Trustee | Section 8-24-102, <i>TCA</i> | 70,263 | 1,636,276 | Auto-Owners Mutual Insurance Company |
| Assessor of Property | Section 8-24-102, <i>TCA</i> | 70,263 | 50,000 | RLI Insurance Company |
| County Clerk | Section 8-24-102, <i>TCA</i> | 70,263 | 100,000 | " |
| Circuit, General Sessions, and Juvenile Courts Clerk | Section 8-24-102, <i>TCA</i> | 70,263 | 100,000 | " |
| Clerk and Master | Section 8-24-102, <i>TCA</i> and County Commission | 70,263 (4) | 50,000 | " |
| Register of Deeds | Section 8-24-102, <i>TCA</i> | 70,263 | 100,000 | Western Surety Company |
| Sheriff | Section 8-24-102, <i>TCA</i> | 77,290 (5) | 100,000 | RLI Insurance Company |
| Other Bonds: | | | | |
| Public Employee Dishonesty | | | 150,000 | Tennessee Risk Management Trust |

- (1) Does not include longevity of \$1,200.
- (2) Does not include a chief executive officer training supplement of \$1,000.
- (3) Does not include an education incentive of \$950, longevity of \$1,200, and a bonus of \$200.
- (4) Does not include longevity of \$960 and a bonus of \$200.
- (5) 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, 2015

| | Special Revenue Funds | | | | | |
|--|-----------------------|---------------------------------------|-------------------|--------------------------------|-------------------------|-----------------|
| | General | Courthouse and Jail Maintenance | Public Library | Solid Waste / Sanitation | Local Purpose Tax | Drug Control |
| <u>Local Taxes</u> | | | | | | |
| <u>County Property Taxes</u> | | | | | | |
| Current Property Tax | \$ 8,570,583 | \$ 0 | \$ 278,033 | \$ 932,966 | \$ 347,232 | \$ 0 |
| Trustee's Collections - Prior Year | 169,080 | 0 | 5,567 | 18,263 | 6,248 | 0 |
| Trustee's Collections - Bankruptcy | 3,001 | 0 | 101 | 378 | 129 | 0 |
| Circuit/Clerk and Master Collections - Prior Years | 231,754 | 0 | 7,471 | 19,621 | 6,916 | 0 |
| Interest and Penalty | 37,373 | 0 | 1,229 | 4,216 | 1,527 | 0 |
| Payments in-Lieu-of Taxes - T.V.A. | 3,780 | 0 | 123 | 589 | 283 | 0 |
| Payments in-Lieu-of Taxes - Local Utilities | 28,237 | 0 | 914 | 0 | 0 | 0 |
| Payments in-Lieu-of Taxes - Other | 18,335 | 0 | 594 | 55 | 26 | 0 |
| <u>County Local Option Taxes</u> | | | | | | |
| Local Option Sales Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| Hotel/Motel Tax | 0 | 0 | 0 | 0 | 212,104 | 0 |
| Litigation Tax - General | 111,555 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 155,890 | 0 | 0 | 0 | 0 |
| Business Tax | 352,471 | 0 | 0 | 0 | 0 | 0 |
| Mixed Drink Tax | 32,230 | 0 | 0 | 0 | 0 | 0 |
| Mineral Severance Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Statutory Local Taxes</u> | | | | | | |
| Bank Excise Tax | 55,303 | 0 | 1,793 | 8,622 | 4,139 | 0 |
| Wholesale Beer Tax | 214,578 | 0 | 0 | 0 | 0 | 0 |
| Interstate Telecommunications Tax | 2,112 | 0 | 0 | 0 | 0 | 0 |
| Other Statutory Local Taxes | 732 | 0 | 0 | 0 | 0 | 0 |
| Total Local Taxes | \$ 9,831,124 | \$ 155,890 | \$ 295,825 | \$ 984,710 | \$ 578,604 | \$ 0 |

(Continued)

Exhibit J-5

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

| | Special Revenue Funds | | | | | |
|--|-----------------------|---------------------------------------|-------------------|--------------------------------|-------------------------|-----------------|
| | General | Courthouse and Jail Maintenance | Public Library | Solid Waste / Sanitation | Local Purpose Tax | Drug Control |
| <u>Licenses and Permits</u> | | | | | | |
| <u>Licenses</u> | | | | | | |
| Cable TV Franchise | \$ 46,307 | \$ 0 | \$ 1,501 | \$ 7,219 | \$ 3,466 | \$ 0 |
| <u>Permits</u> | | | | | | |
| Beer Permits | 3,851 | 0 | 0 | 0 | 0 | 0 |
| Building Permits | 20,835 | 0 | 0 | 0 | 20,000 | 0 |
| Other Permits | 1,125 | 0 | 0 | 0 | 0 | 0 |
| Total Licenses and Permits | \$ 72,118 | \$ 0 | \$ 1,501 | \$ 7,219 | \$ 23,466 | \$ 0 |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | |
| <u>Circuit Court</u> | | | | | | |
| Fines | \$ 4,236 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Officers Costs | 30,872 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 6,348 |
| Drug Court Fees | 1,818 | 0 | 0 | 0 | 0 | 0 |
| Jail Fees | 7,600 | 0 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 2,365 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Circuit Court | 4,081 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 80 | 0 | 0 | 0 | 0 | 0 |
| <u>General Sessions Court</u> | | | | | | |
| Fines | 25,906 | 0 | 0 | 0 | 0 | 0 |
| Fines for Littering | 95 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 49,919 | 0 | 0 | 0 | 0 | 0 |
| Game and Fish Fines | 2,377 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 14,511 |
| Drug Court Fees | 9,467 | 0 | 0 | 0 | 0 | 0 |
| Jail Fees | 25,519 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit J-5

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

| | Special Revenue Funds | | | | | |
|--|-----------------------|---------------------------------------|-------------------|--------------------------------|-------------------------|------------------|
| | General | Courthouse and Jail Maintenance | Public Library | Solid Waste / Sanitation | Local Purpose Tax | Drug Control |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | | |
| <u>General Sessions Court (Cont.)</u> | | | | | | |
| DUI Treatment Fines | \$ 12,591 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Data Entry Fee - General Sessions Court | 10,649 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 1,312 | 0 | 0 | 0 | 0 | 0 |
| <u>Juvenile Court</u> | | | | | | |
| Fines | 238 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 4,084 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Juvenile Court | 2,110 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 11 | 0 | 0 | 0 | 0 | 0 |
| <u>Chancery Court</u> | | | | | | |
| Officers Costs | 746 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Chancery Court | 1,001 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Courts - In-county</u> | | | | | | |
| Drug Court Fees | 4,428 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | |
| Proceeds from Confiscated Property | 510 | 0 | 0 | 0 | 0 | 26,935 |
| Other Fines, Forfeitures, and Penalties | 2,379 | 0 | 0 | 0 | 0 | 0 |
| Total Fines, Forfeitures, and Penalties | \$ 204,394 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 47,794 |
| <u>Charges for Current Services</u> | | | | | | |
| <u>General Service Charges</u> | | | | | | |
| Transfer Waste Stations Collection Charge | \$ 0 | \$ 0 | \$ 0 | \$ 10,000 | \$ 0 | \$ 0 |
| Tipping Fees | 0 | 0 | 0 | 23,209 | 0 | 0 |
| Solid Waste Disposal Fee | 0 | 0 | 0 | 9,235 | 0 | 0 |
| Other General Service Charges | 17,498 | 0 | 14,829 | 0 | 0 | 0 |

(Continued)

Exhibit J-5

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

| | Special Revenue Funds | | | | | |
|---|-----------------------|---------------------------------------|-------------------|--------------------------------|-------------------------|-----------------|
| | General | Courthouse and Jail Maintenance | Public Library | Solid Waste / Sanitation | Local Purpose Tax | Drug Control |
| <u>Charges for Current Services (Cont.)</u> | | | | | | |
| <u>Fees</u> | | | | | | |
| Copy Fees | \$ 5 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Greenbelt Late Application Fee | 100 | 0 | 0 | 0 | 0 | 0 |
| Telephone Commissions | 65,901 | 0 | 0 | 0 | 0 | 0 |
| Vending Machine Collections | 265 | 0 | 0 | 0 | 0 | 0 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Register | 13,162 | 0 | 0 | 0 | 0 | 0 |
| Probation Fees | 215,393 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Sheriff | 4,342 | 0 | 0 | 0 | 0 | 0 |
| Sexual Offender Registration Fee - Sheriff | 7,800 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - County Clerk | 10,991 | 0 | 0 | 0 | 0 | 0 |
| Total Charges for Current Services | \$ 335,457 | \$ 0 | \$ 14,829 | \$ 42,444 | \$ 0 | \$ 0 |
| <u>Other Local Revenues</u> | | | | | | |
| <u>Recurring Items</u> | | | | | | |
| Investment Income | \$ 0 | \$ 0 | \$ 544 | \$ 67,715 | \$ 0 | \$ 0 |
| Lease/Rentals | 24,174 | 0 | 0 | 0 | 0 | 0 |
| Sale of Recycled Materials | 0 | 0 | 0 | 133,278 | 0 | 0 |
| Miscellaneous Refunds | 38,331 | 0 | 0 | 0 | 0 | 191 |
| <u>Nonrecurring Items</u> | | | | | | |
| Sale of Equipment | 0 | 0 | 0 | 0 | 0 | 4,349 |
| Sale of Property | 0 | 0 | 0 | 0 | 0 | 1,300 |
| Contributions and Gifts | 646 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Local Revenues</u> | | | | | | |
| Other Local Revenues | 61,457 | 0 | 2,315 | 0 | 0 | 0 |
| Total Other Local Revenues | \$ 124,608 | \$ 0 | \$ 2,859 | \$ 200,993 | \$ 0 | \$ 5,840 |

(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 | Drug Control |
| <u>Fees Received from County Officials</u> | | | | | | |
| <u>Fees in-Lieu-of Salary</u> | | | | | | |
| County Clerk | \$ 327,658 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Circuit Court Clerk | 219,733 | 0 | 0 | 0 | 0 | 0 |
| General Sessions Court Clerk | 222,461 | 0 | 0 | 0 | 0 | 0 |
| Clerk and Master | 158,290 | 0 | 0 | 0 | 0 | 0 |
| Juvenile Court Clerk | 40,765 | 0 | 0 | 0 | 0 | 0 |
| Register | 167,150 | 0 | 0 | 0 | 0 | 0 |
| Sheriff | 15,097 | 0 | 0 | 0 | 0 | 0 |
| Trustee | 684,276 | 0 | 0 | 0 | 0 | 0 |
| Total Fees Received from County Officials | \$ 1,835,430 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| <u>State of Tennessee</u> | | | | | | |
| <u>General Government Grants</u> | | | | | | |
| Juvenile Services Program | \$ 9,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Solid Waste Grants | 0 | 0 | 0 | 15,270 | 0 | 0 |
| On-behalf Contributions for OPEB | 2,350 | 0 | 0 | 0 | 0 | 0 |
| Other General Government Grants | 2,352 | 0 | 0 | 0 | 0 | 0 |
| <u>Public Safety Grants</u> | | | | | | |
| Law Enforcement Training Programs | 29,400 | 0 | 0 | 0 | 0 | 0 |
| <u>Health and Welfare Grants</u> | | | | | | |
| Health Department Programs | 135,827 | 0 | 0 | 0 | 0 | 0 |
| <u>Public Works Grants</u> | | | | | | |
| Bridge Program | 0 | 0 | 0 | 0 | 0 | 0 |
| State Aid Program | 0 | 0 | 0 | 0 | 0 | 0 |
| Litter Program | 32,123 | 0 | 0 | 0 | 0 | 0 |
| Tennessee Industrial Infrastructure Program | 118,750 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit J-5

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

| | Special Revenue Funds | | | | | |
|-----------------------------------|-----------------------|---------------------------------------|-------------------|--------------------------------|-------------------------|-----------------|
| | General | Courthouse and Jail Maintenance | Public Library | Solid Waste / Sanitation | Local Purpose Tax | Drug Control |
| <u>State of Tennessee (Cont.)</u> | | | | | | |
| <u>Other State Revenues</u> | | | | | | |
| Income Tax | \$ 260,505 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Beer Tax | 18,055 | 0 | 0 | 0 | 0 | 0 |
| Vehicle Certificate of Title Fees | 8,754 | 0 | 0 | 0 | 0 | 0 |
| Alcoholic Beverage Tax | 78,477 | 0 | 0 | 0 | 0 | 0 |
| State Revenue Sharing - T.V.A. | 1,080,560 | 0 | 0 | 0 | 0 | 0 |
| Contracted Prisoner Boarding | 881,161 | 0 | 0 | 0 | 0 | 0 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| Petroleum Special Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| Registrar's Salary Supplement | 15,164 | 0 | 0 | 0 | 0 | 0 |
| Other State Grants | 25,000 | 0 | 0 | 0 | 0 | 0 |
| Other State Revenues | 35,666 | 0 | 0 | 0 | 0 | 0 |
| Total State of Tennessee | \$ 2,733,144 | \$ 0 | \$ 0 | \$ 15,270 | \$ 0 | \$ 0 |
| <u>Federal Government</u> | | | | | | |
| <u>Federal Through State</u> | | | | | | |
| Community Development | \$ 174,240 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Civil Defense Reimbursement | 38,850 | 0 | 0 | 0 | 0 | 0 |
| Homeland Security Grants | 15,398 | 0 | 0 | 0 | 0 | 0 |
| Other Federal through State | 152,127 | 0 | 2,076 | 0 | 0 | 0 |
| <u>Direct Federal Revenue</u> | | | | | | |
| Other Direct Federal Revenue | 762,586 | 0 | 0 | 0 | 0 | 6,833 |
| Total Federal Government | \$ 1,143,201 | \$ 0 | \$ 2,076 | \$ 0 | \$ 0 | \$ 6,833 |

(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 | Drug Control |
| <u>Other Governments and Citizens Groups</u> | | | | | | |
| <u>Other Governments</u> | | | | | | |
| Prisoner Board | \$ 49 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Contributions | 368,592 | 0 | 27,125 | 0 | 0 | 0 |
| <u>Citizens Groups</u> | | | | | | |
| Donations | 51,100 | 0 | 1,015 | 0 | 0 | 1,700 |
| <u>Other</u> | | | | | | |
| Other | 62,021 | 0 | 0 | 0 | 0 | 0 |
| Total Other Governments and Citizens Groups | <u>\$ 481,762</u> | <u>\$ 0</u> | <u>\$ 28,140</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 1,700</u> |
| Total | <u>\$ 16,761,238</u> | <u>\$ 155,890</u> | <u>\$ 345,230</u> | <u>\$ 1,250,636</u> | <u>\$ 602,070</u> | <u>\$ 62,167</u> |

(Continued)

Exhibit J-5

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

| | Special Revenue Funds (Cont.) | | Debt Service Funds | | Capital Projects Fund | Total |
|--|---|------------------------------|----------------------------|------------------------------|--------------------------------|----------------------|
| | Constitu- tional Officers - Fees | Highway / Public Works | General Debt Service | Education Debt Service | Highway Capital Projects | |
| <u>Local Taxes</u> | | | | | | |
| <u>County Property Taxes</u> | | | | | | |
| Current Property Tax | \$ 0 | \$ 544,806 | \$ 1,059,306 | \$ 1,471,592 | \$ 0 | \$ 13,204,518 |
| Trustee's Collections - Prior Year | 0 | 11,643 | 25,936 | 25,475 | 0 | 262,212 |
| Trustee's Collections - Bankruptcy | 0 | 144 | 361 | 674 | 0 | 4,788 |
| Circuit/Clerk and Master Collections - Prior Years | 0 | 15,217 | 28,614 | 39,576 | 0 | 349,169 |
| Interest and Penalty | 0 | 2,390 | 5,194 | 6,299 | 0 | 58,228 |
| Payments in-Lieu-of Taxes - T.V.A. | 0 | 240 | 468 | 650 | 0 | 6,133 |
| Payments in-Lieu-of Taxes - Local Utilities | 0 | 1,793 | 3,489 | 4,849 | 0 | 39,282 |
| Payments in-Lieu-of Taxes - Other | 0 | 1,164 | 2,265 | 608,500 | 0 | 630,939 |
| <u>County Local Option Taxes</u> | | | | | | |
| Local Option Sales Tax | 0 | 0 | 0 | 1,064,479 | 0 | 1,064,479 |
| Hotel/Motel Tax | 0 | 0 | 0 | 0 | 0 | 212,104 |
| Litigation Tax - General | 0 | 0 | 82,144 | 0 | 0 | 193,699 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 0 | 0 | 0 | 0 | 155,890 |
| Business Tax | 0 | 0 | 0 | 0 | 0 | 352,471 |
| Mixed Drink Tax | 0 | 0 | 0 | 0 | 0 | 32,230 |
| Mineral Severance Tax | 0 | 42,916 | 0 | 0 | 0 | 42,916 |
| <u>Statutory Local Taxes</u> | | | | | | |
| Bank Excise Tax | 0 | 3,512 | 6,844 | 9,504 | 0 | 89,717 |
| Wholesale Beer Tax | 0 | 0 | 0 | 0 | 0 | 214,578 |
| Interstate Telecommunications Tax | 0 | 0 | 0 | 0 | 0 | 2,112 |
| Other Statutory Local Taxes | 0 | 0 | 0 | 0 | 0 | 732 |
| Total Local Taxes | \$ 0 | \$ 623,825 | \$ 1,214,621 | \$ 3,231,598 | \$ 0 | \$ 16,916,197 |

(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>Capital</u> | |
|--|---|------------------------------|----------------------------|------------------------------|--------------------------------|---------|
| | Constitu- tional Officers - Fees | Highway / Public Works | General Debt Service | Education Debt Service | Highway Capital Projects | Total |
| <u>Licenses and Permits</u> | | | | | | |
| <u>Licenses</u> | | | | | | |
| Cable TV Franchise | \$ 0 | \$ 2,940 | \$ 5,730 | \$ 7,958 | \$ 0 | 75,121 |
| <u>Permits</u> | | | | | | |
| Beer Permits | 0 | 0 | 0 | 0 | 0 | 3,851 |
| Building Permits | 0 | 0 | 0 | 0 | 0 | 40,835 |
| Other Permits | 0 | 0 | 0 | 0 | 0 | 1,125 |
| Total Licenses and Permits | \$ 0 | \$ 2,940 | \$ 5,730 | \$ 7,958 | \$ 0 | 120,932 |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | |
| <u>Circuit Court</u> | | | | | | |
| Fines | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 4,236 |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 30,872 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 6,348 |
| Drug Court Fees | 0 | 0 | 0 | 0 | 0 | 1,818 |
| Jail Fees | 0 | 0 | 0 | 0 | 0 | 7,600 |
| DUI Treatment Fines | 0 | 0 | 0 | 0 | 0 | 2,365 |
| Data Entry Fee - Circuit Court | 0 | 0 | 0 | 0 | 0 | 4,081 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 80 |
| <u>General Sessions Court</u> | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 25,906 |
| Fines for Littering | 0 | 0 | 0 | 0 | 0 | 95 |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 49,919 |
| Game and Fish Fines | 0 | 0 | 0 | 0 | 0 | 2,377 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 14,511 |
| Drug Court Fees | 0 | 0 | 0 | 0 | 0 | 9,467 |
| Jail Fees | 0 | 0 | 0 | 0 | 0 | 25,519 |

(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>Capital</u> | <u>Total</u> |
|--|---|---------------------------------------|-------------------------------------|---------------------------------------|--|----------------|
| | <u>Constitu- tional Officers - Fees</u> | <u>Highway / Public Works</u> | <u>General Debt Service</u> | <u>Education Debt Service</u> | <u>Highway Capital Projects Fund</u> | |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | | |
| <u>General Sessions Court (Cont.)</u> | | | | | | |
| DUI Treatment Fines | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 12,591 |
| Data Entry Fee - General Sessions Court | 0 | 0 | 0 | 0 | 0 | 10,649 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 1,312 |
| <u>Juvenile Court</u> | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 238 |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 4,084 |
| Data Entry Fee - Juvenile Court | 0 | 0 | 0 | 0 | 0 | 2,110 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 11 |
| <u>Chancery Court</u> | | | | | | |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 746 |
| Data Entry Fee - Chancery Court | 0 | 0 | 0 | 0 | 0 | 1,001 |
| <u>Other Courts - In-county</u> | | | | | | |
| Drug Court Fees | 0 | 0 | 0 | 0 | 0 | 4,428 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 0 | 0 | 0 | 27,445 |
| Other Fines, Forfeitures, and Penalties | 0 | 0 | 0 | 0 | 0 | 2,379 |
| Total Fines, Forfeitures, and Penalties | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 252,188 |
| <u>Charges for Current Services</u> | | | | | | |
| <u>General Service Charges</u> | | | | | | |
| Transfer Waste Stations Collection Charge | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 10,000 |
| Tipping Fees | 0 | 0 | 0 | 0 | 0 | 23,209 |
| Solid Waste Disposal Fee | 0 | 0 | 0 | 0 | 0 | 9,235 |
| Other General Service Charges | 0 | 1,965 | 0 | 0 | 0 | 34,292 |

(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>Capital</u> | <u>Total</u> |
|---|---|------------------------------|----------------------------|------------------------------|-------------------------------------|-------------------|
| | Constitu- tional Officers - Fees | Highway / Public Works | General Debt Service | Education Debt Service | Highway Capital Projects Fund | |
| <u>Charges for Current Services (Cont.)</u> | | | | | | |
| <u>Fees</u> | | | | | | |
| Copy Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 5 |
| Greenbelt Late Application Fee | 0 | 0 | 0 | 0 | 0 | 100 |
| Telephone Commissions | 0 | 0 | 0 | 0 | 0 | 65,901 |
| Vending Machine Collections | 0 | 50 | 0 | 0 | 0 | 315 |
| Constitutional Officers' Fees and Commissions | 89 | 0 | 0 | 0 | 0 | 89 |
| Data Processing Fee - Register | 0 | 0 | 0 | 0 | 0 | 13,162 |
| Probation Fees | 0 | 0 | 0 | 0 | 0 | 215,393 |
| Data Processing Fee - Sheriff | 0 | 0 | 0 | 0 | 0 | 4,342 |
| Sexual Offender Registration Fee - Sheriff | 0 | 0 | 0 | 0 | 0 | 7,800 |
| Data Processing Fee - County Clerk | 0 | 0 | 0 | 0 | 0 | 10,991 |
| Total Charges for Current Services | \$ 89 | \$ 2,015 | \$ 0 | \$ 0 | \$ 0 | 394,834 |
| <u>Other Local Revenues</u> | | | | | | |
| <u>Recurring Items</u> | | | | | | |
| Investment Income | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 558 | \$ 68,817 |
| Lease/Rentals | 0 | 0 | 0 | 0 | 0 | 24,174 |
| Sale of Recycled Materials | 0 | 0 | 0 | 0 | 0 | 133,278 |
| Miscellaneous Refunds | 0 | 7,188 | 0 | 0 | 0 | 45,710 |
| <u>Nonrecurring Items</u> | | | | | | |
| Sale of Equipment | 0 | 0 | 0 | 0 | 0 | 4,349 |
| Sale of Property | 0 | 0 | 0 | 0 | 0 | 1,300 |
| Contributions and Gifts | 0 | 0 | 0 | 0 | 0 | 646 |
| <u>Other Local Revenues</u> | | | | | | |
| Other Local Revenues | 0 | 0 | 0 | 0 | 0 | 63,772 |
| Total Other Local Revenues | \$ 0 | \$ 7,188 | \$ 0 | \$ 0 | 558 | \$ 342,046 |

(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>Capital</u> | <u>Total</u> |
|---|---|------------------------------|----------------------------|------------------------------|--------------------------------|--------------|
| | Constitu- tional Officers - Fees | Highway / Public Works | General Debt Service | Education Debt Service | Highway Capital Projects | |
| <u>Fees Received from County Officials</u> | | | | | | |
| <u>Fees in-Lieu-of Salary</u> | | | | | | |
| County Clerk | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 327,658 |
| Circuit Court Clerk | 0 | 0 | 0 | 0 | 0 | 219,733 |
| General Sessions Court Clerk | 0 | 0 | 0 | 0 | 0 | 222,461 |
| Clerk and Master | 0 | 0 | 0 | 0 | 0 | 158,290 |
| Juvenile Court Clerk | 0 | 0 | 0 | 0 | 0 | 40,765 |
| Register | 0 | 0 | 0 | 0 | 0 | 167,150 |
| Sheriff | 0 | 0 | 0 | 0 | 0 | 15,097 |
| Trustee | 0 | 0 | 0 | 0 | 0 | 684,276 |
| Total Fees Received from County Officials | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 1,835,430 |
| <u>State of Tennessee</u> | | | | | | |
| <u>General Government Grants</u> | | | | | | |
| Juvenile Services Program | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 9,000 |
| Solid Waste Grants | 0 | 0 | 0 | 0 | 0 | 15,270 |
| On-behalf Contributions for OPEB | 0 | 0 | 0 | 0 | 0 | 2,350 |
| Other General Government Grants | 0 | 0 | 0 | 0 | 0 | 2,352 |
| <u>Public Safety Grants</u> | | | | | | |
| Law Enforcement Training Programs | 0 | 0 | 0 | 0 | 0 | 29,400 |
| <u>Health and Welfare Grants</u> | | | | | | |
| Health Department Programs | 0 | 0 | 0 | 0 | 0 | 135,827 |
| <u>Public Works Grants</u> | | | | | | |
| Bridge Program | 0 | 67,274 | 0 | 0 | 0 | 67,274 |
| State Aid Program | 0 | 274,617 | 0 | 0 | 0 | 274,617 |
| Litter Program | 0 | 0 | 0 | 0 | 0 | 32,123 |
| Tennessee Industrial Infrastructure Program | 0 | 0 | 0 | 0 | 0 | 118,750 |

(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>Capital</u> | |
|-----------------------------------|---|------------------------------|----------------------------|------------------------------|--------------------------------|-----------|
| | Constitu- tional Officers - Fees | Highway / Public Works | General Debt Service | Education Debt Service | Highway Capital Projects | Total |
| <u>State of Tennessee (Cont.)</u> | | | | | | |
| <u>Other State Revenues</u> | | | | | | |
| Income Tax | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 260,505 |
| Beer Tax | 0 | 0 | 0 | 0 | 0 | 18,055 |
| Vehicle Certificate of Title Fees | 0 | 0 | 0 | 0 | 0 | 8,754 |
| Alcoholic Beverage Tax | 0 | 0 | 0 | 0 | 0 | 78,477 |
| State Revenue Sharing - T.V.A. | 0 | 0 | 0 | 0 | 0 | 1,080,560 |
| Contracted Prisoner Boarding | 0 | 0 | 0 | 0 | 0 | 881,161 |
| Gasoline and Motor Fuel Tax | 0 | 1,925,877 | 0 | 0 | 0 | 1,925,877 |
| Petroleum Special Tax | 0 | 29,621 | 0 | 0 | 0 | 29,621 |
| Registrar's Salary Supplement | 0 | 0 | 0 | 0 | 0 | 15,164 |
| Other State Grants | 0 | 0 | 0 | 0 | 0 | 25,000 |
| Other State Revenues | 0 | 0 | 0 | 0 | 0 | 35,666 |
| Total State of Tennessee | \$ 0 | \$ 2,297,389 | \$ 0 | \$ 0 | \$ 0 | 5,045,803 |
| <u>Federal Government</u> | | | | | | |
| <u>Federal Through State</u> | | | | | | |
| Community Development | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 174,240 |
| Civil Defense Reimbursement | 0 | 0 | 0 | 0 | 0 | 38,850 |
| Homeland Security Grants | 0 | 0 | 0 | 0 | 0 | 15,398 |
| Other Federal through State | 0 | 0 | 0 | 0 | 0 | 154,203 |
| <u>Direct Federal Revenue</u> | | | | | | |
| Other Direct Federal Revenue | 0 | 0 | 0 | 0 | 0 | 769,419 |
| Total Federal Government | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 1,152,110 |

(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>Capital</u> | <u>Total</u> |
|--|---|---------------------------------------|-------------------------------------|---------------------------------------|---|----------------------|
| | <u>Constitu- tional Officers - Fees</u> | <u>Highway / Public Works</u> | <u>General Debt Service</u> | <u>Education Debt Service</u> | <u>Highway Capital Projects</u> | |
| <u>Other Governments and Citizens Groups</u> | | | | | | |
| <u>Other Governments</u> | | | | | | |
| Prisoner Board | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 49 |
| Contributions | 0 | 0 | 0 | 738,574 | 0 | 1,134,291 |
| <u>Citizens Groups</u> | | | | | | |
| Donations | 0 | 0 | 0 | 0 | 0 | 53,815 |
| <u>Other</u> | | | | | | |
| Other | 0 | 0 | 0 | 0 | 0 | 62,021 |
| Total Other Governments and Citizens Groups | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 738,574</u> | <u>\$ 0</u> | <u>1,250,176</u> |
| Total | <u>\$ 89</u> | <u>\$ 2,933,357</u> | <u>\$ 1,220,351</u> | <u>\$ 3,978,130</u> | <u>\$ 558</u> | <u>\$ 27,309,716</u> |

Exhibit J-6

Franklin County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2015

| | General Purpose School | Special Revenue Funds | | Total |
|--|------------------------|-------------------------|-------------------|---------------|
| | | School Federal Projects | Central Cafeteria | |
| <u>Local Taxes</u> | | | | |
| <u>County Property Taxes</u> | | | | |
| Current Property Tax | \$ 9,254,830 | \$ 0 | \$ 0 | \$ 9,254,830 |
| Trustee's Collections - Prior Year | 184,415 | 0 | 0 | 184,415 |
| Trustee's Collections - Bankruptcy | 3,802 | 0 | 0 | 3,802 |
| Circuit/Clerk and Master Collections - Prior Years | 250,114 | 0 | 0 | 250,114 |
| Interest and Penalty | 41,285 | 0 | 0 | 41,285 |
| Payments in-Lieu-of Taxes - T.V.A. | 4,082 | 0 | 0 | 4,082 |
| Payments in-Lieu-of Taxes - Local Utilities | 30,491 | 0 | 0 | 30,491 |
| Payments in-Lieu-of Taxes - Other | 19,798 | 0 | 0 | 19,798 |
| <u>County Local Option Taxes</u> | | | | |
| Local Option Sales Tax | 3,930,600 | 0 | 0 | 3,930,600 |
| Mixed Drink Tax | 13,514 | 0 | 0 | 13,514 |
| <u>Statutory Local Taxes</u> | | | | |
| Bank Excise Tax | 59,711 | 0 | 0 | 59,711 |
| Interstate Telecommunications Tax | 3,577 | 0 | 0 | 3,577 |
| Total Local Taxes | \$ 13,796,219 | \$ 0 | \$ 0 | \$ 13,796,219 |
| <u>Licenses and Permits</u> | | | | |
| <u>Licenses</u> | | | | |
| Marriage Licenses | \$ 3,164 | \$ 0 | \$ 0 | \$ 3,164 |
| Cable TV Franchise | 49,971 | 0 | 0 | 49,971 |
| Total Licenses and Permits | \$ 53,135 | \$ 0 | \$ 0 | \$ 53,135 |
| <u>Charges for Current Services</u> | | | | |
| <u>Education Charges</u> | | | | |
| Tuition - Other | \$ 207,649 | \$ 0 | \$ 0 | \$ 207,649 |
| Lunch Payments - Children | 0 | 0 | 546,441 | 546,441 |
| Lunch Payments - Adults | 0 | 0 | 49,806 | 49,806 |
| A la carte Sales | 0 | 0 | 414,619 | 414,619 |
| TBI Criminal Background Fee | 1,236 | 0 | 0 | 1,236 |
| Total Charges for Current Services | \$ 208,885 | \$ 0 | \$ 1,010,866 | \$ 1,219,751 |
| <u>Other Local Revenues</u> | | | | |
| <u>Recurring Items</u> | | | | |
| Investment Income | \$ 0 | \$ 0 | \$ 8,451 | \$ 8,451 |
| Lease/Rentals | 12,204 | 0 | 0 | 12,204 |
| E-Rate Funding | 32,847 | 0 | 0 | 32,847 |
| Miscellaneous Refunds | 35,242 | 0 | 0 | 35,242 |
| <u>Nonrecurring Items</u> | | | | |
| Sale of Equipment | 1,347 | 0 | 0 | 1,347 |
| Contributions and Gifts | 65,274 | 0 | 0 | 65,274 |
| <u>Other Local Revenues</u> | | | | |
| Other Local Revenues | 322,156 | 0 | 0 | 322,156 |
| Total Other Local Revenues | \$ 469,070 | \$ 0 | \$ 8,451 | \$ 477,521 |

(Continued)

Exhibit J-6

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

| | General Purpose School | Special Revenue Funds | | Total |
|--|------------------------|-------------------------|-------------------|---------------|
| | | School Federal Projects | Central Cafeteria | |
| <u>State of Tennessee</u> | | | | |
| <u>General Government Grants</u> | | | | |
| On-behalf Contributions for OPEB | \$ 186,283 | \$ 0 | \$ 0 | \$ 186,283 |
| <u>State Education Funds</u> | | | | |
| Basic Education Program | 25,709,932 | 0 | 0 | 25,709,932 |
| Early Childhood Education | 1,119,307 | 0 | 0 | 1,119,307 |
| School Food Service | 0 | 0 | 32,713 | 32,713 |
| Other State Education Funds | 306,774 | 0 | 0 | 306,774 |
| Career Ladder Program | 176,702 | 0 | 0 | 176,702 |
| 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 | 2,797 | 0 | 0 | 2,797 |
| Total State of Tennessee | \$ 27,597,165 | \$ 0 | \$ 32,713 | \$ 27,629,878 |
| <u>Federal Government</u> | | | | |
| <u>Federal Through State</u> | | | | |
| USDA School Lunch Program | \$ 0 | \$ 0 | \$ 1,335,058 | \$ 1,335,058 |
| USDA - Commodities | 0 | 0 | 135,426 | 135,426 |
| Breakfast | 0 | 0 | 569,449 | 569,449 |
| USDA - Other | 0 | 0 | 26,697 | 26,697 |
| Vocational Education - Basic Grants to States | 0 | 88,956 | 0 | 88,956 |
| Title I Grants to Local Education Agencies | 0 | 1,149,080 | 0 | 1,149,080 |
| Special Education - Grants to States | 83,198 | 1,211,671 | 0 | 1,294,869 |
| Special Education Preschool Grants | 0 | 53,022 | 0 | 53,022 |
| Rural Education | 0 | 71,336 | 0 | 71,336 |
| Eisenhower Professional Development State Grants | 0 | 249,167 | 0 | 249,167 |
| Job Training Partnership Act | 51,510 | 0 | 0 | 51,510 |
| Other Federal through State | 236,662 | 0 | 0 | 236,662 |
| <u>Direct Federal Revenue</u> | | | | |
| Other Direct Federal Revenue | 48,249 | 0 | 0 | 48,249 |
| Total Federal Government | \$ 419,619 | \$ 2,823,232 | \$ 2,066,630 | \$ 5,309,481 |
| Total | \$ 42,544,093 | \$ 2,823,232 | \$ 3,118,660 | \$ 48,485,985 |

Exhibit J-7

Franklin County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2015

General Fund

General Government

County Commission

| | | | |
|---|----|---------|------------|
| Board and Committee Members Fees | \$ | 69,969 | |
| Social Security | | 4,011 | |
| Pensions | | 237 | |
| Medical Insurance | | 263 | |
| Unemployment Compensation | | 32 | |
| Employer Medicare | | 1,014 | |
| Audit Services | | 12,316 | |
| Dues and Memberships | | 12,210 | |
| Legal Services | | 8,319 | |
| Legal Notices, Recording, and Court Costs | | 4,820 | |
| Maintenance Agreements | | 2,026 | |
| Travel | | 3,281 | |
| Other Contracted Services | | 4,800 | |
| Office Supplies | | 6,981 | |
| Premiums on Corporate Surety Bonds | | 1,064 | |
| Refunds | | 40,299 | |
| In Service/Staff Development | | 4,610 | |
| Tax Relief Program | | 104,266 | |
| Other Charges | | 42,341 | |
| Total County Commission | | | \$ 322,859 |

Beer Board

| | | | |
|---|----|-----|-----|
| Legal Notices, Recording, and Court Costs | \$ | 256 | |
| Total Beer Board | | | 256 |

County Mayor/Executive

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 81,153 | |
| Assistant(s) | | 29,635 | |
| Social Security | | 6,734 | |
| Pensions | | 13,834 | |
| Life Insurance | | 90 | |
| Medical Insurance | | 11,973 | |
| Disability Insurance | | 391 | |
| Unemployment Compensation | | 166 | |
| Employer Medicare | | 1,575 | |
| Other Fringe Benefits | | 300 | |
| Communication | | 447 | |
| Dues and Memberships | | 1,845 | |
| Maintenance Agreements | | 2,950 | |
| Postal Charges | | 84 | |
| Travel | | 393 | |
| Gasoline | | 494 | |
| Office Supplies | | 1,388 | |
| Premiums on Corporate Surety Bonds | | 350 | |
| In Service/Staff Development | | 100 | |
| Other Charges | | 1,195 | |
| Total County Mayor/Executive | | | 155,097 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

| | | |
|-----------------------|----------|----------|
| Legal Services | \$ 9,600 | |
| Total County Attorney | | \$ 9,600 |

Election Commission

| | | |
|--|-----------|---------|
| County Official/Administrative Officer | \$ 63,237 | |
| Deputy(ies) | 27,820 | |
| Educational Incentive - Official/Admin Officer | 950 | |
| Longevity Pay | 780 | |
| Overtime Pay | 4,228 | |
| Other Salaries and Wages | 4,185 | |
| Election Commission | 1,430 | |
| Election Workers | 45,982 | |
| Social Security | 9,050 | |
| Pensions | 13,322 | |
| Life Insurance | 94 | |
| Medical Insurance | 13,210 | |
| Disability Insurance | 310 | |
| Unemployment Compensation | 841 | |
| Employer Medicare | 2,117 | |
| Other Fringe Benefits | 500 | |
| Communication | 1,002 | |
| Data Processing Services | 16,400 | |
| Dues and Memberships | 225 | |
| Legal Notices, Recording, and Court Costs | 8,517 | |
| Maintenance Agreements | 1,624 | |
| Maintenance and Repair Services - Equipment | 280 | |
| Postal Charges | 4,680 | |
| Printing, Stationery, and Forms | 1,726 | |
| Travel | 1,511 | |
| Other Contracted Services | 5,675 | |
| Data Processing Supplies | 436 | |
| Office Supplies | 4,438 | |
| Other Supplies and Materials | 1,861 | |
| In Service/Staff Development | 850 | |
| Total Election Commission | | 237,281 |

Register of Deeds

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 70,263 |
| Deputy(ies) | 115,397 |
| Educational Incentive - Other County Employees | 3,800 |
| Longevity Pay | 3,660 |
| Social Security | 11,528 |
| Pensions | 24,218 |
| Life Insurance | 230 |
| Medical Insurance | 33,294 |
| Disability Insurance | 639 |
| Unemployment Compensation | 432 |

(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.)

| | | | |
|--|----|--------|------------|
| Employer Medicare | \$ | 2,696 | |
| Other Fringe Benefits | | 800 | |
| Communication | | 347 | |
| Data Processing Services | | 12,347 | |
| Dues and Memberships | | 647 | |
| Maintenance Agreements | | 294 | |
| Maintenance and Repair Services - Office Equipment | | 2,307 | |
| Postal Charges | | 2,000 | |
| Travel | | 1,525 | |
| Other Contracted Services | | 3,735 | |
| Office Supplies | | 11,289 | |
| Premiums on Corporate Surety Bonds | | 350 | |
| In Service/Staff Development | | 1,180 | |
| Furniture and Fixtures | | 3,996 | |
| Total Register of Deeds | | | \$ 306,974 |

Planning

| | | | |
|--|----|--------|---------|
| Supervisor/Director | \$ | 57,746 | |
| Deputy(ies) | | 34,548 | |
| Educational Incentive - Official/Admin Officer | | 950 | |
| Educational Incentive - Other County Employees | | 950 | |
| Longevity Pay | | 1,680 | |
| Overtime Pay | | 2,083 | |
| Social Security | | 5,951 | |
| Pensions | | 12,962 | |
| Life Insurance | | 94 | |
| Medical Insurance | | 13,412 | |
| Disability Insurance | | 304 | |
| Unemployment Compensation | | 216 | |
| Employer Medicare | | 1,392 | |
| Other Fringe Benefits | | 400 | |
| Communication | | 751 | |
| Dues and Memberships | | 350 | |
| Legal Notices, Recording, and Court Costs | | 1,406 | |
| Maintenance Agreements | | 1,100 | |
| Maintenance and Repair Services - Office Equipment | | 600 | |
| Maintenance and Repair Services - Vehicles | | 458 | |
| Postal Charges | | 690 | |
| Travel | | 701 | |
| Gasoline | | 1,592 | |
| Library Books/Media | | 39 | |
| Office Supplies | | 1,377 | |
| In Service/Staff Development | | 500 | |
| Total Planning | | | 142,252 |

County Buildings

| | | | |
|---------------------|----|--------|--|
| Supervisor/Director | \$ | 31,214 | |
|---------------------|----|--------|--|

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

| | | | |
|---|----|---------|--------------|
| Custodial Personnel | \$ | 110,868 | |
| Maintenance Personnel | | 30,966 | |
| Longevity Pay | | 2,520 | |
| Overtime Pay | | 65 | |
| Other Salaries and Wages | | 1,228 | |
| Social Security | | 10,332 | |
| Pensions | | 22,513 | |
| Life Insurance | | 328 | |
| Medical Insurance | | 46,561 | |
| Disability Insurance | | 522 | |
| Unemployment Compensation | | 852 | |
| Employer Medicare | | 2,416 | |
| Other Fringe Benefits | | 1,400 | |
| Communication | | 65,127 | |
| Engineering Services | | 7,800 | |
| Maintenance Agreements | | 23,780 | |
| Maintenance and Repair Services - Buildings | | 78,179 | |
| Maintenance and Repair Services - Equipment | | 27,403 | |
| Maintenance and Repair Services - Vehicles | | 2,322 | |
| Pest Control | | 7,906 | |
| Disposal Fees | | 7,325 | |
| Other Contracted Services | | 177,430 | |
| Custodial Supplies | | 22,039 | |
| Gasoline | | 1,653 | |
| Uniforms | | 1,634 | |
| Utilities | | 370,536 | |
| Other Supplies and Materials | | 79 | |
| Other Charges | | 256 | |
| Principal on Capital Leases | | 66,418 | |
| Interest on Capital Leases | | 8,688 | |
| Building Construction | | 30,600 | |
| Building Improvements | | 109,276 | |
| Other Capital Outlay | | 31,427 | |
| Total County Buildings | | | \$ 1,301,663 |

Other General Administration

| | | |
|----------------------------------|----|--------|
| Instructional Computer Personnel | \$ | 38,262 |
| Longevity Pay | | 1,200 |
| Social Security | | 2,382 |
| Pensions | | 5,227 |
| Life Insurance | | 47 |
| Medical Insurance | | 6,695 |
| Disability Insurance | | 129 |
| Unemployment Compensation | | 108 |
| Employer Medicare | | 557 |
| On-behalf Payments to OPEB | | 2,350 |
| Other Fringe Benefits | | 200 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration (Cont.)

| | | | |
|------------------------------------|----|-------|--------|
| Communication | \$ | 1,110 | |
| Maintenance Agreements | | 4,200 | |
| Other Contracted Services | | 3,685 | |
| Other Charges | | 365 | |
| Data Processing Equipment | | 5,937 | |
| Total Other General Administration | \$ | | 72,454 |

Finance

Property Assessor's Office

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 70,263 | |
| Deputy(ies) | | 183,034 | |
| Educational Incentive - Other County Employees | | 4,750 | |
| Longevity Pay | | 4,260 | |
| Board and Committee Members Fees | | 3,580 | |
| Social Security | | 16,034 | |
| Pensions | | 33,115 | |
| Life Insurance | | 324 | |
| Medical Insurance | | 41,943 | |
| Disability Insurance | | 768 | |
| Unemployment Compensation | | 864 | |
| Employer Medicare | | 3,750 | |
| Other Fringe Benefits | | 1,200 | |
| Contracts with Government Agencies | | 14,591 | |
| Contracts with Private Agencies | | 26,794 | |
| Dues and Memberships | | 3,600 | |
| Legal Notices, Recording, and Court Costs | | 374 | |
| Maintenance Agreements | | 8,613 | |
| Maintenance and Repair Services - Vehicles | | 268 | |
| Postal Charges | | 7,500 | |
| Travel | | 288 | |
| Gasoline | | 2,375 | |
| Office Supplies | | 2,327 | |
| In Service/Staff Development | | 625 | |
| Other Charges | | 48 | |
| Office Equipment | | 397 | |
| Total Property Assessor's Office | | | 431,685 |

County Trustee's Office

| | | | |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 70,263 | |
| Deputy(ies) | | 114,589 | |
| Educational Incentive - Other County Employees | | 3,800 | |
| Longevity Pay | | 3,720 | |
| Other Salaries and Wages | | 469 | |
| Social Security | | 11,595 | |
| Pensions | | 25,520 | |
| Life Insurance | | 234 | |
| Medical Insurance | | 33,024 | |

(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.)

| | | | |
|------------------------------------|----|--------|------------|
| Disability Insurance | \$ | 624 | |
| Unemployment Compensation | | 432 | |
| Employer Medicare | | 2,712 | |
| Other Fringe Benefits | | 800 | |
| Data Processing Services | | 6,827 | |
| Dues and Memberships | | 717 | |
| Maintenance Agreements | | 533 | |
| Postal Charges | | 11,318 | |
| Travel | | 1,828 | |
| Other Contracted Services | | 6,686 | |
| Office Supplies | | 4,628 | |
| Premiums on Corporate Surety Bonds | | 8,666 | |
| In Service/Staff Development | | 975 | |
| Total County Trustee's Office | | | \$ 309,960 |

County Clerk's Office

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 70,263 | |
| Deputy(ies) | | 262,575 | |
| Part-time Personnel | | 15,150 | |
| Educational Incentive - Other County Employees | | 5,700 | |
| Longevity Pay | | 5,700 | |
| Social Security | | 21,602 | |
| Pensions | | 44,989 | |
| Life Insurance | | 405 | |
| Medical Insurance | | 59,446 | |
| Disability Insurance | | 1,108 | |
| Unemployment Compensation | | 1,003 | |
| Employer Medicare | | 5,052 | |
| Other Fringe Benefits | | 1,700 | |
| Communication | | 398 | |
| Data Processing Services | | 19,409 | |
| Dues and Memberships | | 672 | |
| Maintenance Agreements | | 2,707 | |
| Postal Charges | | 8,000 | |
| Travel | | 2,264 | |
| Other Contracted Services | | 250 | |
| Office Supplies | | 8,766 | |
| Premiums on Corporate Surety Bonds | | 197 | |
| In Service/Staff Development | | 1,235 | |
| Data Processing Equipment | | 5,980 | |
| Other Equipment | | 8,410 | |
| Total County Clerk's Office | | | 552,981 |

Other Finance

| | | | |
|---------------------|----|--------|--|
| Assistant(s) | \$ | 33,410 | |
| Supervisor/Director | | 63,548 | |
| Deputy(ies) | | 53,544 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Other Finance (Cont.)

| | | | |
|--|----|---------|------------|
| Accountants/Bookkeepers | \$ | 273,000 | |
| Educational Incentive - Official/Admin Officer | | 950 | |
| Educational Incentive - Other County Employees | | 4,750 | |
| Longevity Pay | | 7,680 | |
| Social Security | | 25,111 | |
| Pensions | | 56,090 | |
| Life Insurance | | 487 | |
| Medical Insurance | | 64,879 | |
| Disability Insurance | | 1,339 | |
| Unemployment Compensation | | 1,297 | |
| Employer Medicare | | 5,873 | |
| Other Fringe Benefits | | 2,200 | |
| Communication | | 2,032 | |
| Data Processing Services | | 23,863 | |
| Dues and Memberships | | 585 | |
| Maintenance Agreements | | 9,170 | |
| Postal Charges | | 6,266 | |
| Travel | | 4,230 | |
| Other Contracted Services | | 773 | |
| Office Supplies | | 16,044 | |
| Premiums on Corporate Surety Bonds | | 805 | |
| In Service/Staff Development | | 3,034 | |
| Other Charges | | 1,988 | |
| Data Processing Equipment | | 1,424 | |
| Total Other Finance | | | \$ 664,372 |

Administration of Justice

Circuit Court

| | | |
|--|----|---------|
| County Official/Administrative Officer | \$ | 70,263 |
| Deputy(ies) | | 488,433 |
| Part-time Personnel | | 20,992 |
| Educational Incentive - Other County Employees | | 1,900 |
| Longevity Pay | | 7,680 |
| Overtime Pay | | 1,416 |
| Jury and Witness Expense | | 14,539 |
| Social Security | | 35,393 |
| Pensions | | 73,869 |
| Life Insurance | | 702 |
| Medical Insurance | | 85,862 |
| Disability Insurance | | 1,804 |
| Unemployment Compensation | | 1,739 |
| Employer Medicare | | 8,277 |
| Other Fringe Benefits | | 3,300 |
| Communication | | 672 |
| Data Processing Services | | 21,600 |
| Dues and Memberships | | 612 |
| Legal Notices, Recording, and Court Costs | | 334 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

| | | | |
|------------------------------------|----|--------|------------|
| Maintenance Agreements | \$ | 7,094 | |
| Postal Charges | | 11,000 | |
| Travel | | 1,548 | |
| Library Books/Media | | 1,108 | |
| Office Supplies | | 11,745 | |
| Premiums on Corporate Surety Bonds | | 197 | |
| In Service/Staff Development | | 1,360 | |
| Other Charges | | 65 | |
| Data Processing Equipment | | 3,735 | |
| Total Circuit Court | | | \$ 877,239 |

General Sessions Court

| | | | |
|---|----|---------|---------|
| County Official/Administrative Officer | \$ | 148,311 | |
| Deputy(ies) | | 70,132 | |
| Longevity Pay | | 300 | |
| Social Security | | 11,578 | |
| Pensions | | 26,537 | |
| Life Insurance | | 126 | |
| Medical Insurance | | 19,031 | |
| Disability Insurance | | 512 | |
| Unemployment Compensation | | 300 | |
| Employer Medicare | | 3,121 | |
| Other Fringe Benefits | | 200 | |
| Communication | | 890 | |
| Maintenance and Repair Services - Equipment | | 1,802 | |
| Postal Charges | | 196 | |
| Travel | | 961 | |
| Library Books/Media | | 41 | |
| Office Supplies | | 668 | |
| In Service/Staff Development | | 175 | |
| Total General Sessions Court | | | 284,881 |

Drug Court

| | | | |
|---------------------------|----|--------|--------|
| Supervisor/Director | \$ | 41,884 | |
| Longevity Pay | | 300 | |
| Social Security | | 2,571 | |
| Pensions | | 5,586 | |
| Life Insurance | | 47 | |
| Medical Insurance | | 6,717 | |
| Disability Insurance | | 142 | |
| Unemployment Compensation | | 108 | |
| Employer Medicare | | 601 | |
| Other Fringe Benefits | | 200 | |
| Communication | | 825 | |
| Total Drug Court | | | 58,981 |

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

| | | | |
|--|----|--------|------------|
| County Official/Administrative Officer | \$ | 70,263 | |
| Deputy(ies) | | 58,028 | |
| Part-time Personnel | | 1,575 | |
| Longevity Pay | | 2,160 | |
| Social Security | | 8,046 | |
| Pensions | | 15,672 | |
| Life Insurance | | 129 | |
| Medical Insurance | | 13,536 | |
| Disability Insurance | | 356 | |
| Unemployment Compensation | | 437 | |
| Employer Medicare | | 1,882 | |
| Other Fringe Benefits | | 600 | |
| Communication | | 24 | |
| Data Processing Services | | 7,164 | |
| Dues and Memberships | | 522 | |
| Maintenance Agreements | | 2,033 | |
| Postal Charges | | 2,000 | |
| Travel | | 618 | |
| Other Contracted Services | | 329 | |
| Library Books/Media | | 685 | |
| Office Supplies | | 3,750 | |
| Premiums on Corporate Surety Bonds | | 259 | |
| Total Chancery Court | | | \$ 190,068 |

Juvenile Court

| | | | |
|---------------------------|----|--------|---------|
| Assistant(s) | \$ | 45,939 | |
| Deputy(ies) | | 40,135 | |
| Longevity Pay | | 1,560 | |
| Social Security | | 5,305 | |
| Pensions | | 11,602 | |
| Life Insurance | | 94 | |
| Medical Insurance | | 13,210 | |
| Disability Insurance | | 290 | |
| Unemployment Compensation | | 216 | |
| Employer Medicare | | 1,241 | |
| Other Fringe Benefits | | 400 | |
| Communication | | 729 | |
| Travel | | 1,288 | |
| Library Books/Media | | 705 | |
| Office Supplies | | 130 | |
| Other Charges | | 495 | |
| Total Juvenile Court | | | 123,339 |

Judicial Commissioners

| | | |
|--|----|--------|
| County Official/Administrative Officer | \$ | 71,467 |
| Part-time Personnel | | 8,915 |
| Longevity Pay | | 1,500 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners (Cont.)

| | | | |
|------------------------------|----|--------|---------|
| Social Security | \$ | 4,826 | |
| Pensions | | 9,436 | |
| Life Insurance | | 117 | |
| Medical Insurance | | 20,017 | |
| Disability Insurance | | 241 | |
| Unemployment Compensation | | 433 | |
| Employer Medicare | | 1,129 | |
| Other Fringe Benefits | | 800 | |
| Dues and Memberships | | 375 | |
| Office Supplies | | 150 | |
| Other Equipment | | 112 | |
| Total Judicial Commissioners | \$ | | 119,518 |

Other Administration of Justice

| | | | |
|---------------------------------------|----|-------|-------|
| Other Contracted Services | \$ | 1,400 | |
| Total Other Administration of Justice | | | 1,400 |

Probation Services

| | | | |
|----------------------------|----|--------|---------|
| Supervisor/Director | \$ | 43,928 | |
| Part-time Personnel | | 16,263 | |
| Longevity Pay | | 300 | |
| Other Salaries and Wages | | 23,368 | |
| Social Security | | 5,050 | |
| Pensions | | 8,956 | |
| Life Insurance | | 94 | |
| Medical Insurance | | 13,502 | |
| Disability Insurance | | 227 | |
| Unemployment Compensation | | 328 | |
| Employer Medicare | | 1,181 | |
| Other Fringe Benefits | | 460 | |
| Communication | | 12 | |
| Drugs and Medical Supplies | | 1,500 | |
| Office Supplies | | 1,639 | |
| Other Charges | | 95 | |
| Total Probation Services | | | 116,903 |

Public Safety

Sheriff's Department

| | | | |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 77,290 | |
| Assistant(s) | | 59,939 | |
| Supervisor/Director | | 45,298 | |
| Deputy(ies) | | 549,573 | |
| Investigator(s) | | 245,993 | |
| Captain(s) | | 100,603 | |
| Sergeant(s) | | 164,058 | |
| Accountants/Bookkeepers | | 63,996 | |
| Salary Supplements | | 35,400 | |

(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.)

| | | | |
|---|----|---------|-----------|
| Guards | \$ | 206,051 | |
| Part-time Personnel | | 53,191 | |
| School Resource Officer | | 403,025 | |
| Longevity Pay | | 21,840 | |
| Overtime Pay | | 52,855 | |
| Other Salaries and Wages | | 61,721 | |
| Social Security | | 127,704 | |
| Pensions | | 245,130 | |
| Life Insurance | | 2,035 | |
| Medical Insurance | | 267,282 | |
| Disability Insurance | | 5,644 | |
| Unemployment Compensation | | 7,049 | |
| Employer Medicare | | 30,338 | |
| Other Fringe Benefits | | 10,400 | |
| Communication | | 30,312 | |
| Contracts with Private Agencies | | 10,777 | |
| Dues and Memberships | | 3,491 | |
| Maintenance Agreements | | 12,138 | |
| Maintenance and Repair Services - Equipment | | 1,650 | |
| Maintenance and Repair Services - Vehicles | | 74,022 | |
| Medical and Dental Services | | 620 | |
| Postal Charges | | 1,182 | |
| Travel | | 11,033 | |
| Diesel Fuel | | 3,484 | |
| Gasoline | | 172,948 | |
| Law Enforcement Supplies | | 15,441 | |
| Office Supplies | | 9,510 | |
| Propane Gas | | 1,121 | |
| Tires and Tubes | | 18,781 | |
| Uniforms | | 17,601 | |
| Other Supplies and Materials | | 2,309 | |
| Premiums on Corporate Surety Bonds | | 1,715 | |
| In Service/Staff Development | | 10,210 | |
| Constitutional Officers' Operating Expenses | | 199 | |
| Other Charges | | 11,187 | |
| Data Processing Equipment | | 52,425 | |
| Law Enforcement Equipment | | 23,436 | |
| Motor Vehicles | | 127,061 | |
| Total Sheriff's Department | \$ | | 3,449,068 |

Administration of the Sexual Offender Registry

| | | | |
|--|----|--------|--------|
| Guards | \$ | 14,242 | |
| Social Security | | 895 | |
| Unemployment Compensation | | 147 | |
| Employer Medicare | | 209 | |
| Other Fringe Benefits | | 200 | |
| Remittance of Revenue Collected | | 2,200 | |
| Total Administration of the Sexual Offender Registry | | | 17,893 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

| | | | |
|---|----|---------|--------------|
| Assistant(s) | \$ | 50,301 | |
| Deputy(ies) | | 37,361 | |
| Medical Personnel | | 78,172 | |
| Salary Supplements | | 6,000 | |
| Guards | | 456,575 | |
| Clerical Personnel | | 22,925 | |
| Cafeteria Personnel | | 44,926 | |
| Part-time Personnel | | 59,293 | |
| Longevity Pay | | 7,620 | |
| Overtime Pay | | 34,760 | |
| Other Salaries and Wages | | 18,479 | |
| Social Security | | 49,189 | |
| Pensions | | 84,979 | |
| Life Insurance | | 1,021 | |
| Medical Insurance | | 142,028 | |
| Disability Insurance | | 1,834 | |
| Unemployment Compensation | | 3,934 | |
| Employer Medicare | | 11,502 | |
| Other Fringe Benefits | | 5,800 | |
| Maintenance Agreements | | 18,278 | |
| Maintenance and Repair Services - Buildings | | 8,947 | |
| Maintenance and Repair Services - Equipment | | 15,060 | |
| Medical and Dental Services | | 18,016 | |
| Pest Control | | 1,500 | |
| Transportation - Other than Students | | 6,005 | |
| Travel | | 2,243 | |
| Disposal Fees | | 2,415 | |
| Custodial Supplies | | 40,936 | |
| Food Supplies | | 202,689 | |
| Law Enforcement Supplies | | 1,463 | |
| Prisoners Clothing | | 11,909 | |
| Uniforms | | 3,484 | |
| Other Supplies and Materials | | 2,096 | |
| Medical Claims | | 224,463 | |
| In Service/Staff Development | | 310 | |
| Other Charges | | 7,229 | |
| Building Improvements | | 1,952 | |
| Data Processing Equipment | | 1,979 | |
| Other Equipment | | 1,417 | |
| Total Jail | | | \$ 1,689,090 |

Correctional Incentive Program Improvements

| | | | |
|---|----|---------|---------|
| Contracts with Private Agencies | \$ | 541,826 | |
| Travel | | 7,713 | |
| Other Contracted Services | | 113,056 | |
| Other Supplies and Materials | | 12,599 | |
| Indirect Cost | | 9,937 | |
| Other Charges | | 6,001 | |
| Total Correctional Incentive Program Improvements | | | 691,132 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services

| | | | |
|---------------------------------|----|--------------|-----------|
| Contracts with Private Agencies | \$ | 13,825 | |
| Other Contracted Services | | <u>5,357</u> | |
| Total Juvenile Services | | | \$ 19,182 |

Civil Defense

| | | | |
|---|----|--------------|---------|
| Assistant(s) | \$ | 26,692 | |
| Supervisor/Director | | 46,168 | |
| Longevity Pay | | 1,560 | |
| Overtime Pay | | 15,104 | |
| Social Security | | 5,460 | |
| Pensions | | 11,851 | |
| Life Insurance | | 94 | |
| Medical Insurance | | 6,605 | |
| Disability Insurance | | 244 | |
| Unemployment Compensation | | 216 | |
| Employer Medicare | | 1,277 | |
| Other Fringe Benefits | | 400 | |
| Communication | | 3,940 | |
| Dues and Memberships | | 275 | |
| Maintenance and Repair Services - Buildings | | 1,675 | |
| Maintenance and Repair Services - Equipment | | 5,047 | |
| Maintenance and Repair Services - Vehicles | | 1,977 | |
| Travel | | 773 | |
| Other Contracted Services | | 6,566 | |
| Diesel Fuel | | 1,113 | |
| Gasoline | | 2,362 | |
| Office Supplies | | 2,187 | |
| Other Supplies and Materials | | 4,094 | |
| In Service/Staff Development | | 540 | |
| Other Charges | | 1,438 | |
| Other Equipment | | <u>4,499</u> | |
| Total Civil Defense | | | 152,157 |

Rescue Squad

| | | | |
|------------------------------|----|---------------|--------|
| Dues and Memberships | \$ | 426 | |
| Diesel Fuel | | 198 | |
| Gasoline | | 131 | |
| Other Supplies and Materials | | 1,873 | |
| Other Equipment | | <u>14,478</u> | |
| Total Rescue Squad | | | 17,106 |

Other Emergency Management

| | | | |
|-----------------------------|----|---------|--|
| Assistant(s) | \$ | 35,471 | |
| Supervisor/Director | | 41,884 | |
| Dispatchers/Radio Operators | | 391,296 | |
| Part-time Personnel | | 1,737 | |
| Longevity Pay | | 2,880 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

| | | | |
|---|----|--------|---------|
| Overtime Pay | \$ | 29,048 | |
| Other Salaries and Wages | | 670 | |
| Social Security | | 30,194 | |
| Pensions | | 54,249 | |
| Life Insurance | | 741 | |
| Medical Insurance | | 93,940 | |
| Disability Insurance | | 1,175 | |
| Unemployment Compensation | | 2,166 | |
| Employer Medicare | | 7,061 | |
| Other Fringe Benefits | | 3,000 | |
| Communication | | 18,133 | |
| Contracts with Private Agencies | | 75,686 | |
| Maintenance and Repair Services - Equipment | | 6,575 | |
| Maintenance and Repair Services - Vehicles | | 139 | |
| Postal Charges | | 165 | |
| Travel | | 5,113 | |
| Gasoline | | 953 | |
| Office Supplies | | 5,758 | |
| Uniforms | | 992 | |
| In Service/Staff Development | | 3,150 | |
| Other Charges | | 328 | |
| Communication Equipment | | 5,532 | |
| Data Processing Equipment | | 965 | |
| Other Equipment | | 850 | |
| Total Other Emergency Management | \$ | | 819,851 |

County Coroner/Medical Examiner

| | | | |
|---------------------------------------|----|--------|--------|
| Other Contracted Services | \$ | 5,841 | |
| Medical Claims | | 24,460 | |
| Total County Coroner/Medical Examiner | | | 30,301 |

Public Safety Grants Programs

| | | | |
|-------------------------------------|----|--------|--------|
| Overtime Pay | \$ | 14,565 | |
| Other Fringe Benefits | | 3,627 | |
| Other Equipment | | 10,682 | |
| Other Capital Outlay | | 42,253 | |
| Total Public Safety Grants Programs | | | 71,127 |

Public Health and Welfare

Local Health Center

| | | | |
|---|----|-------|--|
| Communication | \$ | 1,297 | |
| Dues and Memberships | | 200 | |
| Janitorial Services | | 8,220 | |
| Maintenance Agreements | | 1,119 | |
| Maintenance and Repair Services - Buildings | | 1,546 | |
| Disposal Fees | | 1,558 | |
| Custodial Supplies | | 2,663 | |

(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.)

| | | | |
|---------------------------------|----|--------|--------|
| Office Supplies | \$ | 765 | |
| Utilities | | 12,663 | |
| Building and Contents Insurance | | 3,231 | |
| Liability Insurance | | 516 | |
| Other Charges | | 76 | |
| | | <hr/> | |
| Total Local Health Center | \$ | | 33,854 |

Rabies and Animal Control

| | | | |
|---|----|--------|---------|
| Assistant(s) | \$ | 78,897 | |
| Supervisor/Director | | 12,277 | |
| Longevity Pay | | 300 | |
| Overtime Pay | | 3,109 | |
| Other Salaries and Wages | | 1,010 | |
| Social Security | | 5,773 | |
| Pensions | | 12,335 | |
| Life Insurance | | 133 | |
| Medical Insurance | | 20,054 | |
| Disability Insurance | | 269 | |
| Unemployment Compensation | | 374 | |
| Employer Medicare | | 1,350 | |
| Other Fringe Benefits | | 600 | |
| Communication | | 1,676 | |
| Licenses | | 204 | |
| Maintenance and Repair Services - Buildings | | 1,549 | |
| Maintenance and Repair Services - Vehicles | | 823 | |
| Postal Charges | | 239 | |
| Travel | | 220 | |
| Other Contracted Services | | 59,271 | |
| Animal Food and Supplies | | 4,410 | |
| Diesel Fuel | | 2,445 | |
| Drugs and Medical Supplies | | 300 | |
| Gasoline | | 5,924 | |
| Office Supplies | | 278 | |
| Other Supplies and Materials | | 4,930 | |
| Refunds | | 25 | |
| In Service/Staff Development | | 390 | |
| Other Equipment | | 3,311 | |
| | | <hr/> | |
| Total Rabies and Animal Control | | | 222,476 |

Other Local Health Services

| | | | |
|---------------------------|----|--------|--|
| Other Salaries and Wages | \$ | 86,918 | |
| Social Security | | 5,288 | |
| Pensions | | 9,736 | |
| Life Insurance | | 140 | |
| Medical Insurance | | 13,210 | |
| Disability Insurance | | 249 | |
| Unemployment Compensation | | 490 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

| | | | |
|-----------------------------------|----|--------|------------|
| Employer Medicare | \$ | 1,237 | |
| Other Fringe Benefits | | 800 | |
| Travel | | 14,130 | |
| Other Contracted Services | | 4,521 | |
| In Service/Staff Development | | 115 | |
| Total Other Local Health Services | | | \$ 136,834 |

Appropriation to State

| | | | |
|------------------------------------|----|--------|--------|
| Contracts with Government Agencies | \$ | 26,070 | |
| Total Appropriation to State | | | 26,070 |

General Welfare Assistance

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

Waste Pickup

| | | | |
|--------------------------------------|----|--------|---------|
| Laborers | \$ | 46,229 | |
| Overtime Pay | | 5,467 | |
| Other Salaries and Wages | | 1,048 | |
| Social Security | | 3,171 | |
| Pensions | | 5,280 | |
| Life Insurance | | 90 | |
| Medical Insurance | | 9,774 | |
| Disability Insurance | | 163 | |
| Unemployment Compensation | | 216 | |
| Employer Medicare | | 742 | |
| Other Fringe Benefits | | 200 | |
| Contracts with Other Public Agencies | | 16,088 | |
| Other Supplies and Materials | | 15,104 | |
| In Service/Staff Development | | 320 | |
| Total Waste Pickup | | | 103,892 |

Other Public Health and Welfare

| | | | |
|---------------------------------------|----|--------|--------|
| Contracts with Private Agencies | \$ | 10,000 | |
| Other Charges | | 41,481 | |
| Total Other Public Health and Welfare | | | 51,481 |

Social, Cultural, and Recreational Services

Senior Citizens Assistance

| | | | |
|----------------------------------|----|--------|---------|
| Other Contracted Services | \$ | 22,050 | |
| Custodial Supplies | | 2,396 | |
| Gasoline | | 86,076 | |
| Total Senior Citizens Assistance | | | 110,522 |

Parks and Fair Boards

| | | | |
|--------------------------|----|--------|--|
| Supervisor/Director | \$ | 14,882 | |
| Other Salaries and Wages | | 10,447 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

| | | | |
|---|----|-------|-----------|
| Social Security | \$ | 1,570 | |
| Unemployment Compensation | | 249 | |
| Employer Medicare | | 367 | |
| Communication | | 445 | |
| Maintenance Agreements | | 180 | |
| Maintenance and Repair Services - Buildings | | 9,646 | |
| Travel | | 68 | |
| Other Supplies and Materials | | 5,406 | |
| Other Charges | | 1,643 | |
| Total Parks and Fair Boards | | | \$ 44,903 |

Agriculture and Natural Resources

Agricultural Extension Service

| | | | |
|--------------------------------------|----|--------|--------|
| Other Salaries and Wages | \$ | 59,397 | |
| Social Security | | 367 | |
| Unemployment Compensation | | 71 | |
| Employer Medicare | | 86 | |
| Other Fringe Benefits | | 9,333 | |
| Communication | | 3,020 | |
| Travel | | 2,700 | |
| Other Contracted Services | | 444 | |
| Total Agricultural Extension Service | | | 75,418 |

Soil Conservation

| | | | |
|------------------------------------|----|--------|--------|
| Secretary to Board | \$ | 19,886 | |
| Longevity Pay | | 360 | |
| Other Salaries and Wages | | 24,388 | |
| Social Security | | 2,696 | |
| Pensions | | 2,229 | |
| Life Insurance | | 82 | |
| Medical Insurance | | 9,474 | |
| Disability Insurance | | 102 | |
| Unemployment Compensation | | 387 | |
| Employer Medicare | | 630 | |
| Other Fringe Benefits | | 400 | |
| Dues and Memberships | | 275 | |
| Travel | | 2,784 | |
| Premiums on Corporate Surety Bonds | | 187 | |
| In Service/Staff Development | | 300 | |
| Other Charges | | 295 | |
| Total Soil Conservation | | | 64,475 |

Other Operations

Industrial Development

| | | | |
|-----------------|----|--------|--|
| Assistant(s) | \$ | 19,811 | |
| Social Security | | 1,233 | |
| Pensions | | 331 | |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development (Cont.)

| | | | |
|---|----|---------|------------|
| Medical Insurance | \$ | 669 | |
| Unemployment Compensation | | 185 | |
| Employer Medicare | | 288 | |
| Other Fringe Benefits | | 100 | |
| Advertising | | 100 | |
| Dues and Memberships | | 2,139 | |
| Maintenance Agreements | | 3,923 | |
| Maintenance and Repair Services - Buildings | | 770 | |
| Pest Control | | 900 | |
| Postal Charges | | 166 | |
| Travel | | 1,029 | |
| Other Contracted Services | | 111,905 | |
| Gasoline | | 2,202 | |
| Office Supplies | | 1,332 | |
| Premiums on Corporate Surety Bonds | | 200 | |
| In Service/Staff Development | | 740 | |
| Other Charges | | 2,769 | |
| Total Industrial Development | | | \$ 150,792 |

Other Economic and Community Development

| | | | |
|--|----|---------|---------|
| Contracts with Government Agencies | \$ | 143,145 | |
| Other Contracted Services | | 147,044 | |
| Other Capital Outlay | | 204,214 | |
| Total Other Economic and Community Development | | | 494,403 |

Veterans' Services

| | | | |
|---------------------------------|----|--------|--------|
| Supervisor/Director | \$ | 19,785 | |
| Social Security | | 1,233 | |
| Unemployment Compensation | | 109 | |
| Employer Medicare | | 288 | |
| Other Fringe Benefits | | 100 | |
| Contracts with Private Agencies | | 399 | |
| Travel | | 345 | |
| Office Supplies | | 337 | |
| In Service/Staff Development | | 40 | |
| Total Veterans' Services | | | 22,636 |

Other Charges

| | | | |
|---------------------------------|----|---------|---------|
| Other Fringe Benefits | \$ | 6,605 | |
| Medical and Dental Services | | 2,068 | |
| Building and Contents Insurance | | 81,324 | |
| Liability Insurance | | 116,188 | |
| Medical Claims | | 22,348 | |
| Trustee's Commission | | 207,425 | |
| Vehicle and Equipment Insurance | | 98,208 | |
| Workers' Compensation Insurance | | 125,808 | |
| Liability Claims | | 2,831 | |
| Other Charges | | 4,224 | |
| Total Other Charges | | | 667,029 |

(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 | \$ 255,235 | |
| Total Other General Government Projects | | \$ 255,235 |

Total General Fund \$ 15,714,465

Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

| | | |
|----------------------|----------|----------|
| Trustee's Commission | \$ 1,549 | |
| Total Other Charges | | \$ 1,549 |

Total Courthouse and Jail Maintenance Fund 1,549

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

| | | |
|--|-----------|------------|
| Assistant(s) | \$ 48,213 | |
| Supervisor/Director | 41,884 | |
| Librarians | 24,309 | |
| Longevity Pay | 1,560 | |
| Overtime Pay | 188 | |
| Other Salaries and Wages | 25,239 | |
| Social Security | 8,575 | |
| Pensions | 15,571 | |
| Life Insurance | 171 | |
| Medical Insurance | 26,509 | |
| Disability Insurance | 388 | |
| Unemployment Compensation | 725 | |
| Employer Medicare | 2,005 | |
| Other Fringe Benefits | 910 | |
| Communication | 1,384 | |
| Dues and Memberships | 420 | |
| Maintenance and Repair Services - Buildings | 17,990 | |
| Maintenance and Repair Services - Office Equipment | 2,399 | |
| Travel | 998 | |
| Other Contracted Services | 4,059 | |
| Library Books/Media | 21,996 | |
| Office Supplies | 685 | |
| Other Supplies and Materials | 3,056 | |
| Other Charges | 881 | |
| Data Processing Equipment | 4,355 | |
| Total Libraries | | \$ 254,470 |

Other Operations

Other Charges

| | | |
|--------------|--------|--|
| Pest Control | \$ 600 | |
| Utilities | 19,946 | |

(Continued)

Exhibit J-7

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

Public Library Fund (Cont.)

Other Operations (Cont.)

Other Charges (Cont.)

| | | | |
|---------------------------------|----|-------|-----------|
| Building and Contents Insurance | \$ | 3,281 | |
| Liability Insurance | | 1,123 | |
| Refunds | | 108 | |
| Trustee's Commission | | 6,015 | |
| Workers' Compensation Insurance | | 3,120 | |
| Total Other Charges | | | \$ 34,193 |

Capital Projects

Social, Cultural, and Recreation Projects

| | | | |
|---|----|--------|--------|
| Building Improvements | \$ | 83,616 | |
| Total Social, Cultural, and Recreation Projects | | | 83,616 |

Total Public Library Fund \$ 372,279

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

| | | | |
|--|----|-------|----------|
| Advertising | \$ | 1,398 | |
| Total Sanitation Education/Information | | | \$ 1,398 |

Convenience Centers

| | | | |
|---|----|---------|---------|
| Laborers | \$ | 175,794 | |
| Social Security | | 11,015 | |
| Unemployment Compensation | | 1,921 | |
| Employer Medicare | | 2,576 | |
| Other Fringe Benefits | | 1,875 | |
| Communication | | 9,531 | |
| Maintenance and Repair Services - Buildings | | 4,613 | |
| Maintenance and Repair Services - Equipment | | 9,559 | |
| Utilities | | 11,925 | |
| Other Supplies and Materials | | 2,717 | |
| Other Capital Outlay | | 19,200 | |
| Total Convenience Centers | | | 250,726 |

Transfer Stations

| | | | |
|-----------------------------|----|--------|--|
| Supervisor/Director | \$ | 35,736 | |
| Deputy(ies) | | 27,084 | |
| Foremen | | 32,249 | |
| Mechanic(s) | | 17,939 | |
| Equipment Operators - Light | | 86,858 | |
| Truck Drivers | | 24,910 | |
| Laborers | | 48,649 | |
| Part-time Personnel | | 4,810 | |
| Longevity Pay | | 4,140 | |
| Overtime Pay | | 3,663 | |
| Other Salaries and Wages | | 2,233 | |
| Social Security | | 17,238 | |

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Transfer Stations (Cont.)

| | | | |
|---|----|---------|------------|
| Pensions | \$ | 26,088 | |
| Life Insurance | | 472 | |
| Medical Insurance | | 57,286 | |
| Disability Insurance | | 677 | |
| Unemployment Compensation | | 1,596 | |
| Employer Medicare | | 4,031 | |
| Other Fringe Benefits | | 2,100 | |
| Communication | | 1,274 | |
| Contracts with Government Agencies | | 323,339 | |
| Contracts with Private Agencies | | 45,420 | |
| Maintenance and Repair Services - Equipment | | 12,471 | |
| Maintenance and Repair Services - Vehicles | | 6,324 | |
| Pest Control | | 980 | |
| Postal Charges | | 147 | |
| Travel | | 1,039 | |
| Permits | | 1,575 | |
| Diesel Fuel | | 31,149 | |
| Gasoline | | 2,826 | |
| Lubricants | | 3,231 | |
| Office Supplies | | 1,518 | |
| Tires and Tubes | | 10,658 | |
| Uniforms | | 2,610 | |
| Utilities | | 6,814 | |
| Vehicle Parts | | 9,648 | |
| Other Supplies and Materials | | 16,185 | |
| In Service/Staff Development | | 685 | |
| Other Charges | | 400 | |
| Solid Waste Equipment | | 7,421 | |
| Total Transfer Stations | | | \$ 883,473 |

Postclosure Care Costs

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

Other Operations

Other Charges

| | | | |
|---------------------------------|----|--------|--------|
| Medical and Dental Services | \$ | 215 | |
| Building and Contents Insurance | | 14,533 | |
| Liability Insurance | | 16,955 | |
| Medical Claims | | 14,178 | |
| Refunds | | 1,186 | |
| Trustee's Commission | | 20,574 | |
| Vehicle and Equipment Insurance | | 16,955 | |
| Workers' Compensation Insurance | | 8,640 | |
| Other Charges | | 184 | |
| Total Other Charges | | | 93,420 |

Total Solid Waste/Sanitation Fund \$ 1,235,867

(Continued)

Exhibit J-7

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

Local Purpose Tax Fund

Public Safety

Fire Prevention and Control

| | | | |
|------------------------------------|----|---------|------------|
| Contracts with Government Agencies | \$ | 2,000 | |
| Other Contracted Services | | 472,000 | |
| Gasoline | | 75 | |
| Other Supplies and Materials | | 1,369 | |
| Refunds | | 636 | |
| Trustee's Commission | | 9,717 | |
| Other Charges | | 388 | |
| Total Fire Prevention and Control | | | \$ 486,185 |

Total Local Purpose Tax Fund \$ 486,185

Drug Control Fund

Public Safety

Drug Enforcement

| | | | |
|--|----|--------|------------|
| Confidential Drug Enforcement Payments | \$ | 25,000 | |
| Maintenance and Repair Services - Vehicles | | 150 | |
| Travel | | 2,689 | |
| Other Contracted Services | | 4,702 | |
| Animal Food and Supplies | | 2,526 | |
| Instructional Supplies and Materials | | 8,616 | |
| Other Supplies and Materials | | 1,823 | |
| In Service/Staff Development | | 1,925 | |
| Other Charges | | 11,959 | |
| Law Enforcement Equipment | | 9,279 | |
| Motor Vehicles | | 32,911 | |
| Other Equipment | | 5,496 | |
| Total Drug Enforcement | | | \$ 107,076 |

Other Operations

Other Charges

| | | | |
|----------------------|----|-----|-----|
| Trustee's Commission | \$ | 567 | |
| Total Other Charges | | | 567 |

Total Drug Control Fund 107,643

Constitutional Officers - Fees Fund

General Government

Register of Deeds

| | | | |
|---|----|----|-------|
| Constitutional Officers' Operating Expenses | \$ | 61 | |
| Total Register of Deeds | | | \$ 61 |

Administration of Justice

Juvenile Court

| | | | |
|---|----|----|----|
| Constitutional Officers' Operating Expenses | \$ | 28 | |
| Total Juvenile Court | | | 28 |

Total Constitutional Officers - Fees Fund 89

(Continued)

Exhibit J-7

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

Highway/Public Works Fund

Highways

Administration

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 77,290 | |
| Assistant(s) | | 115,492 | |
| Longevity Pay | | 4,140 | |
| Overtime Pay | | 1,205 | |
| Other Salaries and Wages | | 350 | |
| Board and Committee Members Fees | | 21,320 | |
| Social Security | | 13,578 | |
| Pensions | | 24,894 | |
| Life Insurance | | 183 | |
| Medical Insurance | | 27,542 | |
| Dental Insurance | | 1,012 | |
| Disability Insurance | | 646 | |
| Employer Medicare | | 3,173 | |
| Other Fringe Benefits | | 579 | |
| Dues and Memberships | | 4,163 | |
| Legal Services | | 4,093 | |
| Legal Notices, Recording, and Court Costs | | 292 | |
| Maintenance and Repair Services - Office Equipment | | 1,769 | |
| Travel | | 4,229 | |
| Other Contracted Services | | 541 | |
| Office Supplies | | 2,240 | |
| In Service/Staff Development | | 1,576 | |
| Other Charges | | 824 | |
| Total Administration | \$ | | 311,131 |

Highway and Bridge Maintenance

| | | |
|--------------------------------|----|---------|
| Foremen | \$ | 39,605 |
| Mechanic(s) | | 60,491 |
| Equipment Operators - Heavy | | 120,752 |
| Equipment Operators - Light | | 131,778 |
| Truck Drivers | | 88,986 |
| Longevity Pay | | 10,800 |
| Overtime Pay | | 6,215 |
| Social Security | | 28,063 |
| Pensions | | 60,785 |
| Life Insurance | | 608 |
| Medical Insurance | | 87,976 |
| Dental Insurance | | 3,215 |
| Disability Insurance | | 1,490 |
| Employer Medicare | | 6,563 |
| Other Fringe Benefits | | 2,593 |
| Other Contracted Services | | 2,393 |
| Asphalt - Cold Mix | | 27,337 |
| Crushed Stone | | 5,007 |
| General Construction Materials | | 705 |
| Other Road Materials | | 11,724 |
| Pipe | | 6,813 |

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

| | | | |
|--------------------------------------|----|--------|------------|
| Road Signs | \$ | 33,387 | |
| Small Tools | | 2,618 | |
| Other Supplies and Materials | | 1,931 | |
| Total Highway and Bridge Maintenance | | | \$ 741,835 |

Operation and Maintenance of Equipment

| | | | |
|--|----|--------|---------|
| Foremen | \$ | 43,803 | |
| Other Salaries and Wages | | 21 | |
| Social Security | | 2,719 | |
| Pensions | | 5,803 | |
| Life Insurance | | 47 | |
| Medical Insurance | | 6,911 | |
| Dental Insurance | | 256 | |
| Disability Insurance | | 108 | |
| Employer Medicare | | 636 | |
| Other Fringe Benefits | | 214 | |
| Maintenance and Repair Services - Buildings | | 2,439 | |
| Maintenance and Repair Services - Equipment | | 20,426 | |
| Diesel Fuel | | 86,583 | |
| Equipment and Machinery Parts | | 43,916 | |
| Garage Supplies | | 12,662 | |
| Gasoline | | 14,617 | |
| Lubricants | | 11,275 | |
| Small Tools | | 2,127 | |
| Tires and Tubes | | 23,121 | |
| Other Supplies and Materials | | 338 | |
| Total Operation and Maintenance of Equipment | | | 278,022 |

Quarry Operations

| | | | |
|---|----|---------|--|
| Foremen | \$ | 39,582 | |
| Equipment Operators - Light | | 40,311 | |
| Longevity Pay | | 1,980 | |
| Other Salaries and Wages | | 9,786 | |
| Social Security | | 5,526 | |
| Pensions | | 12,127 | |
| Life Insurance | | 94 | |
| Medical Insurance | | 17,156 | |
| Dental Insurance | | 626 | |
| Disability Insurance | | 241 | |
| Employer Medicare | | 1,292 | |
| Other Fringe Benefits | | 364 | |
| Communication | | 1,139 | |
| Engineering Services | | 7,244 | |
| Explosive and Drilling Services | | 13,452 | |
| Operating Lease Payments | | 9,600 | |
| Maintenance and Repair Services - Equipment | | 130,000 | |
| Printing, Stationery, and Forms | | 1,585 | |

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Quarry Operations (Cont.)

| | | | |
|-------------------------------|----|--------|------------|
| Diesel Fuel | \$ | 9,773 | |
| Electricity | | 42,355 | |
| Equipment and Machinery Parts | | 7,830 | |
| Garage Supplies | | 2,630 | |
| Lubricants | | 4,586 | |
| Tires and Tubes | | 11,825 | |
| Water and Sewer | | 1,203 | |
| Other Supplies and Materials | | 736 | |
| Total Quarry Operations | | | \$ 373,043 |

Other Charges

| | | | |
|------------------------------------|----|--------|---------|
| Communication | \$ | 7,091 | |
| Medical and Dental Services | | 285 | |
| Pest Control | | 300 | |
| Disposal Fees | | 4,134 | |
| Permits | | 2,804 | |
| Uniforms | | 6,743 | |
| Utilities | | 13,111 | |
| Building and Contents Insurance | | 26,424 | |
| Liability Insurance | | 30,828 | |
| Medical Claims | | 8,119 | |
| Premiums on Corporate Surety Bonds | | 1,534 | |
| Trustee's Commission | | 31,483 | |
| Vehicle and Equipment Insurance | | 30,828 | |
| Workers' Compensation Insurance | | 11,100 | |
| Other Self-insured Claims | | 2,087 | |
| Other Charges | | 881 | |
| Total Other Charges | | | 177,752 |

Capital Outlay

| | | | |
|-------------------------|----|---------|-----------|
| Bridge Construction | \$ | 13,993 | |
| Communication Equipment | | 7,370 | |
| Highway Construction | | 672,380 | |
| Motor Vehicles | | 25,667 | |
| Office Equipment | | 2,036 | |
| State Aid Projects | | 362,947 | |
| Other Equipment | | 3,544 | |
| Other Construction | | 1,386 | |
| Other Capital Outlay | | 12,853 | |
| Total Capital Outlay | | | 1,102,176 |

Principal on Debt

Highways and Streets

| | | | |
|-----------------------------|----|--------|--------|
| Principal on Notes | \$ | 12,460 | |
| Principal on Capital Leases | | 26,954 | |
| Total Highways and Streets | | | 39,414 |

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Interest on Debt

Highways and Streets

| | | |
|----------------------------|--------------|----------|
| Interest on Notes | \$ 6,662 | |
| Interest on Capital Leases | 477 | |
| Total Highways and Streets | <u>7,139</u> | \$ 7,139 |

Total Highway/Public Works Fund \$ 3,030,512

General Debt Service Fund

Principal on Debt

General Government

| | | |
|--------------------------|----------------|------------|
| Principal on Bonds | \$ 814,048 | |
| Principal on Notes | 127,554 | |
| Total General Government | <u>941,602</u> | \$ 941,602 |

Interest on Debt

General Government

| | | |
|--------------------------|----------------|---------|
| Interest on Bonds | \$ 273,980 | |
| Interest on Notes | 49,661 | |
| Total General Government | <u>323,641</u> | 323,641 |

Other Debt Service

General Government

| | | |
|-----------------------------|---------------|--------|
| Refunds | \$ 792 | |
| Trustee's Commission | 23,196 | |
| Other Debt Issuance Charges | 2,000 | |
| Other Debt Service | 174 | |
| Total General Government | <u>26,162</u> | 26,162 |

Total General Debt Service Fund 1,291,405

Education Debt Service Fund

Principal on Debt

Education

| | | |
|-----------------------------|------------------|--------------|
| Principal on Bonds | \$ 2,640,900 | |
| Principal on Capital Leases | 209,169 | |
| Total Education | <u>2,850,069</u> | \$ 2,850,069 |

Interest on Debt

Education

| | | |
|----------------------------|----------------|---------|
| Interest on Bonds | \$ 476,547 | |
| Interest on Capital Leases | 19,405 | |
| Total Education | <u>495,952</u> | 495,952 |

Other Debt Service

Education

| | | |
|----------------------|---------------|--------|
| Refunds | \$ 1,613 | |
| Trustee's Commission | 47,578 | |
| Other Debt Service | 750 | |
| Total Education | <u>49,941</u> | 49,941 |

Total Education Debt Service Fund 3,395,962

(Continued)

Exhibit J-7

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

| | | |
|---|-------------------|---------------------------------|
| <u>Highway Capital Projects Fund</u> | | |
| <u>Other Operations</u> | | |
| <u>Other Charges</u> | | |
| Trustee's Commission | <u>\$ 6</u> | |
| Total Other Charges | | \$ 6 |
| <u>Capital Projects</u> | | |
| <u>Highway and Street Capital Projects</u> | | |
| Highway Construction | <u>\$ 731,633</u> | |
| Total Highway and Street Capital Projects | | <u>731,633</u> |
| Total Highway Capital Projects Fund | | <u>\$ 731,639</u> |
| Total Governmental Funds - Primary Government | | <u><u>\$ 26,367,595</u></u> |

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, 2015

General Purpose School Fund

Instruction

Regular Instruction Program

| | | |
|---|---------------|---------------|
| Teachers | \$ 12,134,853 | |
| Career Ladder Program | 98,225 | |
| Career Ladder Extended Contracts | 29,631 | |
| Homebound Teachers | 20,860 | |
| Educational Assistants | 505,339 | |
| Bonus Payments | 106,842 | |
| Other Salaries and Wages | 65,066 | |
| Certified Substitute Teachers | 148,957 | |
| Non-certified Substitute Teachers | 122,472 | |
| Social Security | 762,578 | |
| Pensions | 1,184,338 | |
| Medical Insurance | 2,111,005 | |
| Disability Insurance | 4,039 | |
| Unemployment Compensation | 27,415 | |
| Employer Medicare | 179,864 | |
| Maintenance and Repair Services - Equipment | 678 | |
| Tuition | 294,091 | |
| Other Contracted Services | 223,237 | |
| Instructional Supplies and Materials | 578,090 | |
| Textbooks | 13,767 | |
| Other Supplies and Materials | 3,434 | |
| Other Charges | 1,644 | |
| Regular Instruction Equipment | 461,282 | |
| Total Regular Instruction Program | | \$ 19,077,707 |

Alternative Instruction Program

| | | |
|---------------------------------------|-----------|--------|
| Teachers | \$ 52,967 | |
| Educational Assistants | 9,380 | |
| Bonus Payments | 433 | |
| Certified Substitute Teachers | 2,820 | |
| Non-certified Substitute Teachers | 1,872 | |
| Social Security | 3,294 | |
| Pensions | 4,903 | |
| Medical Insurance | 11,749 | |
| Employer Medicare | 857 | |
| Other Contracted Services | 1,275 | |
| Other Supplies and Materials | 543 | |
| Total Alternative Instruction Program | | 90,093 |

Special Education Program

| | | |
|------------------------|--------------|--|
| Teachers | \$ 1,666,124 | |
| Career Ladder Program | 14,000 | |
| Homebound Teachers | 48,966 | |
| Educational Assistants | 411,305 | |
| Speech Pathologist | 428,007 | |
| Bonus Payments | 17,302 | |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

| | | | |
|---|----|---------|--------------|
| Certified Substitute Teachers | \$ | 6,720 | |
| Non-certified Substitute Teachers | | 29,887 | |
| Social Security | | 151,687 | |
| Pensions | | 249,129 | |
| Medical Insurance | | 459,103 | |
| Disability Insurance | | 2,980 | |
| Unemployment Compensation | | 8,453 | |
| Employer Medicare | | 35,747 | |
| Contracts with Private Agencies | | 113,866 | |
| Maintenance and Repair Services - Equipment | | 12,819 | |
| Other Contracted Services | | 3,022 | |
| Instructional Supplies and Materials | | 17,994 | |
| Special Education Equipment | | 5,683 | |
| Total Special Education Program | | | \$ 3,682,794 |

Vocational Education Program

| | | | |
|--------------------------------------|----|---------|-----------|
| Teachers | \$ | 767,712 | |
| Career Ladder Program | | 2,000 | |
| Bonus Payments | | 8,651 | |
| Certified Substitute Teachers | | 780 | |
| Non-certified Substitute Teachers | | 12,508 | |
| Social Security | | 45,840 | |
| Pensions | | 70,403 | |
| Medical Insurance | | 147,675 | |
| Employer Medicare | | 10,731 | |
| Instructional Supplies and Materials | | 31,171 | |
| Other Charges | | 4,029 | |
| Vocational Instruction Equipment | | 15,136 | |
| Total Vocational Education Program | | | 1,116,636 |

Student Body Education Program

| | | | |
|--------------------------------------|----|--------|---------|
| Other Salaries and Wages | \$ | 32,469 | |
| Social Security | | 2,090 | |
| Pensions | | 2,117 | |
| Employer Medicare | | 489 | |
| Other Contracted Services | | 87,137 | |
| Other Supplies and Materials | | 6,056 | |
| Other Charges | | 6,000 | |
| Total Student Body Education Program | | | 136,358 |

Support Services

Attendance

| | | | |
|--------------------------|----|--------|--|
| Clerical Personnel | \$ | 91,697 | |
| Bonus Payments | | 703 | |
| Other Salaries and Wages | | 39,848 | |
| Social Security | | 7,986 | |

(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.)

| | | | |
|------------------------------|----|--------|------------|
| Pensions | \$ | 17,430 | |
| Medical Insurance | | 26,746 | |
| Disability Insurance | | 969 | |
| Employer Medicare | | 1,868 | |
| Travel | | 399 | |
| Other Contracted Services | | 32,094 | |
| Other Supplies and Materials | | 222 | |
| In Service/Staff Development | | 2,184 | |
| Total Attendance | | | \$ 222,146 |

Health Services

| | | | |
|-----------------------------------|----|---------|---------|
| Medical Personnel | \$ | 273,497 | |
| Other Salaries and Wages | | 74,204 | |
| Non-certified Substitute Teachers | | 2,128 | |
| Social Security | | 19,555 | |
| Pensions | | 42,845 | |
| Medical Insurance | | 64,813 | |
| Disability Insurance | | 2,071 | |
| Employer Medicare | | 4,573 | |
| Postal Charges | | 400 | |
| Travel | | 12,965 | |
| Other Contracted Services | | 320 | |
| Other Supplies and Materials | | 18,050 | |
| In Service/Staff Development | | 60 | |
| Total Health Services | | | 515,481 |

Other Student Support

| | | | |
|------------------------------------|----|---------|--|
| Career Ladder Program | \$ | 7,416 | |
| Guidance Personnel | | 693,546 | |
| Social Workers | | 89,683 | |
| Assessment Personnel | | 9,206 | |
| Secretary(ies) | | 64,784 | |
| School Resource Officer | | 20,000 | |
| Bonus Payments | | 5,651 | |
| Other Salaries and Wages | | 51,279 | |
| Certified Substitute Teachers | | 60 | |
| Non-certified Substitute Teachers | | 1,130 | |
| Social Security | | 54,217 | |
| Pensions | | 89,521 | |
| Medical Insurance | | 125,591 | |
| Disability Insurance | | 1,285 | |
| Employer Medicare | | 12,790 | |
| Contracts with Government Agencies | | 30,160 | |
| Evaluation and Testing | | 24,497 | |
| Travel | | 1,661 | |
| Other Contracted Services | | 9,003 | |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

| | | | |
|------------------------------|----|-------|--------------|
| In Service/Staff Development | \$ | 9,723 | |
| Other Charges | | 730 | |
| Total Other Student Support | | | \$ 1,301,933 |

Regular Instruction Program

| | | | |
|-----------------------------------|----|---------|-----------|
| Supervisor/Director | \$ | 128,581 | |
| Career Ladder Program | | 9,000 | |
| Librarians | | 585,966 | |
| Clerical Personnel | | 16,307 | |
| Bonus Payments | | 3,379 | |
| Other Salaries and Wages | | 7,108 | |
| Certified Substitute Teachers | | 1,140 | |
| Non-certified Substitute Teachers | | 2,448 | |
| Social Security | | 41,812 | |
| Pensions | | 63,995 | |
| Medical Insurance | | 78,402 | |
| Disability Insurance | | 157 | |
| Employer Medicare | | 10,535 | |
| Travel | | 13,579 | |
| Other Contracted Services | | 9,705 | |
| Other Supplies and Materials | | 6,252 | |
| In Service/Staff Development | | 26,895 | |
| Other Equipment | | 244 | |
| Total Regular Instruction Program | | | 1,005,505 |

Special Education Program

| | | | |
|---------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 75,776 | |
| Career Ladder Program | | 1,000 | |
| Clerical Personnel | | 86,458 | |
| Bonus Payments | | 1,081 | |
| Other Salaries and Wages | | 35,947 | |
| Social Security | | 12,201 | |
| Pensions | | 18,464 | |
| Medical Insurance | | 23,981 | |
| Disability Insurance | | 720 | |
| Employer Medicare | | 2,851 | |
| Travel | | 19,231 | |
| Other Supplies and Materials | | 19,597 | |
| In Service/Staff Development | | 20,414 | |
| Other Charges | | 1,200 | |
| Total Special Education Program | | | 318,921 |

Vocational Education Program

| | | | |
|-----------------|----|--------|--|
| Secretary(ies) | \$ | 36,781 | |
| Bonus Payments | | 378 | |
| Social Security | | 2,213 | |

(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.)

Vocational Education Program (Cont.)

| | | | |
|---|----|-------|--------|
| Pensions | \$ | 4,844 | |
| Medical Insurance | | 5,835 | |
| Disability Insurance | | 313 | |
| Employer Medicare | | 517 | |
| Maintenance and Repair Services - Equipment | | 674 | |
| Travel | | 4,295 | |
| Other Contracted Services | | 4,422 | |
| In Service/Staff Development | | 3,017 | |
| Other Charges | | 20 | |
| Total Vocational Education Program | \$ | | 63,309 |

Other Programs

| | | | |
|----------------------------|----|---------|---------|
| On-behalf Payments to OPEB | \$ | 186,283 | |
| Total Other Programs | | | 186,283 |

Board of Education

| | | | |
|--|----|---------|-----------|
| Secretary to Board | \$ | 912 | |
| Board and Committee Members Fees | | 31,200 | |
| Social Security | | 1,286 | |
| Pensions | | 120 | |
| Employer Medicare | | 466 | |
| Other Fringe Benefits | | 140,387 | |
| Audit Services | | 18,000 | |
| Dues and Memberships | | 14,288 | |
| Legal Services | | 7,960 | |
| Other Contracted Services | | 12,017 | |
| Other Supplies and Materials | | 2,700 | |
| Liability Insurance | | 174,827 | |
| Premiums on Corporate Surety Bonds | | 175 | |
| Trustee's Commission | | 301,066 | |
| Workers' Compensation Insurance | | 330,387 | |
| In Service/Staff Development | | 13,834 | |
| Criminal Investigation of Applicants - TBI | | 3,744 | |
| Other Charges | | 2,683 | |
| Total Board of Education | | | 1,056,052 |

Director of Schools

| | | | |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 119,238 | |
| Assistant(s) | | 80,265 | |
| Career Ladder Program | | 1,000 | |
| Clerical Personnel | | 25,052 | |
| Bonus Payments | | 1,027 | |
| Social Security | | 13,738 | |
| Pensions | | 20,863 | |
| Medical Insurance | | 18,438 | |
| Disability Insurance | | 1,009 | |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

| | | | |
|---|----|--------|------------|
| Employer Medicare | \$ | 3,219 | |
| Communication | | 54,522 | |
| Contributions | | 3,050 | |
| Dues and Memberships | | 5,662 | |
| Maintenance and Repair Services - Equipment | | 3,279 | |
| Postal Charges | | 5,648 | |
| Travel | | 627 | |
| Other Contracted Services | | 621 | |
| Office Supplies | | 5,089 | |
| In Service/Staff Development | | 5,060 | |
| Other Charges | | 10,216 | |
| Administration Equipment | | 190 | |
| Total Director of Schools | | | \$ 377,813 |

Office of the Principal

| | | | |
|-----------------------------------|----|---------|-----------|
| Principals | \$ | 746,148 | |
| Career Ladder Program | | 17,000 | |
| Assistant Principals | | 507,491 | |
| Secretary(ies) | | 342,619 | |
| Bonus Payments | | 7,786 | |
| Other Salaries and Wages | | 47,321 | |
| Certified Substitute Teachers | | 1,500 | |
| Non-certified Substitute Teachers | | 330 | |
| Social Security | | 98,032 | |
| Pensions | | 166,607 | |
| Medical Insurance | | 275,199 | |
| Disability Insurance | | 3,252 | |
| Employer Medicare | | 22,945 | |
| Other Supplies and Materials | | 250 | |
| Other Charges | | 2,797 | |
| Total Office of the Principal | | | 2,239,277 |

Human Services/Personnel

| | | | |
|--------------------------------|----|--------|---------|
| Clerical Personnel | \$ | 70,052 | |
| Bonus Payments | | 757 | |
| Social Security | | 4,343 | |
| Pensions | | 9,332 | |
| Medical Insurance | | 12,220 | |
| Disability Insurance | | 570 | |
| Employer Medicare | | 1,016 | |
| Other Contracted Services | | 6,659 | |
| In Service/Staff Development | | 1,938 | |
| Total Human Services/Personnel | | | 106,887 |

Operation of Plant

| | | | |
|---------------------|----|---------|--|
| Custodial Personnel | \$ | 853,250 | |
|---------------------|----|---------|--|

(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.)

| | | | |
|-----------------------------------|----|-----------|--------------|
| Bonus Payments | \$ | 8,922 | |
| Other Salaries and Wages | | 103,014 | |
| Non-certified Substitute Teachers | | 10,285 | |
| Social Security | | 57,608 | |
| Pensions | | 118,961 | |
| Medical Insurance | | 182,083 | |
| Disability Insurance | | 7,171 | |
| Unemployment Compensation | | 1,235 | |
| Employer Medicare | | 13,518 | |
| Disposal Fees | | 37,551 | |
| Other Contracted Services | | 201,600 | |
| Custodial Supplies | | 165,756 | |
| Electricity | | 1,293,906 | |
| Gasoline | | 317 | |
| Natural Gas | | 115,374 | |
| Water and Sewer | | 118,871 | |
| Other Supplies and Materials | | 2,593 | |
| Boiler Insurance | | 13,001 | |
| Building and Contents Insurance | | 236,856 | |
| In Service/Staff Development | | 2,129 | |
| Other Charges | | 438 | |
| Plant Operation Equipment | | 7,312 | |
| Total Operation of Plant | | | \$ 3,551,751 |

Maintenance of Plant

| | | | |
|---|----|---------|-----------|
| Supervisor/Director | \$ | 62,484 | |
| Maintenance Personnel | | 489,745 | |
| Bonus Payments | | 4,974 | |
| Other Salaries and Wages | | 6,315 | |
| Social Security | | 32,423 | |
| Pensions | | 71,554 | |
| Medical Insurance | | 84,628 | |
| Disability Insurance | | 4,235 | |
| Employer Medicare | | 7,583 | |
| Communication | | 556 | |
| Laundry Service | | 1,015 | |
| Maintenance and Repair Services - Buildings | | 295,351 | |
| Maintenance and Repair Services - Equipment | | 18,019 | |
| Maintenance and Repair Services - Vehicles | | 32,530 | |
| Other Contracted Services | | 51,520 | |
| Gasoline | | 27,171 | |
| Other Supplies and Materials | | 929 | |
| Total Maintenance of Plant | | | 1,191,032 |

Transportation

| | | | |
|---------------------|----|--------|--|
| Supervisor/Director | \$ | 58,597 | |
|---------------------|----|--------|--|

(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.)

Transportation (Cont.)

| | | | |
|--|----|-----------|--------------|
| Bus Drivers | \$ | 177,292 | |
| Bonus Payments | | 243 | |
| Other Salaries and Wages | | 33,168 | |
| Non-certified Substitute Teachers | | 15,734 | |
| Social Security | | 16,835 | |
| Pensions | | 33,607 | |
| Medical Insurance | | 63,490 | |
| Disability Insurance | | 1,284 | |
| Employer Medicare | | 3,940 | |
| Communication | | 958 | |
| Contracts with Vehicle Owners | | 1,464,966 | |
| Maintenance and Repair Services - Vehicles | | 136,801 | |
| Other Contracted Services | | 14,868 | |
| Gasoline | | 60,939 | |
| Tires and Tubes | | 9,989 | |
| Other Supplies and Materials | | 897 | |
| Vehicle and Equipment Insurance | | 21,680 | |
| In Service/Staff Development | | 1,267 | |
| Other Charges | | 2,328 | |
| Transportation Equipment | | 76,821 | |
| Total Transportation | | | \$ 2,195,704 |

Central and Other

| | | | |
|------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 85,347 | |
| Clerical Personnel | | 36,687 | |
| Bonus Payments | | 2,541 | |
| Other Salaries and Wages | | 225,119 | |
| Social Security | | 19,852 | |
| Pensions | | 46,088 | |
| Medical Insurance | | 43,602 | |
| Disability Insurance | | 2,769 | |
| Employer Medicare | | 4,643 | |
| Data Processing Services | | 11,561 | |
| Travel | | 1,951 | |
| Other Supplies and Materials | | 48,332 | |
| In Service/Staff Development | | 9,102 | |
| Other Equipment | | 22,631 | |
| Total Central and Other | | | 560,225 |

Operation of Non-instructional Services

Community Services

| | | | |
|--------------------------|----|---------|--|
| Supervisor/Director | \$ | 43,656 | |
| Teachers | | 52,507 | |
| Bonus Payments | | 541 | |
| Other Salaries and Wages | | 272,615 | |
| Social Security | | 22,434 | |

(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.)

Community Services (Cont.)

| | | | |
|------------------------------|----|--------|---------|
| Pensions | \$ | 33,525 | |
| Medical Insurance | | 20,009 | |
| Disability Insurance | | 1,036 | |
| Employer Medicare | | 5,247 | |
| Communication | | 1,581 | |
| Travel | | 31,990 | |
| Other Contracted Services | | 82,126 | |
| Other Supplies and Materials | | 87,670 | |
| In Service/Staff Development | | 1,326 | |
| Other Charges | | 86,026 | |
| Total Community Services | \$ | | 742,289 |

Early Childhood Education

| | | | |
|---|----|---------|-----------|
| Supervisor/Director | \$ | 33,994 | |
| Teachers | | 557,419 | |
| Clerical Personnel | | 16,032 | |
| Educational Assistants | | 324,401 | |
| Other Salaries and Wages | | 3,665 | |
| Non-certified Substitute Teachers | | 3,990 | |
| Social Security | | 53,371 | |
| Pensions | | 98,223 | |
| Medical Insurance | | 210,968 | |
| Disability Insurance | | 2,702 | |
| Employer Medicare | | 12,488 | |
| Maintenance and Repair Services - Equipment | | 4,552 | |
| Travel | | 582 | |
| Other Contracted Services | | 203 | |
| Other Supplies and Materials | | 22,094 | |
| In Service/Staff Development | | 617 | |
| Total Early Childhood Education | | | 1,345,301 |

Principal on Debt

Education

| | | | |
|---|----|---------|---------|
| Debt Service Contribution to Primary Government | \$ | 209,169 | |
| Total Education | | | 209,169 |

Interest on Debt

Education

| | | | |
|---|----|--------|--------|
| Debt Service Contribution to Primary Government | \$ | 19,405 | |
| Total Education | | | 19,405 |

Other Debt Service

Education

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

Total General Purpose School Fund \$ 41,822,071

(Continued)

Exhibit J-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

| | | | |
|-----------------------------------|----|---------|--------------|
| Teachers | \$ | 654,291 | |
| Educational Assistants | | 88,961 | |
| Bonus Payments | | 4,758 | |
| Social Security | | 41,205 | |
| Pensions | | 68,304 | |
| Medical Insurance | | 137,450 | |
| Employer Medicare | | 10,085 | |
| Other Fringe Benefits | | 678 | |
| Regular Instruction Equipment | | 70,930 | |
| Total Regular Instruction Program | | | \$ 1,076,662 |

Special Education Program

| | | | |
|--------------------------------------|----|---------|---------|
| Teachers | \$ | 115,353 | |
| Educational Assistants | | 313,228 | |
| Speech Pathologist | | 3,954 | |
| Bonus Payments | | 433 | |
| Social Security | | 25,463 | |
| Pensions | | 51,741 | |
| Medical Insurance | | 115,916 | |
| Employer Medicare | | 5,955 | |
| Other Fringe Benefits | | 2,865 | |
| Instructional Supplies and Materials | | 9,084 | |
| Other Supplies and Materials | | 11,827 | |
| Special Education Equipment | | 24,588 | |
| Total Special Education Program | | | 680,407 |

Vocational Education Program

| | | | |
|------------------------------------|----|--------|--------|
| Clerical Personnel | \$ | 4,008 | |
| Social Security | | 269 | |
| Employer Medicare | | 63 | |
| Other Supplies and Materials | | 5,340 | |
| Vocational Instruction Equipment | | 56,514 | |
| Total Vocational Education Program | | | 66,194 |

Support Services

Health Services

| | | | |
|-----------------------|----|---------|---------|
| Medical Personnel | \$ | 139,739 | |
| Social Security | | 8,441 | |
| Pensions | | 18,418 | |
| Medical Insurance | | 17,519 | |
| Employer Medicare | | 1,974 | |
| Other Fringe Benefits | | 1,191 | |
| Total Health Services | | | 187,282 |

Other Student Support

| | | | |
|--------|----|--------|--|
| Travel | \$ | 11,961 | |
|--------|----|--------|--|

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

| | | | |
|------------------------------|----|--------|--------|
| Other Contracted Services | \$ | 1,199 | |
| Other Supplies and Materials | | 12,036 | |
| In Service/Staff Development | | 5,267 | |
| Total Other Student Support | \$ | | 30,463 |

Regular Instruction Program

| | | | |
|---|----|---------|---------|
| Supervisor/Director | \$ | 55,409 | |
| Bonus Payments | | 2,406 | |
| Other Salaries and Wages | | 226,999 | |
| Social Security | | 16,556 | |
| Pensions | | 25,752 | |
| Medical Insurance | | 45,131 | |
| Employer Medicare | | 3,872 | |
| Maintenance and Repair Services - Equipment | | 977 | |
| Travel | | 176 | |
| Other Supplies and Materials | | 395 | |
| In Service/Staff Development | | 5,991 | |
| Total Regular Instruction Program | | | 383,664 |

Special Education Program

| | | | |
|---------------------------------|----|---------|---------|
| Psychological Personnel | \$ | 117,671 | |
| Clerical Personnel | | 28,454 | |
| Bonus Payments | | 1,244 | |
| Social Security | | 8,779 | |
| Pensions | | 14,516 | |
| Medical Insurance | | 20,436 | |
| Employer Medicare | | 2,053 | |
| Other Fringe Benefits | | 234 | |
| In Service/Staff Development | | 7,000 | |
| Total Special Education Program | | | 200,387 |

Vocational Education Program

| | | | |
|------------------------------------|----|-------|-------|
| Clerical Personnel | \$ | 4,004 | |
| Social Security | | 233 | |
| Pensions | | 36 | |
| Employer Medicare | | 63 | |
| Total Vocational Education Program | | | 4,336 |

Transportation

| | | | |
|--------------------------|----|---------|---------|
| Other Salaries and Wages | \$ | 123,565 | |
| Social Security | | 7,202 | |
| Pensions | | 16,286 | |
| Medical Insurance | | 46,920 | |
| Employer Medicare | | 1,684 | |
| Other Fringe Benefits | | 961 | |
| Total Transportation | | | 196,618 |

Total School Federal Projects Fund \$ 2,826,013

(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 | | 28,898 | |
| Cafeteria Personnel | | 800,459 | |
| Bonus Payments | | 703 | |
| Other Salaries and Wages | | 26,295 | |
| Social Security | | 54,051 | |
| Pensions | | 102,497 | |
| Medical Insurance | | 199,145 | |
| Disability Insurance | | 6,151 | |
| Employer Medicare | | 12,651 | |
| Communication | | 1,759 | |
| Maintenance and Repair Services - Equipment | | 2,272 | |
| Travel | | 3,655 | |
| Disposal Fees | | 21,504 | |
| Other Contracted Services | | 11,304 | |
| Food Supplies | | 1,266,017 | |
| Office Supplies | | 2,545 | |
| USDA - Commodities | | 135,426 | |
| Other Supplies and Materials | | 22,329 | |
| In Service/Staff Development | | 10,002 | |
| Other Charges | | 1,248 | |
| Total Food Service | | | <u>\$ 2,768,911</u> |

Total Central Cafeteria Fund \$ 2,768,911

Total Governmental Funds - Franklin County School Department \$ 47,416,995

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, 2015

| | Cities - Sales Tax Fund |
|--|-------------------------------|
| <hr/> | |
| <u>Cash Receipts</u> | |
| Local Option Sales Tax | \$ 3,509,942 |
| Total Cash Receipts | <u>\$ 3,509,942</u> |
| <u>Cash Disbursements</u> | |
| Remittance of Revenues Collected | \$ 3,474,842 |
| Trustee's Commission | 35,100 |
| Total Cash Disbursements | <u>\$ 3,509,942</u> |
| Excess of Cash Receipts Over (Under) Cash Disbursements | \$ 0 |
| Cash Balance, July 1, 2014 | <u>0</u> |
| Cash Balance, June 30, 2015 | <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
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

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, 2015, and the related notes to the financial statements, which collectively comprise Franklin County's basic financial statements, and have issued our report thereon dated February 2, 2016. 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 certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2015-003 and 2015-006.

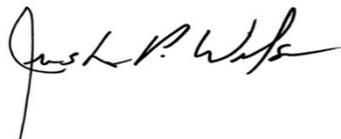
Compliance and Other Matters

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: 2015-001, 2015-002, 2015-004, and 2015-005.

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

February 2, 2016

JPW/sb



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

Report on Compliance 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 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, 2015. 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, 2015.

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.

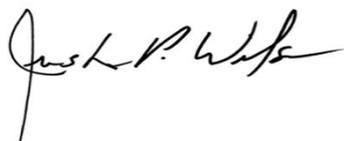
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2015, and the related notes to the financial statements, which collectively comprise Franklin County's basic financial statements. We issued our report thereon dated February 2, 2016, 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

February 2, 2016

JPW/sb

Franklin County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2015

| 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 | \$ 135,426 (3) |
| Passed-through State Department of Education: | | | |
| Child Nutrition Cluster: | | | |
| School Breakfast Program | 10.553 | N/A | 569,449 |
| National School Lunch Program | 10.555 | N/A | 1,361,755 (3) |
| Direct Program: | | | |
| Rural Business Enterprise Grants | 10.769 | (2) | 55,000 |
| Total U.S. Department of Agriculture | | | <u>\$ 2,121,630</u> |
| U.S. Department of Defense: | | | |
| Passed-through State Department of General Services: | | | |
| Section 1033 Excess Property Program | 12.UNKNOWN | N/A | \$ 2,999 |
| Total U.S. Department of Defense | | | <u>\$ 2,999</u> |
| U.S. Department of Housing and Urban Development: | | | |
| Passed-through State Department of Economic and Community Development: | | | |
| Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii | 14.228 | (2) | \$ 174,240 |
| Total U.S. Department of Housing and Urban Development | | | <u>\$ 174,240</u> |
| U.S. Department of Justice: | | | |
| Direct Programs: | | | |
| Second Chance Act Prisoner Reentry Initiative | 16.812 | N/A | \$ 688,604 |
| Equitable Sharing Program | 16.922 | N/A | 6,833 |
| Total U.S. Department of Justice | | | <u>\$ 695,437</u> |
| U.S. Department of Labor: | | | |
| Passed-through Workforce Solutions: | | | |
| WIA/WIOA Youth Activities | 17.259 | (2) | \$ 51,510 |
| Total U.S. Department of Labor | | | <u>\$ 51,510</u> |
| U.S. Department of Transportation: | | | |
| Passed-through State Department of Transportation: | | | |
| Airport Improvement Program | 20.106 | (2) | \$ 75,868 |
| Alcohol Open Container Requirements | 20.607 | (4) | 35,203 |
| Total U.S. Department of Transportation | | | <u>\$ 111,071</u> |
| Institute of Museum and Library Services: | | | |
| Passed-through Tennessee Secretary of State: | | | |
| Grants to States | 45.310 | N/A | \$ 2,076 |
| Total Institute of Museum and Library Services: | | | <u>\$ 2,076</u> |
| U.S. Department of Education: | | | |
| Passed-through State Department of Education: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | N/A | \$ 1,150,592 |
| Special Education Cluster: | | | |
| Special Education - Grants to States | 84.027 | N/A | 1,294,907 |
| Special Education - Preschool Grants | 84.173 | N/A | 53,022 |
| Career and Technical Education - Basic Grants to States | 84.048 | N/A | 88,956 |
| Safe and Drug-free Schools and Communities - National Programs | 84.184 | (2) | 65,520 |
| Rural Education | 84.358 | (2) | 71,392 |
| Improving Teacher Quality State Grants | 84.367 | (2) | 250,342 |
| Total U.S. Department of Education | | | <u>\$ 2,974,731</u> |
| U.S. Department of Health and Human Services: | | | |
| Direct Program: | | | |
| Drug-free Communities Support Program Grants | 93.276 | (2) | \$ 48,249 |
| Passed-through South Central Human Resources Agency: | | | |
| Community Services Block Grant | 93.569 | (2) | 2,000 |
| Passed-through State Department of Mental Health and Substance Abuse Services: | | | |
| Substance Abuse and Mental Health Services - Projects of Regional and National Significance | 93.243 | (2) | 65,409 |
| Block Grants for Prevention and Treatment of Substance Abuse | 93.959 | (2) | 105,733 |
| Total U.S. Department of Health and Human Services | | | <u>\$ 221,391</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) | \$ 38,850 |
| Homeland Security Grant Program | 97.067 | (2) | 15,398 |
| Total U.S. Department of Homeland Security | | | \$ 54,248 |
| Total Expenditures of Federal Awards | | | \$ 6,409,333 |

| State Grants | Federal CFDA Number | Contract Number | Expenditures |
|--|------------------------|--------------------|--------------|
| Early Childhood Education - State Department of Education | N/A | (2) | \$ 1,119,307 |
| ACT Explore/Plan Testing - State Department of Education | N/A | (2) | 8,465 |
| Family Resource Center - State Department of Education | N/A | (2) | 29,612 |
| Safe Schools - State Department of Education | N/A | (2) | 30,160 |
| Coordinated School Health - State Department of Education | N/A | (2) | 125,000 |
| Lifeline Peer Project - State Department of Mental Health and Substance Abuse Services | N/A | (2) | 104,423 |
| Student Tickets Subsidy Grant - State Arts Commission | N/A | (2) | 2,797 |
| Seed Grant - Tennessee College Access and Success Network | N/A | (2) | 9,114 |
| Juvenile Services Program - State Department of Children's Services | N/A | (2) | 9,000 |
| Direct Grants to Local Government Archives Program - State Library and Archives | N/A | (2) | 1,500 |
| Fair Merit Award - State Department of Agriculture | N/A | (2) | 852 |
| FastTrack Industrial Development Program - State Department of Economic and Community Development | N/A | (2) | 118,750 |
| Litter Program - State Department of Transportation | N/A | (2) | 32,123 |
| Rural Local Health Services - State Department of Health | N/A | (2) | 135,827 |
| Recycling Equipment Grant - State Department of Environment and Conservation | N/A | (2) | 25,000 |
| Waste Tire Grant - State Department of Environment and Conservation | N/A | (2) | 15,270 |
| Total State Grants | | | \$ 1,767,200 |

SUBRECIPIENTS

| Program Title | Federal CFDA Number | Amount Provided to Subrecipient | Subrecipient |
|---|------------------------|------------------------------------|--------------------------------------|
| Second Chance Act Prisoner Reentry Initiative | 16.812 | \$ 688,604 | Middle Tennessee Rural Reentry |

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 \$1,497,181.
- (4) Z-14-GHS123: \$4,967; Z-14-GHS124: \$12,409; Z-15-GHS125: \$17,827.

Franklin County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2015

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, 2014, which have not been corrected.

OFFICE OF DIRECTOR OF SCHOOLS

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|---------------------------|------------------------|--|
| 2014-002 | 183 | The Extended School Program did not deposit some funds within three days of collection |

OFFICE OF CLERK AND MASTER

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|---------------------------|------------------------|---|
| 2014-004 | 184 | The docket trial balance did not reconcile with general ledger controls |

FRANKLIN COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

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 significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Franklin County.
4. The audit reported 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 Second Chance Act Reentry Initiative (CFDA No. 16.812) and the Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Franklin County 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 2015-001 **A NOTE WAS NOT ISSUED IN COMPLIANCE WITH STATE STATUTE**
(Noncompliance Under *Government Auditing Standards*)

On September 12, 2014, the Solid Waste/Sanitation Fund received a \$100,000 tax anticipation note from the General Fund to provide cash flow for operations. However, this note was not approved by the state Comptroller's Office. Section 9-21-801, *Tennessee Code Annotated*, allows the County Commission to issue tax anticipation notes with the approval of the state Comptroller's Office. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

All notes should be approved by the state Comptroller's Office as required by state statute.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2015-002 **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 May 2015 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 13 of 44 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 CLERK AND MASTER

FINDING 2015-003

THE OFFICE DID NOT CONSISTENTLY REVIEW ITS SOFTWARE AUDIT LOGS

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

The software application used by the office generated logs that displayed changes made by users. These logs provided the only audit trail of these changes and should be reviewed for inappropriate activity. Although the official was aware of the importance of these logs, they were not consistently reviewed. The office implemented a new software application in October 2015. The official is reviewing the audit log available in the new application.

FINDING 2015-004

THE DOCKET TRIAL BALANCE DID NOT RECONCILE WITH GENERAL LEDGER ACCOUNTS

(Noncompliance Under *Government Auditing Standards*)

At June 30, 2015, 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 \$4,937. 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. Also, this deficiency is the result of the clerk and master's failure to correct the finding noted in the prior-year audit report.

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.

OFFICE OF SHERIFF

FINDING 2015-005

THE OFFICE HAD DEFICIENCIES IN CASH COLLECTION PROCEDURES

(Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in the office's cash collection procedures, which were the result of a lack of management oversight.

- A. Official prenumbered receipts were not issued for some collections. Section 9-2-103, *Tennessee Code Annotated (TCA)*, requires prenumbered receipts should be issued for all collections. Management's failure to issue prenumbered receipts for all collections weakens internal control over cash collections and makes it difficult to test the office's compliance with the three-day deposit law.
- B. As part of our audit procedures for obtaining reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *TCA*, we judgmentally selected deposits for March, April, and May 2015. We determined that in some instances, funds were deposited as many as 13 days after collection. A delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

RECOMMENDATION

Prenumbered receipts should be issued for all collections, and all funds should be deposited within three days of collection as required by state statutes.

FINDING 2015-006

THE ANNUAL FINANCIAL REPORT WAS NOT ACCURATE

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

The sheriff's annual financial report did not properly reflect the operations of the office. Receipts (\$25,892) and disbursements (\$22,675) for the drug fund operations were not included in the report. The annual financial report should reflect all financial activity of the office. These operations were determined by substantive testing and alternative auditing procedures and have been included in the financial statements of this report.

RECOMMENDATION

The annual financial report should accurately reflect all operations of the Sheriff's Department.

**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, 2015**

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