
ANNUAL FINANCIAL REPORT
FRANKLIN COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2011



**ANNUAL FINANCIAL REPORT
FRANKLIN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2011**

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

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

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Audit Highlights
Annual Financial Report
Franklin County, Tennessee
For the Year Ended June 30, 2011

Scope

We have audited the basic financial statements of Franklin County as of and for the year ended June 30, 2011.

Results

Our report on the aggregate discretely presented component units is qualified because the financial statements do not include a component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

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

Findings

The following are summaries of the audit findings:

OFFICE OF FINANCE DEPARTMENT

- ◆ Highway/Public Works Fund appropriations exceeded estimated available funds.
- ◆ School Federal Projects Fund expenditures exceeded appropriations in two major appropriation categories (the legal level of control).
- ◆ The office did not file a Report on Debt Obligation with the state Comptroller's Office.

OFFICE OF COUNTY MAYOR

- ◆ A cash shortage of at least \$7,445 existed in the Probation Office at December 31, 2010.

OFFICE OF DIRECTOR OF SCHOOLS

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

OFFICES OF CLERK AND MASTER AND REGISTER

- ◆ Multiple employees operated from the same cash drawer.
-

OFFICE OF SHERIFF

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

OTHER FINDING

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

INTRODUCTORY SECTION

Franklin County Officials

June 30, 2011

Officials

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

Board of County Commissioners

Eddie Clark, Chairman	Johnny Hughes
Stanley Bean	Arthur Knoll
James Cantrell	John Page
Anthony DeMatteo	Scottie Riddle
David Eldridge	Jean Snead
Barbara Finney	Charles Stines
Angie Fuller	Mark Wert
Sue Hill	Bub Wilkenson

Highway Commission

Clyde Hill, Jr., Chairman	Joe McBee
Bobby Clark	Chuck Tipps

Board of Education

Chris Guess, Chairman	Mike Holmes
James Caroland	Christopher McDonough
Betty Jo Drummond	Cleijo Walker
Christine Hopkins	Lance Williams

(Continued)

Franklin County Officials (Cont.)

Financial Management Committee

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

Anthony DeMatteo
Sue Hill
Scottie Riddle

Audit Committee

Glen Glasner
Margaret Lynch
Ron Schlagheck

Gene Seaton
Becky Sherman

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

September 28, 2011

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Franklin County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Franklin County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Franklin County Emergency Communications District, which represent 1.54 percent and .89 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Franklin County Emergency Communications District, is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as

evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

The financial statements of the Industrial Development Board of Franklin County, a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the Industrial Development Board of Franklin County, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, based on our audit and the report of other auditors, and except for the effects of not including the financial statements of the Industrial Development Board of Franklin County as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Franklin County, Tennessee, as of June 30, 2011, and the results of operations of the aggregate discretely presented component units, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin County, Tennessee, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2011, on our consideration of Franklin County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

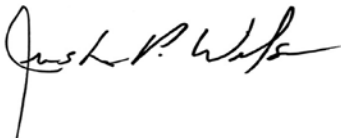
As described in Note V.B., Franklin County has adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 66 through 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Franklin County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Franklin County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Franklin County School Department (a discretely presented component unit), and the miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Franklin County, Tennessee
Statement of Net Assets
June 30, 2011

	Primary Governmental Activities	Component Units	
		Franklin County School Department	Franklin County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 1,105	\$ 1,941	\$ 976,817
Equity in Pooled Cash and Investments	11,245,464	6,985,206	0
Accounts Receivable	53,306	108,079	13,558
Due from Other Governments	874,714	1,639,498	0
Property Taxes Receivable	12,078,696	9,303,050	0
Allowance for Uncollectible Property Taxes	(476,408)	(363,244)	0
Prepaid Items	32,204	14,756	0
Deferred Charges - Debt Issuance Costs	157,931	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	28,293,992	5,451,186	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	13,462,825	38,390,600	0
Other Capital Assets	2,601,282	3,580,710	25,391
Infrastructure	12,977,585	0	0
Total Assets	<u>\$ 81,302,696</u>	<u>\$ 65,111,782</u>	<u>\$ 1,015,766</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 77,885	\$ 121,218	\$ 223
Accrued Payroll	165,966	75,384	0
Payroll Deductions Payable	68,476	16	0
Due to State of Tennessee	5,715	0	0
Accrued Interest Payable	317,796	7,301	0
Deferred Revenue - Current Property Taxes	11,119,902	8,587,891	0
Noncurrent Liabilities:			
Due Within One Year	4,533,360	350,418	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	32,881,108	3,506,205	0
Total Liabilities	<u>\$ 49,170,208</u>	<u>\$ 12,648,433</u>	<u>\$ 223</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 45,184,185	\$ 46,083,564	\$ 0
Invested in Capital Assets	0	0	25,391
Restricted for:			
General Purposes	5,640,194	973,998	0
Courthouse and Jail Maintenance	19,498	0	0
Public Library	118,453	0	0
Solid Waste/Sanitation	156,619	0	0
Local Purpose	132,604	0	0
Drug Control	35,294	0	0
Highway/Public Works	674,087	0	0
School Federal Projects	0	40,427	0
Central Cafeteria	0	1,002,274	0
Debt Service	4,035,804	0	0
Capital Projects	0	328,655	0
Unrestricted	(23,864,250)	4,034,431	990,152
Total Net Assets	<u>\$ 32,132,488</u>	<u>\$ 52,463,349</u>	<u>\$ 1,015,543</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, 2011

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Franklin County School Department	Franklin County Emergency Communications District	Primary Government		
								Franklin County School Department	Franklin County Emergency Communications District	Total Governmental Activities
Primary Government:										
Governmental Activities:										
General Government	\$ 2,485,219	\$ 298,091	\$ 401,529	\$ 42,664	\$ (1,742,935)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,794,230	915,965	0	0	(878,265)	0	0	0	0	0
Administration of Justice	1,626,980	918,681	9,000	0	(699,299)	0	0	0	0	0
Public Safety	6,224,022	626,700	249,956	18,555	(5,328,811)	0	0	0	0	0
Public Health and Welfare	1,821,447	234,244	184,185	0	(1,403,018)	0	0	0	0	0
Social, Cultural, and Recreational Services	325,810	20,608	32,561	0	(272,641)	0	0	0	0	0
Agriculture and Natural Resources	165,945	0	0	0	(165,945)	0	0	0	0	0
Other Operations	1,639,313	0	0	275,833	(1,363,480)	0	0	0	0	0
Highways/Public Works	3,233,157	1,634	1,991,055	248,202	(992,266)	0	0	0	0	0
Education	0	0	0	760,000	760,000	0	0	0	0	0
Interest on Long-term Debt	1,380,625	0	0	0	(1,380,625)	0	0	0	0	0
Other Debt Service	115,735	0	0	0	(115,735)	0	0	0	0	0
Total Primary Government	\$ 20,812,483	\$ 3,015,923	\$ 2,868,286	\$ 1,345,254	\$ (13,583,020)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:										
Franklin County School Department	\$ 50,227,384	\$ 1,541,120	\$ 9,194,344	\$ 1,464,553	\$ 0	\$ (38,027,367)	\$ 0	\$ 0	\$ 0	\$ 0
Franklin County Emergency Communications District	254,310	156,973	295,648	0	0	0	0	0	0	198,311
Total Component Units	\$ 50,481,694	\$ 1,698,093	\$ 9,489,992	\$ 1,464,553	\$ 0	\$ (38,027,367)	\$ 0	\$ 0	\$ 0	\$ 198,311

(Continued)

Exhibit B

Franklin County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Component Units		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Franklin County Emergency Communications District
				Total Governmental Activities	Franklin County School Department	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 8,984,906	\$ 9,022,119	\$ 0
Property Taxes Levied for Debt Service				2,642,130	0	0
Local Option Sales Taxes				9,363	3,879,231	0
Hotel/Motel Tax				64,588	0	0
Litigation Tax - General				183,424	0	0
Litigation Tax - Jail, Workhouse, or Courthouse				77,498	0	0
Business Tax				266,557	0	0
Mineral Severance Tax				36,907	0	0
Wholesale Beer Tax				205,601	0	0
Other Local Taxes				2,297	2,742	0
Grants and Contributions Not Restricted to Specific Programs				1,296,765	25,601,442	0
Grants and Contributions - Debt Service				607,365	0	0
Unrestricted Investment Earnings				213,459	16,793	6,967
Miscellaneous				87,692	298,189	0
Sale of Equipment				35,932	2,825	0
Total General Revenues				\$ 14,714,484	\$ 38,823,341	\$ 6,967
Change in Net Assets				\$ 1,131,464	\$ 795,974	\$ 205,278
Net Assets, July 1, 2010				31,001,024	51,667,375	810,265
Net Assets, June 30, 2011				\$ 32,132,488	\$ 52,463,349	\$ 1,015,543

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

Franklin County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2011

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other	Governmental Funds	
Cash	\$ 0	\$ 0	\$ 0	\$ 1,105	\$ 1,105	\$ 1,105
Equity in Pooled Cash and Investments	6,329,759	491,836	2,866,820	1,555,765	11,244,180	11,244,180
Accounts Receivable	34,533	0	2	18,771	53,306	53,306
Due from Other Governments	509,398	353,578	9,363	2,375	874,714	874,714
Due from Other Funds	6,547	1,284	0	0	7,831	7,831
Property Taxes Receivable	7,311,396	358,533	1,882,301	2,526,466	12,078,696	12,078,696
Allowance for Uncollectible Property Taxes	(286,223)	(14,007)	(73,569)	(102,609)	(476,408)	(476,408)
Prepaid Items	29,379	0	0	2,825	32,204	32,204
Total Assets	\$ 13,934,789	\$ 1,191,224	\$ 4,684,917	\$ 4,004,698	\$ 23,815,628	\$ 23,815,628

ASSETS

Cash	\$ 0
Equity in Pooled Cash and Investments	6,329,759
Accounts Receivable	34,533
Due from Other Governments	509,398
Due from Other Funds	6,547
Property Taxes Receivable	7,311,396
Allowance for Uncollectible Property Taxes	(286,223)
Prepaid Items	29,379
Total Assets	\$ 13,934,789

LIABILITIES AND FUND BALANCES

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other	Governmental Funds	
Liabilities	\$ 60,068	\$ 4,476	\$ 0	\$ 13,341	\$ 77,885	\$ 77,885
Accounts Payable	137,934	14,892	0	13,140	165,966	165,966
Accrued Payroll	60,732	3,121	0	4,623	68,476	68,476
Payroll Deductions Payable	0	0	0	6,547	6,547	6,547
Due to Other Funds	4,734	0	0	981	5,715	5,715
Due to State of Tennessee	6,749,343	330,972	1,737,602	2,301,985	11,119,902	11,119,902
Deferred Revenue - Current Property Taxes	234,755	11,353	59,765	108,339	414,212	414,212
Deferred Revenue - Delinquent Property Taxes	189,135	167,445	0	0	356,580	356,580
Other Deferred Revenues	7,436,701	532,259	1,797,367	2,448,956	12,215,283	12,215,283
Total Liabilities	\$ 7,436,701	\$ 532,259	\$ 1,797,367	\$ 2,448,956	\$ 12,215,283	\$ 12,215,283

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other		
				Governmental Funds	Governmental Funds	
\$	29,379	\$ 0	\$ 0	2,825	\$	32,204
	0	0	0	127,195		127,195
	0	0	0	330,806		330,806
	0	0	0	98,671		98,671
	0	577,330	0	0		577,330
	0	0	2,887,550	857,585		3,745,135
	0	0	0	472		472
	0	0	0	45,727		45,727
	0	0	0	9,285		9,285
	5,000,000	0	0	0		5,000,000
	82,328	0	0	0		82,328
	1,311	0	0	0		1,311
	1,913	0	0	0		1,913
	127,259	0	0	14,432		141,691
	3,235	0	0	67,233		70,468
	2,888	0	0	1,511		4,399
	140,033	0	0	0		140,033
	0	81,635	0	0		81,635
	422,107	0	0	0		422,107
	687,635	0	0	0		687,635
	\$ 6,498,088	\$ 658,965	\$ 2,887,550	\$ 1,555,742	\$	11,600,345
	\$ 13,934,789	\$ 1,191,224	\$ 4,684,917	\$ 4,004,698	\$	23,815,628

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances	
Nonexpendable:	
Prepaid Items	
Restricted:	
Restricted for Public Safety	
Restricted for Public Health and Welfare	
Restricted for Social, Cultural, and Recreational Services	
Restricted for Highways/Public Works	
Restricted for Debt Service	
Committed:	
Committed for Public Safety	
Committed for Public Health and Welfare	
Committed for Social, Cultural, and Recreational Services	
Committed for Other Purposes	
Assigned:	
Assigned for General Government	
Assigned for Finance	
Assigned for Administration of Justice	
Assigned for Public Safety	
Assigned for Public Health and Welfare	
Assigned for Social, Cultural, and Recreational Services	
Assigned for Other Operations	
Assigned for Highway/Public Works	
Assigned for Other Purposes	
Unassigned	
Total Fund Balances	
Total Liabilities and Fund Balances	

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

Exhibit C-2

Franklin County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Assets
June 30, 2011

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	11,600,345
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	28,293,992	
Add: buildings and improvements net of accumulated depreciation		13,462,825	
Add: infrastructure net of accumulated depreciation		12,977,585	
Add: other capital assets net of accumulated depreciation		<u>2,601,282</u>	57,335,684
(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	\$	(792,327)	
Less: capital leases payable		(806,538)	
Less: bonds payable		(34,121,030)	
Less: compensated absences payable		(516,922)	
Less: landfill closure/postclosure care costs		(332,280)	
Less: accrued interest on bonds, notes, and capital leases		(317,796)	
Less: other deferred revenue - premium on debt		(35,768)	
Less: other postemployment benefits liability		(1,346,555)	
Add: deferred amount on refunding		536,952	
Add: deferred charges - debt issuance costs		<u>157,931</u>	(37,574,333)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>770,792</u>
Net assets of governmental activities (Exhibit A)		\$	<u>32,132,488</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, 2011

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 7,700,723	\$ 387,607	\$ 2,394,418	\$ 2,669,061	\$ 13,151,809
Licenses and Permits	55,761	1,586	8,324	34,065	99,736
Fines, Forfeitures, and Penalties	171,925	0	0	43,046	214,971
Charges for Current Services	166,189	491	0	44,243	210,923
Other Local Revenues	97,307	30,816	0	432,812	560,935
Fees Received from County Officials	1,678,817	0	0	0	1,678,817
State of Tennessee	2,031,542	2,202,818	0	26,201	4,260,561
Federal Government	710,429	37,648	0	19,906	767,983
Other Governments and Citizens Groups	176,544	0	760,000	32,116	968,660
Total Revenues	\$ 12,789,237	\$ 2,660,966	\$ 3,162,742	\$ 3,301,450	\$ 21,914,395
<u>Expenditures</u>					
Current:					
General Government	\$ 2,244,308	\$ 0	\$ 0	\$ 0	\$ 2,244,308
Finance	1,774,304	0	0	0	1,774,304
Administration of Justice	1,667,848	0	0	0	1,667,848
Public Safety	5,724,425	0	0	520,139	6,244,564
Public Health and Welfare	497,576	0	0	1,270,952	1,768,528
Social, Cultural, and Recreational Services	69,793	0	0	227,876	297,669
Agriculture and Natural Resources	159,381	0	0	0	159,381
Other Operations	1,438,922	0	0	105,638	1,544,560
Highways	0	2,173,987	0	0	2,173,987
Debt Service:					
Principal on Debt	0	33,777	2,360,000	1,254,311	3,648,088
Interest on Debt	0	7,368	906,272	498,685	1,412,325
Other Debt Service	0	0	42,341	20,614	62,955
Total Expenditures	\$ 13,576,557	\$ 2,215,132	\$ 3,308,613	\$ 3,898,215	\$ 22,998,517
Excess (Deficiency) of Revenues Over Expenditures	\$ (787,320)	\$ 445,834	\$ (145,871)	\$ (596,765)	\$ (1,084,122)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 40,158	\$ 0	\$ 0	\$ 0	\$ 40,158
Capital Leases Issued	308,473	0	0	0	308,473
Proceeds from Sale of Capital Assets	234,575	0	0	0	234,575
Transfers In	57,606	11,286	0	641,435	710,327
Transfers Out	(194,721)	(403,803)	0	(111,803)	(710,327)
Total Other Financing Sources (Uses)	\$ 446,091	\$ (392,517)	\$ 0	\$ 529,632	\$ 583,206
Net Change in Fund Balances	\$ (341,229)	\$ 53,317	\$ (145,871)	\$ (67,133)	\$ (500,916)
Fund Balance, July 1, 2010	6,839,317	605,648	3,033,421	1,622,875	12,101,261
Fund Balance, June 30, 2011	\$ 6,498,088	\$ 658,965	\$ 2,887,550	\$ 1,555,742	\$ 11,600,345

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, 2011

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)		\$ (500,916)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,017,869	
Less: current-year depreciation expense	<u>(2,215,396)</u>	(1,197,527)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Add: gain on disposal of capital assets	\$ 64,570	
Less: decrease in revenue for the sale or insurance recovery of disposed assets	<u>(227,754)</u>	(163,184)
(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, 2011	\$ 770,792	
Less: deferred delinquent property taxes and other deferred June 30, 2010	<u>(748,061)</u>	22,731
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Less: note proceeds	\$ (40,158)	
Less: capital lease proceeds	(308,473)	
Less: change in deferred amount on refunding debt	(34,642)	
Less: change in deferred debt issuance costs	(21,825)	
Add: change in premium on debt issuance	3,687	
Add: principal payments on notes	66,202	
Add: principal payments on capital leases	220,367	
Add: principal payments on bonds	<u>3,561,970</u>	3,447,128
(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	\$ 31,700	
Change in compensated absences payable	(69,881)	
Change in other postemployment benefits liability	(443,797)	
Change in landfill closure/postclosure care costs	<u>5,210</u>	(476,768)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,131,464</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, 2011

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,820,636
Due from Other Governments	<u>479,041</u>
Total Assets	<u><u>\$ 2,299,677</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 479,041
Due to Litigants, Heirs, and Others	<u>1,820,636</u>
Total Liabilities	<u><u>\$ 2,299,677</u></u>

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

FRANKLIN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

The Industrial Development Board of Franklin County provides assistance in industrial recruitment in Franklin County, and the Franklin County Commission appoints its nine-member board. During the year, the county appropriated an operating subsidy of \$10,000 to the board. The financial statements of the Industrial Development Board of Franklin County were not available from other auditors in time for inclusion in this report.

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. Although required by GAAP, the financial statements of the Industrial Development Board of Franklin County were not available in time for inclusion, as previously mentioned. Complete financial statements of the Franklin County Industrial Development Board and the Franklin County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

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

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

B. Government-wide and Fund Financial Statements

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

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

Franklin County issues all debt for the discretely presented Franklin County School Department. During the year ended June 30, 2011, no debt issues were contributed by the county to the School Department.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

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

Franklin County reports the following major governmental funds:

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

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

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

Additionally, Franklin County reports the following fund type:

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

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

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

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

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

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

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

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

2. Receivables and Payables

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

All property taxes receivable are shown net of an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 3.5 percent of total taxes levied.

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

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

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

that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

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

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaids are offset in the nonspendable fund balance account in governmental funds.

4. Capital Assets

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

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

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

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

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

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

5. Compensated Absences

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

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

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

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

Earned but unused vacation leave will be paid to the employee upon retirement, resignation, or termination. On each employee's anniversary date, all accumulated vacation leave will be converted to sick leave. All vacation leave is accrued when incurred in the government-wide statements for the general county government. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

It is the policy of the discretely presented Franklin County School Department to permit its 11- and 12-month employees to accumulate up to a maximum of 30 days over a two-year period of earned but unused vacation leave, which will be paid upon retirement, resignation, or termination. Any accumulated unused vacation leave in excess of two years is forfeited. All vacation leave for 11- and 12-month employees is accrued when incurred in the government-wide statements for the School Department. The policy of the School Department does not allow their ten-month employees to accumulate vacation days beyond June 30. The granting of sick leave has no

guaranteed payment attached and therefore is not required to be accrued or recorded. A liability for vacation leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

6. Long-term Obligations

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

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

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

7. Net Assets and Fund Equity

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

- a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors,

grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

On the government-wide Statement of Net Assets (Exhibit A), the account Restricted for General Purposes for the primary government consists of various restrictions totaling \$5,640,194, with the primary restrictions being for: (1) proceeds from the sale of the hospital totaling \$5,000,000; and (2) proceeds of prior-year sales of land and buildings to be used for future land purchases totaling \$422,107. For the discretely presented School Department, the account balance of \$973,998 in Restricted for General Purposes consists primarily of restrictions for post-retirement benefits of \$622,570 and the extended school program of \$194,238.

As of June 30, 2011, Franklin County has \$23,490,000 in outstanding debt for capital purposes for the discretely presented Franklin County School Department. This debt is a liability of Franklin County; however, the capital assets acquired are reported in the financial statements of the School Department. Therefore, Franklin County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority.

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

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Franklin County School Department

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

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

Primary Government

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

Discretely Presented Franklin County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

At June 30, 2011, Franklin County and the Franklin County School Department reported the following significant encumbrances:

<u>Funds</u>	<u>Description</u>	<u>Amount</u>
Primary Government		
Major Fund:		
General	Courthouse Renovation	\$ 10,959
"	Sheriff's Department Gasoline	20,941
"	Sheriff's Department Vehicle	14,800
"	Communication Equipment	67,702
Highway/Public Works	Diesel Fuel	13,000
"	Engineering Fees	21,284
"	Bridge Construction	17,120
"	Tile and Installation	10,914

Funds	Description	Amount
Primary Government (Cont.)		
Nonmajor Funds:		
Solid Waste/Sanitation	Sanitation Services	\$ 36,218
"	Backhoe Services	8,000
"	Tire Disposal	4,100
Drug Control	Communication Equipment	7,245
"	Used Vehicle	6,800
School Department		
Major Fund:		
General Purpose School	Tuition Payments to Schools	44,479
"	Testing Services	12,186
"	Maintenance and Repair Services	59,823
"	Various Other Contracted Services	43,923
"	School Renovations	81,699
Nonmajor Fund:		
Education Capital Projects	Roof	328,622

B. Cash Shortage

On May 27, 2011, our office issued a special report on the Franklin County Probation Office for the period July 1, 2009, through December 31, 2010. This report disclosed that a cash shortage of at least \$7,445 resulted from several irregularities concerning receipts, deposits, and daily collection logs in the county Probation Office. This report is available at www.tn.gov/comptroller. Gena R. Hall, Franklin County Probation Officer, was indicted by the Franklin County grand jury on May 2, 2011, on charges of theft between \$1,000 and \$10,000 and three counts of official misconduct. She resigned her duties as Franklin County Probation Officer on May 2, 2011. On June 30, 2011, Ms. Hall agreed to pre-trial diversion and to pay restitution of \$7,660. She paid \$7,600 on June 30, 2011, and \$60 on July 26, 2011.

C. Appropriations Exceeded Estimated Available Funds

The budget and subsequent amendments submitted to and approved by the County Commission for the Highway/Public Works Fund resulted in appropriations exceeding estimated available funding by \$9,375.

D. Expenditures Exceed Appropriations

Discretely Presented Franklin County School Department

Expenditures exceeded appropriations approved by the County Commission in the Support Services - Health Services and Special Education Program major appropriation categories (the legal level of control) of the School Federal Projects Fund by \$13,062 and \$919, respectively. Expenditures that

exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by appropriations exceeding expenditures in other major appropriation categories.

E. A Report on Debt Obligation was not Filed with the State Comptroller's Office

During the year, the county issued a capital outlay note totaling \$40,158 to purchase a truck for the litter crew at the Sheriff's Department. Management did not file a Report on Debt Obligation with the state Comptroller's Office for this capital outlay note. Section 9-21-151, *Tennessee Code Annotated*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county’s own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer’s Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller’s Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2011, Franklin County had the following investments carried at cost. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Franklin County and the discretely presented Franklin County School Department since both pool their deposits and investments through the county trustee.

Investment	Maturities	Cost
State Treasurer's Investment Pool	Daily	\$ 58,261

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, 2011, 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, 2011, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 28,247,693	\$ 51,863	\$ (5,564)	\$ 28,293,992
Total Capital Assets Not Depreciated	<u>\$ 28,247,693</u>	<u>\$ 51,863</u>	<u>\$ (5,564)</u>	<u>\$ 28,293,992</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 18,608,613	\$ 336,623	\$ (211,774)	\$ 18,733,462
Infrastructure	37,908,362	246,404	0	38,154,766
Other Capital Assets	7,835,948	382,979	(174,095)	8,044,832
Total Capital Assets Depreciated	<u>\$ 64,352,923</u>	<u>\$ 966,006</u>	<u>\$ (385,869)</u>	<u>\$ 64,933,060</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 4,905,647	\$ 443,232	\$ (78,242)	\$ 5,270,637
Infrastructure	23,890,292	1,286,889	0	25,177,181
Other Capital Assets	5,108,282	485,275	(150,007)	5,443,550
Total Accumulated Depreciation	<u>\$ 33,904,221</u>	<u>\$ 2,215,396</u>	<u>\$ (228,249)</u>	<u>\$ 35,891,368</u>
Total Capital Assets Depreciated, Net	<u>\$ 30,448,702</u>	<u>\$ (1,249,390)</u>	<u>\$ (157,620)</u>	<u>\$ 29,041,692</u>
Governmental Activities Capital Assets, Net	<u>\$ 58,696,395</u>	<u>\$ (1,197,527)</u>	<u>\$ (163,184)</u>	<u>\$ 57,335,684</u>

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

Governmental Activities:

General Government	\$	172,045
Finance		16,435
Administration of Justice		11,340
Public Safety		428,126
Public Health and Welfare		83,951
Social, Cultural, and Recreational Services		27,731
Agriculture and Natural Resources		12,025
Other General Government		90,163
Highways/Public Works		<u>1,373,580</u>
Total Depreciation Expense - Governmental Activities	<u>\$</u>	<u>2,215,396</u>

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

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 5,451,186	\$ 0	\$ 0	\$ 5,451,186
Total Capital Assets Not Depreciated	<u>\$ 5,451,186</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,451,186</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 57,218,839	\$ 1,831,307	\$ 0	\$ 59,050,146
Other Capital Assets	6,886,930	1,498,080	(1,200,241)	7,184,769
Total Capital Assets Depreciated	<u>\$ 64,105,769</u>	<u>\$ 3,329,387</u>	<u>\$ (1,200,241)</u>	<u>\$ 66,234,915</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 19,217,618	\$ 1,441,928	\$ 0	\$ 20,659,546
Other Capital Assets	3,853,844	826,919	(1,076,704)	3,604,059
Total Accumulated Depreciation	<u>\$ 23,071,462</u>	<u>\$ 2,268,847</u>	<u>\$ (1,076,704)</u>	<u>\$ 24,263,605</u>
Total Capital Assets Depreciated, Net	<u>\$ 41,034,307</u>	<u>\$ 1,060,540</u>	<u>\$ (123,537)</u>	<u>\$ 41,971,310</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,485,493</u>	<u>\$ 1,060,540</u>	<u>\$ (123,537)</u>	<u>\$ 47,422,496</u>

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

Governmental Activities:

Instruction	\$ 1,871,161
Support Services	240,488
Operation of Non-Instructional Services	<u>157,198</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,268,847</u></u>

C. Construction Commitments

Discretely Presented Franklin County School Department

At June 30, 2011, the School Department had uncompleted construction contracts of approximately \$328,622 for the construction of a roof at one of its schools. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 6,547
Highway/Public Works	General	1,284
Discretely Presented School Department:		
General Purpose School	School Federal Projects	1,441
School Federal Projects	General Purpose School	1,441

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

The receivable in the Highway/Public Works Fund totaling \$1,284 was in transit from the General Fund at June 30, 2011.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2011, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	Highway/ Public Works Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 11,286	\$ 183,435
Highway/Public Works Fund	3,803	0	400,000
Nonmajor governmental funds	53,803	0	58,000
Total	<u>\$ 57,606</u>	<u>\$ 11,286</u>	<u>\$ 641,435</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. Operating Leases

Franklin County leases data processing equipment for the Finance Department and Trustee’s Office, such as computers, including the maintenance and upgrades for that equipment. The rent expenditures for the year ended June 30, 2011, totaled \$36,487. The county may terminate the lease agreement at the end of a fiscal year by giving notice to the lessor at least 60 days prior to the first day of the fiscal year in which appropriations will not be made. There are no provisions for contingent or sublease rentals in the agreements. The future minimum lease payments for these leases are as follows:

Year Ending June 30	Amount
2012	\$ 36,487
2013	<u>27,365</u>
Total	<u>\$ 63,852</u>

F. Capital Leases

Primary Government

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

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

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

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

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

On December 21, 2007, Franklin County entered into a five-year lease-purchase agreement for security equipment for the jail. The terms of the original agreement required total lease payments of \$66,900. On December 21, 2008, an additional \$11,335 of equipment was added to the agreement for total lease payments over the life of the lease of \$78,235. There is no interest on this lease. Title to the equipment transfers to Franklin County at the end of the lease period. The lease payments are made from the General Fund.

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 1,255,585
Less: Accumulated Depreciation	<u>(174,148)</u>
Total Book Value	<u><u>\$ 1,081,437</u></u>

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

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2011, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2012	\$ 301,817
2013	177,660
2014	161,835
2015	102,538
2016	52,316
2017-2018	104,631
Total Minimum Lease Payments	<u>\$ 900,797</u>
Less: Amount Representing Interest	<u>(94,259)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 806,538</u></u>

Discretely Presented Franklin County School Department

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

On September 1, 2010, the School Department entered into a five-year lease-purchase agreement for an energy efficient lighting system for some school buildings. The terms of the original agreement required total lease payments of \$386,672 plus interest of three percent. Title to the energy efficient lighting system transfers to Franklin County at the end of the lease period. The lease payments are made from the General Purpose School Fund.

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

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 1,468,551
Less: Accumulated Depreciation	<u>(66,085)</u>
Total Book Value	<u>\$ 1,402,466</u>

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2011, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2012	\$ 228,573
2013	228,573
2014	228,573
2015	228,573
2016	166,040
2017-2020	<u>384,404</u>
Total Minimum Lease Payments	\$ 1,464,736
Less: Amount Representing Interest	<u>(150,804)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,313,932</u>

G. Long-term Debt

Primary Government

General Obligation Bonds and Notes

The county issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and the capital outlay note outstanding were issued for original terms of up to 40 years for bonds and 12 years for the note. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Bonds will be retired from the General Debt Service and Education Debt Service funds and notes will be retired from the General and General Debt Service funds.

General obligation bonds, notes, and capital leases outstanding as of June 30, 2011, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-11
General Obligation Bonds	2.5 to 5 %	\$ 10,878,000	\$ 9,436,030
General Obligation Bonds - Refunding	3.13 to 4.75	35,430,000	24,685,000
Capital Outlay Notes	4 to 4.75	862,824	792,327
Capital Leases	0 to 5.265	1,312,906	806,538

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2011, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 3,672,670	\$ 1,253,772	\$ 4,926,442
2013	3,776,399	1,135,507	4,911,906
2014	3,904,158	1,001,003	4,905,161
2015	3,454,948	858,471	4,313,419
2016	3,605,771	730,697	4,336,468
2017-2021	12,617,436	2,108,654	14,726,090
2022-2026	1,963,740	386,215	2,349,955
2027-2031	175,936	218,290	394,226
2032-2036	215,343	178,883	394,226
2037-2041	263,575	130,651	394,226
2042-2046	322,611	71,614	394,225
2047-2048	148,443	9,247	157,690
Total	\$ 34,121,030	\$ 8,083,004	\$ 42,204,034

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	\$ 67,675	\$ 36,356	\$ 104,031
2013	70,950	33,081	104,031
2014	60,335	29,752	90,087
2015	63,264	26,823	90,087
2016	66,271	23,816	90,087
2017-2021	383,184	67,252	450,436
2022	80,648	1,931	82,579
Total	\$ 792,327	\$ 219,011	\$ 1,011,338

There is \$840,912 available in the General Debt Service Fund and \$2,887,550 available in the Education Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$831, based on the 2010 federal census. Debt per capita, including bonds, the note, and capital leases, totaled \$894, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

	Bonds	Note	Capital Leases
Balance, July 1, 2010	\$ 37,683,000	\$ 818,371	\$ 718,432
Additions	0	40,158	308,473
Deductions	(3,561,970)	(66,202)	(220,367)
Balance, June 30, 2011	\$ 34,121,030	\$ 792,327	\$ 806,538
Balance Due Within One Year	\$ 3,672,670	\$ 67,675	\$ 267,593

	Landfill Postclosure Care Costs	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2010	\$ 337,490	\$ 902,758	\$ 447,041
Additions	3,290	494,145	418,882
Deductions	(8,500)	(50,348)	(349,001)
Balance, June 30, 2011	\$ 332,280	\$ 1,346,555	\$ 516,922
Balance Due Within One Year	\$ 8,500	\$ 0	\$ 516,922

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 37,915,652
Less: Balance Due Within One Year	(4,533,360)
Less: Deferred Amount on Refunding	(536,952)
Add: Unamortized Premium on Debt	<u>35,768</u>
 Noncurrent Liabilities - Due in More Than One Year - Exhibit A	 <u><u>\$ 32,881,108</u></u>

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

Discretely Presented Franklin County School Department

Notes

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

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

The capital outlay note and capital leases outstanding as of June 30, 2011, for governmental activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-11</u>
Capital Outlay Note	4.3 to 4.55%	\$ 150,000	\$ 25,000
Capital Leases	0 to 5	1,468,551	1,313,932

The annual requirements to amortize the note outstanding as of June 30, 2011, including interest payments, are presented in the following table:

Year Ending June 30	Note		
	Principal	Interest	Total
2012	\$ 25,000	\$ 683	\$ 25,683
Total	\$ 25,000	\$ 683	\$ 25,683

Debt per capita, including the note and the capital leases, totaled \$33, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Franklin County School Department for the year ended June 30, 2011, was as follows:

Governmental Activities:

	Note	Capital Leases
Balance, July 1, 2010	\$ 50,000	\$ 0
Additions	0	1,468,551
Deductions	(25,000)	(154,619)
Balance, June 30, 2011	\$ 25,000	\$ 1,313,932
Balance Due Within One Year	\$ 25,000	\$ 194,773

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2010	\$ 129,107	\$ 1,653,963
Additions	156,994	1,226,930
Deductions	(155,456)	(493,847)
Balance, June 30, 2011	\$ 130,645	\$ 2,387,046
Balance Due Within One Year	\$ 130,645	\$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 3,856,623
Less: Balance Due Within One Year	<u>(350,418)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,506,205</u>

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

H. On-Behalf Payments

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, 2011, totaled \$783. Franklin 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, 2011, were \$116,388 and \$33,949, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Short-tem Debt

Discretely Presented Franklin County School Department

Franklin County issued revenue anticipation notes of \$150,000 from the General Purpose School Fund in advance of revenue collections and deposited the proceeds in the School Federal Projects Fund. These notes were necessary because funds were not available to meet obligations coming due before grant

reimbursement collections. Short-term debt activity for the year ended June 30, 2011, was as follows:

	Balance		Balance	
	7-1-10	Issued	Paid	6-30-11
Tax Anticipation Note	\$ 0	\$ 150,000	\$ (150,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

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

The county carries commercial insurance for risks of loss relating to workers’ compensation. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The county does not insure against environmental claims or losses.

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

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

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

B. Accounting Change

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications include nonspendable, restricted, committed, assigned, and unassigned and are based on the relative strength of the constraints that control how specific amounts can be spent. Also, Statement No. 54 clarified the definitions of the General Fund and the special revenue, capital projects, debt service, and permanent fund types. Franklin County and the Franklin County School Department have implemented provisions of this statement in the financial statements of this report for its governmental funds.

C. Contingent Liabilities

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

D. Changes in Administration

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

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 \$332,280 reported as landfill postclosure care liability at June 30, 2011, represents amounts based on what it would cost to perform all postclosure care in 2011. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Interlocal Solid Waste Authority is jointly operated by the counties of Giles, Franklin, and Lincoln and the municipality of Tullahoma for the purpose of developing a solid waste regional plan. The authority's board was appointed by each participating County Commission or City Council for varying terms of office. Franklin County made no contributions to the authority for the year ended June 30, 2011.

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, 2011.

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

Administrative Offices:

Interlocal Solid Waste Authority
487 Joyce Lane
Winchester, TN 37398

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

G. Retirement Commitments

Plan Description

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

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

Funding Policy

Franklin County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011,

was 13.14 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2011, the county’s annual pension cost of \$1,673,872 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), and (c) projected 3.5 percent annual increase in the Social Security wage base. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 16 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-11	\$1,673,872	100%	\$0
6-30-10	1,491,824	100	0
6-30-09	1,485,490	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 80.28 percent funded. The actuarial accrued liability for benefits was \$29 million, and the actuarial value of assets was \$23 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$6 million. The covered payroll (annual payroll of active employees covered by the plan) was \$12 million, and the ratio of the UAAL to the covered payroll was 45.51 percent.

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

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

SCHOOL TEACHERS

Plan Description

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

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2011, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2011, 2010, and 2009, were \$1,869,174, \$1,337,867, and \$1,373,314, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Plan Description

Franklin County and the Franklin County School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for teachers or Section 8-27-207, *TCA* for local governments. In previous fiscal years, prior to reaching the age of 65, all members had the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. However, as of January 1, 2010, the insurance plan structure was changed and as a result all members now have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available at <http://tennessee.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants, however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement

Plan. School Department retirees' contributions vary depending on the insurance options they select, ranging from \$258 to \$277 per month for their insurance. Currently, the required contribution rate for county and highway retirees is ten percent of the single premium, \$56 to \$60 per month, depending on the insurance options they select. The required contribution amount for county and highway retirees' spouses range from \$705 to \$717 per month, depending on the insurance options they select. During the year ended June 30, 2011, the county and the discretely presented School Department contributed \$50,348 and \$493,847, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 1,223,000	\$ 492,000
Interest on the NPO	74,428	40,624
Adjustment to the ARC	(70,498)	(38,479)
Annual OPEB cost	\$ 1,226,930	\$ 494,145
Amount of contribution	(493,847)	(50,348)
Increase/decrease in NPO	\$ 733,083	\$ 443,797
Net OPEB obligation, 7-1-10	1,653,963	902,758
Net OPEB obligation, 6-30-11	\$ 2,387,046	\$ 1,346,555

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Local Education Group	\$ 680,595	33.98%	\$ 870,472
6-30-10	"	1,209,068	35.2	1,653,963
6-30-11	"	1,226,930	39.5	2,387,046
6-30-09	Local Government Group	470,000	6.94	437,384
6-30-10	"	499,039	6.74	902,758
6-30-11	"	494,145	10.19	1,346,555

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, was as follows:

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-10	7-1-10
Actuarial accrued liability (AAL)	\$ 9,872,000	\$ 3,310,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 9,872,000	\$ 3,310,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 18,540,292	\$ 7,071,409
UAAL as a % of covered payroll	53.3%	46.8%

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, 2010, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual healthcare cost trend rate for the Local Government Plan was ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates

include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

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 is entirely appointed by the county, the district cannot be a primary government. Instead, it qualifies as a component unit of Franklin County, Tennessee (the primary government).

Three board members of the district are appointed by the Franklin County mayor and confirmed by the Franklin County Commission each year to serve four-year terms. The district must obtain County Commission approval before the issuance of most debt. The district is primarily funded by user charges.

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

Cash Deposits

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

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

The district's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the district's custodial bank in the district's name. The carrying amount of total cash deposits for the year ended June 30, 2011, was \$976,817. The amount of deposits collateralized with securities held by pledging financial institutions and federal depository insurance was \$976,817.

Utility Plant

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

Cash Flow

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

Budgetary Data

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

B. Utility Plant

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

	Balance 7-1-10	Additions	Balance 6-30-11
Equipment	\$ 82,803	\$ 0	\$ 82,803
Less: Accumulated Depreciation	(49,425)	(7,987)	(57,412)
Total	<u>\$ 33,378</u>	<u>\$ (7,987)</u>	<u>\$ 25,391</u>

C. Cash Flow

At June 30, 2011, total cash was \$976,817, of which \$305,759 is held in certificates of deposit with maturities of more than three months, leaving \$671,058 considered as cash equivalents.

D. Budgeting Procedures

The official budget for June 30, 2011, was prepared for adoption for the proprietary fund by June 21, 2010.

E. Exposure

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

F. Grants and Reimbursements

The district received a dispatcher training grant totaling \$16,000 and a GIS grant totaling \$10,000 during the year from the Tennessee Emergency Communications Board.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 7,700,723	\$ 0	\$ 0	\$ 7,700,723	\$ 7,646,668	\$ 7,644,993	\$ 55,730
Licenses and Permits	55,761	0	0	55,761	62,600	58,635	(2,874)
Fines, Forfeitures, and Penalties	171,925	0	0	171,925	190,075	194,275	(22,350)
Charges for Current Services	166,189	0	0	166,189	186,070	186,417	(20,228)
Other Local Revenues	97,307	0	0	97,307	125,700	105,978	(8,671)
Fees Received from County Officials	1,678,817	0	0	1,678,817	1,654,500	1,658,170	20,647
State of Tennessee	2,031,542	0	0	2,031,542	1,952,398	2,122,439	(90,897)
Federal Government	710,429	0	0	710,429	848,869	1,054,586	(344,157)
Other Governments and Citizens Groups	176,544	0	0	176,544	199,700	244,563	(68,019)
<u>Total Revenues</u>	<u>\$ 12,789,237</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,789,237</u>	<u>\$ 12,866,580</u>	<u>\$ 13,270,056</u>	<u>\$ (480,819)</u>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 250,223	(2,939)	43	247,327	241,030	253,829	6,502
Beer Board	507	0	0	507	550	550	43
County Mayor/Executive	148,459	0	77	148,536	162,293	158,760	10,224
County Attorney	8,500	0	0	8,500	8,900	8,900	400
Election Commission	270,868	(30)	1,186	272,024	259,924	300,768	28,744
Register of Deeds	287,168	(4,040)	769	283,897	295,783	295,783	11,886
Planning	160,808	(838)	1,582	161,552	174,135	173,926	12,374
County Buildings	1,094,998	(6,720)	10,959	1,099,237	775,540	1,138,824	39,587
Other General Administration	22,777	0	0	22,777	29,150	29,933	7,156
<u>Finance</u>							
Property Assessor's Office	436,592	(7,463)	0	429,129	442,945	440,754	11,625
County Trustee's Office	288,020	0	0	288,020	287,955	293,191	5,171

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Clerk's Office	\$ 479,389	\$ (184)	\$ 299	\$ 479,504	\$ 500,181	\$ 499,061	\$ 19,557
Other Finance	570,303	(5,065)	1,012	566,250	580,111	580,684	14,434
<u>Administration of Justice</u>							
Circuit Court	820,161	(8,556)	1,469	813,074	879,303	842,503	29,429
General Sessions Court	270,946	(797)	444	270,593	280,206	280,206	9,613
Drug Court	57,794	0	0	57,794	61,603	61,603	3,809
Chancery Court	187,707	(1,780)	0	185,927	190,195	190,195	4,268
Juvenile Court	110,582	0	0	110,582	98,726	116,074	5,492
Judicial Commissioners	121,699	0	0	121,699	137,266	133,906	12,207
Other Administration of Justice	5,450	0	0	5,450	30,000	15,000	9,550
Probation Services	93,509	0	0	93,509	96,414	97,014	3,505
<u>Public Safety</u>							
Sheriff's Department	2,938,850	(22,937)	36,692	2,952,605	2,870,223	2,989,364	36,759
Administration of the Sexual Offender Registry	12,034	0	0	12,034	13,757	13,757	1,723
Jail	1,625,464	(14,194)	4,745	1,616,015	1,593,867	1,687,708	71,693
Correctional Incentive Program Improvements	1,148	(804)	0	344	437	437	93
Juvenile Services	14,512	0	646	15,158	18,000	18,000	2,842
Civil Defense	146,736	(1,953)	684	145,467	140,497	150,731	5,264
Rescue Squad	28,865	(1,247)	9,931	37,549	40,610	40,610	3,061
Other Emergency Management	760,547	(239)	543	760,851	764,523	789,799	28,948
County Coroner/Medical Examiner	21,650	0	0	21,650	34,900	34,900	13,250
Public Safety Grant Programs	174,619	(73,689)	74,017	174,947	75,222	257,440	82,493
<u>Public Health and Welfare</u>							
Local Health Center	35,663	(1,001)	355	35,017	36,000	39,800	4,783

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Rabies and Animal Control	\$ 220,245	\$ (7,482)	2,556	\$ 215,319	\$ 209,487	\$ 227,747	\$ 12,428
Crippled Children Services	2,683	0	0	2,683	2,683	2,683	0
Other Local Health Services	125,688	(8,050)	325	117,963	109,905	140,804	22,841
Regional Mental Health Center	9,000	0	0	9,000	9,000	9,000	0
Appropriation to State	27,963	0	0	27,963	27,963	27,963	0
General Welfare Assistance	17,775	0	0	17,775	17,775	17,775	0
Waste Pickup	58,559	(7,133)	0	51,426	77,305	66,605	15,179
Other Public Health and Welfare	0	0	0	0	169	1,245	1,245
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	27,391	(583)	974	27,782	27,440	29,440	1,658
Parks and Fair Boards	42,402	(5,748)	1,914	38,568	47,436	47,436	8,868
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	85,902	0	0	85,902	97,680	97,680	11,778
Soil Conservation	73,479	(1,407)	0	72,072	72,477	72,477	405
<u>Other Operations</u>							
Industrial Development	163,276	(2,631)	0	160,645	178,025	178,025	17,380
Other Economic and Community Development	391,966	0	17,950	409,916	425,056	425,056	15,140
Veterans' Services	17,359	0	0	17,359	17,286	17,396	37
Other Charges	520,093	(252)	426	520,267	617,256	555,728	35,461
Contributions to Other Agencies	63,126	0	0	63,126	63,126	63,126	0
ARRA Grant No. 2	22,045	(1,200)	660	21,505	50,000	50,000	28,495
ARRA Grant No. 4	50,362	0	0	50,362	55,000	55,000	4,638
ARRA Grant No. 5	210,167	0	0	210,167	268,397	267,480	57,313
ARRA Grant No. 6	528	(528)	0	0	0	0	0
Total Expenditures	\$ 13,576,557	\$ (189,490)	\$ 170,258	\$ 13,557,325	\$ 13,493,712	\$ 14,286,676	\$ 729,351

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (787,320)	\$ 189,490	\$ (170,258)	\$ (768,088)	\$ (627,132)	\$ (1,016,620)	\$ 248,532
Other Financing Sources (Uses)							
Notes Issued	\$ 40,158	\$ 0	\$ 0	\$ 40,158	\$ 0	\$ 40,158	\$ 0
Capital Leases Issued	308,473	0	0	308,473	0	308,473	0
Proceeds from Sale of Capital Assets	234,575	0	0	234,575	280,000	234,575	0
Transfers In	57,606	0	0	57,606	87,606	57,606	0
Transfers Out	(194,721)	0	0	(194,721)	(277,435)	(231,629)	36,908
Total Other Financing Sources (Uses)	\$ 446,091	\$ 0	\$ 0	\$ 446,091	\$ 90,171	\$ 409,183	\$ 36,908
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (341,229)	\$ 189,490	\$ (170,258)	\$ (321,997)	\$ (536,961)	\$ (607,437)	\$ 285,440
Fund Balance, June 30, 2011	\$ 6,839,317	(189,490)	0	6,649,827	6,959,279	6,959,279	(309,452)
Fund Balance, July 1, 2010	\$ 6,498,088	\$ 0	\$ (170,258)	\$ 6,327,830	\$ 6,422,318	\$ 6,351,842	\$ (24,012)

Exhibit E-2

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 387,607	\$ 0	\$ 0	\$ 387,607	\$ 384,897	\$ 390,574	\$ (2,967)
Licenses and Permits	1,586	0	0	1,586	1,700	1,700	(114)
Charges for Current Services	491	0	0	491	1,000	1,000	(509)
Other Local Revenues	30,816	0	0	30,816	122,000	42,540	(11,724)
State of Tennessee	2,202,818	0	0	2,202,818	1,923,448	2,182,012	20,806
Federal Government	37,648	0	0	37,648	0	37,648	0
Total Revenues	\$ 2,660,966	\$ 0	\$ 0	\$ 2,660,966	\$ 2,433,045	\$ 2,655,474	\$ 5,492
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 279,526	\$ (246)	\$ 1,200	\$ 280,480	\$ 312,990	\$ 311,990	\$ 31,510
Highway and Bridge Maintenance	668,959	(1,138)	4,315	672,136	788,783	782,283	110,147
Operation and Maintenance of Equipment	349,974	(28,609)	25,347	346,712	318,109	415,575	68,863
Quarry Operations	232,389	(11,485)	1,200	222,104	295,373	269,921	47,817
Other Charges	188,602	(204)	255	188,653	259,447	246,959	58,306
Capital Outlay	454,537	(7,513)	49,318	496,342	342,500	679,157	182,815
<u>Principal on Debt</u>							
Highways and Streets	33,777	0	0	33,777	55,778	33,778	1
Interest on Debt							
Highways and Streets	7,368	0	0	7,368	13,968	7,368	0
Total Expenditures	\$ 2,215,132	\$ (49,195)	\$ 81,635	\$ 2,247,572	\$ 2,386,948	\$ 2,747,031	\$ 499,459
Excess (Deficiency) of Revenues Over Expenditures	\$ 445,834	\$ 49,195	\$ (81,635)	\$ 413,394	\$ 46,097	\$ (91,557)	\$ 504,951

(Continued)

Exhibit E-2

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Other Financing Sources (Uses)							
Transfers In	\$ 11,286	\$ 0	\$ 0	\$ 11,286	\$ 8,500	\$ 10,003	\$ 1,283
Transfers Out	(403,803)	0	0	(403,803)	(403,803)	(403,803)	0
Total Other Financing Sources (Uses)	\$ (392,517)	\$ 0	\$ 0	\$ (392,517)	\$ (395,303)	\$ (393,800)	\$ 1,283
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 53,317	\$ 49,195	\$ (81,635)	\$ 20,877	\$ (349,206)	\$ (485,357)	\$ 506,234
	605,648	(49,195)	0	556,453	475,982	475,982	80,471
Fund Balance, June 30, 2011	\$ 658,965	\$ 0	\$ (81,635)	\$ 577,330	\$ 126,776	\$ (9,375)	\$ 586,705

Exhibit E-3

Franklin County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Franklin County School Department
June 30, 2011

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-09	\$ 22,986	\$ 28,634	\$ 5,648	80.28 %	\$ 12,410	45.51 %
7-1-07	20,772	24,240	3,468	85.69	11,604	29.89

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the frozen entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the frozen entry age actuarial cost method went into effect during the year of the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit E-4

Franklin County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Franklin County School Department
June 30, 2011

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-07	\$ 0	\$ 3,370	\$ 3,370	0 %	\$ 6,460	52.17 %
"	7-1-09	0	3,265	3,265	0	6,591	49.54
"	7-1-10	0	3,310	3,310	0	7,071	46.81
<u>DISCRETELY PRESENTED FRANKLIN COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-07	0	9,332	9,332	0	20,804	44.86
"	7-1-09	0	9,728	9,728	0	20,920	46.50
"	7-1-10	0	9,872	9,872	0	18,540	53.25

FRANKLIN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2011

A. BUDGETARY INFORMATION

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

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

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

At June 30, 2011, Franklin County reported the following significant encumbrances in the General and major special revenue funds:

Fund	Description	Amount
General	Courthouse Renovation	\$ 10,959
"	Sheriff's Department Gasoline	20,941
"	Sheriff's Department Vehicle	14,800
"	Communication Equipment	67,702
Highway/Public Works	Diesel Fuel	13,000
"	Engineering Fees	21,284
"	Bridge Construction	17,120
"	Tile and Installation	10,914

B. APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE FUNDS

The budget and subsequent amendments submitted to and approved by the County Commission for the Highway/Public Works Fund resulted in appropriations exceeding estimated available funding by \$9,375.

**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, and sheriff.

General Debt Service Fund

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

Exhibit F-1

Franklin County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2011

	Special Revenue Funds							Total Nonmajor Governmental Funds	
	Courthouse and Jail Maintenance	Public Library	Solid Waste/ Sanitation	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Total		General Debt Service
\$	0	0	0	0	0	1,105	\$ 1,105	0	1,105
Equity in Pooled Cash and Investments	19,498	110,600	457,215	94,578	33,739	0	715,630	840,135	1,555,765
Accounts Receivable	0	1,915	3,903	10,764	1,555	633	18,770	1	18,771
Due from Other Governments	0	2,375	0	0	0	0	2,375	0	2,375
Property Taxes Receivable	0	268,900	951,632	409,600	0	0	1,630,132	896,334	2,526,466
Allowance for Uncollectible Property Taxes	0	(10,588)	(39,221)	(17,775)	0	0	(67,584)	(35,025)	(102,609)
Prepaid Items	0	0	0	0	0	0	0	2,825	2,825
Total Assets	\$ 19,498	\$ 373,202	\$ 1,373,529	\$ 497,167	\$ 35,294	\$ 1,738	\$ 2,300,428	\$ 1,704,270	\$ 4,004,698

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

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

Fund Balances

Nonspendable:
 Prepaid Items
 Restricted:
 Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Social, Cultural, and Recreational Services
 Restricted for Debt Service

\$	0	2,698	3,136	0	0	0	5,834	7,507	13,341
0	1,206	11,934	0	0	0	0	13,140	0	13,140
0	753	3,870	0	0	0	0	4,623	0	4,623
0	1,697	3,112	0	0	1,738	0	6,547	0	6,547
0	166	815	0	0	0	0	981	0	981
0	248,229	861,763	364,563	0	0	0	1,474,555	827,430	2,301,985
0	8,986	45,133	25,799	0	0	0	79,918	28,421	108,339
\$	\$ 263,735	\$ 929,763	\$ 380,362	\$ 0	\$ 1,738	\$ 1,585,598	\$ 863,358	\$ 2,448,956	

\$	0	0	0	0	0	0	0	2,825	2,825
0	0	0	0	106,628	20,567	0	127,195	0	127,195
0	0	330,806	0	0	0	0	330,806	0	330,806
0	98,671	0	0	0	0	0	98,671	0	98,671
19,498	0	0	0	0	0	0	19,498	838,087	857,585

(Continued)

Exhibit F-1

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

	Special Revenue Funds							Total	Debt Service Fund	Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitutional Officers - Fees	General Debt Service			
\$	0	0	0	0	472	0	0	472	0	472
	0	0	45,727	0	0	0	0	45,727	0	45,727
	0	9,285	0	0	0	0	0	9,285	0	9,285
	0	1,511	0	0	0	0	0	1,511	0	1,511
	0	0	67,233	0	0	0	0	67,233	0	67,233
	0	0	0	177	14,255	0	0	14,432	0	14,432
Total Fund Balances	\$ 19,498	\$ 109,467	\$ 443,766	\$ 106,805	\$ 35,294	\$ 0	\$ 0	\$ 714,880	\$ 840,912	\$ 1,555,742
Total Liabilities and Fund Balances	\$ 19,498	\$ 373,202	\$ 1,373,529	\$ 497,167	\$ 35,294	\$ 1,738	\$ 2,300,428	\$ 1,704,270	\$ 4,004,698	

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)

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

Total Fund Balances

Total Liabilities and Fund Balances

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, 2011

	Special Revenue Funds										Total Nonmajor Governmental Funds	
	Courthouse and Jail Maintenance		Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Total		Debt Service Fund			
									General Debt Service			
<u>Revenues</u>												
Local Taxes	\$ 77,498	\$ 254,329	\$ 921,150	\$ 456,759	\$ 0	\$ 1,709,736	\$ 959,325	\$ 2,669,061				
Licenses and Permits	0	881	5,975	23,247	0	30,103	3,962	34,065				
Fines, Forfeitures, and Penalties	0	0	0	0	43,046	43,046	0	43,046				
Charges for Current Services	0	20,608	23,635	0	0	44,243	0	44,243				
Other Local Revenues	0	2,478	424,024	0	6,310	432,812	0	432,812				
State of Tennessee	0	1,520	24,681	0	0	26,201	0	26,201				
Federal Government	0	0	0	0	19,906	19,906	0	19,906				
Other Governments and Citizens Groups	0	31,041	0	0	1,075	32,116	0	32,116				
Total Revenues	\$ 77,498	\$ 310,857	\$ 1,399,465	\$ 480,006	\$ 70,337	\$ 2,338,163	\$ 963,287	\$ 3,301,450				
<u>Expenditures</u>												
Current:												
Public Safety	0	0	0	465,537	54,602	520,139	0	520,139				
Public Health and Welfare	0	0	1,270,952	0	0	1,270,952	0	1,270,952				
Social, Cultural, and Recreational Services	0	227,876	0	0	0	227,876	0	227,876				
Other Operations	0	31,030	74,170	0	438	105,638	0	105,638				
Debt Service:												
Principal on Debt	0	0	0	0	0	0	1,254,311	1,254,311				
Interest on Debt	0	0	0	0	0	0	498,685	498,685				
Other Debt Service	0	0	0	0	0	0	20,614	20,614				
Total Expenditures	\$ 0	\$ 258,906	\$ 1,345,122	\$ 465,537	\$ 55,040	\$ 2,124,605	\$ 1,773,610	\$ 3,898,215				
Excess (Deficiency) of Revenues Over Expenditures	\$ 77,498	\$ 51,951	\$ 54,343	\$ 14,469	\$ 15,297	\$ 213,558	\$ (810,323)	\$ (596,765)				
<u>Other Financing Sources (Uses)</u>												
Transfers In	0	85,000	0	0	0	85,000	556,435	641,435				
Transfers Out	(58,000)	(50,000)	(3,803)	0	0	(111,803)	0	(111,803)				
Total Other Financing Sources (Uses)	\$ (58,000)	\$ 35,000	\$ (3,803)	\$ 0	\$ 0	\$ (26,803)	\$ 556,435	\$ 529,632				

(Continued)

Exhibit F-2

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

	Special Revenue Funds						Total	Debt Service Fund	Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Total			
Net Change in Fund Balances	\$ 19,498	\$ 86,951	\$ 50,540	\$ 14,469	\$ 15,297	\$ 186,755	\$ (253,888)	\$ (67,133)	
Fund Balance, July 1, 2010	0	22,516	393,226	92,336	19,997	528,075	1,094,800	1,622,875	
Fund Balance, June 30, 2011	\$ 19,498	\$ 109,467	\$ 443,766	\$ 106,805	\$ 35,294	\$ 714,830	\$ 840,912	\$ 1,555,742	

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 77,498	\$ 0	\$ 68,300	\$ 9,198
Total Revenues	\$ 77,498	\$ 0	\$ 68,300	\$ 9,198
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 77,498	\$ 0	\$ 68,300	\$ 9,198
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (58,000)	\$ 0	\$ (58,000)	\$ 0
Total Other Financing Sources (Uses)	\$ (58,000)	\$ 0	\$ (58,000)	\$ 0
Net Change in Fund Balance	\$ 19,498	\$ 0	\$ 10,300	\$ 9,198
Fund Balance, July 1, 2010	0	0	0	0
Fund Balance, June 30, 2011	\$ 19,498	\$ 0	\$ 10,300	\$ 9,198

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 254,329	\$ 0	\$ 0	\$ 254,329	\$ 248,229	\$ 254,341	\$ (12)
Licenses and Permits	881	0	0	881	0	900	(19)
Charges for Current Services	20,608	0	0	20,608	18,300	18,950	1,658
Other Local Revenues	2,478	0	0	2,478	2,200	2,200	278
State of Tennessee	1,520	0	0	1,520	0	2,300	(780)
Other Governments and Citizens Groups	31,041	0	0	31,041	29,700	30,015	1,026
Total Revenues	\$ 310,857	\$ 0	\$ 0	\$ 310,857	\$ 298,429	\$ 308,706	\$ 2,151
<u>Expenditures</u>							
<u>Social, Cultural, and Recreational Services</u>							
Libraries	\$ 227,876	\$ (5,724)	\$ 1,511	\$ 223,663	\$ 262,277	\$ 276,227	\$ 52,564
Other Operations	31,030	0	0	31,030	30,037	32,137	1,107
Other Charges	258,906	(5,724)	1,511	254,693	292,314	308,364	53,671
Total Expenditures	\$ 51,951	\$ 5,724	\$ (1,511)	\$ 56,164	\$ 6,115	\$ 342	\$ 55,822
Excess (Deficiency) of Revenues Over Expenditures	\$ 85,000	\$ 0	\$ 0	\$ 85,000	\$ 115,000	\$ 85,000	\$ 0
<u>Other Financing Sources (Uses)</u>							
Transfers In	(50,000)	0	0	(50,000)	(80,000)	(50,000)	0
Transfers Out	35,000	0	0	35,000	35,000	35,000	0
Total Other Financing Sources (Uses)	\$ 86,951	\$ 5,724	\$ (1,511)	\$ 91,164	\$ 41,115	\$ 35,342	\$ 55,822
Net Change in Fund Balance Fund Balance, July 1, 2010	22,516	(5,724)	0	16,792	19,493	19,493	(2,701)
Fund Balance, June 30, 2011	\$ 109,467	\$ 0	\$ (1,511)	\$ 107,956	\$ 60,608	\$ 54,835	\$ 53,121

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 921,150	\$ 0	\$ 0	\$ 921,150	\$ 904,319	\$ 916,866	\$ 4,284
Licenses and Permits	5,975	0	0	5,975	6,100	6,100	(125)
Charges for Current Services	23,635	0	0	23,635	18,500	22,700	935
Other Local Revenues	424,024	0	0	424,024	372,700	422,700	1,324
State of Tennessee	24,681	0	0	24,681	28,000	28,000	(3,319)
Total Revenues	\$ 1,399,465	\$ 0	\$ 0	\$ 1,399,465	\$ 1,329,619	\$ 1,396,366	\$ 3,099
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 1,373	\$ 0	\$ 0	\$ 1,373	\$ 2,500	\$ 2,500	\$ 1,127
Convenience Centers	215,672	(635)	135	215,172	247,542	247,542	32,370
Transfer Stations	1,045,407	(47,565)	61,294	1,059,136	1,086,445	1,096,459	37,323
Postclosure Care Costs	8,500	(4,720)	5,720	9,500	12,000	12,000	2,500
<u>Other Operations</u>							
Other Charges	74,170	(77)	84	74,177	78,225	78,225	4,048
Total Expenditures	\$ 1,345,122	\$ (52,997)	\$ 67,233	\$ 1,359,358	\$ 1,426,712	\$ 1,436,726	\$ 77,368
Excess (Deficiency) of Revenues Over Expenditures	\$ 54,343	\$ 52,997	\$ (67,233)	\$ 40,107	\$ (97,093)	\$ (40,360)	\$ 80,467
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (3,803)	\$ 0	\$ 0	\$ (3,803)	\$ (3,803)	\$ (3,803)	\$ 0
Total Other Financing Sources (Uses)	\$ (3,803)	\$ 0	\$ 0	\$ (3,803)	\$ (3,803)	\$ (3,803)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 50,540	\$ 52,997	\$ (67,233)	\$ 36,304	\$ (100,896)	\$ (44,163)	\$ 80,467
	393,226	(52,997)	0	340,229	381,291	381,291	(41,062)
Fund Balance, June 30, 2011	\$ 443,766	\$ 0	\$ (67,233)	\$ 376,533	\$ 280,395	\$ 337,128	\$ 39,405

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 456,759	\$ 0	\$ 0	\$ 456,759	\$ 441,179	\$ 451,719	\$ 5,040
Licenses and Permits	23,247	0	0	23,247	23,875	24,505	(1,258)
Total Revenues	\$ 480,006	\$ 0	\$ 0	\$ 480,006	\$ 465,054	\$ 476,224	\$ 3,782
<u>Expenditures</u>							
<u>Public Safety</u>							
Fire Prevention and Control	\$ 465,537	(448)	177	\$ 465,266	\$ 462,650	\$ 472,050	\$ 6,784
Total Expenditures	\$ 465,537	(448)	177	\$ 465,266	\$ 462,650	\$ 472,050	\$ 6,784
Excess (Deficiency) of Revenues Over Expenditures	\$ 14,469	\$ 448	(177)	\$ 14,740	\$ 2,404	\$ 4,174	\$ 10,566
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 14,469	\$ 448	(177)	\$ 14,740	\$ 2,404	\$ 4,174	\$ 10,566
	92,336	(448)	0	91,888	88,113	88,113	3,775
Fund Balance, June 30, 2011	\$ 106,805	\$ 0	(177)	\$ 106,628	\$ 90,517	\$ 92,287	\$ 14,341

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 43,046	\$ 0	\$ 0	\$ 43,046	\$ 42,000	\$ 44,290	\$ (1,244)
Charges for Current Services	0	0	0	0	750	750	(750)
Other Local Revenues	6,310	0	0	6,310	7,500	7,060	(750)
Federal Governments	19,906	0	0	19,906	6,000	26,000	(6,094)
Other Governments and Citizens Groups	1,075	0	0	1,075	1,500	1,875	(800)
Total Revenues	\$ 70,337	\$ 0	\$ 0	\$ 70,337	\$ 57,750	\$ 79,975	\$ (9,638)
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 54,602	(1,116)	14,255	67,741	69,850	80,900	13,159
Other Operations	438	0	0	438	500	500	62
Other Charges	55,040	(1,116)	14,255	68,179	70,350	81,400	13,221
Total Expenditures	\$ 15,297	\$ 1,116	\$ (14,255)	\$ 2,158	\$ (12,600)	\$ (1,425)	\$ 3,583
Excess (Deficiency) of Revenues Over Expenditures	\$ 15,297	\$ 1,116	\$ (14,255)	\$ 2,158	\$ (12,600)	\$ (1,425)	\$ 3,583
Net Change in Fund Balance Fund Balance, July 1, 2010	19,997	(1,116)	0	18,881	18,709	18,709	172
Fund Balance, June 30, 2011	\$ 35,294	\$ 0	\$ (14,255)	\$ 21,039	\$ 6,109	\$ 17,284	\$ 3,755

Exhibit F-8

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 959,325	\$ 966,930	\$ 966,930	\$ (7,605)
Licenses and Permits	3,962	4,200	4,200	(238)
Total Revenues	<u>\$ 963,287</u>	<u>\$ 971,130</u>	<u>\$ 971,130</u>	<u>\$ (7,843)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,254,311	\$ 1,254,311	\$ 1,306,652	\$ 52,341
<u>Interest on Debt</u>				
General Government	498,685	498,675	536,421	37,736
<u>Other Debt Service</u>				
General Government	20,614	47,250	27,500	6,886
Total Expenditures	<u>\$ 1,773,610</u>	<u>\$ 1,800,236</u>	<u>\$ 1,870,573</u>	<u>\$ 96,963</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (810,323)</u>	<u>\$ (829,106)</u>	<u>\$ (899,443)</u>	<u>\$ 89,120</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 556,435	\$ 552,435	\$ 611,435	\$ (55,000)
Total Other Financing Sources (Uses)	<u>\$ 556,435</u>	<u>\$ 552,435</u>	<u>\$ 611,435</u>	<u>\$ (55,000)</u>
Net Change in Fund Balance	\$ (253,888)	\$ (276,671)	\$ (288,008)	\$ 34,120
Fund Balance, July 1, 2010	<u>1,094,800</u>	<u>1,094,801</u>	<u>1,094,801</u>	<u>(1)</u>
Fund Balance, June 30, 2011	<u>\$ 840,912</u>	<u>\$ 818,130</u>	<u>\$ 806,793</u>	<u>\$ 34,119</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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,394,418	\$ 2,346,513	\$ 2,386,543	\$ 7,875
Licenses and Permits	8,324	8,823	8,823	(499)
Other Governments and Citizens Groups	760,000	0	760,000	0
Total Revenues	<u>\$ 3,162,742</u>	<u>\$ 2,355,336</u>	<u>\$ 3,155,366</u>	<u>\$ 7,376</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 2,360,000	\$ 2,360,000	\$ 2,360,000	\$ 0
<u>Interest on Debt</u>				
Education	906,272	906,273	906,273	1
<u>Other Debt Service</u>				
Education	42,341	71,000	51,000	8,659
Total Expenditures	<u>\$ 3,308,613</u>	<u>\$ 3,337,273</u>	<u>\$ 3,317,273</u>	<u>\$ 8,660</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (145,871)</u>	<u>\$ (981,937)</u>	<u>\$ (161,907)</u>	<u>\$ 16,036</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 2,260,000	\$ 0	\$ 0
Transfers Out	0	(1,500,000)	0	0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 760,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	<u>\$ (145,871)</u>	<u>\$ (221,937)</u>	<u>\$ (161,907)</u>	<u>\$ 16,036</u>
Fund Balance, July 1, 2010	<u>3,033,421</u>	<u>2,966,206</u>	<u>2,966,206</u>	<u>67,215</u>
Fund Balance, June 30, 2011	<u><u>\$ 2,887,550</u></u>	<u><u>\$ 2,744,269</u></u>	<u><u>\$ 2,804,299</u></u>	<u><u>\$ 83,251</u></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; 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, 2011

	<u>Agency Funds</u>		
	<u>Cities -</u>	<u>Constitutional</u>	
	<u>Sales</u>	<u>Officers -</u>	
	<u>Tax</u>	<u>Agency</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,820,636	\$ 1,820,636
Due from Other Governments	479,041	0	479,041
Total Assets	<u>\$ 479,041</u>	<u>\$ 1,820,636</u>	<u>\$ 2,299,677</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 479,041	\$ 0	\$ 479,041
Due to Litigants, Heirs, and Others	0	1,820,636	1,820,636
Total Liabilities	<u>\$ 479,041</u>	<u>\$ 1,820,636</u>	<u>\$ 2,299,677</u>

Exhibit H-2

Franklin County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,885,098	\$ 2,885,098	\$ 0
Due from Other Governments	481,163	479,041	481,163	479,041
Total Assets	\$ 481,163	\$ 3,364,139	\$ 3,366,261	\$ 479,041
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 481,163	\$ 3,364,139	\$ 3,366,261	\$ 479,041
Total Liabilities	\$ 481,163	\$ 3,364,139	\$ 3,366,261	\$ 479,041
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,675,609	\$ 13,206,708	\$ 13,061,681	\$ 1,820,636
Total Assets	\$ 1,675,609	\$ 13,206,708	\$ 13,061,681	\$ 1,820,636
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,675,609	\$ 13,206,708	\$ 13,061,681	\$ 1,820,636
Total Liabilities	\$ 1,675,609	\$ 13,206,708	\$ 13,061,681	\$ 1,820,636
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,675,609	\$ 13,206,708	\$ 13,061,681	\$ 1,820,636
Equity in Pooled Cash and Investments	0	2,885,098	2,885,098	0
Due from Other Governments	481,163	479,041	481,163	479,041
Total Assets	\$ 2,156,772	\$ 16,570,847	\$ 16,427,942	\$ 2,299,677
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 481,163	\$ 3,364,139	\$ 3,366,261	\$ 479,041
Due to Litigants, Heirs, and Others	1,675,609	13,206,708	13,061,681	1,820,636
Total Liabilities	\$ 2,156,772	\$ 16,570,847	\$ 16,427,942	\$ 2,299,677

Franklin County School Department

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

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

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

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

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

Exhibit I-1

Franklin County, Tennessee
Statement of Activities
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 30,225,873	\$ 330,670	\$ 7,062,221	\$ 1,464,553
Support Services	13,078,862	12,204	0	0
Operation of Non-Instructional Services	5,284,659	1,198,246	2,132,123	0
Capital Outlay	834,025	0	0	0
Interest on Debt	43,966	0	0	0
Other Debt Service	760,000	0	0	0
Total Governmental Activities	\$ 50,227,384	\$ 1,541,120	\$ 9,194,344	\$ 1,464,553
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 9,022,119
Local Option Sales Taxes				3,879,231
Other Local Taxes				2,742
Grants and Contributions Not Restricted to Specific Programs				25,601,442
Unrestricted Investment Earnings				16,793
Miscellaneous				298,189
Sale of Equipment				2,825
Total General Revenues				\$ 38,823,341
Change in Net Assets				\$ 795,974
Net Assets, July 1, 2010				51,667,375
Net Assets, June 30, 2011				<u>\$ 52,463,349</u>

Exhibit I-2

Franklin County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Franklin County School Department
June 30, 2011

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Federal</u>	<u>Other</u>	
	<u>School</u>	<u>Projects</u>	<u>Governmental</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,941	\$ 1,941
Equity in Pooled Cash and Investments	5,666,033	10,331	1,308,842	6,985,206
Accounts Receivable	98,443	0	9,636	108,079
Due from Other Governments	1,554,136	70,591	14,771	1,639,498
Due from Other Funds	1,441	1,441	0	2,882
Property Taxes Receivable	9,303,050	0	0	9,303,050
Allowance for Uncollectible Property Taxes	(363,244)	0	0	(363,244)
Prepaid Items	14,756	0	0	14,756
Total Assets	<u>\$ 16,274,615</u>	<u>\$ 82,363</u>	<u>\$ 1,335,190</u>	<u>\$ 17,692,168</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 117,903	\$ 144	\$ 3,171	\$ 121,218
Accrued Payroll	33,959	40,335	1,090	75,384
Due to Other Funds	1,441	1,441	0	2,882
Due to State of Tennessee	0	16	0	16
Deferred Revenue - Current Property Taxes	8,587,891	0	0	8,587,891
Deferred Revenue - Delinquent Property Taxes	293,343	0	0	293,343
Other Deferred Revenues	316,250	0	0	316,250
Total Liabilities	<u>\$ 9,350,787</u>	<u>\$ 41,936</u>	<u>\$ 4,261</u>	<u>\$ 9,396,984</u>
<u>Fund Balances</u>				
Nonexpendable:				
Prepaid Items	\$ 14,756	\$ 0	\$ 0	\$ 14,756
Restricted:				
Restricted for Education	336,672	40,427	1,002,307	1,379,406
Committed:				
Committed for Education	622,570	0	0	622,570
Assigned:				
Assigned for Education	288,186	0	328,622	616,808
Unassigned	5,661,644	0	0	5,661,644
Total Fund Balances	<u>\$ 6,923,828</u>	<u>\$ 40,427</u>	<u>\$ 1,330,929</u>	<u>\$ 8,295,184</u>
Total Liabilities and Fund Balances	<u>\$ 16,274,615</u>	<u>\$ 82,363</u>	<u>\$ 1,335,190</u>	<u>\$ 17,692,168</u>

Exhibit I-3

Franklin County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Franklin County School Department
June 30, 2011

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 8,295,184
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 5,451,186	
Add: buildings and improvements net of accumulated depreciation	38,390,600	
Add: other capital assets net of accumulated depreciation	<u>3,580,710</u>	47,422,496
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: note payable	\$ (25,000)	
Less: capital lease payable	(1,313,932)	
Less: compensated absences payable	(130,645)	
Less: other postemployment benefits liability	(2,387,046)	
Less: accrued interest on note and capital lease	<u>(7,301)</u>	(3,863,924)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>609,593</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 52,463,349</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, 2011

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Federal</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 13,047,341	\$ 0	\$ 0	\$ 13,047,341
Licenses and Permits	43,787	0	0	43,787
Charges for Current Services	296,318	0	1,198,246	1,494,564
Other Local Revenues	443,145	0	24,101	467,246
State of Tennessee	27,253,808	0	32,222	27,286,030
Federal Government	569,365	5,963,969	2,068,301	8,601,635
Other Governments and Citizens Groups	190,232	0	0	190,232
Total Revenues	\$ 41,843,996	\$ 5,963,969	\$ 3,322,870	\$ 51,130,835
<u>Expenditures</u>				
Current:				
Instruction	\$ 23,358,321	\$ 5,023,684	\$ 0	\$ 28,382,005
Support Services	13,993,157	907,509	0	14,900,666
Operation of Non-Instructional Services	2,126,576	4,977	3,104,912	5,236,465
Capital Outlay	834,025	0	0	834,025
Debt Service:				
Principal on Debt	179,619	0	0	179,619
Interest on Debt	37,182	0	0	37,182
Other Debt Service	760,000	0	0	760,000
Capital Projects	0	0	281,360	281,360
Total Expenditures	\$ 41,288,880	\$ 5,936,170	\$ 3,386,272	\$ 50,611,322
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 555,116	\$ 27,799	\$ (63,402)	\$ 519,513
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 1,468,551	\$ 0	\$ 0	\$ 1,468,551
Total Other Financing Sources (Uses)	\$ 1,468,551	\$ 0	\$ 0	\$ 1,468,551
Net Change in Fund Balances	\$ 2,023,667	\$ 27,799	\$ (63,402)	\$ 1,988,064
Fund Balance, July 1, 2010	4,900,161	12,628	1,394,331	6,307,120
Fund Balance, June 30, 2011	\$ 6,923,828	\$ 40,427	\$ 1,330,929	\$ 8,295,184

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, 2011

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)		\$ 1,988,064
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 3,329,387	
Less: current-year depreciation expense	<u>(2,268,847)</u>	1,060,540
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets</p>		
Less: loss on disposal of capital assets	\$ (114,816)	
Less: decrease of revenue for the sale or insurance recovery of disposed assets	<u>(8,721)</u>	(123,537)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2011	\$ 609,593	
Less: deferred delinquent property taxes and other deferred June 30, 2010	<u>(708,349)</u>	(98,756)
<p>(4) The issuance of long-term debt (e.g., notes and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the effect of these differences in the treatment of long-term debt and related items:</p>		
Less: capital lease proceeds	\$ (1,468,551)	
Add: principal payments on note	25,000	
Add: principal payments on capital lease	<u>154,619</u>	(1,288,932)
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in compensated absences payable	\$ (1,538)	
Change in other postemployment benefits liability	(733,083)	
Change in accrued interest payable	<u>(6,784)</u>	(741,405)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 795,974</u>

Exhibit I-6

Franklin County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Franklin County School Department
June 30, 2011

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Education Capital Projects	
<u>ASSETS</u>			
Cash	\$ 1,941	\$ 0	\$ 1,941
Equity in Pooled Cash and Investments	980,217	328,625	1,308,842
Accounts Receivable	9,606	30	9,636
Due from Other Governments	14,771	0	14,771
Total Assets	\$ 1,006,535	\$ 328,655	\$ 1,335,190
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 3,171	\$ 0	\$ 3,171
Accrued Payroll	1,090	0	1,090
Total Liabilities	\$ 4,261	\$ 0	\$ 4,261
<u>Fund Balances</u>			
Restricted:			
Restricted for Education	\$ 1,002,274	\$ 33	\$ 1,002,307
Assigned for Education	0	328,622	328,622
Total Fund Balances	\$ 1,002,274	\$ 328,655	\$ 1,330,929
Total Liabilities and Fund Balances	\$ 1,006,535	\$ 328,655	\$ 1,335,190

Exhibit I-7

Franklin County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2011

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Education Capital Projects	
<u>Revenues</u>			
Charges for Current Services	\$ 1,198,246	\$ 0	\$ 1,198,246
Other Local Revenues	23,619	482	24,101
State of Tennessee	32,222	0	32,222
Federal Government	2,068,301	0	2,068,301
Total Revenues	<u>\$ 3,322,388</u>	<u>\$ 482</u>	<u>\$ 3,322,870</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 3,104,912	\$ 0	\$ 3,104,912
Capital Projects	0	281,360	281,360
Total Expenditures	<u>\$ 3,104,912</u>	<u>\$ 281,360</u>	<u>\$ 3,386,272</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 217,476</u>	<u>\$ (280,878)</u>	<u>\$ (63,402)</u>
Net Change in Fund Balances	\$ 217,476	\$ (280,878)	\$ (63,402)
Fund Balance, July 1, 2010	784,798	609,533	1,394,331
Fund Balance, June 30, 2011	<u>\$ 1,002,274</u>	<u>\$ 328,655</u>	<u>\$ 1,330,929</u>

Exhibit I-8

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Franklin County School Department
General Purpose School Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 13,047,341	\$ 0	\$ 0	\$ 13,047,341	\$ 12,812,520	\$ 13,019,142	\$ 28,199
Licenses and Permits	43,787	0	0	43,787	47,800	47,800	(4,013)
Charges for Current Services	296,318	0	0	296,318	268,397	268,647	27,671
Other Local Revenues	443,145	0	0	443,145	575,363	848,889	(405,744)
State of Tennessee	27,253,808	0	0	27,253,808	27,144,671	27,326,167	(72,359)
Federal Government	569,365	0	0	569,365	281,684	653,243	(83,878)
Other Governments and Citizens Groups	190,232	0	0	190,232	161,041	190,822	(590)
Total Revenues	\$ 41,843,996	\$ 0	\$ 0	\$ 41,843,996	\$ 41,291,476	\$ 42,354,710	\$ (510,714)
Expenditures							
Instruction							
Regular Instruction Program	\$ 18,160,246	(337,011)	50,297	\$ 17,873,532	\$ 19,562,625	\$ 19,821,573	\$ 1,948,041
Alternative Instruction Program	149,472	(2,744)	0	146,728	154,760	154,760	8,032
Special Education Program	3,446,465	(16,518)	17,584	3,447,531	3,479,329	3,542,935	95,404
Vocational Education Program	1,478,931	(2,383)	238	1,476,786	1,500,484	1,513,647	36,861
Student Body Education Program	113,850	(6,917)	0	106,933	124,213	124,213	17,280
Adult Education Program	9,357	0	0	9,357	13,454	25,069	15,712
Support Services							
Attendance	199,472	0	0	199,472	206,300	206,300	6,828
Health Services	326,977	0	0	326,977	342,032	331,731	4,754
Other Student Support	1,121,758	(801)	2,538	1,123,495	1,130,134	1,136,633	13,138
Regular Instruction Program	1,068,207	0	0	1,068,207	1,097,413	1,131,003	62,796
Special Education Program	272,728	(12,287)	3,188	263,629	256,558	284,568	20,939
Vocational Education Program	58,784	(795)	0	57,989	57,701	60,588	2,599

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Adult Programs	\$ 108,763	\$ 0	\$ 0	\$ 108,763	\$ 106,568	\$ 109,578	\$ 815
Other Programs	150,337	0	0	150,337	0	150,337	0
Board of Education	909,884	(6,409)	4,352	907,827	949,825	951,775	43,948
Director of Schools	356,458	(6,089)	2,404	352,773	381,746	392,908	40,135
Office of the Principal	2,139,631	0	0	2,139,631	2,122,868	2,142,817	3,186
Human Services/Personnel	99,431	(76)	0	99,355	100,462	103,822	4,467
Operation of Plant	3,326,164	(1,881)	5,544	3,329,827	3,748,477	3,606,700	276,873
Maintenance of Plant	1,364,907	(151,701)	107,858	1,321,064	1,536,678	1,536,678	215,614
Transportation	2,031,987	(6,891)	3,912	2,029,008	2,161,428	2,157,148	128,140
Central and Other	457,669	(2,606)	3,928	458,991	460,022	468,197	9,206
<u>Operation of Non-Instructional Services</u>							
Community Services	808,799	(6,400)	534	802,933	635,218	909,698	106,765
Early Childhood Education	1,317,777	(10,001)	4,110	1,311,886	1,257,461	1,320,360	8,474
<u>Capital Outlay</u>							
Regular Capital Outlay	834,025	(834,025)	81,699	81,699	671,434	962,062	880,363
<u>Principal on Debt</u>							
Education	179,619	0	0	179,619	143,110	179,619	0
<u>Interest on Debt</u>							
Education	37,182	0	0	37,182	29,020	37,182	0
<u>Other Debt Service</u>							
Education	760,000	0	0	760,000	760,000	760,000	0
Total Expenditures	\$ 41,288,880	\$ (1,405,535)	\$ 288,186	\$ 40,171,531	\$ 42,989,320	\$ 44,121,901	\$ 3,950,370

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2010	Encumbrances 6/30/2011			Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 555,116	\$ 1,405,535	\$ (288,186)	\$ 1,672,465	\$ (1,697,844)	\$ (1,767,191)	\$ 3,439,656	
<u>Other Financing Sources (Uses)</u>								
Capital Leases Issued	\$ 1,468,551	\$ 0	\$ 0	\$ 1,468,551	\$ 0	\$ 1,468,551	\$ 0	
Insurance Recovery	0	0	0	0	32,550	32,550	(32,550)	
Transfers Out	0	0	0	0	(5,205)	0	0	
Total Other Financing Sources (Uses)	\$ 1,468,551	\$ 0	\$ 0	\$ 1,468,551	\$ 27,345	\$ 1,501,101	\$ (32,550)	
Net Change in Fund Balance	\$ 2,023,667	\$ 1,405,535	\$ (288,186)	\$ 3,141,016	\$ (1,670,499)	\$ (266,090)	\$ 3,407,106	
Fund Balance, July 1, 2010	4,900,161	(1,405,535)	0	3,494,626	3,838,757	3,838,757	(344,131)	
Fund Balance, June 30, 2011	\$ 6,923,828	\$ 0	\$ (288,186)	\$ 6,635,642	\$ 2,168,258	\$ 3,572,667	\$ 3,062,975	

Exhibit I-9

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Franklin County School Department
School Federal Projects Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 5,963,969	\$ 6,278,309	\$ 6,370,809	\$ (406,840)
Total Revenues	\$ 5,963,969	\$ 6,278,309	\$ 6,370,809	\$ (406,840)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,390,265	\$ 3,593,604	\$ 3,591,104	\$ 200,839
Special Education Program	1,469,154	1,553,507	1,624,051	154,897
Vocational Education Program	164,265	161,273	164,273	8
<u>Support Services</u>				
Health Services	204,407	233,427	191,345	(13,062)
Other Student Support	44,984	43,288	45,288	304
Regular Instruction Program	338,711	399,975	489,975	151,264
Special Education Program	217,867	216,948	216,948	(919)
Transportation	101,540	130,000	101,540	0
<u>Operation of Non-Instructional Services</u>				
Community Services	4,977	4,977	4,977	0
Total Expenditures	\$ 5,936,170	\$ 6,336,999	\$ 6,429,501	\$ 493,331
Excess (Deficiency) of Revenues Over Expenditures	\$ 27,799	\$ (58,690)	\$ (58,692)	\$ 86,491
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 239,228	\$ 0	\$ 0
Transfers Out	0	(239,228)	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 27,799	\$ (58,690)	\$ (58,692)	\$ 86,491
Fund Balance, July 1, 2010	12,628	58,692	58,692	(46,064)
Fund Balance, June 30, 2011	\$ 40,427	\$ 2	\$ 0	\$ 40,427

Exhibit I-10

Franklin County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Franklin County School Department
 Central Cafeteria Fund
 For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,198,246	\$ 0	\$ 1,198,246	\$ 1,241,701	\$ 1,241,701	\$ (43,455)
Other Local Revenues	23,619	0	23,619	4,900	16,797	6,822
State of Tennessee	32,222	0	32,222	32,754	32,754	(532)
Federal Government	2,068,301	0	2,068,301	1,721,241	2,020,370	47,931
Other Governments and Citizens Groups	0	0	0	0	2,000	(2,000)
Total Revenues	\$ 3,322,388	\$ 0	\$ 3,322,388	\$ 3,000,596	\$ 3,313,622	\$ 8,766
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 3,104,912	\$ (159,911)	\$ 2,945,001	\$ 3,057,628	\$ 3,367,517	\$ 422,516
Community Services	0	0	0	0	3,137	3,137
Total Expenditures	\$ 3,104,912	\$ (159,911)	\$ 2,945,001	\$ 3,057,628	\$ 3,370,654	\$ 425,653
Excess (Deficiency) of Revenues Over Expenditures	\$ 217,476	\$ 159,911	\$ 377,387	\$ (57,032)	\$ (57,032)	\$ 434,419
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 217,476	\$ 159,911	\$ 377,387	\$ (57,032)	\$ (57,032)	\$ 434,419
	784,798	(159,911)	624,887	577,824	577,824	47,063
Fund Balance, June 30, 2011	\$ 1,002,274	\$ 0	\$ 1,002,274	\$ 520,792	\$ 520,792	\$ 481,482

MISCELLANEOUS SCHEDULES

Exhibit J-1

Franklin County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds
Primary Government and Discretely Presented Franklin County School Department
For the Year Ended June 30, 2011

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-11
<u>PRIMARY GOVERNMENT</u>								
<u>NOTES PAYABLE</u>								
Pavable through General Debt Service Fund								
Industrial Development Board - Land	\$ 822,666	4.75 %	5-28-10	5-27-22	\$ 818,371	\$ 0	\$ 52,341	\$ 766,030
Pavable through General Fund								
Sheriff Litter Truck	40,158	4	6-5-11	6-15-13	\$ 0	\$ 40,158	\$ 13,861	\$ 26,297
Total Notes Payable					\$ 818,371	\$ 40,158	\$ 66,202	\$ 792,327
<u>CAPITAL LEASES</u>								
Pavable through General Fund								
Jail Security Equipment	78,235	0	12-21-07	12-21-12	\$ 42,345	\$ 0	\$ 16,442	\$ 25,903
Sheriff's Vehicles	385,856	4.69	11-5-08	3-5-12	194,993	0	95,254	99,739
Telecommunications, Electronics, and Security Equipment	300,000	5.265	10-20-09	10-20-14	264,404	0	55,787	208,617
Sheriff Department Computers	57,321	0	10-25-09	10-25-12	44,580	0	19,107	25,473
Energy Efficiency Lighting System	308,473	4.75	1-3-11	1-3-18	0	308,473	0	308,473
Total Payable through General Debt Service Fund					\$ 546,322	\$ 308,473	\$ 186,590	\$ 668,205
Pavable through Highway/Public Works Fund								
Highway Equipment - 2 Trucks	188,021	4.7	4-27-10	2-12-15	\$ 172,110	\$ 0	\$ 33,777	\$ 138,333
Total Capital Leases					\$ 718,432	\$ 308,473	\$ 220,367	\$ 806,538
<u>BONDS PAYABLE</u>								
Pavable through General Debt Service Fund								
Industrial Revenue	378,000	5	11-18-1978	1-1-17	\$ 128,000	\$ 0	\$ 15,000	\$ 113,000
General Obligation Jail Refunding Bonds, Series 2003	3,545,000	3.13	6-26-03	6-30-16	1,970,000	0	260,000	1,710,000
General Obligation Highway Refunding Bonds, Series 2006B	5,440,000	3.8	12-29-06	6-1-14	2,860,000	0	690,000	2,170,000
General Obligation Series 2007	6,000,000	4.19	8-15-07	4-1-23	5,375,000	0	220,000	5,155,000
General Obligation Judicial Center, Series 2010	1,500,000	4.13	5-21-10	5-21-48	1,500,000	0	16,970	1,483,030
Total Payable through General Debt Service Fund					\$ 11,833,000	\$ 0	\$ 1,201,970	\$ 10,631,030

(Continued)

Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-11
<u>PRIMARY GOVERNMENT (CONT.)</u>								
<u>BONDS PAYABLE (CONT.)</u>								
<u>Payable through Education Debt Service Fund</u>								
Refunding School Bonds, Series 2002	\$ 7,430,000	3.25 to 4.75 %	5-15-02	6-30-16	\$ 5,115,000	\$ 0	\$ 795,000	\$ 4,320,000
Refunding School Bonds, Series 2006A	3,810,000	3.8 to 4	12-29-06	6-1-21	2,950,000	0	230,000	2,720,000
School Bonds, Series 2008	3,000,000	2.5 to 4.5	12-17-08	6-1-24	2,845,000	0	160,000	2,685,000
Refunding School Bonds, Series 2009	15,205,000	2 to 3.75	6-15-09	3-1-21	14,940,000	0	1,175,000	13,765,000
Total Payable through Education Debt Service Fund					\$ 25,850,000	\$ 0	\$ 2,360,000	\$ 23,490,000
Total Bonds Payable					\$ 37,683,000	\$ 0	\$ 3,561,970	\$ 34,121,030
<u>DISCRETELY PRESENTED FRANKLIN COUNTY SCHOOL DEPARTMENT</u>								
<u>NOTE PAYABLE</u>								
<u>Payable through General Purpose School Fund</u>	150,000	4.3 to 4.55	10-14-05	10-14-11	\$ 50,000	\$ 0	\$ 25,000	\$ 25,000
Lighting								
<u>CAPITAL LEASES</u>								
<u>Payable through General Purpose School Fund</u>	500,000	0	9-1-10	9-1-17	\$ 0	\$ 500,000	\$ 53,568	\$ 446,432
Energy Efficient Lighting (State 1)	386,672	3	9-1-10	9-1-15	0	386,672	54,369	332,303
Energy Efficient Lighting (State 2)	581,879	5	10-1-10	4-1-20	0	581,879	46,682	535,197
Energy Efficient Lighting (Excel)								
Total Capital Leases Payable					\$ 0	\$ 1,468,551	\$ 154,619	\$ 1,313,932

Exhibit J-2

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

PRIMARY GOVERNMENT

Year Ending June 30	Notes		Total
	Principal	Interest	
2012	\$ 67,675	\$ 36,356	\$ 104,031
2013	70,950	33,081	104,031
2014	60,335	29,752	90,087
2015	63,264	26,823	90,087
2016	66,271	23,816	90,087
2017	69,553	20,534	90,087
2018	72,930	17,158	90,088
2019	76,470	13,617	90,087
2020	80,157	9,930	90,087
2021	84,074	6,013	90,087
2022	80,648	1,931	82,579
Total	\$ 792,327	\$ 219,011	\$ 1,011,338

Year Ending June 30	Capital Leases		Total
	Principal	Interest	
2012	\$ 267,593	\$ 34,224	\$ 301,817
2013	154,836	22,824	177,660
2014	146,053	15,782	161,835
2015	93,371	9,167	102,538
2016	45,983	6,333	52,316
2017	48,193	4,123	52,316
2018	50,509	1,806	52,315
Total	\$ 806,538	\$ 94,259	\$ 900,797

Year Ending June 30	Bonds		Total
	Principal	Interest	
2012	\$ 3,672,670	\$ 1,253,772	\$ 4,926,442
2013	3,776,399	1,135,507	4,911,906
2014	3,904,158	1,001,003	4,905,161
2015	3,454,948	858,471	4,313,419
2016	3,605,771	730,697	4,336,468
2017	2,351,628	594,969	2,946,597
2018	2,432,520	514,833	2,947,353
2019	2,533,449	427,968	2,961,417
2020	2,609,416	335,347	2,944,763
2021	2,690,423	235,537	2,925,960
2022	801,472	130,333	931,805
2023	812,564	97,351	909,915
2024	288,701	61,844	350,545
2025	29,885	48,960	78,845
2026	31,118	47,727	78,845
2027	32,401	46,444	78,845
2028	33,738	45,107	78,845

(Continued)

Exhibit J-2

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

PRIMARY GOVERNMENT (CONT.)

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2029	\$ 35,130	\$ 43,716	\$ 78,846
2030	36,579	42,266	78,845
2031	38,088	40,757	78,845
2032	39,659	39,186	78,845
2033	41,295	37,550	78,845
2034	42,998	35,847	78,845
2035	44,772	34,073	78,845
2036	46,619	32,227	78,846
2037	48,542	30,304	78,846
2038	50,544	28,301	78,845
2039	52,629	26,216	78,845
2040	54,800	24,045	78,845
2041	57,060	21,785	78,845
2042	59,414	19,431	78,845
2043	61,865	16,980	78,845
2044	64,417	14,428	78,845
2045	67,074	11,771	78,845
2046	69,841	9,004	78,845
2047	72,722	6,123	78,845
2048	75,721	3,124	78,845
Total	\$ 34,121,030	\$ 8,083,004	\$ 42,204,034

DISCRETELY PRESENTED FRANKLIN
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Note		
	Principal	Interest	Total
2012	\$ 25,000	\$ 683	\$ 25,683
Total	\$ 25,000	\$ 683	\$ 25,683

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2012	\$ 194,773	\$ 33,800	\$ 228,573
2013	199,393	29,180	228,573
2014	204,185	24,388	228,573
2015	209,169	19,404	228,573
2016	151,203	14,837	166,040
2017	133,293	11,904	145,197
2018	82,731	8,930	91,661
2019	67,959	5,814	73,773
2020	71,226	2,547	73,773
Total	\$ 1,313,932	\$ 150,804	\$ 1,464,736

Exhibit J-3

Franklin County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2011

From Fund	To Fund	Purpose	Amount
General	Public Library	Operations	\$ 85,000
General	Highway/Public Works	Reimbursement	11,286
General	General Debt Service	Debt payments	98,435
Courthouse and Jail Maintenance	General Debt Service	Debt payments	58,000
Public Library	General	Reimbursement	50,000
Solid Waste/Sanitation	General	Reimbursement	3,803
Highway/Public Works	General	Reimbursement	3,803
Highway/Public Works	General Debt Service	Debt payments	400,000
Total Transfers			<u>\$ 710,327</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, 2011

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 73,866	\$ 50,000	Western Surety Company
Superintendent of Highways	Section 8-24-102, TCA	70,350	100,000	"
Director of Schools	State Board of Education and Franklin County Board of Education	109,108 (2)	(1)	"
Finance Director	County Commission	60,000	50,000	"
Trustee	Section 8-24-102, TCA	63,954	1,558,000	Auto-Owners Mutual Insurance Company
Assessor of Property	Section 8-24-102, TCA	63,954	10,000	Western Surety Company
County Clerk:				
Nina Tucker (7-1-10 through 8-31-10)	Section 8-24-102, TCA	10,659	50,000	RLI Insurance Company
Phillip Custer (9-1-10 through 6-30-11)	Section 8-24-102, TCA	53,295	50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk:				
Nancy Silvertooth (7-1-10 through 8-31-10)	Section 8-24-102, TCA	10,659	50,000	"
Robert Baggett (9-1-10 through 6-30-11)	Section 8-24-102, TCA	53,295	50,000	"
Clerk and Master	Section 8-24-102, TCA	63,954	50,000	"
Register	Section 8-24-102, TCA	63,954	25,000	Western Surety Company
Sheriff	Section 8-24-102, TCA	70,350 (3)	25,000	RLI Insurance Company
Other Bonds:				
Public Employee Dishonesty			150,000	Tennessee Risk Management Trust

- (1) Director of schools is covered under the public employee dishonesty bond.
- (2) Does not include a chief executive officer training supplement of \$1,000.
- (3) Does not include a law enforcement training supplement of \$600.

Franklin County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2011

	Special Revenue Funds					Local Purpose Tax
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 6,706,808	\$ 0	\$ 246,663	\$ 863,457	\$ 369,379	
Trustee's Collections - Prior Year	195,281	0	1,097	28,795	10,386	
Trustee's Collections - Bankruptcy	1,297	0	0	234	39	
Circuit/Clerk & Master Collections - Prior Years	109,962	0	3,349	17,296	6,784	
Interest and Penalty	31,859	0	344	4,714	1,966	
Payments in-Lieu-of Taxes - T.V.A.	3,342	0	104	629	342	
Payments in-Lieu-of Taxes - Local Utilities	20,779	0	705	0	0	
Payments in-Lieu-of Taxes - Other	24,617	0	903	196	107	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	
Hotel/Motel Tax	0	0	0	0	64,588	
Litigation Tax - General	100,762	0	0	0	0	
Litigation Tax - Jail, Workhouse, or Courthouse	0	77,498	0	0	0	
Business Tax	266,557	0	0	0	0	
Mineral Severance Tax	0	0	0	0	0	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	31,561	0	1,164	5,829	3,168	
Wholesale Beer Tax	205,601	0	0	0	0	
Interstate Telecommunications Tax	1,654	0	0	0	0	
Other Statutory Local Taxes	643	0	0	0	0	
Total Local Taxes	\$ 7,700,723	\$ 77,498	\$ 254,329	\$ 921,150	\$ 456,759	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 31,420	\$ 0	\$ 881	\$ 5,975	\$ 3,247	
<u>Permits</u>						
Beer Permits	4,858	0	0	0	0	
Building Permits	16,498	0	0	0	20,000	
Other Permits	2,985	0	0	0	0	
Total Licenses and Permits	\$ 55,761	\$ 0	\$ 881	\$ 5,975	\$ 23,247	

(Continued)

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

	General	Special Revenue Funds				Local Purpose Tax
		Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation		
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 19,699	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	13,587	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0
Drug Court Fees	2,664	0	0	0	0	0
Jail Fees	4,350	0	0	0	0	0
DUI Treatment Fines	3,000	0	0	0	0	0
Data Entry Fee - Circuit Court	2,267	0	0	0	0	0
Courtroom Security Fee	220	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	27,792	0	0	0	0	0
Officers Costs	46,271	0	0	0	0	0
Game and Fish Fines	1,747	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0
Drug Court Fees	2,973	0	0	0	0	0
Jail Fees	19,034	0	0	0	0	0
DUI Treatment Fines	8,711	0	0	0	0	0
Data Entry Fee - General Sessions Court	4,990	0	0	0	0	0
Courtroom Security Fee	1,360	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	1,522	0	0	0	0	0
Officers Costs	1,623	0	0	0	0	0
Game and Fish Fines	30	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,537	0	0	0	0	0
Courtroom Security Fee	2	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	1,862	0	0	0	0	0
Data Entry Fee - Chancery Court	630	0	0	0	0	0
<u>Other Courts - In-county</u>						
Drug Court Fees	3,283	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					Local Purpose Tax
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0 \$	0 \$	0 \$	0 \$	0 \$	0
Other Fines, Forfeitures, and Penalties	2,771	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 171,925 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Transfer Waste Stations Collection Charge	0 \$	0 \$	0 \$	10,000 \$		0
Tippling Fees	0	0	0	13,635		0
Other General Service Charges	3,534	0	20,608	0		0
<u>Fees</u>						
Copy Fees	59	0	0	0		0
Greenbelt Late Application Fee	400	0	0	0		0
Telephone Commissions	20,848	0	0	0		0
Vending Machine Collections	346	0	0	0		0
Data Processing Fee - Register	13,498	0	0	0		0
Probation Fees	117,576	0	0	0		0
Data Processing Fee - Sheriff	4,604	0	0	0		0
Sexual Offender Registration Fees - Sheriff	2,700	0	0	0		0
Data Processing Fee - County Clerk	2,624	0	0	0		0
Total Charges for Current Services	\$ 166,189 \$	0 \$	20,608 \$	23,635 \$		0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	0 \$	0 \$	664 \$	212,795 \$		0
Lease/Rentals	18,965	0	0	0		0
Sale of Materials and Supplies	0	0	0	0		0
Sale of Maps	25	0	0	0		0
Sale of Recycled Materials	0	0	0	210,609		0
Miscellaneous Refunds	32,096	0	11	620		0

(Continued)

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

	Special Revenue Funds					Local Purpose Tax
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation		
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 8,097	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions and Gifts	3,699	0	0	0	0	0
<u>Other Local Revenues</u>	34,425	0	1,803	0	0	0
Total Other Local Revenues	\$ 97,307	\$ 0	\$ 2,478	\$ 424,024	\$ 0	0
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 313,154	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	186,460	0	0	0	0	0
General Sessions Court Clerk	236,449	0	0	0	0	0
Clerk and Master	120,172	0	0	0	0	0
Juvenile Court Clerk	43,053	0	0	0	0	0
Register	165,259	0	0	0	0	0
Sheriff	11,859	0	0	0	0	0
Trustee	602,411	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,678,817	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Airport Maintenance Program	42,664	0	0	0	0	0
Solid Waste Grants	0	0	0	24,681	0	0
On-Behalf Contributions for OPEB	783	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	25,800	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	122,633	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					Local Purpose Tax
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation		
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants (Cont.)</u>						
State Aid Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Litter Program	36,871	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	121,911	0	0	0	0	0
Beer Tax	18,724	0	0	0	0	0
Alcoholic Beverage Tax	67,495	0	0	0	0	0
State Revenue Sharing - T.V.A.	993,522	0	0	0	0	0
Contracted Prisoner Boarding	576,975	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	0	0	1,520	0	0	0
Total State of Tennessee	\$ 2,031,542	\$ 0	\$ 1,520	\$ 24,681	\$ 0	0
<u>Federal Government</u>						
Federal Through State						
Community Development	\$ 275,833	\$ 0	\$ 0	\$ 0	\$ 0	0
Disaster Relief	70,883	0	0	0	0	0
Law Enforcement Grants	0	0	0	0	0	0
ARRA Grant # 2	21,633	0	0	0	0	0
ARRA Grant # 4	50,362	0	0	0	0	0
ARRA Grant # 5	210,695	0	0	0	0	0
Other Federal through State	63,453	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Asset Forfeiture Funds	10,879	0	0	0	0	0
Other Direct Federal Revenue	6,691	0	0	0	0	0
Total Federal Government	\$ 710,429	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Local Purpose Tax
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation		
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 6,744	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	76,515	0	29,200	0	0	0
<u>Citizens Groups</u>						
Donations	56,800	0	1,841	0	0	0
<u>Other</u>	36,485	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 176,544	\$ 0	\$ 31,041	\$ 0	\$ 0	0
Total	\$ 12,789,237	\$ 77,498	\$ 310,857	\$ 1,399,465	\$ 480,006	0

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

	Special Revenue Funds			Debt Service Funds			Total
	Drug Control	Highway / Public Works	General Debt Service	Education Debt Service			
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 0	\$ 328,884	\$ 822,219	\$ 1,726,658	\$ 11,064,068		
Trustee's Collections - Prior Year	0	10,637	26,506	55,467	328,169		
Trustee's Collections - Bankruptcy Circuit/Clerk & Master Collections - Prior Years	0	71	179	375	2,195		
Interest and Penalty	0	5,465	13,652	28,683	185,191		
Payments in-Lieu-of Taxes - T.V.A.	0	1,695	4,233	8,883	53,694		
Payments in-Lieu-of Taxes - Local Utilities	0	167	417	877	5,878		
Payments in-Lieu-of Taxes - Other	0	1,028	2,573	5,399	30,484		
<u>County Local Option Taxes</u>	0	1,207	3,020	550,594	580,644		
Local Option Sales Tax	0	0	0	9,363	9,363		
Hotel/Motel Tax	0	0	0	0	64,588		
Litigation Tax - General	0	0	82,662	0	183,424		
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	77,498		
Business Tax	0	0	0	0	266,557		
Mineral Severance Tax	0	36,907	0	0	36,907		
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	1,546	3,864	8,119	55,251		
Wholesale Beer Tax	0	0	0	0	205,601		
Interstate Telecommunications Tax	0	0	0	0	1,654		
Other Statutory Local Taxes	0	0	0	0	643		
Total Local Taxes	\$ 0	\$ 387,607	\$ 959,325	\$ 2,394,418	\$ 13,151,809		
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 0	\$ 1,586	\$ 3,962	\$ 8,324	\$ 55,395		
<u>Permits</u>							
Beer Permits	0	0	0	0	4,858		
Building Permits	0	0	0	0	36,498		
Other Permits	0	0	0	0	2,985		
Total Licenses and Permits	\$ 0	\$ 1,586	\$ 3,962	\$ 8,324	\$ 99,736		

(Continued)

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

	Special Revenue Funds			Debt Service Funds			Total
	Drug Control	Highway / Public Works	Education Debt Service	General Debt Service	Education Debt Service		
<u>Circuit Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	19,699
Officers Costs	0	0	0	0	0	0	13,587
Drug Control Fines	4,155	0	0	0	0	0	4,155
Drug Court Fees	0	0	0	0	0	0	2,664
Jail Fees	0	0	0	0	0	0	4,350
DUI Treatment Fines	0	0	0	0	0	0	3,000
Data Entry Fee - Circuit Court	0	0	0	0	0	0	2,267
Courtroom Security Fee	0	0	0	0	0	0	220
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	27,792
Officers Costs	0	0	0	0	0	0	46,271
Game and Fish Fines	0	0	0	0	0	0	1,747
Drug Control Fines	3,845	0	0	0	0	0	3,845
Drug Court Fees	0	0	0	0	0	0	2,973
Jail Fees	0	0	0	0	0	0	19,034
DUI Treatment Fines	0	0	0	0	0	0	8,711
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	4,990
Courtroom Security Fee	0	0	0	0	0	0	1,360
<u>Juvenile Court</u>							
Fines	0	0	0	0	0	0	1,522
Officers Costs	0	0	0	0	0	0	1,623
Game and Fish Fines	0	0	0	0	0	0	30
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	1,537
Courtroom Security Fee	0	0	0	0	0	0	2
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	1,862
Data Entry Fee - Chancery Court	0	0	0	0	0	0	630
<u>Other Courts - In-county</u>							
Drug Court Fees	0	0	0	0	0	0	3,283

(Continued)

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

	Special Revenue Funds			Debt Service Funds			Total
	Drug Control	Highway / Public Works	General Debt Service	Education Debt Service			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	\$ 35,046	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,046
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	2,771
Total Fines, Forfeitures, and Penalties	\$ 43,046	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 214,971
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Transfer Waste Stations Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,000
Tipping Fees	0	0	0	0	0	0	13,635
Other General Service Charges	0	491	0	0	0	0	24,633
<u>Fees</u>							
Copy Fees	0	0	0	0	0	0	59
Greenbelt Late Application Fee	0	0	0	0	0	0	400
Telephone Commissions	0	0	0	0	0	0	20,848
Vending Machine Collections	0	0	0	0	0	0	346
Data Processing Fee - Register	0	0	0	0	0	0	13,498
Probation Fees	0	0	0	0	0	0	117,576
Data Processing Fee - Sheriff	0	0	0	0	0	0	4,604
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	2,700
Data Processing Fee - County Clerk	0	0	0	0	0	0	2,624
Total Charges for Current Services	\$ 0	\$ 491	\$ 0	\$ 0	\$ 0	\$ 0	\$ 210,923
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 213,459
Lease/Rentals	0	0	0	0	0	0	18,965
Sale of Materials and Supplies	0	1,143	0	0	0	0	1,143
Sale of Maps	0	0	0	0	0	0	25
Sale of Recycled Materials	0	0	0	0	0	0	210,609
Miscellaneous Refunds	2,600	2,510	0	0	0	0	37,837

(Continued)

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

	Special Revenue Funds			Debt Service Funds			Total
	Drug Control	Highway / Public Works	General Debt Service	Education Debt Service	General Debt Service	Education Debt Service	
<u>Other Local Revenues (Cont.)</u>							
<u>Nonrecurring Items</u>							
Sale of Equipment	3,710 \$	24,125 \$	0 \$	0 \$	0 \$	0 \$	35,932
Contributions and Gifts	0	0	0	0	0	0	3,699
<u>Other Local Revenues</u>							
Other Local Revenues	0	3,038	0	0	0	0	39,266
Total Other Local Revenues	6,310 \$	30,816 \$	0 \$	0 \$	0 \$	0 \$	560,935
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	313,154
Circuit Court Clerk	0	0	0	0	0	0	186,460
General Sessions Court Clerk	0	0	0	0	0	0	236,449
Clerk and Master	0	0	0	0	0	0	120,172
Juvenile Court Clerk	0	0	0	0	0	0	43,053
Register	0	0	0	0	0	0	165,259
Sheriff	0	0	0	0	0	0	11,859
Trustee	0	0	0	0	0	0	602,411
Total Fees Received from County Officials	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,678,817
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	9,000
Airport Maintenance Program	0	0	0	0	0	0	42,664
Solid Waste Grants	0	0	0	0	0	0	24,681
On-Behalf Contributions for OPEB	0	0	0	0	0	0	783
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	0	25,800
Health and Welfare Grants	0	0	0	0	0	0	122,633
Health Department Programs	0	0	0	0	0	0	122,633
<u>Public Works Grants</u>							
Bridge Program	0	106,341	0	0	0	0	106,341

(Continued)

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

	Special Revenue Funds			Debt Service Funds			Total
	Drug Control	Highway / Public Works	Education Debt Service	General Debt Service	Education Debt Service		
<u>State of Tennessee (Cont.)</u>							
<u>Public Works Grants (Cont.)</u>							
State Aid Program	\$ 0	\$ 141,861	\$ 0	\$ 0	\$ 0	\$ 141,861	
Litter Program	0	0	0	0	0	36,871	
<u>Other State Revenues</u>							
Income Tax	0	0	0	0	0	121,911	
Beer Tax	0	0	0	0	0	18,724	
Alcoholic Beverage Tax	0	0	0	0	0	67,495	
State Revenue Sharing - T.V.A.	0	0	0	0	0	993,522	
Contracted Prisoner Boarding	0	0	0	0	0	576,975	
Gasoline and Motor Fuel Tax	0	1,923,078	0	0	0	1,923,078	
Petroleum Special Tax	0	31,538	0	0	0	31,538	
Registrar's Salary Supplement	0	0	0	0	0	15,164	
Other State Grants	0	0	0	0	0	1,520	
Total State of Tennessee	\$ 0	\$ 2,202,818	\$ 0	\$ 0	\$ 0	\$ 4,260,561	
<u>Federal Government</u>							
Federal Through State							
Community Development	0	0	0	0	0	275,833	
Disaster Relief	0	0	0	0	0	70,883	
Law Enforcement Grants	18,555	0	0	0	0	18,555	
ARRA Grant No. 2	0	0	0	0	0	21,633	
ARRA Grant No. 4	0	0	0	0	0	50,362	
ARRA Grant No. 5	0	0	0	0	0	210,695	
Other Federal through State	0	0	0	0	0	63,453	
<u>Direct Federal Revenue</u>							
Asset Forfeiture Funds	0	0	0	0	0	10,879	
Other Direct Federal Revenue	1,351	37,648	0	0	0	45,690	
Total Federal Government	\$ 19,906	\$ 37,648	\$ 0	\$ 0	\$ 0	\$ 767,953	

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Funds		Total
	Drug Control	Highway / Public Works	General Debt Service	Education Debt Service		
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,744	
Contributions	0	0	0	760,000	865,715	
<u>Citizens Groups</u>						
Donations	1,075	0	0	0	59,716	
<u>Other</u>	0	0	0	0	36,485	
Total Other Governments and Citizens Groups	\$ 1,075	\$ 0	\$ 0	\$ 760,000	\$ 968,660	
Total	\$ 70,337	\$ 2,660,966	\$ 963,287	\$ 3,162,742	\$ 21,914,395	

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, 2011

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 8,533,783	\$ 0	\$ 0	\$ 0	\$ 8,533,783
Trustee's Collections - Prior Year	289,973	0	0	0	289,973
Trustee's Collections - Bankruptcy	1,853	0	0	0	1,853
Circuit/Clerk & Master Collections - Prior Years	141,808	0	0	0	141,808
Interest and Penalty	44,076	0	0	0	44,076
Payments in-Lieu-of Taxes - T.V.A.	4,336	0	0	0	4,336
Payments in-Lieu-of Taxes - Local Utilities	26,689	0	0	0	26,689
Payments in-Lieu-of Taxes - Other	31,324	0	0	0	31,324
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,930,600	0	0	0	3,930,600
<u>Statutory Local Taxes</u>					
Bank Excise Tax	40,157	0	0	0	40,157
Interstate Telecommunications Tax	2,742	0	0	0	2,742
Total Local Taxes	\$ 13,047,341	\$ 0	\$ 0	\$ 0	\$ 13,047,341
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,632	\$ 0	\$ 0	\$ 0	\$ 2,632
Cable TV Franchise	41,155	0	0	0	41,155
Total Licenses and Permits	\$ 43,787	\$ 0	\$ 0	\$ 0	\$ 43,787
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Summer School	\$ 400	\$ 0	\$ 0	\$ 0	\$ 400
Tuition - Other	295,918	0	0	0	295,918
Lunch Payments - Children	0	0	683,802	0	683,802
Lunch Payments - Adults	0	0	70,456	0	70,456
Income from Breakfast	0	0	61,109	0	61,109
Special Milk Sales	0	0	11,473	0	11,473
A la carte Sales	0	0	371,406	0	371,406
Total Charges for Current Services	\$ 296,318	\$ 0	\$ 1,198,246	\$ 0	\$ 1,494,564
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 7,822	\$ 0	\$ 8,489	\$ 482	\$ 16,793
Lease/Rentals	12,204	0	0	0	12,204
Refund of Telecommunication and Internet Fees (E-Rate)	34,352	0	0	0	34,352
Commodity Rebates	0	0	9,333	0	9,333
Miscellaneous Refunds	282,059	0	5,797	0	287,856
<u>Nonrecurring Items</u>					
Sale of Equipment	11,546	0	0	0	11,546
Contributions and Gifts	95,162	0	0	0	95,162
Total Other Local Revenues	\$ 443,145	\$ 0	\$ 23,619	\$ 482	\$ 467,246
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 150,337	\$ 0	\$ 0	\$ 0	\$ 150,337

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 22,800,768	\$ 0	\$ 0	\$ 0	\$ 22,800,768
Basic Education Program - ARRA	2,567,232	0	0	0	2,567,232
Early Childhood Education	1,122,347	0	0	0	1,122,347
School Food Service	0	0	32,222	0	32,222
Driver Education	4,199	0	0	0	4,199
Other State Education Funds	6,816	0	0	0	6,816
Coordinated School Health - ARRA	124,993	0	0	0	124,993
Family Resource Centers - ARRA	33,042	0	0	0	33,042
Statewide Student Management System (SSMS) - ARRA	14,906	0	0	0	14,906
Career Ladder Program	262,034	0	0	0	262,034
Career Ladder - Extended Contract - ARRA	84,534	0	0	0	84,534
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	50,000	0	0	0	50,000
Safe Schools - ARRA	31,600	0	0	0	31,600
Other State Revenues	1,000	0	0	0	1,000
Total State of Tennessee	\$ 27,253,808	\$ 0	\$ 32,222	\$ 0	\$ 27,286,030
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,259,118	\$ 0	\$ 1,259,118
USDA - Commodities	0	0	212,729	0	212,729
Breakfast	0	0	513,672	0	513,672
USDA - Other	0	0	82,782	0	82,782
Adult Education State Grant Program	95,741	0	0	0	95,741
Vocational Education - Basic Grants to States	0	97,273	0	0	97,273
Other Vocational	0	82,792	0	0	82,792
Title I Grants to Local Education Agencies	0	1,583,178	0	0	1,583,178
Special Education - Grants to States	42,125	1,937,410	0	0	1,979,535
Special Education Preschool Grants	0	75,517	0	0	75,517
Safe and Drug-free Schools - State Grants	0	13,594	0	0	13,594
Eisenhower Professional Development State Grants	0	278,036	0	0	278,036
Job Training Partnership Act	70,199	0	0	0	70,199
Race to the Top - ARRA	0	525,780	0	0	525,780
Other Federal through State	191,758	1,370,389	0	0	1,562,147
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	42,908	0	0	0	42,908
Other Direct Federal Revenue	126,634	0	0	0	126,634
Total Federal Government	\$ 569,365	\$ 5,963,969	\$ 2,068,301	\$ 0	\$ 8,601,635
<u>Other Governments and Citizens Groups</u>					
<u>Other</u>					
Other	\$ 190,232	\$ 0	\$ 0	\$ 0	\$ 190,232
Total Other Governments and Citizens Groups	\$ 190,232	\$ 0	\$ 0	\$ 0	\$ 190,232
Total	\$ 41,843,996	\$ 5,963,969	\$ 3,322,388	\$ 482	\$ 51,130,835

Exhibit J-7

Franklin County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2011

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	68,956	
Social Security		3,667	
Employer Medicare		999	
Audit Services		16,900	
Dues and Memberships		12,045	
Legal Services		2,591	
Legal Notices, Recording, and Court Costs		4,045	
Travel		1,299	
Office Supplies		9,337	
Premiums on Corporate Surety Bonds		2,128	
Refunds		450	
In Service/Staff Development		1,170	
Tax Relief Program		89,132	
Other Charges		37,504	
Total County Commission			\$ 250,223

Beer Board

Legal Notices, Recording, and Court Costs	\$	263	
Travel		244	
Total Beer Board			507

County Mayor/Executive

County Official/Administrative Officer	\$	73,866	
Assistant(s)		30,165	
Educational Incentive - Other County Employees		1,000	
Overtime Pay		106	
Social Security		6,397	
State Retirement		11,920	
Life Insurance		105	
Medical Insurance		11,761	
Disability Insurance		667	
Unemployment Compensation		139	
Employer Medicare		1,496	
Communication		599	
Dues and Memberships		1,614	
Maintenance Agreements		2,476	
Postal Charges		132	
Travel		4,612	
Office Supplies		962	
Premiums on Corporate Surety Bonds		275	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Office Equipment	\$ 167	
Total County Mayor/Executive		\$ 148,459

County Attorney

Dues and Memberships	\$ 100	
Legal Services	8,400	
Total County Attorney		8,500

Election Commission

County Official/Administrative Officer	\$ 57,559	
Deputy(ies)	24,796	
Educational Incentive - Official/Admin Officer	850	
Longevity Pay	540	
Overtime Pay	2,617	
Other Salaries and Wages	14,922	
Election Commission	2,255	
Election Workers	47,223	
Social Security	6,916	
State Retirement	11,096	
Life Insurance	94	
Medical Insurance	9,033	
Disability Insurance	648	
Unemployment Compensation	443	
Employer Medicare	1,618	
Communication	1,193	
Data Processing Services	55,339	
Dues and Memberships	225	
Legal Notices, Recording, and Court Costs	5,895	
Maintenance Agreements	1,677	
Maintenance and Repair Services - Equipment	448	
Postal Charges	6,266	
Printing, Stationery, and Forms	5,969	
Travel	2,387	
Other Contracted Services	5,000	
Data Processing Supplies	565	
Office Supplies	2,855	
Other Supplies and Materials	936	
In Service/Staff Development	1,503	
Total Election Commission		270,868

(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

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		111,014	
Educational Incentive - Other County Employees		3,400	
Longevity Pay		2,700	
Overtime Pay		118	
Social Security		10,803	
State Retirement		23,857	
Life Insurance		234	
Medical Insurance		28,769	
Disability Insurance		1,434	
Unemployment Compensation		360	
Employer Medicare		2,527	
Communication		504	
Data Processing Services		13,127	
Dues and Memberships		637	
Maintenance Agreements		204	
Maintenance and Repair Services - Office Equipment		1,194	
Postal Charges		1,139	
Travel		1,235	
Other Contracted Services		3,630	
Office Supplies		10,720	
Premiums on Corporate Surety Bonds		100	
In Service/Staff Development		1,750	
Furniture and Fixtures		3,758	
Total Register of Deeds			\$ 287,168

Planning

Assistant(s)	\$	14,090
Supervisor/Director		53,014
Deputy(ies)		31,519
Educational Incentive - Official/Admin Officer		850
Educational Incentive - Other County Employees		850
Longevity Pay		1,200
Other Salaries and Wages		223
Social Security		6,237
State Retirement		13,375
Life Insurance		133
Medical Insurance		9,753
Disability Insurance		841
Unemployment Compensation		218

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Employer Medicare	\$	1,459	
Communication		705	
Contracts with Government Agencies		11,250	
Dues and Memberships		640	
Legal Notices, Recording, and Court Costs		1,461	
Maintenance Agreements		1,100	
Maintenance and Repair Services - Office Equipment		2,125	
Maintenance and Repair Services - Vehicles		159	
Postal Charges		714	
Travel		844	
Gasoline		1,373	
Library Books/Media		54	
Office Supplies		1,629	
In Service/Staff Development		3,567	
Office Equipment		1,425	
Total Planning			\$ 160,808

County Buildings

Assistant(s)	\$	139,640
Supervisor/Director		28,508
Longevity Pay		2,220
Overtime Pay		1,114
Social Security		10,204
State Retirement		22,486
Life Insurance		413
Medical Insurance		46,233
Disability Insurance		1,442
Unemployment Compensation		746
Employer Medicare		2,386
Communication		52,877
Engineering Services		11,481
Maintenance Agreements		7,634
Maintenance and Repair Services - Buildings		41,247
Maintenance and Repair Services - Equipment		693
Maintenance and Repair Services - Vehicles		1,678
Pest Control		8,824
Disposal Fees		4,490
Other Contracted Services		42,664
Custodial Supplies		18,854
Gasoline		2,341

(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.)

Uniforms	\$	4,757	
Utilities		214,637	
Other Supplies and Materials		297	
Principal on Capital Leases		55,787	
Interest on Capital Leases		12,586	
Building Construction		1,282	
Building Improvements		357,477	
Total County Buildings			\$ 1,094,998

Other General Administration

On-Behalf Payments to OPEB	\$	783	
Communication		1,469	
Maintenance Agreements		1,200	
Other Contracted Services		460	
Data Processing Supplies		449	
Other Charges		456	
Data Processing Equipment		17,960	
Total Other General Administration			22,777

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		131,031	
Educational Incentive - Other County Employees		8,100	
Longevity Pay		4,020	
Other Salaries and Wages		49,068	
Board and Committee Members Fees		3,680	
Social Security		15,761	
State Retirement		33,715	
Life Insurance		328	
Medical Insurance		38,450	
Disability Insurance		2,031	
Unemployment Compensation		540	
Employer Medicare		3,686	
Communication		87	
Contracts with Government Agencies		19,739	
Contracts with Private Agencies		26,165	
Dues and Memberships		1,280	
Maintenance Agreements		6,163	
Maintenance and Repair Services - Vehicles		2,330	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Postal Charges	\$	1,450	
Travel		189	
Gasoline		3,864	
Office Supplies		3,326	
In Service/Staff Development		2,439	
Other Charges		51	
Office Equipment		<u>15,145</u>	
Total Property Assessor's Office	\$		436,592

County Trustee's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		106,509	
Educational Incentive - Other County Employees		3,400	
Longevity Pay		2,760	
Other Salaries and Wages		786	
Social Security		10,210	
State Retirement		23,358	
Life Insurance		234	
Medical Insurance		28,747	
Disability Insurance		1,420	
Unemployment Compensation		367	
Employer Medicare		2,385	
Data Processing Services		10,946	
Dues and Memberships		647	
Maintenance Agreements		549	
Postal Charges		9,328	
Travel		1,231	
Other Contracted Services		6,691	
Office Supplies		4,265	
Premiums on Corporate Surety Bonds		8,258	
In Service/Staff Development		<u>1,975</u>	
Total County Trustee's Office			288,020

County Clerk's Office

County Official/Administrative Officer	\$	63,954
Deputy(ies)		230,832
Part-time Personnel		7,301
Educational Incentive - Other County Employees		4,250
Longevity Pay		6,420
Overtime Pay		86

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Social Security	\$	18,849	
State Retirement		37,219	
Life Insurance		335	
Medical Insurance		47,879	
Disability Insurance		1,653	
Unemployment Compensation		810	
Employer Medicare		4,408	
Communication		66	
Data Processing Services		16,131	
Dues and Memberships		662	
Maintenance Agreements		4,018	
Postal Charges		7,666	
Travel		1,968	
Other Contracted Services		125	
Office Supplies		7,696	
Premiums on Corporate Surety Bonds		116	
In Service/Staff Development		595	
Data Processing Equipment		16,166	
Furniture and Fixtures		184	
Total County Clerk's Office			\$ 479,389

Other Finance

Supervisor/Director	\$	60,000
Deputy(ies)		50,000
Accountants/Bookkeepers		247,351
Educational Incentive - Official/Admin Officer		850
Educational Incentive - Other County Employees		5,100
Longevity Pay		6,660
Social Security		22,194
State Retirement		46,596
Life Insurance		468
Medical Insurance		53,684
Disability Insurance		2,787
Unemployment Compensation		966
Employer Medicare		5,190
Communication		1,913
Data Processing Services		26,966
Dues and Memberships		745
Maintenance Agreements		2,635
Postal Charges		7,306

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Other Finance (Cont.)

Travel	\$	4,055	
Other Contracted Services		652	
Office Supplies		19,107	
Premiums on Corporate Surety Bonds		630	
In Service/Staff Development		3,945	
Other Charges		503	
Total Other Finance			\$ 570,303

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		460,133	
Part-time Personnel		25,513	
Longevity Pay		4,920	
Overtime Pay		4,010	
Jury and Witness Expense		8,642	
Social Security		33,649	
State Retirement		66,802	
Life Insurance		660	
Medical Insurance		72,223	
Disability Insurance		3,719	
Unemployment Compensation		1,628	
Employer Medicare		7,870	
Communication		2,271	
Data Processing Services		10,997	
Dues and Memberships		512	
Legal Notices, Recording, and Court Costs		142	
Maintenance Agreements		10,813	
Postal Charges		10,805	
Travel		1,194	
Other Contracted Services		925	
Library Books/Media		984	
Office Supplies		16,246	
Premiums on Corporate Surety Bonds		116	
In Service/Staff Development		250	
Other Charges		107	
Data Processing Equipment		9,576	
Furniture and Fixtures		1,500	
Total Circuit Court			820,161

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

County Official/Administrative Officer	\$	138,676	
Deputy(ies)		66,559	
Longevity Pay		1,020	
Social Security		10,664	
State Retirement		27,092	
Life Insurance		138	
Medical Insurance		16,989	
Disability Insurance		1,595	
Unemployment Compensation		180	
Employer Medicare		2,936	
Communication		1,140	
Maintenance and Repair Services - Equipment		1,324	
Postal Charges		169	
Travel		732	
Library Books/Media		218	
Office Supplies		808	
In Service/Staff Development		215	
Office Equipment		491	
Total General Sessions Court			\$ 270,946

Drug Court

Supervisor/Director	\$	39,797	
Social Security		2,429	
State Retirement		3,051	
Life Insurance		47	
Medical Insurance		5,779	
Disability Insurance		54	
Unemployment Compensation		96	
Employer Medicare		568	
Communication		1,653	
Other Contracted Services		4,320	
Total Drug Court			57,794

Chancery Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		56,105	
Longevity Pay		1,920	
Social Security		7,312	
State Retirement		16,054	
Life Insurance		140	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Medical Insurance	\$	17,406	
Disability Insurance		1,001	
Unemployment Compensation		270	
Employer Medicare		1,710	
Communication		25	
Data Processing Services		7,457	
Dues and Memberships		512	
Maintenance Agreements		1,234	
Postal Charges		2,500	
Travel		606	
Other Contracted Services		52	
Library Books/Media		494	
Office Supplies		2,389	
Premiums on Corporate Surety Bonds		181	
Data Processing Equipment		6,385	
Total Chancery Court			\$ 187,707

Juvenile Court

Assistant(s)	\$	44,079	
Deputy(ies)		36,438	
Longevity Pay		720	
Social Security		4,942	
State Retirement		10,694	
Life Insurance		74	
Medical Insurance		9,879	
Disability Insurance		483	
Unemployment Compensation		180	
Employer Medicare		1,156	
Communication		669	
Travel		991	
Office Supplies		122	
In Service/Staff Development		155	
Total Juvenile Court			110,582

Judicial Commissioners

County Official/Administrative Officer	\$	76,081	
Part-time Personnel		8,385	
Longevity Pay		840	
Social Security		4,757	
State Retirement		9,658	

(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.)

Life Insurance	\$	143	
Medical Insurance		17,529	
Disability Insurance		654	
Unemployment Compensation		370	
Employer Medicare		1,119	
Dues and Memberships		175	
Travel		1,454	
Office Supplies		174	
In Service/Staff Development		360	
Total Judicial Commissioners			\$ 121,699

Other Administration of Justice

Other Contracted Services	\$	5,450	
Total Other Administration of Justice			5,450

Probation Services

Supervisor/Director	\$	41,396	
Part-time Personnel		22,136	
Longevity Pay		660	
Other Salaries and Wages		104	
Social Security		3,877	
State Retirement		8,180	
Life Insurance		90	
Medical Insurance		11,233	
Disability Insurance		545	
Unemployment Compensation		200	
Employer Medicare		907	
Communication		12	
Drugs and Medical Supplies		2,498	
Office Supplies		1,471	
Data Processing Equipment		200	
Total Probation Services			93,509

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	70,350	
Assistant(s)		57,897	
Supervisor/Director		84,779	
Deputy(ies)		547,430	
Investigator(s)		190,408	

(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.)

Captain(s)	\$	96,340
Sergeant(s)		157,514
Accountants/Bookkeepers		56,861
Instructional Computer Personnel		36,185
Salary Supplements		27,000
Guards		181,508
Part-time Personnel		32,571
School Resource Officer		102,104
Longevity Pay		14,220
Overtime Pay		46,587
Other Salaries and Wages		6,939
Social Security		103,227
State Retirement		196,586
Life Insurance		1,622
Medical Insurance		198,081
Disability Insurance		10,630
Unemployment Compensation		4,642
Employer Medicare		24,291
Other Fringe Benefits		654
Communication		27,012
Contracts with Private Agencies		7,812
Dues and Memberships		2,615
Maintenance Agreements		17,753
Maintenance and Repair Services - Equipment		2,843
Maintenance and Repair Services - Vehicles		79,343
Medical and Dental Services		300
Postal Charges		1,000
Travel		11,439
Gasoline		178,147
Law Enforcement Supplies		10,162
Office Supplies		9,167
Tires and Tubes		21,725
Uniforms		12,514
Other Supplies and Materials		2,336
Building and Contents Insurance		30,041
Liability Insurance		50,838
Premiums on Corporate Surety Bonds		531
Vehicle and Equipment Insurance		34,663
In Service/Staff Development		7,335
Constitutional Officers' Operating Expenses		10,581

(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.)

Other Charges	\$	15,754	
Principal on Capital Leases		114,361	
Interest on Capital Leases		9,179	
Communication Equipment		3,518	
Data Processing Equipment		4,219	
Law Enforcement Equipment		9,850	
Motor Vehicles		15,386	
Total Sheriff's Department			\$ 2,938,850

Administration of the Sexual Offender Registry

Guards	\$	10,916	
Social Security		677	
Unemployment Compensation		138	
Employer Medicare		158	
Remittance of Revenue Collected		50	
Office Supplies		95	
Total Administration of the Sexual Offender Registry			12,034

Jail

Assistant(s)	\$	48,170	
Deputy(ies)		31,951	
Medical Personnel		74,726	
Guards		427,067	
Clerical Personnel		23,213	
Cafeteria Personnel		42,562	
Part-time Personnel		36,519	
Longevity Pay		4,500	
Overtime Pay		6,771	
Other Salaries and Wages		2,071	
Social Security		41,369	
State Retirement		79,681	
Life Insurance		1,252	
Medical Insurance		138,227	
Disability Insurance		5,138	
Unemployment Compensation		2,858	
Employer Medicare		9,675	
Maintenance Agreements		6,771	
Maintenance and Repair Services - Buildings		8,994	
Maintenance and Repair Services - Equipment		21,141	
Medical and Dental Services		18,305	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Pest Control	\$	750	
Transportation - Other than Students		1,480	
Travel		3,078	
Custodial Supplies		40,151	
Food Supplies		189,938	
Law Enforcement Supplies		230	
Prisoners Clothing		13,061	
Uniforms		3,002	
Utilities		115,908	
Other Supplies and Materials		2,676	
Medical Claims		144,968	
In Service/Staff Development		1,060	
Other Charges		4,304	
Principal on Notes		13,861	
Interest on Notes		83	
Principal on Capital Leases		16,442	
Other Debt Service		205	
Data Processing Equipment		1,103	
Motor Vehicles		41,158	
Other Equipment		1,045	
Total Jail			\$ 1,625,464

Correctional Incentive Program Improvements

Other Supplies and Materials	\$	883	
In Service/Staff Development		265	
Total Correctional Incentive Program Improvements			1,148

Juvenile Services

Contracts with Private Agencies	\$	8,400	
Other Contracted Services		6,112	
Total Juvenile Services			14,512

Civil Defense

Assistant(s)	\$	24,435	
Supervisor/Director		43,867	
Longevity Pay		1,080	
Overtime Pay		13,327	
Social Security		5,086	
State Retirement		10,903	
Life Insurance		94	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Medical Insurance	\$	5,716	
Disability Insurance		570	
Unemployment Compensation		180	
Employer Medicare		1,189	
Communication		3,758	
Dues and Memberships		300	
Maintenance and Repair Services - Buildings		1,556	
Maintenance and Repair Services - Equipment		4,940	
Maintenance and Repair Services - Vehicles		2,419	
Postal Charges		122	
Travel		403	
Other Contracted Services		7,116	
Diesel Fuel		2,142	
Gasoline		3,475	
Office Supplies		2,839	
Other Supplies and Materials		3,403	
In Service/Staff Development		400	
Other Charges		2,556	
Other Equipment		4,860	
Total Civil Defense			\$ 146,736

Rescue Squad

Dues and Memberships	\$	266	
Diesel Fuel		549	
Gasoline		704	
Other Supplies and Materials		2,774	
In Service/Staff Development		552	
Other Charges		500	
Other Equipment		23,520	
Total Rescue Squad			28,865

Other Emergency Management

Assistant(s)	\$	31,179	
Supervisor/Director		39,797	
Dispatchers/Radio Operators		367,497	
Longevity Pay		4,440	
Overtime Pay		17,830	
Other Salaries and Wages		2,900	
Social Security		27,863	
State Retirement		56,114	

(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.)

Life Insurance	\$	718	
Medical Insurance		81,422	
Disability Insurance		3,366	
Unemployment Compensation		1,526	
Employer Medicare		6,516	
Other Fringe Benefits		2,285	
Communication		24,162	
Contracts with Private Agencies		57,659	
Maintenance and Repair Services - Equipment		8,950	
Maintenance and Repair Services - Vehicles		385	
Postal Charges		153	
Travel		6,754	
Gasoline		1,484	
Office Supplies		5,415	
Uniforms		1,402	
Other Supplies and Materials		2,097	
In Service/Staff Development		3,510	
Other Charges		1	
Communication Equipment		647	
Data Processing Equipment		3,962	
Other Equipment		513	
Total Other Emergency Management			\$ 760,547

County Coroner/Medical Examiner

Other Contracted Services	\$	6,000	
Medical Claims		15,650	
Total County Coroner/Medical Examiner			21,650

Public Safety Grant Programs

Overtime Pay	\$	6,598	
Other Fringe Benefits		716	
In Service/Staff Development		896	
Communication Equipment		36,174	
Land		51,863	
Other Equipment		25,575	
Other Capital Outlay		52,797	
Total Public Safety Grant Programs			174,619

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Communication	\$	1,167	
Dues and Memberships		200	
Janitorial Services		9,840	
Maintenance and Repair Services - Buildings		2,312	
Custodial Supplies		3,093	
Office Supplies		624	
Utilities		15,041	
Building and Contents Insurance		2,920	
Liability Insurance		466	
Total Local Health Center			\$ 35,663

Rabies and Animal Control

Assistant(s)	\$	74,254	
Supervisor/Director		11,406	
Overtime Pay		2,044	
Social Security		5,365	
State Retirement		11,509	
Life Insurance		140	
Medical Insurance		18,188	
Disability Insurance		616	
Unemployment Compensation		285	
Employer Medicare		1,255	
Communication		1,988	
Dues and Memberships		150	
Licenses		326	
Maintenance and Repair Services - Buildings		3,458	
Maintenance and Repair Services - Vehicles		3,173	
Postal Charges		150	
Other Contracted Services		58,535	
Animal Food and Supplies		3,904	
Diesel Fuel		5,572	
Drugs and Medical Supplies		2,879	
Gasoline		8,274	
Instructional Supplies and Materials		187	
Office Supplies		195	
Uniforms		1,413	
Other Supplies and Materials		3,940	
In Service/Staff Development		150	
Other Equipment		889	
Total Rabies and Animal Control			220,245

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Crippled Children Services

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

Other Local Health Services

Secretary(ies)	\$ 20,817	
Longevity Pay	960	
Other Salaries and Wages	58,475	
Social Security	4,869	
State Retirement	6,697	
Life Insurance	98	
Medical Insurance	12,622	
Disability Insurance	415	
Unemployment Compensation	440	
Employer Medicare	1,139	
Maintenance and Repair Services - Equipment	5,100	
Travel	8,433	
Other Contracted Services	5,533	
In Service/Staff Development	90	
Total Other Local Health Services		125,688

Regional Mental Health Center

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

Appropriation to State

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

General Welfare Assistance

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

Waste Pickup

Laborers	\$ 35,023	
Other Salaries and Wages	360	
Social Security	2,171	
State Retirement	4,668	
Life Insurance	82	
Medical Insurance	1,919	
Disability Insurance	328	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Unemployment Compensation	\$	111	
Employer Medicare		508	
Contracts with Other Public Agencies		12,002	
Travel		92	
Other Supplies and Materials		695	
In Service/Staff Development		600	
Total Waste Pickup			\$ 58,559

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	22,050	
Maintenance and Repair Services - Buildings		3,250	
Custodial Supplies		2,091	
Total Senior Citizens Assistance			27,391

Parks and Fair Boards

Supervisor/Director	\$	7,181	
Other Salaries and Wages		10,016	
Social Security		1,066	
Unemployment Compensation		172	
Employer Medicare		249	
Communication		199	
Contributions		19,128	
Maintenance Agreements		557	
Maintenance and Repair Services - Buildings		2,225	
Other Supplies and Materials		1,609	
Total Parks and Fair Boards			42,402

Agriculture and Natural Resources

Agriculture Extension Service

Other Salaries and Wages	\$	74,269	
Social Security		374	
Unemployment Compensation		60	
Employer Medicare		88	
Other Fringe Benefits		8,134	
Communication		1,845	
Other Contracted Services		1,132	
Total Agriculture Extension Service			85,902

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Secretary to Board	\$	22,446	
Other Salaries and Wages		24,701	
Social Security		2,769	
State Retirement		6,175	
Life Insurance		94	
Medical Insurance		11,716	
Disability Insurance		361	
Unemployment Compensation		180	
Employer Medicare		648	
Dues and Memberships		50	
Travel		1,572	
Premiums on Corporate Surety Bonds		468	
In Service/Staff Development		833	
Other Charges		1,466	
Total Soil Conservation			\$ 73,479

Other Operations

Industrial Development

Assistant(s)	\$	32,150	
Supervisor/Director		71,219	
Longevity Pay		1,500	
Social Security		6,414	
State Retirement		13,794	
Life Insurance		94	
Medical Insurance		11,627	
Disability Insurance		868	
Unemployment Compensation		180	
Employer Medicare		1,500	
Advertising		1,300	
Communication		133	
Contracts with Government Agencies		10,000	
Dues and Memberships		274	
Maintenance Agreements		2,765	
Postal Charges		700	
Travel		4,237	
Office Supplies		932	
Premiums on Corporate Surety Bonds		100	
In Service/Staff Development		1,455	
Other Charges		1,224	
Data Processing Equipment		810	
Total Industrial Development			163,276

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development

Contracts with Government Agencies	\$	98,773	
Other Charges		293,193	
Total Other Economic and Community Development			\$ 391,966

Veterans' Services

Supervisor/Director	\$	15,108	
Social Security		937	
Unemployment Compensation		90	
Employer Medicare		219	
Dues and Memberships		25	
Postal Charges		88	
Travel		663	
Office Supplies		229	
Total Veterans' Services			17,359

Other Charges

On-Behalf Payments to OPEB	\$	20,597	
Medical and Dental Services		1,560	
Building and Contents Insurance		43,856	
Liability Insurance		51,740	
Medical Claims		35,405	
Trustee's Commission		163,419	
Vehicle and Equipment Insurance		51,224	
Workers' Compensation Insurance		130,406	
Other Self-Insured Claims		12,753	
Other Charges		9,133	
Total Other Charges			520,093

Contributions to Other Agencies

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

ARRA Grant # 2

Other Salaries and Wages	\$	6,765	
Social Security		389	
Employer Medicare		91	
Other Contracted Services		14,800	
Total ARRA Grant # 2			22,045

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

ARRA Grant # 4

Other Salaries and Wages	\$	45,657	
Social Security		2,831	
Unemployment Compensation		255	
Employer Medicare		662	
Travel		626	
Other Supplies and Materials		101	
In Service/Staff Development		230	
Total ARRA Grant # 4			\$ 50,362

ARRA Grant # 5

Other Salaries and Wages	\$	188,264	
Social Security		10,798	
Unemployment Compensation		810	
Employer Medicare		2,730	
Travel		4,437	
Other Supplies and Materials		2,914	
Other Equipment		214	
Total ARRA Grant # 5			210,167

ARRA Grant # 6

Other Contracted Services	\$	528	
Total ARRA Grant # 6			528

Total General Fund \$ 13,576,557

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Assistant(s)	\$	30,244
Supervisor/Director		39,797
Librarians		22,838
Longevity Pay		1,800
Other Salaries and Wages		35,946
Social Security		7,895
State Retirement		14,428
Life Insurance		187
Medical Insurance		23,122
Disability Insurance		998
Unemployment Compensation		581
Employer Medicare		1,846

(Continued)

Exhibit J-7

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

Public Library Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Communication	\$	1,424	
Dues and Memberships		221	
Maintenance and Repair Services - Buildings		9,127	
Maintenance and Repair Services - Office Equipment		1,783	
Travel		802	
Other Contracted Services		350	
Library Books/Media		25,824	
Other Supplies and Materials		3,732	
Other Charges		2,290	
Office Equipment		2,641	
Total Libraries			\$ 227,876

Other Operations

Other Charges

Utilities	\$	18,882	
Building and Contents Insurance		2,869	
Liability Insurance		982	
Trustee's Commission		5,209	
Workers' Compensation Insurance		3,088	
Total Other Charges			<u>31,030</u>

Total Public Library Fund \$ 258,906

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Advertising	\$	568	
Other Supplies and Materials		805	
Total Sanitation Education/Information			\$ 1,373

Convenience Centers

Laborers	\$	163,773	
Social Security		10,154	
Unemployment Compensation		1,533	
Employer Medicare		2,375	
Communication		5,025	
Maintenance and Repair Services - Buildings		4,844	
Maintenance and Repair Services - Equipment		14,086	
Utilities		11,163	
Other Supplies and Materials		2,719	
Total Convenience Centers			215,672

(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

Supervisor/Director	\$	53,014	
Deputy(ies)		33,113	
Foremen		29,980	
Mechanic(s)		27,207	
Equipment Operators - Light		48,901	
Truck Drivers		20,305	
Laborers		86,303	
Educational Incentive - Official/Admin Officer		850	
Educational Incentive - Other County Employees		850	
Longevity Pay		6,180	
Overtime Pay		1,503	
Social Security		18,520	
State Retirement		38,129	
Life Insurance		507	
Medical Insurance		56,581	
Disability Insurance		2,179	
Unemployment Compensation		1,116	
Employer Medicare		4,331	
Communication		2,692	
Contracts with Government Agencies		401,550	
Contracts with Private Agencies		66,689	
Dues and Memberships		281	
Maintenance and Repair Services - Equipment		11,151	
Maintenance and Repair Services - Vehicles		678	
Postal Charges		308	
Travel		463	
Diesel Fuel		31,895	
Gasoline		4,492	
Lubricants		2,676	
Office Supplies		2,865	
Tires and Tubes		7,378	
Uniforms		1,476	
Utilities		8,441	
Vehicle Parts		3,218	
Other Supplies and Materials		17,581	
In Service/Staff Development		490	
Solid Waste Equipment		51,514	
Total Transfer Stations		<u>51,514</u>	\$ 1,045,407

(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.)

Postclosure Care Costs

Contracts with Private Agencies	\$ 8,500	
Total Postclosure Care Costs		\$ 8,500

Other Operations

Other Charges

Medical and Dental Services	\$ 88	
Building and Contents Insurance	12,710	
Liability Insurance	14,828	
Trustee's Commission	20,499	
Vehicle and Equipment Insurance	14,828	
Workers' Compensation Insurance	10,931	
Other Charges	286	
Total Other Charges		<u>74,170</u>

Total Solid Waste/Sanitation Fund \$ 1,345,122

Local Purpose Tax Fund

Public Safety

Fire Prevention and Control

Contracts with Government Agencies	\$ 2,000	
Maintenance and Repair Services - Vehicles	75	
Other Contracted Services	453,000	
Other Supplies and Materials	634	
Trustee's Commission	8,643	
In Service/Staff Development	181	
Other Charges	644	
Other Equipment	360	
Total Fire Prevention and Control		<u>\$ 465,537</u>

Total Local Purpose Tax Fund 465,537

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$ 10,000
Maintenance and Repair Services - Vehicles	195
Travel	899
Other Contracted Services	827
Animal Food and Supplies	1,975
Instructional Supplies and Materials	6,853

(Continued)

Exhibit J-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Law Enforcement Supplies	\$	901	
Other Supplies and Materials		1,711	
In Service/Staff Development		7,875	
Other Charges		2,392	
Law Enforcement Equipment		1,274	
Motor Vehicles		19,700	
Total Drug Enforcement			\$ 54,602

Other Operations

Other Charges

Trustee's Commission	\$	438	
Total Other Charges			438

Total Drug Control Fund \$ 55,040

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	70,350	
Assistant(s)		102,892	
Longevity Pay		3,480	
Overtime Pay		443	
Other Salaries and Wages		772	
Board and Committee Members Fees		18,240	
Social Security		12,224	
State Retirement		23,444	
Life Insurance		172	
Medical Insurance		25,547	
Dental Insurance		939	
Disability Insurance		1,330	
Employer Medicare		2,859	
Other Fringe Benefits		781	
Dues and Memberships		4,163	
Legal Services		3,200	
Legal Notices, Recording, and Court Costs		1,069	
Maintenance and Repair Services - Office Equipment		1,865	
Travel		1,071	
Office Supplies		863	
In Service/Staff Development		3,020	
Other Charges		802	
Total Administration			\$ 279,526

(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

Foremen	\$	29,128	
Mechanic(s)		22,699	
Equipment Operators - Heavy		89,361	
Equipment Operators - Light		174,802	
Truck Drivers		80,390	
Longevity Pay		10,680	
Overtime Pay		5,956	
Social Security		25,607	
State Retirement		52,020	
Life Insurance		737	
Medical Insurance		101,529	
Dental Insurance		3,678	
Disability Insurance		3,285	
Employer Medicare		5,989	
Other Fringe Benefits		2,975	
Other Contracted Services		1,390	
Asphalt - Cold Mix		13,379	
Crushed Stone		3,798	
General Construction Materials		873	
Other Road Supplies		15,060	
Pipe		3,567	
Road Signs		17,035	
Small Tools		1,599	
Other Supplies and Materials		3,422	
Total Highway and Bridge Maintenance			\$ 668,959

Operation and Maintenance of Equipment

Foremen	\$	20,655
Overtime Pay		1,346
Other Salaries and Wages		48,474
Social Security		4,358
State Retirement		7,973
Life Insurance		102
Medical Insurance		14,396
Dental Insurance		527
Disability Insurance		367
Employer Medicare		1,019
Other Fringe Benefits		170
Maintenance and Repair Services - Buildings		265
Maintenance and Repair Services - Equipment		30,963

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Diesel Fuel	\$	99,979	
Equipment and Machinery Parts		59,173	
Garage Supplies		15,957	
Gasoline		27,717	
Lubricants		3,637	
Small Tools		1,042	
Tires and Tubes		11,854	
Total Operation and Maintenance of Equipment			\$ 349,974

Quarry Operations

Foremen	\$	29,128	
Equipment Operators - Light		39,934	
Longevity Pay		900	
Overtime Pay		913	
Other Salaries and Wages		1,704	
Social Security		4,476	
State Retirement		9,686	
Life Insurance		43	
Medical Insurance		17,719	
Dental Insurance		650	
Disability Insurance		222	
Employer Medicare		1,047	
Other Fringe Benefits		212	
Communication		1,490	
Explosive and Drilling Services		17,355	
Operating Lease Payments		16,800	
Maintenance and Repair Services - Equipment		5,625	
Diesel Fuel		6,125	
Electricity		42,956	
Equipment and Machinery Parts		14,229	
Garage Supplies		8,343	
Lubricants		10,521	
Tires and Tubes		970	
Water and Sewer		1,341	
Total Quarry Operations			232,389

Other Charges

Other Fringe Benefits	\$	6,418	
Communication		4,914	
Medical and Dental Services		3,542	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Pest Control	\$	150	
Disposal Fees		2,565	
Permits		2,804	
Uniforms		8,259	
Utilities		12,513	
Building and Contents Insurance		23,108	
Liability Insurance		26,960	
Medical Claims		23,527	
Premiums on Corporate Surety Bonds		1,362	
Trustee's Commission		26,937	
Vehicle and Equipment Insurance		26,960	
Workers' Compensation Insurance		15,783	
Other Self-Insured Claims		1,752	
Other Charges		<u>1,048</u>	
Total Other Charges	\$		188,602

Capital Outlay

Bridge Construction	\$	124,897	
Building Improvements		2,331	
Communication Equipment		7,210	
Highway Construction		242,144	
Motor Vehicles		27,498	
Office Equipment		2,597	
State Aid Projects		7,513	
Other Equipment		28,074	
Other Construction		587	
Other Capital Outlay		<u>11,686</u>	
Total Capital Outlay			454,537

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$	<u>33,777</u>	
Total Highways and Streets			33,777

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$	<u>7,368</u>	
Total Highways and Streets			<u>7,368</u>

Total Highway/Public Works Fund \$ 2,215,132

(Continued)

Exhibit J-7

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

<u>General Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Bonds	\$ 1,201,970	
Principal on Notes	52,341	
Total General Government	<u>1,254,311</u>	\$ 1,254,311
<u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Bonds	\$ 460,939	
Interest on Notes	37,746	
Total General Government	<u>498,685</u>	498,685
<u>Other Debt Service</u>		
<u>General Government</u>		
Trustee's Commission	\$ 19,114	
Other Debt Service	1,500	
Total General Government	<u>20,614</u>	<u>20,614</u>
Total General Debt Service Fund		\$ 1,773,610
<u>Education Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>Education</u>		
Principal on Bonds	\$ 2,360,000	
Total Education	<u>2,360,000</u>	\$ 2,360,000
<u>Interest on Debt</u>		
<u>Education</u>		
Interest on Bonds	\$ 906,272	
Total Education	<u>906,272</u>	906,272
<u>Other Debt Service</u>		
<u>Education</u>		
Trustee's Commission	\$ 41,839	
Other Debt Service	502	
Total Education	<u>42,341</u>	<u>42,341</u>
Total Education Debt Service Fund		<u>3,308,613</u>
Total Governmental Funds - Primary Government		<u>\$ 22,998,517</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, 2011

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 11,185,892	
Career Ladder Program	148,912	
Career Ladder Extended Contracts	84,516	
Homebound Teachers	21,021	
Educational Assistants	510,866	
Other Salaries and Wages	70,814	
Certified Substitute Teachers	90,151	
Non-certified Substitute Teachers	130,192	
Social Security	711,640	
State Retirement	1,106,865	
Medical Insurance	2,060,840	
Disability Insurance	4,675	
Unemployment Compensation	13,576	
Employer Medicare	167,405	
Tuition	270,521	
Other Contracted Services	97,447	
Instructional Supplies and Materials	532,763	
Textbooks	697,806	
Other Supplies and Materials	45,347	
Other Charges	7,030	
Regular Instruction Equipment	201,967	
Total Regular Instruction Program		\$ 18,160,246

Alternative Instruction Program

Teachers	\$ 112,940	
Career Ladder Program	2,000	
Certified Substitute Teachers	60	
Non-certified Substitute Teachers	540	
Social Security	6,989	
State Retirement	10,402	
Medical Insurance	12,162	
Employer Medicare	1,635	
Other Contracted Services	2,744	
Total Alternative Instruction Program		149,472

Special Education Program

Teachers	\$ 2,030,248
Career Ladder Program	20,416
Homebound Teachers	41,792

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Educational Assistants	\$	188,742	
Other Salaries and Wages		20,813	
Certified Substitute Teachers		5,623	
Non-certified Substitute Teachers		41,843	
Social Security		139,534	
State Retirement		216,616	
Medical Insurance		344,298	
Disability Insurance		1,432	
Unemployment Compensation		9,751	
Employer Medicare		32,660	
Contracts with Private Agencies		318,859	
Maintenance and Repair Services - Equipment		14,984	
Instructional Supplies and Materials		12,346	
Special Education Equipment		6,508	
Total Special Education Program			\$ 3,446,465

Vocational Education Program

Teachers	\$	1,032,708	
Career Ladder Program		7,000	
Certified Substitute Teachers		5,020	
Non-certified Substitute Teachers		18,510	
Social Security		62,551	
State Retirement		94,093	
Medical Insurance		186,126	
Employer Medicare		14,636	
Instructional Supplies and Materials		33,235	
Textbooks		2,804	
Other Charges		996	
Vocational Instruction Equipment		21,252	
Total Vocational Education Program			1,478,931

Student Body Education Program

Other Salaries and Wages	\$	18,955	
Social Security		1,175	
State Retirement		901	
Employer Medicare		275	
Other Contracted Services		80,045	
Other Supplies and Materials		7,747	
Other Charges		4,752	
Total Student Body Education Program			113,850

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program

Teachers	\$	5,544	
Social Security		344	
State Retirement		313	
Employer Medicare		80	
Instructional Supplies and Materials		3,076	
Total Adult Education Program			\$ 9,357

Support Services

Attendance

Clerical Personnel	\$	87,006	
Other Salaries and Wages		39,052	
Certified Substitute Teachers		120	
Non-certified Substitute Teachers		252	
Social Security		7,481	
State Retirement		16,540	
Medical Insurance		28,753	
Disability Insurance		1,063	
Employer Medicare		1,755	
Travel		593	
Other Contracted Services		14,906	
Other Supplies and Materials		401	
In Service/Staff Development		1,550	
Total Attendance			199,472

Health Services

Medical Personnel	\$	240,934	
Social Security		14,166	
State Retirement		31,659	
Medical Insurance		34,617	
Disability Insurance		1,557	
Employer Medicare		3,313	
Travel		505	
In Service/Staff Development		226	
Total Health Services			326,977

Other Student Support

Career Ladder Program	\$	7,000	
Guidance Personnel		642,493	
Social Workers		33,201	

(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.)

Assessment Personnel	\$	8,458	
Secretary(ies)		62,526	
School Resource Officer		51,600	
Other Salaries and Wages		48,686	
Certified Substitute Teachers		300	
Non-certified Substitute Teachers		1,548	
Social Security		48,886	
State Retirement		76,570	
Medical Insurance		94,147	
Disability Insurance		574	
Employer Medicare		11,435	
Evaluation and Testing		33,327	
Travel		909	
Other Charges		98	
Total Other Student Support			\$ 1,121,758

Regular Instruction Program

Supervisor/Director	\$	113,813	
Career Ladder Program		12,000	
Librarians		579,482	
Clerical Personnel		15,660	
Educational Assistants		59,595	
Certified Substitute Teachers		450	
In-Service Training		4,970	
Non-certified Substitute Teachers		5,292	
Social Security		47,902	
State Retirement		74,222	
Medical Insurance		89,154	
Disability Insurance		628	
Employer Medicare		11,208	
Travel		11,140	
Library Books/Media		13,869	
Office Supplies		297	
Other Supplies and Materials		3,250	
In Service/Staff Development		25,275	
Total Regular Instruction Program			1,068,207

Special Education Program

Supervisor/Director	\$	73,115	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Career Ladder Program	\$	1,000	
Clerical Personnel		80,868	
Social Security		9,469	
State Retirement		17,289	
Medical Insurance		19,396	
Disability Insurance		675	
Employer Medicare		2,224	
Travel		20,372	
Other Supplies and Materials		15,518	
In Service/Staff Development		29,789	
Other Charges		3,013	
Total Special Education Program			\$ 272,728

Vocational Education Program

Secretary(ies)	\$	34,950	
Other Salaries and Wages		2,266	
Social Security		2,160	
State Retirement		4,568	
Medical Insurance		5,587	
Disability Insurance		306	
Employer Medicare		543	
Maintenance and Repair Services - Equipment		3,691	
Travel		1,076	
Other Contracted Services		1,108	
In Service/Staff Development		2,529	
Total Vocational Education Program			58,784

Adult Programs

Supervisor/Director	\$	56,094	
Other Salaries and Wages		25,244	
Social Security		5,043	
State Retirement		8,610	
Medical Insurance		9,782	
Disability Insurance		211	
Employer Medicare		1,183	
Instructional Supplies and Materials		64	
In Service/Staff Development		2,532	
Total Adult Programs			108,763

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Programs

On-Behalf Payments to OPEB	\$ 150,337	
Total Other Programs		\$ 150,337

Board of Education

Secretary to Board	\$ 1,185	
Board and Committee Members Fees	31,200	
Social Security	1,625	
State Retirement	156	
Employer Medicare	470	
Other Fringe Benefits	93,392	
Audit Services	17,500	
Dues and Memberships	16,444	
Legal Services	13,255	
Other Contracted Services	9,215	
Other Supplies and Materials	2,700	
Liability Insurance	143,709	
Premiums on Corporate Surety Bonds	175	
Trustee's Commission	287,462	
Workers' Compensation Insurance	272,598	
In Service/Staff Development	7,291	
Criminal Investigation of Applicants - TBI	7,380	
Other Charges	4,127	
Total Board of Education		909,884

Director of Schools

County Official/Administrative Officer	\$ 109,108
Assistant(s)	77,496
Career Ladder Program	1,000
Clerical Personnel	26,873
Social Security	12,381
State Retirement	19,698
Medical Insurance	13,870
Disability Insurance	1,120
Employer Medicare	3,035
Communication	48,321
Dues and Memberships	2,849
Maintenance and Repair Services - Equipment	3,599
Postal Charges	5,207
Travel	427

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Other Contracted Services	\$	2,930	
Office Supplies		8,964	
Other Supplies and Materials		110	
In Service/Staff Development		2,650	
Other Charges		13,120	
Administration Equipment		3,700	
Total Director of Schools			\$ 356,458

Office of the Principal

Principals	\$	698,439	
Career Ladder Program		21,000	
Assistant Principals		502,709	
Secretary(ies)		349,127	
Other Salaries and Wages		43,902	
Certified Substitute Teachers		1,650	
Non-certified Substitute Teachers		2,538	
Social Security		97,305	
State Retirement		162,002	
Medical Insurance		228,571	
Disability Insurance		3,260	
Employer Medicare		22,796	
Other Supplies and Materials		6,332	
Total Office of the Principal			2,139,631

Human Services/Personnel

Clerical Personnel	\$	66,774	
Social Security		4,140	
State Retirement		8,727	
Medical Insurance		8,759	
Disability Insurance		546	
Employer Medicare		979	
Other Contracted Services		5,297	
Other Supplies and Materials		445	
In Service/Staff Development		1,922	
Administration Equipment		1,842	
Total Human Services/Personnel			99,431

Operation of Plant

Guards	\$	24,116	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Custodial Personnel	\$	834,661	
Other Salaries and Wages		39,430	
Non-certified Substitute Teachers		1,246	
Social Security		54,803	
State Retirement		107,275	
Medical Insurance		166,312	
Disability Insurance		6,880	
Unemployment Compensation		4,291	
Employer Medicare		12,919	
Disposal Fees		27,933	
Custodial Supplies		176,312	
Electricity		1,433,301	
Natural Gas		146,777	
Water and Sewer		109,176	
Boiler Insurance		9,103	
Building and Contents Insurance		165,847	
Other Charges		294	
Plant Operation Equipment		5,488	
Total Operation of Plant			\$ 3,326,164

Maintenance of Plant

Supervisor/Director	\$	53,040
Secretary(ies)		25,288
Maintenance Personnel		523,142
Other Salaries and Wages		7,353
Social Security		36,042
State Retirement		75,205
Medical Insurance		96,692
Disability Insurance		4,814
Employer Medicare		8,503
Communication		1,788
Laundry Service		9,039
Maintenance and Repair Services - Buildings		369,200
Maintenance and Repair Services - Equipment		13,160
Maintenance and Repair Services - Vehicles		10,443
Other Contracted Services		87,688
Gasoline		30,618
Other Supplies and Materials		1,684
In Service/Staff Development		260

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Other Charges	\$	178	
Administration Equipment		782	
Maintenance Equipment		9,988	
Total Maintenance of Plant			\$ 1,364,907

Transportation

Supervisor/Director	\$	39,512	
Bus Drivers		176,963	
Other Salaries and Wages		5,161	
Non-certified Substitute Teachers		5,767	
Social Security		13,632	
State Retirement		27,498	
Medical Insurance		38,417	
Disability Insurance		1,352	
Employer Medicare		3,210	
Communication		3,731	
Contracts with Vehicle Owners		1,413,879	
Maintenance and Repair Services - Vehicles		92,302	
Other Contracted Services		13,242	
Gasoline		61,626	
Tires and Tubes		10,763	
Other Supplies and Materials		95	
Vehicle and Equipment Insurance		21,600	
In Service/Staff Development		1,189	
Other Charges		170	
Administration Equipment		1,658	
Transportation Equipment		100,220	
Total Transportation			2,031,987

Central and Other

Supervisor/Director	\$	81,954	
Clerical Personnel		34,828	
Other Salaries and Wages		173,367	
Social Security		16,810	
State Retirement		37,977	
Medical Insurance		33,506	
Disability Insurance		2,423	
Employer Medicare		3,964	
Other Fringe Benefits		3,000	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other (Cont.)

Data Processing Services	\$	11,561	
Travel		2,378	
Other Supplies and Materials		11,208	
In Service/Staff Development		5,727	
Other Equipment		38,966	
Total Central and Other			\$ 457,669

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	113,750	
Teachers		50,460	
Other Salaries and Wages		257,961	
Social Security		26,076	
State Retirement		35,288	
Medical Insurance		22,249	
Disability Insurance		863	
Employer Medicare		6,108	
Communication		1,224	
Travel		4,901	
Other Contracted Services		27,625	
Food Supplies		10,699	
Other Supplies and Materials		92,230	
In Service/Staff Development		30,394	
Other Charges		128,971	
Total Community Services			808,799

Early Childhood Education

Supervisor/Director	\$	33,218	
Teachers		515,383	
Educational Assistants		294,157	
Other Salaries and Wages		15,660	
Certified Substitute Teachers		420	
Non-certified Substitute Teachers		3,990	
Social Security		51,014	
State Retirement		90,348	
Medical Insurance		151,380	
Disability Insurance		2,435	
Employer Medicare		11,936	
Travel		1,212	

(Continued)

Exhibit J-8

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

<u>General Purpose School Fund (Cont.)</u>		
<u>Operation of Non-Instructional Services (Cont.)</u>		
<u>Early Childhood Education (Cont.)</u>		
Other Contracted Services	\$ 1,219	
Other Supplies and Materials	80,367	
In Service/Staff Development	5,829	
Other Equipment	59,209	
Total Early Childhood Education		\$ 1,317,777
 <u>Capital Outlay</u>		
<u>Regular Capital Outlay</u>		
Building Improvements	\$ 834,025	
Total Regular Capital Outlay		834,025
 <u>Principal on Debt</u>		
<u>Education</u>		
Principal on Notes	\$ 25,000	
Principal on Capital Leases	154,619	
Total Education		179,619
 <u>Interest on Debt</u>		
<u>Education</u>		
Interest on Notes	\$ 1,928	
Interest on Capital Leases	35,254	
Total Education		37,182
 <u>Other Debt Service</u>		
<u>Education</u>		
Debt Service Contribution to Primary Government	\$ 760,000	
Total Education		760,000
Total General Purpose School Fund		\$ 41,288,880
 <u>School Federal Projects Fund</u>		
<u>Instruction</u>		
<u>Regular Instruction Program</u>		
Teachers	\$ 1,887,328	
Educational Assistants	68,182	
Other Salaries and Wages	342	
Certified Substitute Teachers	480	
Non-certified Substitute Teachers	2,940	
Social Security	118,405	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

State Retirement	\$	179,084	
Medical Insurance		129,599	
Employer Medicare		27,784	
Other Fringe Benefits		471	
Other Contracted Services		5,560	
Instructional Supplies and Materials		171,208	
Other Charges		48,747	
Regular Instruction Equipment		<u>750,135</u>	
Total Regular Instruction Program	\$		3,390,265

Special Education Program

Teachers	\$	167,711	
Educational Assistants		595,152	
Social Security		43,903	
State Retirement		93,362	
Medical Insurance		202,182	
Employer Medicare		10,288	
Other Fringe Benefits		4,938	
Contracts with Private Agencies		21,600	
Instructional Supplies and Materials		17,230	
Other Supplies and Materials		25,924	
Special Education Equipment		<u>286,864</u>	
Total Special Education Program			1,469,154

Vocational Education Program

Other Supplies and Materials	\$	38,026	
Vocational Instruction Equipment		<u>126,239</u>	
Total Vocational Education Program			164,265

Support Services

Health Services

Medical Personnel	\$	152,281	
Social Security		9,272	
State Retirement		20,010	
Medical Insurance		19,465	
Employer Medicare		2,168	
Other Fringe Benefits		<u>1,211</u>	
Total Health Services			204,407

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support

Evaluation and Testing	\$	28,983	
Travel		12,000	
Other Contracted Services		1,000	
In Service/Staff Development		2,800	
Other Charges		201	
Total Other Student Support			\$ 44,984

Regular Instruction Program

Supervisor/Director	\$	60,546	
In-Service Training		35,231	
Social Security		5,650	
State Retirement		8,669	
Medical Insurance		7,859	
Employer Medicare		1,321	
Communication		19,298	
Consultants		59,328	
Maintenance and Repair Services - Equipment		1,996	
Travel		674	
Other Contracted Services		27,686	
Library Books/Media		21,395	
In Service/Staff Development		85,616	
Other Charges		3,442	
Total Regular Instruction Program			338,711

Special Education Program

Psychological Personnel	\$	145,854	
Social Security		8,868	
State Retirement		13,200	
Medical Insurance		21,471	
Employer Medicare		2,074	
Other Supplies and Materials		22,400	
In Service/Staff Development		4,000	
Total Special Education Program			217,867

Transportation

Transportation Equipment	\$	101,540	
Total Transportation			101,540

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	4,905	
Employer Medicare		72	
Total Community Services		<u>4,977</u>	\$ <u>4,977</u>

Total School Federal Projects Fund \$ 5,936,170

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	65,386	
Clerical Personnel		57,019	
Cafeteria Personnel		850,613	
Other Salaries and Wages		49,737	
Social Security		59,523	
State Retirement		122,378	
Medical Insurance		248,267	
Disability Insurance		7,476	
Unemployment Compensation		4,506	
Employer Medicare		14,038	
Communication		4,525	
Maintenance and Repair Services - Equipment		6,897	
Travel		6,117	
Other Contracted Services		12,779	
Food Preparation Supplies		5,021	
Food Supplies		1,166,889	
Office Supplies		5,583	
USDA - Commodities		212,729	
Other Supplies and Materials		37,156	
In Service/Staff Development		5,742	
Other Charges		4,287	
Food Service Equipment		158,244	
Total Food Service		<u>3,104,912</u>	\$ <u>3,104,912</u>

Total Central Cafeteria Fund 3,104,912

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$	3,993	
Consultants	\$	21,812	
Building Improvements		255,555	
Total Education Capital Projects		<u>281,360</u>	\$ <u>281,360</u>

Total Education Capital Projects Fund 281,360

Total Governmental Funds - Franklin County School Department \$ 50,611,322

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, 2011

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,885,098
Total Cash Receipts	<u>\$ 2,885,098</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 2,856,247
Trustee's Commission	<u>28,851</u>
Total Cash Disbursements	<u>\$ 2,885,098</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2010	<u>0</u>
Cash Balance, June 30, 2011	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

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

September 28, 2011

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Franklin County's basic financial statements and have issued our report thereon dated September 28, 2011. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Industrial Development Board of Franklin County, which were not available from other auditors as of the date of this report. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Franklin County Emergency Communications District, a discretely presented component unit, as described in our report on Franklin County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Franklin County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Franklin County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Franklin County's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 11.06 and 11.08. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

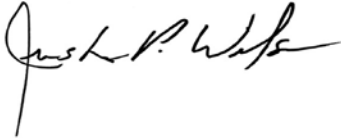
As part of obtaining reasonable assurance about whether Franklin County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 11.01, 11.02, 11.03, 11.04, 11.05, and 11.07.

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

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

This report is intended solely for the information and use of management, the county mayor, County Commission, superintendent of highways, director of schools, Board of Education, others within Franklin County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/sb



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

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

September 28, 2011

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Franklin County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. Franklin County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Franklin County's management. Our responsibility is to express an opinion on Franklin County's compliance based on our audit.

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

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

In our opinion, Franklin County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of Franklin County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Franklin County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Franklin County's internal control over compliance.

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

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

Schedule of Expenditures of Federal Awards

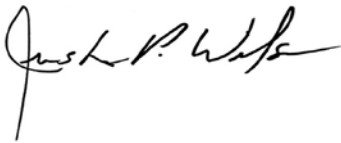
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County as of and for the year ended June 30, 2011, and have issued our report thereon dated September 28, 2011. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Industrial Development Board of Franklin County, which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is

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

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

This report is intended solely for the information and use of management, the county mayor, County Commission, superintendent of highways, director of schools, Board of Education, others within Franklin County, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Franklin County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2011

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	\$ 212,729 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	513,672
National School Lunch Program	10.555	N/A	1,259,118 (3)
Fresh Fruit and Vegetable Program	10.582	(2)	82,782
Total U.S. Department of Agriculture			<u>\$ 2,068,301</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant/State's Program	14.228	GG-10-31483-00	\$ 273,549
Passed-through State Housing Developing Agency:			
Home Investment Partnerships Program	14.239	(2)	2,284
Total U.S. Department of Housing and Urban Development			<u>\$ 275,833</u>
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	\$ 4,320
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG)			
Program/Grants to States and Territories	16.803	N/A	71,995
Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	16.810	N/A	210,695
Total U.S. Department of Justice			<u>\$ 287,010</u>
U.S. Department of Labor:			
Passed-through Workforce Solutions:			
WIA Youth Activities	17.259	(2)	\$ 70,199
Passed-through State Department of Labor and Workforce Development:			
WIA Dislocated Workers, ARRA	17.260	(2)	7,019
Total U.S. Department of Labor			<u>\$ 77,218</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(2)	\$ 21,133
Total U.S. Department of Transportation			<u>\$ 21,133</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 95,741
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,224,168
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	364,274
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,471,756
Special Education - Preschool Grants	84.173	N/A	43,479
Special Education - Grants to States, Recovery Act	84.391	N/A	488,667
Special Education - Preschool Grants, Recovery Act	84.392	N/A	30,861
Career and Technical Education - Basic Grants to States	84.048	N/A	180,065
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	13,517
Educational Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	132,351
Education Technology State Grants, Recovery Act	84.386	(2)	20,000
Improving Teacher Quality State Grants	84.367	(2)	148,684

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Passed-through State Department of Education (Cont.):			
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	(2)	\$ 2,567,232
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	(2)	289,075
State Fiscal Stabilization Funds (SFSF) - Race-to-the-Top			
Incentive Grants, Recovery Act	84.395	(2)	513,724
Education Jobs Fund	84.410	(2)	1,346,749
Total U.S. Department of Education			<u>\$ 8,930,343</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	\$ 38,000
Total U.S. Election Assistance Commission			<u>\$ 38,000</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Mental Health and Developmental Disabilities:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	(2)	\$ 100,331
Drug-free Communities Support Program Grants	93.276	(2)	126,634
Temporary Assistance for Needy Families	93.558	(2)	40,462
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(2)	43,946
Total U.S. Department of Health and Human Services			<u>\$ 311,373</u>
Executive Office of the President:			
Passed-through Laurel County Fiscal Court:			
High Intensity Drug Trafficking Areas Program	95.001	(2)	\$ 18,555
Total Executive Office of the President			<u>\$ 18,555</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 35,883
Emergency Management Performance Grants	97.042	(2)	35,000
Total U.S. Department of Homeland Security			<u>\$ 70,883</u>
Total Expenditures of Federal Awards			<u>\$ 12,098,649</u>
		<u>Contract Number</u>	
<u>State Grants</u>			
Juvenile Services Program - State Department of Children's Services	N/A	(2)	\$ 9,000
Litter Program - State Department of Transportation	N/A	(2)	36,871
Rural Local Health Services - State Department of Health	N/A	(2)	122,633
Early Childhood Education - State Department of Education	N/A	(2)	1,122,347
Library Technology Grant - State Library and Archives	N/A	(2)	1,520
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	24,681
Total State Grants			<u>\$ 1,317,052</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$1,471,847.

Franklin County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2011

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, 2010, which have not been corrected.

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.02	179	The Extended School Program did not deposit some collections within three days of receipt

OFFICE OF SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.03	180	Some collections were not deposited within three days of receipt

OTHER FINDING

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.04	180	Duties were not segregated adequately in the Offices of County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff

FRANKLIN COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Franklin County disclosed significant deficiencies in internal control. None of these deficiencies were considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that is material to the financial statements of Franklin County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); the Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, Special Education – Grants to States, and Recovery Act, Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); the State Fiscal Stabilization Cluster: State Fiscal Stabilization Funds (SFSF) – Education State Grants, Recovery Act and State Fiscal Stabilization Funds (SFSF) – Governmental Services, Recovery Act (CFDA Nos. 84.394 and 84.397); the State Fiscal Stabilization Funds (SFSF) – Race to the Top Incentive Grants, Recovery Act (CFDA No. 84.395); and the Education Jobs Fund (CFDA No. 84.410) were determined to be major programs.
8. A \$362,959 threshold was used to distinguish between Type A and Type B federal programs.
9. Franklin County qualifies as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The finance director provided written responses on certain findings, which are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF FINANCE DEPARTMENT

FINDING 11.01 **HIGHWAY/PUBLIC WORKS FUND APPROPRIATIONS
EXCEEDED ESTIMATED AVAILABLE FUNDS**
(Noncompliance Under *Government Auditing Standards*)

The budget and subsequent amendments submitted to and approved by the County Commission for the Highway/Public Works Fund resulted in appropriations exceeding estimated available funding by \$9,375. Sound budgetary principles dictate that appropriations be held within estimated available funding. The budget deficiency resulted from a lack of management oversight.

RECOMMENDATION

Appropriations that exceed estimated available funds should not be submitted to the County Commission, and the County Commission should not approve such appropriations.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

This was my oversight. I will be more diligent when making amendments so this will not happen again.

FINDING 11.02 **SCHOOL FEDERAL PROJECT FUND EXPENDITURES
EXCEEDED APPROPRIATIONS**
(Noncompliance Under *Government Auditing Standards*)

School Federal Projects Fund expenditures exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control):

<u>Major Category</u>	<u>Amount Overspent</u>
Health Services	\$ 13,062
Special Education Program	919

Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to taxes, county aid funds, federal funds, and fines, that

are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.” This deficiency exists because management failed to stay within the spending limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – FINANCE DIRECTOR

The Finance Office advises the School Special Education Division with their federal programs, provides them with monthly reports, and outlines problems that need to be addressed by them with the state education department. I will try to be more diligent in this area.

FINDING 11.03 **THE OFFICE DID NOT FILE A REPORT ON DEBT OBLIGATION WITH THE STATE COMPTROLLER’S OFFICE** (Noncompliance Under *Government Auditing Standards*)

During the year, the county issued a \$40,158 capital outlay note to purchase a truck for the litter crew at the Sheriff’s Department. Management did not file a Report on Debt Obligation with the state Comptroller’s Office for this capital outlay note. Section 9-21-151, *Tennessee Code Annotated*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller’s Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance. Management stated that this deficiency was an oversight.

RECOMMENDATION

Management should file a Report on Debt Obligation with the state Comptroller’s Office for each debt issuance.

MANAGEMENT’S RESPONSE – FINANCE DIRECTOR

I am aware of the Report on Debt Obligation that needs to be filed with the state Comptroller’s Office. I simply failed to get this filed in a timely manner. I will strive to get this form filed within the required deadline.

OFFICE OF COUNTY MAYOR

FINDING 11.04 **A CASH SHORTAGE OF AT LEAST \$7,445 EXISTED IN THE PROBATION OFFICE AT DECEMBER 31, 2010**
(Material Noncompliance Under *Government Auditing Standards*)

On May 27, 2011, our office issued a special report on the Franklin County Probation Office for the period July 1, 2009, through December 31, 2010. This report disclosed that a cash shortage of at least \$7,445 resulted from several irregularities concerning receipts, deposits, and daily collection logs in the county Probation Office. This report is available at www.tn.gov/comptroller. Gena R. Hall, Franklin County Probation Officer, was indicted by the Franklin County grand jury on May 2, 2011, on charges of theft between \$1,000 and \$10,000 and three counts of official misconduct. She resigned her duties as Franklin County Probation Officer on May 2, 2011. On June 30, 2011, Ms. Hall agreed to pre-trial diversion and to pay restitution of \$7,660. She paid \$7,600 on June 30, 2011, and \$60 on July 26, 2011.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

When notified of the cash shortage discrepancy, every action was taken to insure future reconciliations of the receipting of funds for this office. This action includes, but is not limited to, no longer receiving cash and using four-part receipts. There has been a department head change since this issue was found.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 11.05 **THE EXTENDED SCHOOL PROGRAM DID NOT DEPOSIT SOME COLLECTIONS WITHIN THREE DAYS OF RECEIPT**
(Noncompliance Under *Government Auditing Standards*)

In some instances, collections of the Extended School Program were not deposited with the county trustee within three days of receipt. Section 5-8-207, *Tennessee Code Annotated*, requires county officials to deposit public funds within three days of receiving the funds. This deficiency is the result of management decisions and their failure to correct the finding noted in the prior-year audit report. The failure to make timely deposits increases the risks of fraud and abuse.

RECOMMENDATION

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

OFFICES OF CLERK AND MASTER AND REGISTER

FINDING 11.06 **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Multiple employees operated from the same cash drawer in the Offices of Clerk and Master and Register. Sound internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of each day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision resulting in a loss of control over assets.

RECOMMENDATION

Management should assign each employee their own cash drawer.

OFFICE OF SHERIFF

FINDING 11.07 **SOME COLLECTIONS WERE NOT DEPOSITED WITHIN THREE DAYS OF RECEIPT**
(Noncompliance Under *Government Auditing Standards*)

In some instances, collections at the Sheriff's Department were not deposited within three days of receipt. Section 5-8-207, *Tennessee Code Annotated*, requires county officials to deposit public funds within three days of receiving the funds. This deficiency is the result of a lack of oversight and management's failure to correct the finding noted in the prior-year audit report. Also, this deficiency increases the risks of fraud and abuse.

RECOMMENDATION

Officials should ensure that all funds are deposited within three days of collection as required by state statute.

OTHER FINDING AND RECOMMENDATION

FINDING 11.08 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF COUNTY CLERK; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; REGISTER; AND SHERIFF**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

RECOMMENDATION

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

**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, 2011**

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