
**ANNUAL FINANCIAL REPORT
WILLIAMSON COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2012



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COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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

WILLIAMSON COUNTY, TENNESSEE

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Audit Highlights

Annual Financial Report
Williamson County, Tennessee
For the Year Ended June 30, 2012

Scope

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

Results

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

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

Findings and Best Practice

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

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ The Self-Insurance Fund required a material audit adjustment.
- ◆ Cash totaling \$130 was unaccounted for at the Animal Control Department.
- ◆ Time records were not signed by employees.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Department did not comply with management directives from the Office of Tennessee Recovery Act Management.

OFFICE OF COUNTY CLERK

- ◆ Duties were not segregated adequately.

OFFICE OF JUVENILE COURT CLERK

- ◆ The accounting software did not identify the user who processed each transaction.
- ◆ Multiple employees operated from the same cash drawer.

BEST PRACTICE

Williamson County does not have a central system of accounting, budgeting, and purchasing. The Division of Local Government Audit strongly believes that a central system of accounting, budgeting, and purchasing is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Williamson County.

INTRODUCTORY SECTION

Williamson County Officials

June 30, 2012

Officials

Rogers Anderson, County Mayor
Eddie Hood, Highway Superintendent
Dr. Mike Looney, Director of Schools
Walter Davis, Trustee
Brad Coleman, Assessor of Property
Elaine Anderson, County Clerk
Debbie McMillan Barrett, Circuit and General Sessions Courts Clerk
Elaine Beeler, Clerk and Master
Brenda Hyden, Juvenile Court Clerk
Sadie Wade, Register
Jeff Long, Sheriff
David Coleman, Director of Accounts and Budgets

Board of County Commissioners

Jack Walton, Chairman	Cheryl Wilson	Brandon Ryan
Judy Herbert	Lewis Green, Jr.	Mary Brockman
Ricky Jones	Tom Bain	Ernie Williams
Betsy Hester	Arlene Cooke	Bob Barnwell
John Hancock	Jeff Ford	Brian Beathard
Dwight Jones	Bert Chalfant	Kathy Danner
Judy Hayes	Travis Hawkins	Steve Smith
Tommy Little	Greg Davis	Doug Langston

Board of Education

Pat Anderson, Chairman	Janine Moore	Rick Wimberley
D'Wayne Greer	Terry Leve	Eric Welch
Janice Mills	Susan Graham	Mark Gregory
Timothy McLaughlin	Gary Anderson	Vicki Vogt

Highway Commission

Rogers Anderson, County Mayor, Chairman
Dick Fowlkes
Charlie Bennett
Stan Tyson
Wayne Davis

Williamson County Officials (Cont.)

Budget Committee

Tom Bain, Chairman
Rogers Anderson, County Mayor
Tommy Little
Mary Brockman
Judy Herbert

Audit Committee

Lewis Green, Jr.
Bob Barnwell
Tom Bain

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

December 11, 2012

Williamson County Mayor and
Board of County Commissioners
Williamson 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 Williamson County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Williamson County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Williamson 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 discretely presented Williamson County Hospital District, which represent 28 percent and 36 percent, respectively, of the assets and revenues of the aggregate discretely presented component units, and we did not audit the financial statements of the discretely presented Williamson County Emergency Communications District, which represent .3 percent and .4 percent, respectively, of the assets and revenues of the aggregate discretely presented component units, as of June 30, 2012, and for the year then ended. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented Williamson County Hospital District and the discretely presented Williamson County Emergency Communications District, is based on the reports 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 reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Williamson County, Tennessee, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows 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 December 11, 2012, on our consideration of Williamson 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 through 25 and the budgetary comparison, pension, and other postemployment benefits information on pages 104 through 112 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 Williamson 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 General Debt Service and Rural Debt Service funds, combining and individual fund financial statements of the Williamson 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 General Debt Service and Rural Debt Service funds, combining and individual fund financial statements of the Williamson County School Department (a discretely presented

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive, flowing style with a prominent initial "J".

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Management's Discussion and Analysis

As management of Williamson County, Tennessee, we offer readers of Williamson County's financial statements this narrative overview and analysis of the financial activities of Williamson County, Tennessee, for the fiscal year ended June 30, 2012. This discussion and analysis focuses on the primary government only and does not include discussions of discretely presented component units.

Financial Highlights

- The liabilities of Williamson County exceeded its assets at the close of the fiscal year by \$161,236,094 (net assets). The liabilities include \$353,199,375 in debt that is attributable to the Williamson County School Department.
- The government's total net assets increased by \$23,318,761.
- At June 30, 2012, Williamson County's governmental funds reported combined ending fund balances of \$110,526,607, an increase of \$3,773,773 in comparison with the prior year.
- At June 30, 2012, unassigned fund balance for the General Fund was \$28,793,700 or 44 percent of total General Fund expenditures.
- For the fiscal year ended June 30, 2012, Williamson County's total debt had a net decrease of \$21,003,000. During the year, \$27,723,000 of debt service principal payments was made. There was \$6,720,000 of new debt issued, which was for various education capital projects.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Williamson County's basic financial statements. The county's basic financial statements are composed of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Williamson County's finances in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of Williamson County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Williamson County is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Williamson County, which are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; highway/public works; education; interest on long-term debt; and other debt service. The government-wide financial statements can be found on Exhibits A and B of this report.

The government-wide financial statements include not only Williamson County (known as the primary government), but also a legally separate School Department, Hospital District, and Emergency Communications District for which the county is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Williamson County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Williamson County can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Williamson County maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General,

Highway/Public Works, General Debt Service, Rural Debt Service, and General Capital Projects funds all of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Williamson County adopts an annual appropriated budget for all funds except the General Capital Projects, District Attorney General, and Constitutional Officers - Fees funds. A budgetary comparison schedule has been provided for the funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Exhibits C-1 through C-4 of this report.

Proprietary fund. Williamson County has one proprietary fund. The county uses an internal service fund (Self-Insurance Fund) to account for the county's and School Department's self-insured health programs. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the internal service fund. The basic proprietary fund financial statements can be found on Exhibits D-1 through D-3 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on Exhibit E of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41 through 102 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Williamson County's General Fund and major special revenue funds' budgetary statements, pension information, and other postemployment benefits information. Required supplementary information can be found after the basic financial statements section of this report.

The combining and individual fund statements and schedules for the nonmajor governmental funds can be found on Exhibits G-1 through G-4 of this report.

An additional portion of Williamson County's net assets totaling \$35,264,779 represents resources that are subject to external restrictions on how they may be used. The restricted net assets include capital projects, debt service, highway, all of the nonmajor funds, and other county general restricted or grant designations not accounted for in unrestricted net assets.

Governmental activities. Governmental activities increased Williamson County's net assets by \$23,318,761. Elements of this increase are noted in the table below:

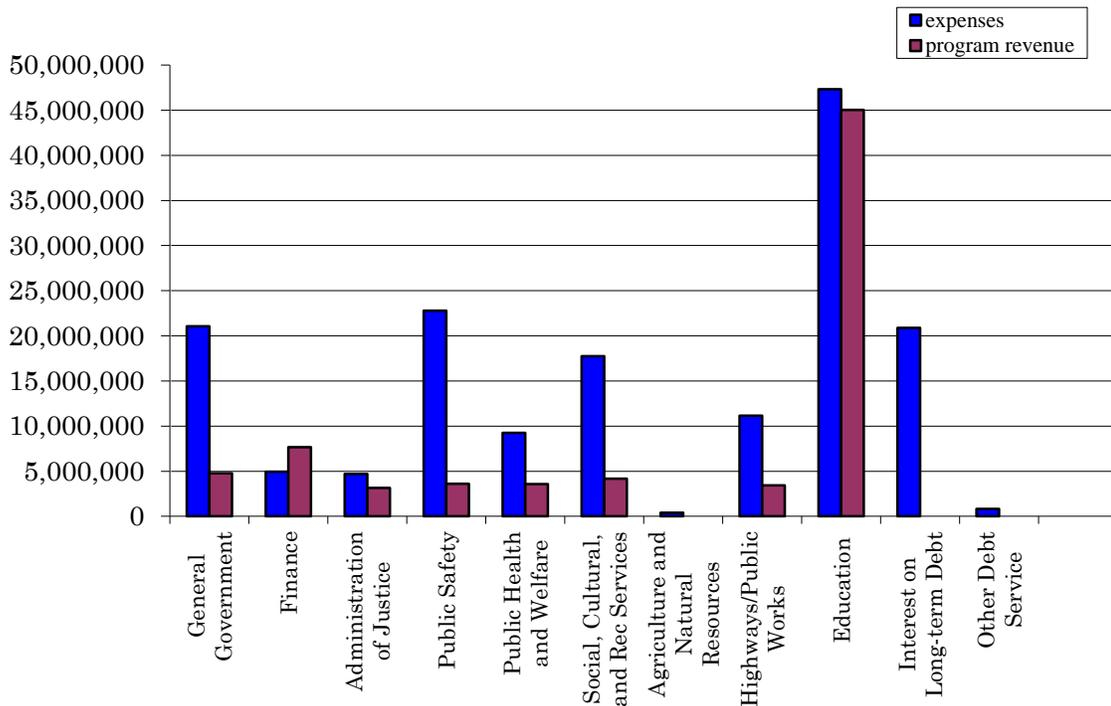
Williamson County's Changes in Net Assets

	<u>2012</u>	<u>2011</u>
	Governmental Activities	Governmental Activities
Revenues:		
Program Revenues:		
Charges for Services	\$ 67,543,494	\$ 64,411,878
Operating Grants and Contributions	6,653,830	8,658,763
Capital Grants and Contributions	1,236,756	2,553,134
Total Program Revenues	<u>\$ 75,434,080</u>	<u>\$ 75,623,775</u>
General Revenues:		
Property Taxes Levied for General Purposes	\$ 38,916,230	\$ 37,566,800
Property Taxes Levied for Debt Service	37,954,827	30,619,416
Local Option Sales Tax	1,430,829	1,138,910
Hotel/Motel Tax	3,124,796	2,708,939
Wheel Tax	3,870,520	3,726,733
Litigation Tax	842,891	802,981
Business Tax	4,136,082	4,014,579
Privilege Tax	3,179,951	2,273,036
Adequate Facilities Tax	4,791,653	3,467,311
Mineral Severance Tax	103,725	193,189
Wholesale Beer Tax	522,336	500,483
Grassland Sewer Assessment	2,141,194	0
Other Local Taxes	4,920	2,728
Grants and Contributions Not Restricted to Specific Programs	5,211,334	2,496,323
Unrestricted Investment Earnings	537,573	515,672
Miscellaneous	2,199,255	1,910,964
Total General Revenues	<u>\$ 108,968,116</u>	<u>\$ 91,938,064</u>
Total Revenues	<u>\$ 184,402,196</u>	<u>\$ 167,561,839</u>
Expenses:		
Governmental Activities:		
General Government	\$ 21,056,256	\$ 20,447,828
Finance	4,956,776	5,230,595

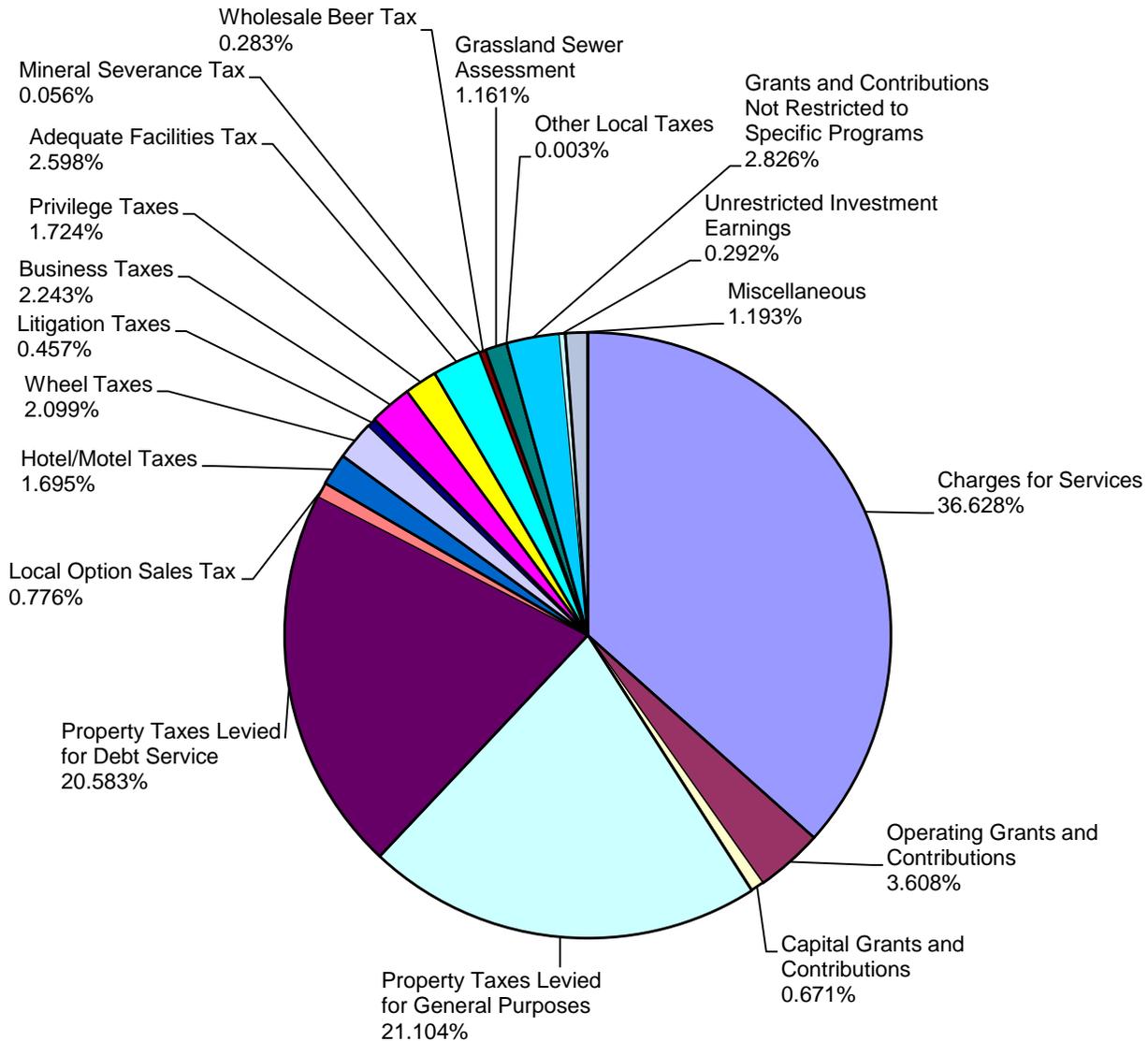
Williamson County's Changes in Net Assets (Cont.)

	2012 Governmental Activities	2011 Governmental Activities
Expenses (Cont.):		
Governmental Activities (Cont.):		
Administration of Justice	\$ 4,722,850	\$ 4,588,042
Public Safety	22,777,300	22,063,007
Public Health and Welfare	9,235,675	10,843,466
Social, Cultural, and Recreational Services	17,731,953	16,472,212
Agriculture and Natural Resources	404,814	465,363
Highway/Public Works	11,158,466	11,842,754
Education	47,337,904	79,071,059
Interest on Long-term Debt	20,875,585	20,901,633
Other Debt Service	825,856	491,014
Total Expenses	\$ 161,083,435	\$ 192,416,973
 Change in Net Assets	 \$ 23,318,761	 \$ (24,855,134)
Prior-period Adjustment	0	5,767,317
Net Assets - July 1	(184,554,855)	(165,467,038)
 Net Assets - June 30	 \$ (161,236,094)	 \$ (184,554,855)

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



Financial Analysis of the Government’s Funds

As noted earlier, Williamson County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Williamson County’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Williamson County’s financing requirements.

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 purpose for which amounts in these funds may be spent. These classifications may consist of the following: nonspendable, restricted, committed, assigned or unassigned.

Nonspendable Fund Balance – As of June 30, 2012, Williamson County does not report any nonspendable fund balance. Nonspendable fund balance would primarily include amounts that cannot be spent because either (a) they are not in spendable form or (b) they are legally or contractually required to be maintained intact.

Restricted Fund Balance – As of June 30, 2012, Williamson County reports \$34,175,476 in restricted fund balance, which 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 – As of June 30, 2012, Williamson County reports \$38,739,063 in committed fund balance, which includes amounts that are constrained by the county's intent to be used for specific purposes pursuant to constraints imposed by formal resolution of the County Commission, the county's highest level of decision-making authority.

Assigned Fund Balance – As of June 30, 2012, Williamson County reports \$8,818,368 in assigned fund balance, which includes amounts that are constrained by the county's intent to be used for specific purposes that are neither restricted nor committed.

Unassigned Fund Balance – As of June 30, 2012, Williamson County reports \$28,793,700 in unassigned fund balance. This classification represents fund balance that has not been restricted, committed, or assigned for specific purposes within the General Fund.

As of the end of the current fiscal year, Williamson County's governmental funds reported combined ending fund balances of \$110,526,607, an increase of \$3,773,773 in comparison with the prior year. Approximately 26 percent of this total amount (\$28,793,700) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted, committed, or assigned to indicate that it is not available for new spending.

The General Fund is the chief operating fund of Williamson County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$28,793,700 while total fund balance was \$39,530,512. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 44 percent of total General Fund expenditures, while total fund balance represents 61 percent of that same amount.

The fund balance of the General Fund increased \$2,323,723 from the prior year. The primary factor of the increase is the per penny tax rate for the General Fund was increased by three cents.

The fund balance of the Highway/Public Works Fund had a net increase of \$2,250,764 during the current fiscal year. The primary factor of the increase was the receipt of federal disaster funds.

The fund balance of the General Debt Service Fund had a net increase of \$237,410 from the prior year. One factor of the increase is the per penny tax rate for the General Debt Service Fund was increased by five cents.

The fund balance of the Rural Debt Service Fund had a net decrease of \$3,191,588 from the previous year. While the Rural Debt Service Fund's per penny tax rate was increased by five cents as well as receiving an allocation of privilege tax funds, expenditures still exceeded revenues for the year.

The fund balance of the General Capital Projects Fund had a net increase of \$868,727 from the prior year due to ongoing construction projects.

Proprietary fund. Williamson County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

General and Highway/Public Works Funds Budgetary Highlights

The final amended budget for General Fund expenditures reflected an increase of four percent above the original budget.

During the current fiscal year, the final amended budget for Highway/Public Works Fund expenditures reflected an increase of 15 percent above the original budget.

Capital Assets and Debt Administration

Capital assets. Williamson County's investment in capital assets for its governmental activities as of June 30, 2012, totaled \$212,183,835 (net of accumulated depreciation). This investment in capital assets includes land, intangibles, buildings and improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net decrease in Williamson County's investment in capital assets for the current fiscal year was \$1,410,600. One factor that contributed to the net decrease was the completion of several construction projects during the year including the completion of a \$1.2 million addition of administrative offices to the Parks and Recreation facility. Construction in progress totaling \$937,840 reflects Williamson County's various ongoing construction and renovation projects within the general operations and the parks and recreation facilities.

Williamson County's Capital Assets
As of June 30
(net of depreciation)

	<u>2012</u> Governmental Activities	<u>2011</u> Governmental Activities
Land	\$ 57,591,590	\$ 57,291,710
Intangibles	5,645,500	5,645,500
Construction in Progress	937,840	372,939
Buildings and Improvements	101,238,453	103,730,825
Other Capital Assets	20,235,892	20,092,132
Intangibles	116,278	278,095
Infrastructure	<u>26,418,282</u>	<u>26,183,234</u>
 Total	 <u>\$ 212,183,835</u>	 <u>\$ 213,594,435</u>

Long-term debt. At the end of the current fiscal year, Williamson County had total bonded debt outstanding of \$451,090,000 and other variable rate debt (Montgomery County Public Building Authority) loans of \$7,374,000, as well as \$6,720,000 in notes. All debt is backed by the full faith and credit of the county. Of the amount outstanding for governmental activities, \$353,199,375 reflects the balance of borrowings for education capital projects for the Williamson County Board of Education, which makes up 76 percent of Williamson County's outstanding debt.

Williamson County's Outstanding Debt
As of June 30

	<u>2012</u> Governmental Activities	<u>2011</u> Governmental Activities
Bonds Payable	\$ 451,090,000	\$ 477,990,000
Other Loans Payable	7,374,000	8,197,000
Notes Payable	<u>6,720,000</u>	<u>0</u>
 Total	 <u>\$ 465,184,000</u>	 <u>\$ 486,187,000</u>

- For the fiscal year ended June 30, 2012, Williamson County's total debt had a net decrease of \$21,003,000. During the year, \$27,723,000 of debt service principal payments was made. New debt totaling \$6,720,000 was issued for various education capital projects.

- The new debt issues for Williamson County are comprised of the following:
 - a) General Bond Anticipation Notes of \$4,030,000 were issued for various school construction projects, school building renovations, and improvement projects.
 - b) Rural or county district school Bond Anticipation Notes of \$2,690,000 were issued for various school construction projects, school building renovations, and improvement projects.

The county maintains an Aaa bond rating from Moody's for general and rural obligation debt.

Additional information on the county's long-term debt can be found in Exhibits K-1 and K-2 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the county as of June 30, 2012, was 5.9 percent, which is a 1.3 percent decrease from the 2011 rate of 7.2 percent. This compares to the state's average unemployment rate of 8.1 percent and the national average rate of 8.2 percent.
- The occupancy rate of the government's central business district for the past three years was 89.2 percent for 2010, 93.5 percent for 2011, and 95.7 percent for 2012.
- Inflationary trends in the region compare favorably to national indices.
- Assessed property value within the county is in excess of \$8.2 billion.

All of these factors were considered in preparing the county's budget for the 2013 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of Williamson County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Accounts and Budgets at 1320 West Main Street, Suite 125, Franklin, TN 37064.

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government Governmental Activities	Component Units		
		Williamson County School Department	Williamson County Hospital District	Williamson County Emergency Communications District
ASSETS				
Cash	\$ 1,430,662	\$ 180,336	\$ 11,547,270	\$ 1,732,313
Equity in Pooled Cash and Investments	110,191,803	53,830,114	0	0
Accounts Receivable	1,421,953	86,503	27,486,269	119,230
Allowance for Uncollectibles	0	0	(8,230,521)	0
Property Taxes Receivable	69,000,116	89,383,957	0	0
Allowance for Uncollectible Property Taxes	(818,866)	(979,961)	0	0
Due from Other Governments	4,312,211	6,601,287	0	56,282
Due from Component Units	197,570	0	0	0
Prepaid Items	0	7,395	835,507	0
Cash Shortage	145,759	0	0	0
Deferred Charges - Debt Issuance Costs	3,062,642	0	152,222	0
Inventories	0	0	3,529,671	0
Investment in Joint Venture	6,794,625	0	940,191	0
Goodwill and Other Intangible Assets	0	0	1,767,469	0
Other Receivable	0	0	268,018	0
Notes Receivable - Long-term	4,998,874	0	0	0
Restricted Assets:				
Customer Deposits	0	0	822,756	0
Bond Reserves	0	0	2,665,746	0
Capital Improvements	0	0	45,459,753	0
Capital Assets:				
Assets Not Depreciated:				
Land	57,591,590	30,252,967	0	0
Intangibles	5,645,500	0	0	0
Construction in Progress	937,840	44,470	0	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	101,238,453	335,016,285	0	0
Other Capital Assets	20,235,892	17,774,766	123,303,107	284,248
Intangibles	116,278	744,357	0	0
Infrastructure	26,418,282	0	0	0
Total Assets	\$ 412,921,184	\$ 532,942,476	\$ 210,547,458	\$ 2,192,073
LIABILITIES				
Accounts Payable	\$ 2,056,512	\$ 1,310,860	\$ 3,244,132	\$ 9,761
Accrued Payroll	0	12,866,306	6,461,206	0
Payroll Deductions Payable	0	3,677,456	0	0
Contracts Payable	0	1,065,761	0	0
Retainage Payable	0	84,225	0	0
Accrued Interest Payable	4,820,335	0	119,798	0
Due to Primary Government	0	0	0	197,570
Due to Litigants, Heirs, and Others	2,800	0	0	8,717
Other Accrued Expenses	0	0	2,326,168	0
Other Current Liabilities	28,252	0	0	0
Estimated Amounts Due to Third-party Payors	0	0	444,534	0
Customer Deposits Payable	2,215,936	187,201	0	0
Deferred Revenue - Current Property Taxes	66,849,274	86,913,310	0	0
Noncurrent Liabilities:				
Due Within One Year	38,320,984	586,151	3,951,535	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	459,863,185	84,263,578	40,995,868	0
Total Liabilities	\$ 574,157,278	\$ 190,954,848	\$ 57,543,241	\$ 216,048

(Continued)

Exhibit A

Williamson County, Tennessee
Statement of Net Assets (Cont.)

	Primary Governmental Activities	Component Units		
		Williamson County School Department	Williamson County Hospital District	Williamson County Emergency Communications District
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	\$ 99,422,897	\$ 0	\$ 78,355,704	\$ 0
Invested in Capital Assets Restricted for:	0	383,832,845	0	284,248
Capital Projects	517,446	0	0	0
Debt Service	24,774,031	0	0	0
Highways	6,584,781	0	0	0
Solid Waste	1,186,519	0	0	0
Instruction	0	105,496	0	0
Academic Excellence	0	2,323	0	0
Career Ladder	0	100,665	0	0
Drug Control	86,878	0	0	0
District Attorney General	268,536	0	0	0
Automation Purposes - Register	304,238	0	0	0
Automation Purposes - County Clerk	62,100	0	0	0
Unclaimed Property	30,922	0	0	0
Drug Court	39,811	0	0	0
Courtroom Security	1,129,688	0	0	0
Victims Assistance Program	84,369	0	0	0
Automation Purposes - Administration of Justice	90,349	0	0	0
Automation Purposes - Sheriff	20,644	0	0	0
Alcohol and Drug Treatment	44,934	0	0	0
Sexual Offender Registration	8,587	0	0	0
Public Safety	29,381	0	0	0
Hospital	0	0	870,164	0
Other Purposes	1,565	0	0	0
Unrestricted	<u>(295,923,770)</u>	<u>(42,053,701)</u>	<u>73,778,349</u>	<u>1,691,777</u>
Total Net Assets (Deficit)	<u>\$ (161,236,094)</u>	<u>\$ 341,987,628</u>	<u>\$ 153,004,217</u>	<u>\$ 1,976,025</u>

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

Exhibit B

Williamson County, Tennessee
Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total	Williamson County School Department	Williamson County Hospital District	Williamson County Emergency Communications District		
Primary Government:										
Governmental Activities:										
General Government	\$ 21,056,256	\$ 4,006,129	\$ 580,190	\$ 203,651	\$ (16,266,286)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	4,956,776	7,665,839	4,750	0	2,713,813	0	0	0	0	0
Administration of Justice	4,722,850	3,151,499	0	0	(1,571,351)	0	0	0	0	0
Public Safety	22,777,300	1,556,068	1,638,582	404,317	(19,178,333)	0	0	0	0	0
Public Health and Welfare	9,235,675	1,917,250	1,428,712	234,990	(5,654,723)	0	0	0	0	0
Social, Cultural, and Recreational Services	17,731,953	4,161,225	0	32,721	(13,538,007)	0	0	0	0	0
Agriculture and Natural Resources	404,814	0	0	0	(404,814)	0	0	0	0	0
Highway/Public Works	11,158,466	61,330	3,001,596	361,077	(7,734,463)	0	0	0	0	0
Education	47,337,904	45,024,154	0	0	(2,313,750)	0	0	0	0	0
Interest on Long-term Debt	20,875,585	0	0	0	(20,875,585)	0	0	0	0	0
Other Debt Service	825,856	0	0	0	(825,856)	0	0	0	0	0
Total Primary Government	\$ 161,083,435	\$ 67,543,494	\$ 6,653,830	\$ 1,236,756	\$ (85,649,355)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:										
Williamson County School Department	\$ 294,447,260	\$ 10,859,135	\$ 13,874,007	\$ 6,809,997	\$ 0	\$ (262,904,121)	\$ 0	\$ 0	\$ 0	\$ 0
Williamson County Hospital District	147,090,496	148,957,827	0	180,747	0	0	2,048,078	0	0	0
Emergency Communications District	1,606,420	1,465,605	0	0	0	0	0	0	0	(140,815)
Total Component Units	\$ 443,144,176	\$ 161,282,567	\$ 13,874,007	\$ 6,990,744	\$ 0	\$ (262,904,121)	\$ 2,048,078	\$ 0	\$ 0	\$ (140,815)
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes					\$ 38,916,230	\$ 96,074,208	\$ 0	\$ 0	\$ 0	\$ 0
Property Taxes Levied for Debt Service					37,954,827	0	0	0	0	0
Local Option Sales Tax					1,430,829	36,456,314	0	0	0	0
Hotel/Motel Tax					3,124,796	0	0	0	0	0
Wheel Tax					3,870,520	0	0	0	0	0
Litigation Tax					842,891	0	0	0	0	0
Business Tax					4,136,082	0	0	0	0	0
Privilege Tax					3,179,951	0	0	0	0	0

(Continued)

Exhibit B

Williamson County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					
	Program Revenues			Component Units		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Williamson County School Department	Williamson County Hospital District Williamson County Emergency Communications District
General Revenues (Cont.):						
Taxes (Cont.):						
Adequate Facilities Tax				\$ 4,791,653	\$ 0	\$ 0
Mineral Severance Tax				103,725	0	0
Wholesale Beer Tax				522,336	0	0
Grassland Sewer Assessment				2,141,194	0	0
Other Local Taxes				4,920	9,785	0
Grants and Contributions Not Restricted to Specific Programs				5,211,334	101,520,802	1,943,624
Unrestricted Investment Income				537,573	288,448	497,042
Miscellaneous				2,199,255	228,458	2,054,575
Total General Revenues				\$ 108,968,116	\$ 234,578,015	\$ 4,495,241
Change in Net Assets				\$ 23,318,761	\$ (28,326,106)	\$ 6,543,319
Net Assets (Deficit), July 1, 2011				(184,554,855)	370,313,734	146,460,898
Net Assets (Deficit), June 30, 2012				\$ (161,236,094)	\$ 341,987,628	\$ 153,004,217

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

Williamson County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2012

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects	Other Governmental Funds		
Cash	\$ 15,330	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,525	\$ 18,855
Equity in Pooled Cash and Investments	37,378,598	13,994,831	16,885,911	8,382,440	23,710,874	0	4,516,281	104,868,935
Accounts Receivable	25,000	0	1,226,900	0	0	0	131,251	1,383,151
Due from Other Governments	3,415,508	492,029	0	200,000	166,096	0	38,578	4,312,211
Due from Component Units	197,570	0	0	0	0	0	0	197,570
Property Taxes Receivable	34,179,398	889,649	21,334,748	9,686,038	0	0	2,910,283	69,000,116
Allowance for Uncollectible Property Taxes	(365,471)	(26,903)	(244,969)	(139,615)	0	0	(41,908)	(818,866)
Cash Shortage	145,759	0	0	0	0	0	0	145,759
Notes Receivable - Long-term	0	0	4,998,874	0	0	0	0	4,998,874
Total Assets	\$ 74,991,692	\$ 15,349,606	\$ 44,201,464	\$ 18,128,863	\$ 23,876,970	\$ 0	\$ 7,558,010	\$ 184,106,605

ASSETS

LIABILITIES AND FUND BALANCES

Total Assets	\$ 74,991,692	\$ 15,349,606	\$ 44,201,464	\$ 18,128,863	\$ 23,876,970	\$ 0	\$ 7,558,010	\$ 184,106,605
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Liabilities	\$ 520,253	\$ 443	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 520,696
Accounts Payable	365,467	16,000	0	0	0	0	5,500	386,967
Claims and Judgments Payable	0	0	0	0	0	0	2,800	2,800
Due to Litigants, Heirs, and Others	0	0	0	0	0	0	28,252	28,252
Other Current Liabilities	0	0	0	0	0	0	0	0
Current Liabilities Payable from Restricted Assets:								
Customer Deposits Payable	0	0	0	0	2,215,936	0	0	2,215,936
Deferred Revenue - Current Property Taxes	33,270,792	798,087	20,701,825	9,287,786	0	0	2,790,784	66,849,274
Deferred Revenue - Delinquent Property Taxes	443,135	61,659	322,954	228,636	0	0	69,591	1,125,975
Other Deferred Revenues	861,533	246,014	1,226,900	100,000	0	0	15,651	2,450,098
Total Liabilities	\$ 35,461,180	\$ 1,122,203	\$ 22,251,679	\$ 9,616,422	\$ 2,215,936	\$ 0	\$ 2,912,578	\$ 73,579,998

Fund Balances

Restricted:	\$ 304,238	\$ 0	\$ 304,238					
Restricted for General Government	93,022	0	0	0	0	0	0	93,022
Restricted for Finance	1,344,217	0	0	0	0	0	268,536	1,612,753
Restricted for Administration of Justice	40,408	0	0	0	0	0	86,878	127,286
Restricted for Public Safety								

(Continued)

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General / Debt Service	Rural Debt Service	General Capital Projects	Other Governmental Funds	Governmental Funds	
LIABILITIES AND FUND BALANCES (Cont.)								
Fund Balances (Cont.)								
Restricted (Cont.):								
Restricted for Public Health and Welfare	\$ 44,934	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,116,928	\$ 1,161,862	
Restricted for Highways/Public Works	0	6,277,108	0	0	0	0	6,277,108	
Restricted for Capital Outlay	0	0	0	0	5,421,782	0	5,421,782	
Restricted for Debt Service	0	0	19,175,860	0	0	0	19,175,860	
Restricted for Other Purposes	1,565	0	0	0	0	0	1,565	
Committed:								
Committed for General Government	24,242	0	0	0	0	0	24,242	
Committed for Administration of Justice	1,607	0	0	0	0	0	1,607	
Committed for Public Health and Welfare	0	0	0	0	0	3,173,090	3,173,090	
Committed for Social, Cultural, and Recreational Services	56,494	0	0	0	0	0	56,494	
Committed for Highways/Public Works	0	7,950,295	0	0	0	0	7,950,295	
Committed for Capital Outlay	0	0	0	0	16,239,252	0	16,239,252	
Committed for Debt Service	0	0	2,773,925	8,512,441	0	0	11,286,366	
Committed for Other Purposes	7,717	0	0	0	0	0	7,717	
Assigned:								
Assigned for General Government	422,328	0	0	0	0	0	422,328	
Assigned for Finance	152,806	0	0	0	0	0	152,806	
Assigned for Administration of Justice	1,459	0	0	0	0	0	1,459	
Assigned for Public Safety	218,645	0	0	0	0	0	218,645	
Assigned for Public Health and Welfare	6,355	0	0	0	0	0	6,355	
Assigned for Social, Cultural, and Recreational Services	65,643	0	0	0	0	0	65,643	
Assigned for Other Purposes	7,951,132	0	0	0	0	0	7,951,132	
Unassigned	28,793,700	0	0	0	0	0	28,793,700	
Total Fund Balances	\$ 39,530,512	\$ 14,227,403	\$ 21,949,785	\$ 8,512,441	\$ 21,661,034	\$ 4,645,432	\$ 110,526,607	
Total Liabilities and Fund Balances	\$ 74,991,692	\$ 15,349,606	\$ 44,201,464	\$ 18,128,863	\$ 23,876,970	\$ 7,558,010	\$ 184,106,605	

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

Exhibit C-2

Williamson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
June 30, 2012

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 110,526,607
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 57,591,590	
Add: intangibles	5,645,500	
Add: construction in progress	937,840	
Add: buildings and improvements net of accumulated depreciation	101,238,453	
Add: other capital assets net of accumulated depreciation	20,235,892	
Add: intangibles net of accumulated depreciation	116,278	
Add: infrastructure net of accumulated depreciation	<u>26,418,282</u>	212,183,835
(2) Investment in joint venture used in governmental activities is not a financial resource and therefore is not reported in governmental funds.		6,794,625
(3) Internal service funds are used to account for the county's and School Department's self-insured health programs. The assets and liabilities are included in governmental activities in the statement of net assets.		538,225
(4) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Add: deferred amount on refunded debt	\$ 8,868,652	
Less: unamortized debt premiums	(18,121,968)	
Less: notes payable	(6,720,000)	
Less: bonds payable	(451,090,000)	
Less: other loans payable	(7,374,000)	
Add: deferred charges - debt issuance costs	3,062,642	
Less: accrued interest on bonds and notes	(4,820,335)	
Less: landfill closure/postclosure care costs	(64,799)	
Less: other postemployment benefits liability	(16,375,070)	
Less: compensated absences payable	<u>(2,220,581)</u>	(494,855,459)
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,576,073</u>
Net assets (deficit) of governmental activities (Exhibit A)		<u>\$ (161,236,094)</u>

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

Exhibit C-3

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway /	General	Rural	General	Other Governmental Funds		
		Public Works	Debt Service	Debt Service	Capital Projects			
Revenues								
Local Taxes	\$ 40,438,646	\$ 7,893,975	\$ 25,504,254	\$ 14,338,191	\$ 10,303,693	\$ 3,066,629	\$	101,545,388
Licenses and Permits	1,209,112	0	0	0	0	0	0	1,209,112
Fines, Forfeitures, and Penalties	644,356	0	0	0	0	124,409	0	768,765
Charges for Current Services	5,358,916	0	0	0	0	863,131	0	6,222,047
Other Local Revenues	1,043,809	270,750	1,250,553	117,745	13,576	763,149	0	3,459,582
Fees Received from County Officials	11,369,481	0	0	0	0	35	0	11,369,516
State of Tennessee	5,090,029	3,479,288	0	0	0	226,053	0	8,795,370
Federal Government	2,210,887	1,769,853	678,120	953,928	298,941	436,330	0	6,348,059
Other Governments and Citizens Groups	611,474	111,827	1,898,201	0	0	5,121	0	2,626,623
Total Revenues	\$ 67,976,710	\$ 13,525,693	\$ 29,331,128	\$ 15,409,864	\$ 10,616,210	\$ 5,484,857	\$	142,344,462
Expenditures								
Current:								
General Government	\$ 9,999,519	0	0	0	0	0	0	9,999,519
Finance	3,540,809	0	0	0	0	279	0	3,541,088
Administration of Justice	3,302,207	0	0	0	0	65,380	0	3,367,587
Public Safety	15,540,342	0	0	0	0	81,508	0	15,621,850
Public Health and Welfare	4,043,158	0	0	0	0	3,399,068	0	7,442,226
Social, Cultural, and Recreational Services	12,335,553	0	0	0	0	0	0	12,335,553
Agriculture and Natural Resources	350,809	0	0	0	0	0	0	350,809
Other Operations	16,081,898	0	0	0	0	653,885	0	16,735,783
Highways	0	11,174,929	0	0	0	0	0	11,174,929
Debt Service:								
Principal on Debt	0	0	17,038,000	10,685,000	0	0	0	27,723,000
Interest on Debt	0	0	11,506,010	9,640,305	0	0	0	21,146,315
Other Debt Service	0	0	549,709	276,147	0	0	0	825,856
Capital Projects	0	0	0	0	5,992,249	0	0	5,992,249
Capital Projects - Donated	0	0	0	0	6,702,000	0	0	6,702,000
Total Expenditures	\$ 65,194,295	\$ 11,174,929	\$ 29,093,719	\$ 20,601,452	\$ 12,694,249	\$ 4,200,120	\$	142,958,764
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,782,415	\$ 2,350,764	\$ 237,409	\$ (5,191,588)	\$ (2,078,039)	\$ 1,284,737	\$	(614,302)

(Continued)

Exhibit C-3

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway /	General Debt Service	Rural Debt Service	General Capital Projects	Other		
		Public Works				Governmental Funds	Governmental Funds	
<u>Other Financing Sources (Uses)</u>								
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,720,000	\$ 0	\$ 0	\$ 6,720,000
Transfers In	92,332	100,000	1	2,000,000	680,934	0	0	2,873,267
Transfers Out	(551,024)	(200,000)	0	0	(4,454,168)	0	0	(5,205,192)
Total Other Financing Sources (Uses)	\$ (458,692)	\$ (100,000)	\$ 1	\$ 2,000,000	\$ 2,946,766	\$ 0	\$ 0	\$ 4,388,075
Net Change in Fund Balances	\$ 2,323,723	\$ 2,250,764	\$ 237,410	\$ (3,191,588)	\$ 868,727	\$ 1,284,737	\$ 3,773,773	
Fund Balance, July 1, 2011	37,206,789	11,976,639	21,712,375	11,704,029	20,792,307	3,360,695	106,752,834	
Fund Balance, June 30, 2012	\$ 39,530,512	\$ 14,227,403	\$ 21,949,785	\$ 8,512,441	\$ 21,661,034	\$ 4,645,432	\$ 110,526,607	

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

Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 3,773,773
(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	\$ 6,173,261	
Less: current-year depreciation expense	<u>(7,733,154)</u>	(1,559,893)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		
Add: assets donated and capitalized	\$ 454,603	
Less: loss on disposal of capital assets	<u>(305,310)</u>	149,293
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2011	\$ (4,678,773)	
Add: deferred delinquent property taxes and other deferred June 30, 2012	<u>3,576,073</u>	(1,102,700)
(4) The issuance of long-term debt (e.g., notes, other loans, bonds) 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 effect of these differences in the treatment of long-term debt and related items:		
Less: note proceeds	\$ (6,720,000)	
Add: amortization of debt issuance premiums	1,762,203	
Less: deferred charges on refunding debt amortized during the year	(1,410,793)	
Less: debt issuance cost amortized during the year	(292,192)	
Add: principal payments on other loans	823,000	
Add: principal payments on bonds	<u>26,900,000</u>	21,062,218
(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	\$ 341,667	
Change in other postemployment benefits liability	(4,807,687)	
Change in landfill closure/postclosure care costs	(1,519)	
Change in compensated absences payable	<u>(60,851)</u>	(4,528,390)
(6) Internal service funds are used to account for the county's and School Department's self-insured health programs. The net revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>5,524,460</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 23,318,761</u>

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

Exhibit D-1

Williamson County, Tennessee
Statement of Net Assets
Proprietary Fund
June 30, 2012

	Governmental Activities - Internal Service Fund
	<u>Self - Insurance Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash in Bank	\$ 1,411,807
Equity in Pooled Cash and Investments	5,322,868
Accounts Receivable	38,802
Total Assets	<u>\$ 6,773,477</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 1,535,816
Claims and Judgments Payable	4,699,436
Total Liabilities	<u>\$ 6,235,252</u>
<u>NET ASSETS</u>	
Unrestricted	<u>\$ 538,225</u>
Net Assets	<u>\$ 538,225</u>

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

Exhibit D-2

Williamson County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2012

	Governmental Activities - Internal Service Fund
	<u>Self - Insurance Fund</u>
<u>Operating Revenues</u>	
Charges for Services	\$ 51,330,638
Other Local Revenues	3,792,635
Federal Government	109,553
Total Operating Revenues	<u>\$ 55,232,826</u>
<u>Operating Expenses</u>	
Handling Charges and Administrative Costs	\$ 3,952,683
Life Insurance	185,255
Dental Insurance	2,848,574
Flexible Benefit Charges	562,405
Medical Claims	33,072,101
Other Self-Insured Claims	9,087,348
Total Operating Expenses	<u>\$ 49,708,366</u>
Operating Income (Loss)	\$ 5,524,460
Net Assets, July 1, 2011	<u>(4,986,235)</u>
Net Assets, June 30, 2012	<u><u>\$ 538,225</u></u>

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

Exhibit D-3

Williamson County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2012

	Governmental Activities - Internal Service Fund <hr/> Self - Insurance Fund <hr/>
<u>Cash Flows from Operating Activities</u>	
Receipts from Interfund Services Provided	\$ 44,866,864
Receipts from Customers and Users	10,217,607
Other Cash Receipts	109,553
Payments to Suppliers	(48,921,640)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 6,272,384</u>
Increase (Decrease) in Cash	\$ 6,272,384
Cash, July 1, 2011	<u>462,291</u>
Cash, June 30, 2012	<u><u>\$ 6,734,675</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 5,524,460
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
(Increase) Decrease in Accounts Receivable	(38,802)
Increase (Decrease) in Claims and Judgments Payable	<u>786,726</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 6,272,384</u></u>
<u>Reconciliation of Cash with Statement of Net Assets</u>	
Cash in Bank Per Net Assets	\$ 1,411,807
Equity in Pooled Cash and Investments Per Net Assets	<u>5,322,868</u>
Cash, June 30, 2012	<u><u>\$ 6,734,675</u></u>

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

Exhibit E

Williamson County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 6,268,610
Equity in Pooled Cash and Investments	1,890,870
Investments	14,106
Accounts Receivable	28,477
Due from Other Governments	7,422,023
Taxes Receivable	10,216,253
Allowance for Uncollectible Taxes	<u>(110,011)</u>
Total Assets	<u>\$ 25,730,328</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 18,073,851
Due to Joint Venture	988,236
Due to Litigants, Heirs, and Others	<u>6,668,241</u>
Total Liabilities	<u>\$ 25,730,328</u>

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

WILLIAMSON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Williamson 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 Williamson County:

A. Reporting Entity

Williamson County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Williamson 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 Williamson County School Department operates the public school system in the county, and the voters of Williamson 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 Williamson County Hospital District provides health care to the citizens of Williamson County, and the Williamson County Commission appoints its governing body. The county annually provides a subsidy to the hospital to help defray the costs of operating an ambulance service.

The Williamson County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Williamson County, and the Williamson 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 Williamson County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Williamson County Hospital District and the Williamson County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Williamson County Hospital District
d/b/a Williamson Medical Center
4321 Carothers Road
Franklin, TN 37064

Williamson County Emergency
Communications District
1320 West Main Street, Suite B-30
Franklin, TN 37064

Related Organization – The Williamson County Industrial Development Board is a related organization of Williamson County. The county’s officials are responsible for appointing the members of the board, but the county’s accountability for this organization does not extend beyond making the appointments. During the year ended June 30, 2012, the county did not appropriate any operating subsidies to the Williamson County Industrial Development Board.

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 Williamson 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 Williamson 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.

Williamson County issues all debt for the discretely presented Williamson County School Department. Net debt issues totaling \$6,702,000 were contributed by the county to the School Department during the year ended June 30, 2012.

Separate financial statements are provided for governmental funds, the proprietary fund (an internal service fund), and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and 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 proprietary fund and fiduciary funds 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 Williamson 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/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Williamson County reports one proprietary fund, an internal service fund. It has no enterprise funds to report.

Separate financial statements are provided for governmental funds, the proprietary fund, 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 internal service fund and the fiduciary funds in total are reported in single columns by fund type.

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. Williamson County considers grants and similar revenues to be available if they are collected within 60 days after year-end. However, the discretely presented Williamson County School Department considers grants related to the American Recovery and Reinvestment Act to be available if they are collected within six months 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.

Proprietary fund and fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Williamson 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.

General Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Rural Debt Service Fund – This fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs specifically issued for K-8 schools outside the territorial boundaries of the Franklin Special School District.

General Capital Projects Fund – This fund accounts for the financial resources to be used for the acquisition or construction of major capital facilities.

Additionally, Williamson County reports the following fund types:

Internal Service Fund – The Self-Insurance Fund is used to account for the county’s and the School Department’s self-insured health programs. Amounts per employee are charged to the various funds, and employee payroll deductions are placed in this fund for the payment of claims.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Williamson County, property taxes for the City of Nolensville and the Town of Thompson’s Station, various cities’ share of adequate facilities taxes collected by the county, the Franklin Special School District’s share of educational revenues, funds held for the benefit of the judicial district drug task force, and assets held in a custodial capacity for the Williamson County Governmental Library Commission. 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 Williamson County School Department reports the following major governmental funds:

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

Education Capital Projects Fund – This fund is used to account for the receipt of debt issued by Williamson County and contributed to the School Department for building construction and renovations.

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an internal service fund, used to account for the county's and the School Department's employee self-insurance health programs. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. Insurance contributions and premiums are the principal operating revenues of the internal service fund. Operating expenses for the internal service fund include administrative expenses and employee benefits.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on deposit with the county trustee and cash in bank.

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 Williamson 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 General, General Debt Service, and General Purpose School funds. In addition, investments are held separately by the Constitutional Officers - Agency Fund of the county. Williamson 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 outstanding at the end of the fiscal year is referred to as due to/from other funds.

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is one 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. Current liabilities payable from restricted assets (customer deposits payable) reflected in the primary government's General Capital Projects Fund represent deposits placed with Williamson County for road damage (\$2,215,936) and in the School Department's Central Cafeteria Fund represent prepayments of student meals (\$187,201). Claims and judgments payable are discussed in Note V.A. Risk Management.

Retainage payable in the School Department's Education Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments.

3. 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 primary government as assets with an initial, individual cost of \$10,000 (buildings/improvements and intangibles \$100,000 and infrastructure \$50,000) or more and an estimated useful life of more than five years. Capital assets are defined by the School Department as assets with an initial, individual cost of \$10,000 (buildings/improvements \$100,000 and vehicles \$20,000) and an estimated useful life of more than five 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	20 - 40
Intangibles	Various*
Other Capital Assets	5 - 20
Infrastructure:	
Roads	20 - 50
Bridges	30 - 50

*applicable legal life of the asset

4. Compensated Absences

It is the policy of Williamson County and the discretely presented Williamson County School Department to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Williamson County and the School Department do not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county and the discretely presented School Department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

5. Long-term Obligations

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type 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 funds 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, claims and judgments, other postemployment benefits, and landfill closure/postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

6. Net Assets and Fund Equity

In the government-wide financial statements and the proprietary fund in the fund 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.

As of June 30, 2012, Williamson County had \$353,199,375 in outstanding debt for capital purposes for the discretely presented Williamson County School Department. This debt is a liability of Williamson County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Williamson County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has authorized the county’s Budget Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and 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 Williamson County School Department

Exhibit J-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 Williamson County School Department

Exhibit J-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 District Attorney General Fund (special revenue fund) and the Constitutional Officers - Fees Fund (special revenue fund), which are not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Beer Board, Other Boards and Committees, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major

categories. During the year, several supplementary appropriations were necessary.

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

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

Funds	Description	Amount
<u>Primary Government</u>		
Major Fund:		
General	VIOP phones	\$ 243,446
"	Consulting services	92,368
"	AV upgrade	30,009
"	Gear for fire services	42,994
Highway/Public Works	Asphalt	523,811
"	Guardrails	60,000
"	Job costing software	55,975
"	Bridge beams and steel	38,872
General Capital Projects	Roofing	162,200
"	Concrete floor restoration	57,084
"	Design services	62,350
"	Oil and chip roads	50,000
<u>School Department</u>		
Major Fund:		
General Purpose School	Buses	1,499,220
"	Playground equipment	97,650
"	Maintenance vehicles	183,264
"	Textbooks	750,503
Education Capital Projects	School construction	1,447,346
"	Site development	1,000,000
"	Roofing	441,346
"	Laptops	234,871
"	Security cameras	217,916
"	Phone and email system	541,537

B. Cash Shortages – Prior and Current Years

The audit of Williamson County for the 2005-06 year reported a cash shortage of at least \$45,037.43, as of June 30, 2006, at the Fairview Recreational Center. This cash shortage resulted from collections that were not deposited or otherwise accounted for properly. On October 6, 2008, the defendant pled guilty and was sentenced to four years probation and ordered to pay restitution to Williamson County. On October 7, 2008, the defendant

signed a promissory note with Williamson County. The promissory note states that the debtor shall pay the principal amount in full no later than 48 months from November 1, 2008. As of June 30, 2012, this individual had paid restitution totaling \$9,031.50, leaving an outstanding cash shortage of \$36,005.93.

The audit of Williamson County for the 2008-09 year reported a cash shortage of \$3,386.18 in the Office of County Clerk. In December 2008, the county clerk discovered that collections from a title application transaction totaling \$1,877.68 had been diverted for an employee's personal use. On December 29, 2008, the employee admitted to fraudulently substituting funds to cover the diversion of funds, and the county clerk terminated the employee for mishandling the funds. Subsequently, the county clerk's bookkeeper and auditors discovered two additional title applications totaling \$1,508.50 had been stolen. Therefore, the amount of funds diverted from the office totaled \$3,386.18 (\$1,877.68 plus \$1,508.50). On November 10, 2009, the defendant pled guilty to one count of theft over \$1,000 and one count of forgery. The defendant was sentenced to two years' probation, and ordered to pay restitution of \$3,386.18 to Williamson County. As of June 30, 2012, no restitution had been paid, leaving the outstanding cash shortage of \$3,386.18.

A special report of the Williamson County Animal Control Department released on July 26, 2010, for the period May 17, 2005, through March 31, 2010, reported a cash shortage of at least \$106,446.17 from receipts that were not deposited with the county or otherwise accounted for properly. On November 15, 2010, the employee pled guilty to theft over \$60,000 and was sentenced to eight years' confinement, which was suspended to eight years' probation, and was ordered to pay restitution of \$106,446.17. As of June 30, 2012, this individual had paid restitution of \$79, leaving the outstanding cash shortage of \$106,367.17.

The Animal Control Office had a cash shortage of \$130 as of June 30 2012. Williamson County is self-insured; therefore, the county will likely lose the \$130. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of the report.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Board of Equalization major appropriation category (the legal level of control) of the General Fund by \$413. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues in the General Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Williamson County and the Williamson County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash and Investments reflected on the balance sheets or statements of net assets represent 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 loans associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make

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

Investment Balances. As of June 30, 2012, Williamson County had the following investments carried at fair value or cost. Except for nonpooled investments in the Constitutional Officers - Agency Fund, all investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Williamson County and the discretely presented Williamson County School Department since both pool their deposits and investments through the county trustee.

Nonpooled investments in the Constitutional Officers - Agency Fund are by court order and at the request of a litigant. These investments do not expose the county to any risk; therefore, further disclosure is not required.

Investment	Weighted Average Maturity (days)	Fair Value or Cost
Pooled:		
State Treasurer's Investment Pool	6 to 164 days	\$ 27,395,887
Nonpooled:		
Constitutional Officers - Agency	Various	14,106

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. Williamson 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. Williamson County has no investment policy that would further limit its investment choices. As of June 30, 2012, Williamson County’s investment in the State Treasurer’s Investment Pool was unrated.

B. Notes Receivable

Notes receivable in the General Debt Service Fund totaling \$4,998,874 resulted from an agreement with the City of Spring Hill to help finance the construction of a recreational facility and related infrastructure and is included in the restricted fund balance account.

C. Capital Assets

Capital assets activity for the year ended June 30, 2012, is presented in the following table. This table does not include certain land, buildings, and equipment, which are titled to Williamson County and used by the Williamson Medical Center. Title to these assets were transferred from the hospital to the county based on a 1992 refunding of the Series 1985, Hospital Revenue Bonds. These assets are reported in the financial statements of the discretely presented Williamson County Hospital District. Chapter 107, Private Acts of 1957, as amended, provides that “the Board of Trustees shall be vested with full, absolute and complete authority and responsibility for the operation, management, conduct and control of the business and affairs of the Hospital District ...”

Primary Government

Governmental Activities:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 57,291,710	\$ 299,880	\$ 0	\$ 57,591,590
Intangibles	5,645,500	0	0	5,645,500
Construction in Progress	372,939	648,903	(84,002)	937,840
Total Capital Assets Not Depreciated	<u>\$ 63,310,149</u>	<u>\$ 948,783</u>	<u>\$ (84,002)</u>	<u>\$ 64,174,930</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 137,288,564	\$ 1,223,755	\$ (180,494)	\$ 138,331,825
Infrastructure	59,741,140	1,530,886	0	61,272,026
Intangibles	809,087	0	0	809,087
Other Capital Assets	48,716,606	3,008,442	(1,287,911)	50,437,137
Total Capital Assets Depreciated	<u>\$ 246,555,397</u>	<u>\$ 5,763,083</u>	<u>\$ (1,468,405)</u>	<u>\$ 250,850,075</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 33,557,739	\$ 3,536,761	\$ (1,128)	\$ 37,093,372

Governmental Activities (Cont.):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Infrastructure	\$ 33,557,906	\$ 1,295,838	\$ 0	\$ 34,853,744
Intangibles	530,992	161,817	0	692,809
Other Capital Assets	28,624,474	2,738,738	(1,161,967)	30,201,245
Total Accumulated Depreciation	<u>\$ 96,271,111</u>	<u>\$ 7,733,154</u>	<u>\$ (1,163,095)</u>	<u>\$ 102,841,170</u>
Total Capital Assets Depreciated, Net	<u>\$ 150,284,286</u>	<u>\$ (1,970,071)</u>	<u>\$ (305,310)</u>	<u>\$ 148,008,905</u>
Governmental Activities Capital Assets, Net	<u>\$ 213,594,435</u>	<u>\$ (1,021,288)</u>	<u>\$ (389,312)</u>	<u>\$ 212,183,835</u>

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

Governmental Activities:

General Government	\$ 1,144,459
Finance	96,015
Public Safety	1,327,428
Public Health and Welfare	617,680
Social, Cultural, and Recreational Services	2,451,504
Other Operations	89,199
Highways/Public Works	<u>2,006,869</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 7,733,154</u>

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

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 30,252,967	\$ 0	\$ 0	\$ 30,252,967
Construction in Progress	65,524,235	44,470	(65,524,235)	44,470
Total Capital Assets Not Depreciated	<u>\$ 95,777,202</u>	<u>\$ 44,470</u>	<u>\$ (65,524,235)</u>	<u>\$ 30,297,437</u>

Governmental Activities (Cont.):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 365,391,767	\$ 77,374,007	\$ 0	\$ 442,765,774
Intangibles	0	756,973	0	756,973
Other Capital Assets	30,689,117	2,433,617	(1,107,406)	32,015,328
Total Capital Assets	396,080,884	80,564,597	(1,107,406)	475,538,075
Depreciated				
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 98,297,027	\$ 9,452,462	\$ 0	\$ 107,749,489
Intangibles	0	12,616	0	12,616
Other Capital Assets	13,097,535	2,183,621	(1,040,594)	14,240,562
Total Accumulated	111,394,562	11,648,699	(1,040,594)	122,002,667
Depreciation				
Depreciated, Net	\$ 284,686,322	\$ 68,915,898	\$ (66,812)	\$ 353,535,408
Governmental Activities				
Capital Assets, Net	\$ 380,463,524	\$ 68,960,368	\$ (65,591,047)	\$ 383,832,845

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

Governmental Activities:

Instruction	\$ 17,294
Support Services	171,236
Operation of Non-Instructional Services	11,460,169
Total Depreciation Expense -	
Governmental Activities	\$ 11,648,699

D. Construction Commitments

At June 30, 2012, Williamson County had uncompleted construction contracts of approximately \$175,975 in the General Capital Projects Fund for reroofing projects. Funding has been received for these future expenditures.

At June 30, 2012, the School Department had uncompleted construction contracts of approximately \$4,260,510 in the Education Capital Projects Fund for the school building program. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	\$ 607

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

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
General	Williamson County	
	Emergency Communications	
	District	\$ 197,570

Interfund Transfers:

Interfund transfers for the year ended June 30, 2012, consisted of the following amounts:

Transfers Out	Transfers In		
	General Fund	Highway/ Public Works Fund	General Debt Service Fund
General Capital Projects Fund	\$ 22,078	\$ 100,000	\$ 1
Fiduciary Funds	70,254	0	0
Total	\$ 92,332	\$ 100,000	\$ 1

Transfers Out	Transfers In		
	Rural Debt Service Fund	General Capital Projects Fund	Fiduciary Funds
General Fund	\$ 0	\$ 480,934	\$ 70,090
General Capital Projects Fund	2,000,000	0	2,332,089
Highway/Public Works Fund	0	200,000	0
Total	\$ 2,000,000	\$ 680,934	\$ 2,402,179

Discretely Presented Williamson County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Education Capital Projects Fund
Nonmajor governmental funds	\$ 413,231	\$ 0
General Purpose School Fund	0	2,005,929
Total	\$ 413,231	\$ 2,005,929

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

F. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

The county issues general obligation bonds and other loans 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 and notes. Notes are issued to fund purchases in anticipation of general obligation bonds.

General obligation bonds, notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, notes, and other loans outstanding were issued for original terms of up to 25 years for bonds, up to two years for notes, and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the

debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2012, will be retired from the debt service funds.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
General Obligation Bonds	1 to 5.75%	4-1-34	\$ 120,665,000	\$ 70,530,000
General Obligation Bonds - Refunding	2 to 5.5	4-1-29	215,265,000	172,320,000
Rural School Bonds	0.85 to 5.75	4-1-34	156,030,000	112,835,000
Rural School Bonds - Refunding	2 to 5.5	4-1-29	122,600,000	95,405,000
Other Loans	variable	5-25-23	14,600,000	7,374,000
Notes	.45 to 1.38	12-1-13	6,720,000	6,720,000

In prior years, Williamson County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$8,490,000 to the county for various renovation and construction projects. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2012, the variable interest rate was .47 percent, and other fees totaled approximately .25 percent (letter of credit), .08 percent (remarketing), and \$85 per month (trustee) of the outstanding loan principal.

Also, in prior years, Williamson County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$4,095,000 to the county for various renovation and construction projects. This loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2012, the variable interest rate was .49 percent, and other fees totaled approximately .3 percent (letter of credit), .08 percent (remarketing), and \$85 per month (trustee) of the outstanding loan principal.

In addition, in prior years, Williamson County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$2,015,000 to the county for various renovation and construction projects. This loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2012, the variable interest rate was

.49 percent, and other fees totaled approximately .3 percent (letter of credit), .08 percent (remarketing), and \$85 per month (trustee) of the outstanding loan principal.

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

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2013	\$ 859,000	\$ 35,410	\$ 29,277	\$ 923,687
2014	896,000	31,307	26,276	953,583
2015	937,000	27,027	23,149	987,176
2016	979,000	22,554	19,880	1,021,434
2017	1,023,000	17,879	16,467	1,057,346
2018-2022	2,405,000	33,385	34,749	2,473,134
2023	275,000	1,348	2,066	278,414
Total	\$ 7,374,000	\$ 168,910	\$ 151,864	\$ 7,694,774

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 30,155,000	\$ 18,600,018	\$ 48,755,018
2014	31,105,000	17,462,788	48,567,788
2015	32,555,000	16,261,298	48,816,298
2016	31,115,000	15,113,874	46,228,874
2017	32,385,000	13,961,269	46,346,269
2018-2022	145,005,000	52,712,931	197,717,931
2023-2027	97,720,000	25,938,547	123,658,547
2028-2032	41,200,000	8,096,690	49,296,690
2033-2034	9,850,000	853,875	10,703,875
Total	\$ 451,090,000	\$ 169,001,290	\$ 620,091,290

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 0	\$ 66,392	\$ 66,392
2014	6,720,000	33,759	6,753,759
Total	\$ 6,720,000	\$ 100,151	\$ 6,820,151

There is \$30,462,226 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$2,463, based on the 2010 federal

census. Debt per capita, including bonds and other loans totaled \$2,539, based on the 2010 federal census.

Changes in Long-term Liabilities

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

Governmental Activities:

	Bonds	Other Loans	Notes
Balance, July 1, 2011	\$ 477,990,000	\$ 8,197,000	\$ 0
Additions	0	0	6,720,000
Reductions	(26,900,000)	(823,000)	0
Balance, June 30, 2012	<u>\$ 451,090,000</u>	<u>\$ 7,374,000</u>	<u>\$ 6,720,000</u>
Balance Due Within One Year	<u>\$ 30,155,000</u>	<u>\$ 859,000</u>	<u>\$ 0</u>
		Compensated Absences	Claims and Judgments
Balance, July 1, 2011		\$ 2,159,730	\$ 6,024,284
Additions		2,271,312	36,517,711
Reductions		(2,210,461)	(37,455,592)
Balance, June 30, 2012		<u>\$ 2,220,581</u>	<u>\$ 5,086,403</u>
Balance Due Within One Year		<u>\$ 2,220,581</u>	<u>\$ 5,086,403</u>
		Closure/ Postclosure Care Costs	Self-Insured Other Postemployment Benefits
Balance, July 1, 2011		\$ 63,280	\$ 11,567,383
Additions		1,519	5,610,222
Reductions		0	(802,535)
Balance, June 30, 2012		<u>\$ 64,799</u>	<u>\$ 16,375,070</u>
Balance Due Within One Year		<u>\$ 0</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 488,930,853
Less: Due Within One Year	(38,320,984)
Add: Unamortized Premium on Debt	18,121,968
Less: Deferred Amount on Refunding	<u>(8,868,652)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 459,863,185</u></u>

The internal service fund primarily serves the governmental funds. Accordingly, long-term liabilities for the internal service fund are included as part of the above totals for governmental activities. At year-end, \$4,699,436 of claims and judgments in the internal service fund is included in the above amounts. Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds. Landfill closure/postclosure care costs will be paid from the General Capital Projects Fund.

Defeasance of Prior Debt

In prior years, Williamson County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2012, the following outstanding bonds are considered defeased:

	<u>Amount</u>
2004A General Obligation	\$ 6,320,000
2004B General Obligation	9,465,000
2006 GO School and Public Improvement	15,690,000
2004A Rural School	5,855,000
2004B Rural School	9,975,000
2006 Rural School	13,570,000

Discretely Presented Williamson County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Williamson County School Department for the year ended June 30, 2012, was as follows:

Governmental Activities:

	Compensated Absences	Claims and Judgments
Balance, July 1, 2011	\$ 1,118,534	\$ 473,457
Additions	1,079,551	2,235,513
Reductions	(1,180,503)	(2,275,457)
Balance, June 30, 2012	<u>\$ 1,017,582</u>	<u>\$ 433,513</u>
Balance Due Within One Year	<u>\$ 152,638</u>	<u>\$ 433,513</u>

	State Medicare Postemployment Benefits	Self-Insured Other Postemployment Benefits
Balance, July 1, 2011	\$ 1,003,581	\$ 57,508,862
Additions	233,532	28,572,714
Reductions	(1,800)	(3,918,255)
Balance, June 30, 2012	<u>\$ 1,235,313</u>	<u>\$ 82,163,321</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 84,849,729
Less: Due Within One Year	<u>(586,151)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 84,263,578</u>

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

G. On-Behalf Payments – Discretely Presented Williamson County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Williamson County School Department. 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, 2012, were \$14,520. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

Williamson County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the General Purpose School Fund. These notes were necessary because funds were not available to meet various operational expenditures coming due before the current tax collections. Short-term debt activity for the year ended June 30, 2012, was as follows:

	Balance			Balance
	7-1-11	Issued	Paid	6-30-12
Tax Anticipation Notes	\$ 0	\$ 10,000,000	\$ (10,000,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Williamson County and the Williamson County School Department have chosen to establish the Self-Insurance Fund for risks associated with the employees' health insurance plans. The Self-Insurance Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county retains the risk of loss to a limit of \$200,000 per specific loss. The PPO and HMO plans do not carry aggregate reinsurance.

All full-time and certain retired employees of the primary government and the discretely presented Williamson County School Department are eligible to participate. A premium charge is allocated to each fund that accounts for its employees. This charge is based on actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The Self-Insurance Fund establishes claim liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2010-11	\$ 5,837,553	\$ 39,026,141	\$ (39,415,168)	\$ 5,448,526
2011-12	5,448,526	36,668,335	(37,417,425)	4,699,436

Williamson County and the discretely presented Williamson County School Department are self-insured for all other risks of loss, including general liability, property, casualty, and workers' compensation. The county carries commercial insurance coverage for any specific loss exceeding \$100,000 (\$200,000 workers' compensation) and aggregate losses from \$1,000,000 to \$3,882,500 in a given year. Claims liabilities are reported as claims and judgments payable in the General, Highway/Public Works, Solid Waste/Sanitation, and the discretely presented General Purpose School funds.

B. Subsequent Events

Director of Accounts and Budgets David Coleman retired on August 31, 2012, and was succeeded by Nena Graham effective September 1, 2012.

On September 10, 2012, Williamson County approved an interlocal agreement with the town of Nolensville for renovation of the old Nolensville Elementary School to a recreation facility and for reimbursement of a portion of the renovation work. The Town of Nolensville agreed to reimburse the county for half of the total renovation costs of \$5,000,000 to be paid \$500,000 in a single lump sum payment and the remaining principal amount of \$2,000,000 by periodic payments to the county including interest.

On September 12, 2012, Williamson County issued a \$10,000,000 tax anticipation note to the General Purpose School Fund for temporary operating funds.

On December 7, 2012, Williamson County issued county district school refunding bonds totaling \$11,805,000 and general obligation refunding bonds totaling \$30,085,000.

C. Contingent Liabilities

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

Williamson County is contingently liable for certain revenue bonds and loans of the discretely presented Williamson County Hospital District. Williamson County would become liable for these bonds, loans, and the interest thereon, in case of default by the Williamson County Hospital District.

D. Change in Administration

Property Assessor Dennis Anglin retired on May 14, 2012, and was succeeded by Brad Coleman effective May 15, 2012.

E. Landfill Closure/Postclosure Care Costs

Williamson County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill, solid waste transfer station, demolition landfill, and a compost facility. The county has provided financial assurances for estimated closure and 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 Williamson County to place a final cover on its sanitary 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. The \$64,799 reported as landfill closure and postclosure care liability at June 30, 2012, represents the cumulative amount reported to date based on the use of seven percent of the estimated capacity of the landfill. The county will recognize the remaining estimated costs of closure and postclosure care of \$860,894 if the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Cool Springs Conference Center is a joint venture between Williamson County and the City of Franklin. The parties have agreed to share equally all revenues, expenses, and other legal obligations from the operation of the conference center. The county's net investment of \$6,794,625 is reported as an asset in the governmental activities column on the Statement of Net Assets. The county's share of 2011-12 revenues (\$430,895) and expenditures (\$55,665) related to the conference center are included in the county's General Fund. Williamson County and the City of Franklin have contracted with Noble Investments, Cool Springs, LLC, for the operation and maintenance of the conference center.

The Twenty-first Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-first Judicial District; Williamson, Perry, Lewis, and Hickman 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, including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Williamson County does not retain an equity interest in the DTF.

Complete financial statements for the Cool Springs Conference Center and the Twenty-first Judicial District Drug Task Force can be obtained from their respective administrative offices at the following addresses:

Administrative Offices

Cool Springs Conference Center
City of Franklin
P.O. Box 305
Franklin, TN 37065-0305

Office of District Attorney General
Twenty-first Judicial District Drug Task Force
P.O. Box 937
Franklin, TN 37065

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

Employees of Williamson 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 Williamson 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

Williamson 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, 2012, was 7.94 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, 2012, Williamson County's annual pension cost of \$4,863,867 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 three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was six years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$4,863,867	100%	\$0
6-30-11	4,339,891	100	0
6-30-10	4,684,271	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 95.96 percent funded. The actuarial accrued liability for benefits was \$127.38 million, and the actuarial value of assets was \$122.23 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$5.15 million. The covered payroll (annual payroll of active employees covered by the plan) was \$58.31 million, and the ratio of the UAAL to the covered payroll was 8.83 percent.

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

SCHOOL TEACHERS

The Williamson County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member’s high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service, or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of

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

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2012, 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, 2012, 2011, and 2010, were \$10,408,692, \$8,818,882, and \$6,852,037 respectively, equal to the required contributions for each year.

2. Deferred Compensation

Primary Government

Williamson County offers its employees a deferred compensation plan established pursuant to IRC Section 457. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plan.

Discretely Presented Williamson County School Department

The Williamson County School Department offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 457 and the Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 457 and 403(b) establish participation, contribution, and withdrawal provisions for the plans.

H. Other Postemployment Benefits (OPEB)

Self-Insurance Plan

Plan Description

All full-time employees hired prior to July 1, 2009, and eligible retirees of the primary government and the discretely presented Williamson County School Department are eligible to participate in the health and dental insurance cost sharing plan accounted for in the Self-Insurance Fund (internal service fund). Life insurance ranging from \$2,700 to \$15,000 is also provided at full cost to the retiree. For accounting purposes, the plan is an agent single-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee established by the County Commission.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums.

An employee hired prior to July 1, 2009, who retires from Williamson County becomes eligible for retiree health coverage upon the earlier of attaining: (1) age 55 with ten years of service and active coverage for one year prior to retirement, or (2) any age with 30 years of service and active coverage for one year prior to retirement. Williamson County pays 80 percent of the costs of benefits. If the retiree is eligible for health and dental insurance coverage, the coverage is also provided for the retiree's spouse and/or dependent children. Once the retirees or their dependent(s) become eligible for Medicare, the county coverage will become the secondary insurance provider. The federal government contributed \$109,553 to Williamson County's Medicare Plan.

Annual OPEB Cost and Net OPEB Obligation

	Primary Government	School Department	Total
ARC	\$ 5,270,523	\$ 26,914,185	\$ 32,184,708
Interest on the NPO	528,434	2,579,998	3,108,432
Adjustment to the ARC	(188,735)	(921,469)	(1,110,204)
Annual OPEB cost	<u>\$ 5,610,222</u>	<u>\$ 28,572,714</u>	<u>\$ 34,182,936</u>
Amount of contribution	(802,535)	(3,918,255)	(4,720,790)
Increase/decrease in NPO	\$ 4,807,687	\$ 24,654,459	\$ 29,462,146
Net OPEB obligation, 7-1-11	<u>11,567,383</u>	<u>57,508,862</u>	<u>69,076,245</u>
Net OPEB obligation, 6-30-12	<u>\$ 16,375,070</u>	<u>\$ 82,163,321</u>	<u>\$ 98,538,391</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Primary Government	\$ 4,647,188	17%	\$ 7,005,227
6-30-11	"	5,270,523	14	11,567,383
6-30-12	"	5,610,221	14	16,375,070
6-30-10	School Department	22,689,213	17	34,053,169
6-30-11	"	26,914,185	13	57,508,862
6-30-12	"	28,572,714	14	82,163,321

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:	Primary Government	School Department
Actuarial valuation date	7-1-11	7-1-11
Actuarial accrued liability (AAL)	\$ 41,827,083	\$ 185,332,458
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 41,827,083	\$ 185,332,458
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 30,495,603	\$ 139,169,725
UAAL as a % of covered payroll	137%	133%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about

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

Actuarial Methods and Assumptions

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

In the July 1, 2011, actuarial valuation, the projected unit credit actuarial cost method was used. 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, grading down to five percent. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with June 30, 2008.

State Sponsored Medicare Supplement Plan

Plan Description

The Williamson County School Department participates in the state-administered Medicare Supplement Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-701, *Tennessee Code Annotated*. 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 plan is reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in the plan develop their own contribution policy in terms of subsidizing retired employees' premiums since the committee is not prescriptive on that issue. The state provides a full subsidy based on years of service for post-65

teachers in the Medicare Supplement Plan. The monthly support for noncertified School Department employees is based on years of service. If the retiree has between 15 and 19 years of service, the monthly support is \$25. If the retiree has between 20 and 29 years of service, the monthly support is \$37.50. Retirees with 30 or more years of service receive monthly support of \$50. Expenditures for postretirement health care benefits are included in the government's annual budget. During the year, expenditures totaling \$1,800 were recognized for postemployment health care.

Annual OPEB Cost and Net OPEB Obligation

	Medicare Supplement Plan
	<hr/>
ARC	\$ 236,000
Interest on the NPO	40,143
Adjustment to the ARC	(42,611)
Annual OPEB cost	<hr/> \$ 233,532
Amount of contribution	(1,800)
Increase/decrease in NPO	<hr/> \$ 231,732
Net OPEB obligation, 7-1-11	<hr/> 1,003,581
	<hr/>
Net OPEB obligation, 6-30-12	<u><u>\$ 1,235,313</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Medicare Supplement	\$ 264,132	1 %	\$ 737,903
6-30-11	"	267,753	1	1,003,581
6-30-12	"	233,532	1	1,235,313

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:	Medicare Supplement Plan
	<hr/>
Actuarial valuation date	7-1-11
Actuarial accrued liability (AAL)	\$ 1,939,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,939,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ N/A
UAAL as a % of covered payroll	N/A

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

Actuarial Methods and Assumptions

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

In the July 1, 2011, actuarial valuation for the Medicare Supplement Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare premium trend rate was 6.5 percent for fiscal year 2012. The trend will decrease to 6.25 percent in fiscal year 2013 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2018. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

I. Office of Central Accounting, Budgeting, and Purchasing

Williamson County operates under provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county mayor and the highway superintendent. These funds are maintained in the Office of Central Accounting, Budgeting, and Purchasing under the supervision of the director of accounts and budgets. Williamson County also operates under provisions of the Williamson County Budget Act, Chapter 56, Private Acts of 2001.

J. Purchasing Laws

Offices of County Mayor and Highway Superintendent

Purchasing procedures for these offices are governed by provisions of the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures for the Highway Department are

also governed by provisions of the Uniform Road Law, Section 54-7-113, *TCA*. These statutes require that purchase orders be issued for all purchases and that sealed bids be solicited on purchases exceeding \$10,000 for the Offices of County Mayor and Highway Superintendent.

Office of Director of Schools

Purchasing procedures for the discretely presented Williamson County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids be solicited through newspaper advertisement on all purchases exceeding \$10,000.

VI. OTHER NOTES – DISCRETELY PRESENTED WILLIAMSON COUNTY HOSPITAL DISTRICT

A. Reporting Entity

Williamson County Hospital District operates under the name of Williamson Medical Center and is a general, short-term, acute care hospital organized as a political subdivision of Williamson County, Tennessee. The medical center constitutes a component unit of the county, which is considered the primary government unit. The Williamson County Commission adopted a resolution in 1992, in conjunction with acquiring title to the property and equipment of the district, giving the district complete authority and responsibility to manage and operate the medical center as provided in Chapter 107 of the Private Act of 1957, passed by the Tennessee legislature. The county is financially accountable as it appoints a voting majority of the district's Board of Trustees, and the full faith and credit of the county is pledged for payment of principal and interest on the outstanding hospital revenue and tax bonds.

The primary mission of the medical center is to provide inpatient and outpatient healthcare services to citizens of Williamson County and surrounding areas. The medical center also provides ambulance services in Williamson County.

Williamson Medical Center Foundation is a tax-exempt organization, which was established in 2003. The foundation was formed to coordinate the fund-raising and development activities of the medical center, which is the sole member of the organization. The activities of the foundation are reflected in the operating and nonoperating revenues (expenses) as they relate to the foundation in the accompanying combined statements of revenues, expenses, and changes in net assets. All assets of the foundation, other than unconditional promises to give, are shown as part of assets limited as to use in the accompanying combined Statements of Net Assets.

The medical center follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*, an amendment of GASB Statement No. 14. As a result, the foundation is included in the accompanying combined financial statements as a discretely presented component unit of the medical center.

As required by accounting principles generally accepted in the United States of America, these combined financial statements present both Williamson Medical Center and its discretely presented component unit (collectively referred to as the reporting entity).

B. Summary of Significant Accounting Policies

Basis of Presentation – The medical center utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual basis. Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the medical center has elected to apply all relevant pronouncements of the Financial Accounting Standards Board and predecessor standard setting organizations, including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Cash and Cash Equivalents – The medical center considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of amounts maintained in bank deposits and overnight repurchase agreements, which are insured by the Federal Deposit Insurance Corporation or are otherwise collateralized.

Inventories – Inventories consist principally of medical and pharmaceutical supplies and are stated at the lower of cost, determined on the first-in, first-out (FIFO) basis, or market (net realizable value).

Assets Limited as to Use – Assets limited as to use include cash and investments designated by the Board of Trustees for future capital improvements and debt repayment, over which the board retains control and may at its discretion use for other purposes; cash and investments from county bond proceeds to be used for capital improvements; and restricted cash from donors through the foundation. Investments are reported at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Property and Equipment – Property and equipment are recorded at cost. The medical center capitalizes purchases that cost a minimum of \$1,000 and have a useful life greater than three years. Assets are depreciated on a straight-line basis over their estimated useful lives as follows: land

improvements two to 25 years; buildings generally 40 years; fixed equipment five to 20 years; and major movable equipment three to 20 years. Assets under capital leases are included in property and equipment, and the related amortization and accumulated amortization is included in depreciation and amortization expense and accumulated depreciation and amortization, respectively. The medical center reviews the carrying values of long-lived assets if facts and circumstances indicate that recoverability may have been impaired. Costs of maintenance and minor repairs are expensed as incurred. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Investment in Joint Ventures – Investment in joint ventures are accounted for under the equity method of accounting and the medical center recognizes its share in the results of the underlying activities of the joint ventures.

Bond Issuance Costs – Costs incurred in issuing the revenue bonds are being amortized over the term of the related bond issues using the straight-line method.

Goodwill and Other Intangible Assets

The medical center evaluates goodwill and intangible assets for impairment on an annual basis or more frequently if impairment indicators arise. In the event goodwill is considered to be impaired, a charge to earnings would be recorded during the period in which management makes such impairment assessment.

Accrual for Compensated Absences – The medical center recognizes an expense and accrues a liability for compensated future employee absences in the period in which employees' rights to such compensated absences are earned. Compensated absences consist of paid days off, including holiday, vacation, sick, and bereavement days to qualifying employees.

Patient Service Revenue – The medical center has agreements with third-party payors that provide for payments to the medical center at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Risk Management – The medical center is exposed to various risks of loss from medical malpractice; torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; and natural disasters.

Commercial insurance is purchased for claims arising from such matters. The medical center is self-insured for employee medical and other healthcare benefit claims and judgments as discussed later.

Income Taxes – The medical center is classified as an organization exempt from federal income taxes as it is a political subdivision of Williamson County. The foundation is classified as an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying combined financial statements.

Net Assets – Net assets of the medical center are classified in three components. Net assets invested in capital assets, net of related debt, consist of capital assets net of accumulated depreciation and reduced by the remaining balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted net assets are noncapital net assets that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the medical center, including amounts related to county contributions and bond indebtedness restricted for specific purposes. Unrestricted net assets are remaining net assets that do not meet the definition of invested in capital assets, net of related debt, or restricted. During 2012, \$1,032 of net assets were released from restrictions and reclassified from restricted to unrestricted.

Operating Revenues and Expenses – The medical center's statement of revenues, expenses, and changes in net assets distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing healthcare services – the medical center's principal activity. Nonexchange revenues, including grants and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide healthcare services, other than financing costs.

Charity Care – The medical center accepts all patients, regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the medical center. In assessing a patient's inability to pay, the medical center utilizes generally recognized poverty income levels. Because the medical center does not pursue collection of amounts determined to qualify as charity care, charges related to charity care are not included in net patient service revenue. In addition to these charity care services, the medical center provides a number of other services to benefit underprivileged patients for which little or no payment is received, including providing services to TennCare and state indigent patients and providing various public health education, health evaluation, and screening programs.

Contributed Resources – The medical center receives grants from the county, as well as from individuals and private organizations through the foundation.

Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to specific operating purposes are reported as nonoperating income (expenses). Amounts restricted to capital acquisitions are reported as other increases in net assets.

New Accounting Pronouncements – In November 2010, accounting standards relating to the inclusion of component units in the financial reporting entity were amended to require inclusion if a financial benefit or burden is present or if the financial statements would be misleading if excluded. This also amended the criteria for reporting component units as if they are part of the primary government. These amendments are effective for financial statements for fiscal years beginning after June 15, 2012. Therefore, the medical center expects to adopt these standards at the beginning of fiscal year 2013.

In December 2010, accounting standards relating to the application of FASB Statements that do not contradict GASB pronouncements were amended to incorporate into the GASB authoritative literature certain accounting and financial reporting guidance and to bring all authoritative literature together in one place. These amendments are effective for financial statements for fiscal years beginning after December 15, 2011. Therefore the medical center expects to adopt these standards at the beginning of fiscal year 2013.

In March 2012, accounting standards relating to accounting for operating lease payments that vary from a straight-line basis were amended to clarify how to apply GASB Statement 13. These amendments are effective for financial statements for fiscal years beginning after December 15, 2012. Therefore the medical center expects to adopt these standards at the beginning of fiscal year 2014.

The medical center is currently assessing the impact of adopting these accounting standards.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Performance Indicator – Excess of revenues over expenses reflected in the accompanying statement of revenues, expenses, and changes in net assets is a performance indicator.

C. Fair Value Measurements

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity including quoted market prices in active markets for identical assets (Level 1), or significant other observable inputs (Level 2), and the reporting entity's own assumptions about market participant assumptions (Level 3). The medical center had no certificates of deposit as of June 30, 2012. The medical center does not have any fair value measurements using significant unobservable inputs (Level 3) as of June 30, 2012.

Financial Assets – The carrying amount of financial assets, consisting of cash, accounts receivable, accounts payable, accrued expenses, and current portions of long-term debt and capital lease obligations approximate their fair value due to their relatively short maturities. Long-term debt and capital lease obligations are carried at amortized cost, which approximates fair value.

Non-Financial Assets – The medical center's non-financial assets, which include property and equipment, and goodwill, are not required to be measured at fair value on a recurring basis. However, if certain triggering events occur, or if an annual impairment test is required, and the medical center is required to evaluate the non-financial instrument for impairment, a resulting asset impairment would require that the non-financial asset be recorded at the fair value. During the year ended June 30, 2012, there were no triggering events that prompted an asset impairment test of the medical center's non-financial assets. Accordingly, the medical center did not measure any non-recurring, non-financial assets or recognize any amounts in earnings related to changes in fair value for non-financial assets for the year ended June 30, 2012.

D. Net Patient Service Revenue

A significant portion of the amount of services provided by the medical center is to patients whose bills are paid by third-party payors such as Medicare, TennCare, and private insurance carriers.

A reconciliation of the amount of services provided to patients at established rates to net patient service revenue as presented in the statements of revenues, expenses, and changes in net assets is as follows:

Gross Patient Service Charges	\$ 417,329,191
Less:	
Medicare Contractual Adjustments	(124,922,195)
TennCare Contractual Adjustments	(22,769,835)
Other Contractual Adjustments	(110,599,079)
Bad Debt	(11,180,194)
Charity Care	<u>(2,697,080)</u>
Net Patient Service Revenue	<u>\$ 145,160,808</u>

Net patient accounts receivable consist of the following:

Commercial and Managed Care Plans	\$ 10,087,544
Medicare	4,296,310
TennCare	868,955
Patients, Including Self-Insured	11,494,545
Less: Allowance for Uncollectible Accounts	<u>(8,230,521)</u>
Total	<u>\$ 18,516,833</u>

E. Third-party Reimbursement Programs

The medical center renders services to patients under contractual arrangements with the Medicare and Medicaid programs. Effective January 1, 1994, the Medicaid program in Tennessee was replaced with TennCare, a managed-care program designed to cover previous Medicaid-eligible enrollees, as well as other previously uninsured and uninsurable participants.

Amounts earned under these contractual arrangements are subject to review and final determination by fiscal intermediaries and other appropriate governmental authorities or their agents. Activity with respect to audits and reviews of governmental programs and reimbursement has increased and is expected to increase in the future. No additional reserves or allowances have been established with regard to these increased audits and reviews as management is not able to estimate such amounts. In the opinion of management, any adjustments, which may result from such audits and reviews, will not have a material impact on the financial statements; however, due to the uncertainties involved, it is at least reasonably possible that management's estimates will change in the future. In addition, participation in these programs subjects the medical center to significant rules and regulations; failure to adhere to such could result in fines, penalties, or expulsion from the programs.

The Medicare program pays for inpatient services on a prospective basis. Payments are based upon diagnostic-related group assignments, which are

determined by the patient's clinical diagnosis and medical procedures utilized.

The Medicare program reimburses for outpatient services under a prospective method utilizing an ambulatory payment classification system, which classifies outpatient services based upon medical procedures and diagnosis codes.

The medical center contracts with various managed care organizations under the TennCare program. TennCare reimbursement for both inpatient and outpatient services is based upon prospectively determined rates and per diem amounts.

Net patient service revenue related to Medicare and TennCare was approximately \$45,224,000 and \$4,464,000, respectively, in 2012.

The medical center has also entered into reimbursement agreements with certain commercial insurance companies, health maintenance organizations, and preferred provider organizations. The basis for reimbursement under these agreements includes prospectively determined rates per discharge, per diem rates, case rates, and discounts from established charges.

F. Assets Limited as to Use

Assets limited as to use consist of the following:

By Board for Capital Improvements:	
Cash and Certificates of Deposit	\$ 45,459,753
By Board for Bond Principal and Interest Payments:	
Cash	2,665,746
By Donors:	
Cash and Cash Equivalents	105,867
Investments	<u>716,889</u>
Total Assets Limited as to Use	<u>\$ 48,948,255</u>

Balances consist of cash and mutual funds at June 30, 2012. Amounts are classified as noncurrent assets to the extent they are not expected to be used to satisfy current obligations.

Amounts classified as current assets will be used to pay bond principal and interest payments.

All assets limited as to use relating to the primary enterprise at June 30, 2012, are insured by the Federal Deposit Insurance Corporation, registered or otherwise collateralized by the financial institution through the State of Tennessee Collateral Bank Pool. See Note VI.O. for additional

information related to the medical center's risks with respect to its investments.

G. Capital Contributions

During 2003, the county contributed \$20 million in funds toward the medical center's facility expansion and renovation project pursuant to a resolution of the County Commission. These funds were raised from a county bond issue, which will be repaid, along with interest, from county revenues. In March 2011, the county requested that the medical center pay the principal and interest payments related to the debt. In June 2011, the medical center Board of Trustees approved the payment of the 2012 principal and interest payments, which will approximate \$1,700,000. The medical center subsequently made this payment.

H. Property and Equipment

The major classifications and changes in property and equipment, as of and for the year ended June 30, 2012, are as follows:

	Balance 7-1-11	Additions	Retirements	Balance 6-30-12
Land	\$ 6,513,813	\$ 0	\$ 0	\$ 6,513,813
Land Improvements	2,383,068	0	0	2,383,068
Building and Improvements	131,213,611	2,051,387	0	133,264,998
Equipment	62,981,182	10,769,739	(170,986)	73,579,935
Equipment Under Capital Leases	14,068,532	552,858	0	14,621,390
Subtotal	\$ 217,160,206	\$ 13,373,984	\$ (170,986)	\$ 230,363,204
Less: Accumulated Depreciation and Amortization	(97,337,147)	(9,963,989)	148,247	(107,152,889)
Add: Construction in Progress	790,577	8,447,863	(9,145,648)	92,792
Total	\$ 120,613,636	\$ 11,857,858	\$ (9,168,387)	\$ 123,303,107

Construction in progress at June 30, 2012, consists primarily of renovations to department offices and software upgrades. Estimated costs to complete these projects totaled approximately \$800,000 at June 30, 2012.

During 2012, the medical center transferred \$935,385 from buildings and improvements to land for more appropriate classification.

I. Investment in Joint Ventures

During 2006, the medical center entered into a joint venture with physicians to own and operate Williamson Surgery Center, LLC. As of June 30, 2012, the medical center's ownership interest in the surgery center was approximately 48 percent.

In August 2011 and June 2012, the medical center purchased the remaining 52 percent ownership interest in Williamson Surgery Center, LLC for total consideration of \$1,224,000. The medical center incurred transaction expenses totaling \$326,000 related to the purchase, which were expensed. Due to the change in control, the purchase was accounted for using the acquisition method of accounting. Under this method, the results of operations of the surgery center are included in the medical center's financial statements from the date control was obtained, which was June 30, 2012, and the assets and liabilities of the surgery center were recorded at fair value. In accordance with generally accepted accounting principles, the difference between the fair value and the book value of the previously held equity was recorded as a gain on acquisition. The fair value of the interest was estimated by using a market approach. The measurement is based on significant inputs that are observable in the market, which include but are not limited to acquisition multiples. The acquisition of the surgery center was allocated as follows on June 30, 2012:

Cash	\$ 251,982
Patient receivables	208,786
Inventory	132,056
Prepaid expenses	63,606
Property and equipment	321,029
Goodwill	1,767,469
Accounts payable	(77,085)
Accrued expenses and other liabilities	(107,852)
Long-term debt	(784,991)
Gain on acquisition	<u>(551,000)</u>
Total	<u><u>\$ 1,224,000</u></u>

The medical center has an investment in Shared Hospital Services, Inc. (S.H.S.), which provides laundry and linen services. This investment is in a joint venture in which the medical center owned approximately seven percent at June 30, 2012. Equity earnings are distributed based upon tons of laundry processed by S.H.S.

The medical center paid S.H.S. approximately \$508,000 for laundry services for 2012.

Summary information for the surgery center and S.H.S. as of June 30, 2012, and for the year then ended, is as follows (the surgery center total assets and total liabilities are not included below as these balances are included in the medical center's balance sheet):

Total Assets	\$ 11,640,905
Total Liabilities	<u>\$ 4,046,573</u>
Net Revenues	<u>\$ 12,520,612</u>
Net Earnings (Loss)	<u>\$ 661,787</u>

Medical Center's Interest	
Investment in Joint Ventures	<u>\$ 940,191</u>
Equity in Earnings (Losses) of Joint Ventures	<u>\$ 337,700</u>

J. Williamson County Ambulance Service

Pursuant to terms of an agreement with the county, which has been and may continue to be renewed annually upon agreement by both parties, the medical center controls and operates the Williamson County Ambulance Service. In accordance with this agreement, the county made unrestricted donations to the medical center of \$1,943,624 in 2012, which is included in other revenue in the accompanying statements of revenues, expenses, and changes in net assets. The agreement also provides for the medical center to return all related assets (as defined) of the ambulance service to the county at the end of the contract period. The net book value of assets related to the ambulance service was \$1,357,787 at June 30, 2012.

K. Long-term Debt

A schedule of changes in the medical center's long-term debt is as follows:

	Balance 7-1-11	Additions	Reductions	Balance 6-30-12	Amounts Due Within One Year
Hospital Revenue and Tax Bonds Series 2004B	\$ 11,590,000	\$ 0	\$ (9,440,000)	\$ 2,150,000	\$ 0
Hospital Revenue and Tax Bonds Series 2004A	11,080,000	0	(9,650,000)	1,430,000	0
Hospital Revenue and Tax Refunding Bonds Series 2008	1,860,000	0	(1,860,000)	0	0
General Obligation Refunding Bonds Series 2012A	0	17,780,000	0	17,780,000	0
3.15% Note Payable to Bank (one-month LIBOR + 2.9%)	6,766,666	0	(1,399,999)	5,366,667	1,400,004
4.31% Note Payable to Bank	6,679,942	0	(384,633)	6,295,309	420,109

	Balance			Amounts	
	7-1-11	Additions	Reductions	Balance	Due Within
				6-30-12	One Year
.84% Note					
Payable to Bank					
(one-year					
LIBOR + 0.65%)	\$ 158,694	\$ 0	\$ (158,694)	\$ 0	\$ 0
4.5% Note					
Payable to Bank	1,585,897	0	(176,780)	1,409,117	184,437
1.60% Note					
Payable to Bank					
(one-month					
LIBOR + 1.35%)	392,031	0	(306,700)	85,331	85,331
1.75% Note					
Payable to Bank					
(one-month					
LIBOR + 1.50%)	9,150,000	0	(915,000)	8,235,000	838,750
5.00% Note					
Payable to Bank					
(see Note VI I.)	0	784,991	0	784,991	94,024
Total	\$ 49,263,230	\$ 18,564,991	\$ (24,291,806)	\$ 43,536,415	\$ 3,022,655

On December 1, 2004, the county issued \$15,110,000 in Hospital Revenue and Tax Bonds, Series 2004B for the purpose of constructing improvements and renovations to and equipping of the medical center. Specifically, the 2004B Bonds were used for the multi-phase facility expansion and renovation project, which extended over several years and was substantially completed in 2007. The remaining Series 2004B Bonds bear interest rates ranging from 3.5 percent to four percent and are due through May 1, 2016.

On June 1, 2004, the county issued \$15,110,000 in Hospital Revenue and Tax Bonds, Series 2004A to construct improvements and renovations to and equipping of the medical center. Specifically, the 2004A Bonds were also used for the multi-phase facility expansion and renovation project. The remaining Series 2004A Bonds bear interest at rates ranging from four percent to 4.125 percent and are due through May 1, 2015.

On February 28, 2008, the county issued \$7,100,000 in Hospital Revenue and Tax Refunding Bonds, Series 2008 to refund the Series 1997 Bonds. The Series 2008 Bonds were paid off May 1, 2012.

In June 2012, the county issued \$17,780,000 in General Obligation Refunding Bonds, Series 2012A to refund a portion of the Series 2004B and 2004A Bonds (\$8,790,000 of the Series 2004B Bonds and \$8,990,000 of the Series 2004A Bonds). The Series 2012A Bonds bear interest at rates ranging from two to four percent and are due through May 1, 2025.

The Series 2004A, Series 2004B, and the Series 2008 Bonds are collateralized by a pledge of the net revenues of the medical center and security interests in

accounts receivable and certain other assets. In the event of a deficiency, the bonds are payable from unlimited ad valorem taxes levied on all taxable property within the county. The trust indentures related to the bonds contain certain covenants and restrictions, involving the issuance of additional debt and income available for debt service.

The medical center also issues notes payable to finance certain property and equipment additions. The 3.15 percent note payable to the bank represents amounts drawn under a \$10 million line of credit, which converted to a term loan on March 1, 2005, with monthly principal and interest payments based on a 20-year amortization, but maturing in March 2015. This loan is secured by a subordinated pledge of the medical center's net revenues and accounts receivable. The 4.31 percent note payable to bank represents amounts drawn under a \$7.5 million construction loan, which converted to a term loan on December 1, 2008, with monthly principal and interest payments based on a 15-year amortization, with all outstanding principal and interest due November 2013. This loan is secured by security interests in accounts receivable, excluding Medicare payments. The 4.5 percent note payable to the bank is payable in monthly amounts of principal and interest of \$20,390 through February 2019 and is secured by the medical center's deposit accounts and security interest in accounts receivable, excluding Medicare payments. The 1.6 percent note payable to the bank bears interest at a variable rate based on the bank's index rate (LIBOR) plus 1.35 percent through July 2018 and is unsecured. The 1.75 percent note payable to bank bears interest at a variable rate based on the bank's index rate (LIBOR) plus 1.5 percent through July 2014 and is secured by accounts receivable. As part of the acquisition of the remaining ownership interest in the surgery center (see Note VI I.), the medical center assumed a note payable to the bank. The five percent note payable to the bank is payable in monthly amounts of principal and interest of \$11,250 through October 2019 and is secured by security interests in accounts receivable, equipment, and general intangibles of the surgery center.

The debt service requirements at June 30, 2012, related to long-term debt are as follows:

Year Ending June 30	Principal Maturities or Sinking Fund Requirements	Interest
2013	\$ 3,022,655	\$ 1,335,490
2014	9,885,815	1,099,883
2015	9,741,106	798,776
2016	3,156,350	674,132
2017	2,035,428	586,703
2018-2022	10,265,061	1,725,719
2023-2025	5,430,000	208,476
Total	<u>\$ 43,536,415</u>	<u>\$ 6,429,179</u>

The medical center did not capitalize any interest relating to construction projects during 2012.

L. Other Receivables

Other current and long-term receivables at June 30, 2012, include \$403,666 in receivables from certain physicians, which were made as part of the medical center's recruitment program to attract physicians to the medical center's service area. Under terms of the related agreements, such receivables will be forgiven over a period of time, generally over three years, as long as the physician continues to practice in the area. The medical center is amortizing these loans over the physicians' service commitments.

M. Employees Retirement Plan

The medical center participates in a tax-sheltered annuity program for substantially all of its employees who have one or more years of service, more than 1,000 scheduled hours, and have attained the age of 21. Benefits expense includes approximately \$2,101,000 in 2012 related to the medical center's share of expenses for contributions and service charges on tax-sheltered annuities for covered employees. The medical center's contribution percentage is three percent of covered wages for non-management employees, seven percent for management employees, and ten percent for executives, as of June 30, 2012. The medical center also matches employee contributions up to two percent of compensation. Employees may make voluntary contributions so long as the total amount contributed by the employee does not exceed 25 percent of the employee's wages or maximum amounts as provided by law. The plan's investments at June 30, 2012, consist of various mutual fund and fixed income investments.

N. Functional Expenses

The following is a summary of management's functional classification of operating expenses:

Healthcare Services	\$ 84,740,155
General and Administrative	<u>58,946,165</u>
Total	<u><u>\$ 143,686,320</u></u>

O. Leases

The medical center leases equipment and office space under capital and operating lease agreements. Future minimum lease payments under capital leases and noncancellable operating leases with initial or remaining lease terms in excess of one year as of June 30, 2012, are as follows:

Year Ending June 30	Capital Leases	Operating Leases
2013	\$ 960,767	\$ 1,907,965
2014	346,907	1,494,966
2015	149,795	1,180,901
2016	0	583,097
Total future minimum lease payments	\$ 1,457,469	<u>\$ 5,166,929</u>
Less amounts representing interest of 4% to 4.5%	<u>(46,481)</u>	
Present value of net minimum lease payments	<u>\$ 1,410,988</u>	

A schedule of changes in the medical center's capital leases is as follows:

Balance 7-1-11	Additions	Reductions	Balance 6-30-12	Due Within One Year
\$ 2,236,069	\$ 552,858	\$ (1,377,939)	\$ 1,410,988	\$ 928,880

The medical center generates rental income primarily from operating leases of two medical office buildings. Rental revenue was \$2,430,943 in 2012 and is included in other revenue.

Future minimum rental revenue under noncancellable leases at June 30, 2012, was as follows:

Year Ending June 30	Amount
2013	\$ 1,863,000
2014	1,900,000
2015	1,806,000
2016	1,696,000
2017	<u>1,730,000</u>
Total	<u>\$ 8,995,000</u>

Future minimum rental payments generally include minor annual increases for inflation. Rental income in excess of rent expense was \$1,817,349 for 2012.

P. Commitments and Contingencies

Medical malpractice liability is limited under provisions of the Tennessee Governmental Tort Liability Act (Section 29-20-403, et seq., *Tennessee Code Annotated*), which removed tort liability from governmental entities which, in the opinion of counsel for the medical center, includes the medical center. In addition to requiring claims to be made in conformance with this act, special provisions include, but are not limited to, special notice of requirements imposed upon the claimant, a one-year statute of limitations, and a provision requiring the governmental entity to purchase insurance or to be self-insured within certain limits. This act also prohibits a judgment or award exceeding the minimum amounts of insurance coverage set out in the act (\$300,000 for bodily injury or death of any one person and \$700,000 in the aggregate for all persons in any one accident, occurrence, or act) or the amount of insurance purchased by the governmental entity.

The medical center maintains commercial insurance on a claims-made basis for medical malpractice liabilities. Insurance coverages are \$1 million per claim and \$3 million in the aggregate annually with a deductible of \$100,000 per claim. In addition, the medical center maintains a \$10 million annual aggregate excess liability policy. Management intends to maintain such coverages in the future. During the past five fiscal years, no settlements of malpractice claims have exceeded insurance coverage limits.

There are known incidents occurring through June 30, 2012, that have resulted in the assertion of claims, although other claims may be asserted, arising from services provided to patients in the past. Management of the medical center is of the opinion that such liability, if any, related to these asserted claims will not have a material effect on the medical center's financial position. No amounts have been accrued for potential losses related to unreported incidents or reported incidents, which have not yet resulted in asserted claims, as the medical center is not able to estimate such amounts.

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, Medicare fraud and abuse, and, most recently under the provisions of the Health Insurance Portability and Accountability Act of 1996, matters related to patient records, privacy, and security. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

The medical center is self-insured for medical and other healthcare benefits provided to its employees and their families. The medical center maintains reinsurance through a commercial excess coverage policy, which covers annual individual employee claims paid in excess of \$175,000 for the plan year. Contributions by the medical center and participating employees are based on actual claims experience. A provision for estimated incurred but not reported claims has been provided in the accompanying financial statements. Total expenses under this program amounted to approximately \$6,622,000 for the year ended June 30, 2012.

The medical center is exposed to risks related to its cash and investments, a portion of which is included in assets limited as to use, although certain risks such as credit risk are mitigated due to the medical center's practice of maintaining investments primarily in cash and cash equivalents. The medical center's investment policy includes certificates of deposit, certain mutual funds, bank demand and savings accounts, and investment vehicles of the United States government. The medical center is subject to investment rate risk, the risk that changes in interest rates will adversely affect the fair value of an investment; however, the medical center's cash and investments are short-term in nature. The medical center's investment policy does not specifically address custodial credit risk, the risk that in the event of failure of a counterparty to a transaction, the medical center will not be able to recover the value of the investment or any collateral securities that are in the possession of an outside party, or concentration of credit risk, the risk that the amount of investments the medical center has with any one issuer exceeds five percent of its total investment. Substantially all of the medical center's cash and assets limited as to use are with two financial institutions.

Management continues to implement policies, procedures, and compliance overview organizational structure to enforce and monitor compliance with the Health Insurance Portability and Accountability Act of 1996 and other government statutes and regulations. The medical center's compliance with

such laws and regulations is subject to future government review and interpretations, as well as regulatory actions which are unknown or unasserted at this time.

The Centers for Medicare and Medicaid Services (“CMS”) have implemented a Recovery Audit Contractors (“RAC”) program. The purpose of the program is to reduce improper Medicare payments through the detection and recovery of overpayments. CMS has engaged subcontractors to perform these audits, and they are being compensated on a contingency basis based on the amount of overpayments that are recovered. While management believes that all Medicare billings are proper and adequate support is maintained, certain aspects of Medicare billing, coding and support are subject to interpretation and may be viewed differently by the RAC auditors. As the amount of any recovery is unknown, management has not recorded any reserves related to the RAC audit at this time.

In March 2010, Congress adopted comprehensive health care insurance legislation, the Patient Care Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (collectively, the “Health Care Reform Legislation”). The Health Care Reform Legislation, among other matters, is designed to expand access to health care coverage to substantially all citizens through a combination of public program expansion and private industry health insurance. Provisions of the Health Care Reform Legislation become effective at various dates over the next several years and a number of additional steps are required to implement these requirements. Due to the complexity of the Health Care Reform Legislation, reconciliation and implementation of the legislation continues to be under consideration by lawmakers, and it is not certain as to what changes may be made in the future regarding health care policies. Changes to existing Medicaid coverage and payments are also expected to occur as a result of this legislation. While the full impact of Health Care Reform Legislation is not yet fully known, changes to policies regarding reimbursement, universal health insurance and managed competition may materially impact the medical center’s operations.

VII. OTHER NOTES – DISCRETELY PRESENTED WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

General Information – On May 15, 1984, the Tennessee state legislature approved the Tennessee Emergency Communications District Law (Acts 1984, Ch. 867), which enables a county, upon approval by voters, to create a district to provide local emergency telephone service. Subsequently, on March 11, 1988, the Williamson County Commission approved resolution number 3-88-7, which established a district for their county, the Williamson County Emergency Communications District. As provided by the Act, the district operates as a governmental organization through the directives of a seven-member board of directors and provides enhanced 911 emergency telephone service for its service area. In February 2005, the Williamson

County Commission added an eighth representative seat with the new director to be appointed from within the corporate limits of Franklin. For the year ended June 30, 2012, the eighth seat was unfilled. The directors serve without compensation for terms of four years.

Financial Reporting Entity - Component Unit – As specified and described by Standard No. 14 of the Governmental Accounting Standards Board (GASB); the district is a component unit of the primary government of Williamson County, Tennessee. The district reports its financial information separately from Williamson County; however, the district's financial information should also be discretely presented by the county in its financial report.

Legally, the district is a separate governmental entity that has considerable legal, financial, and administrative autonomy. However, as the governing board is not elected but instead is entirely appointed by the Williamson County Mayor and approved by the Williamson County Commission, the district cannot be a primary government. Instead, it qualifies as a component unit according to the directives of GASB.

GASB No. 14 specifies that component units must be legally separate organizations that have financial accountability to a primary government. Financial accountability exists prima facie if a special-purpose government is not fiscally independent. GASB states that to be fiscally independent, the government has to have the authority to do all of three activities. Two of these are to issue bonded debt without approval by another government and to levy taxes or set rates or charges without approval by another government. By Section 7-86-114, *Tennessee Code Annotated*, before issuing negotiable bonds, the district must have approval of the legislative body of a county wherein a district is established. It also must have approval before making purchase contracts, lease agreements, and notes payable of over five years' duration. In addition, the Williamson County Commission has the ability to adjust the district's service charges. Because the district is both a legal entity and financially accountable to the primary government of Williamson County as the County Commission approves all members of the governing board and by the nature of its fiscal dependence on Williamson County as described above, it is a component unit of Williamson County. The district did not engage in any activities that were subject to the approval of Williamson County.

Basis of Presentation and Accounting – As a governmental entity, the district conforms to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audit of State and Local Governmental Units*, and by the Financial Accounting Standard Board (when applicable). As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the district has elected not to apply financial Accounting Standards Board Statements

and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The GASB periodically updates its codification of the existing Governmental Accounting Standards Board, which, along with the subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. Pronouncements require that the accrual method of accounting be used for governmental units that operate in a manner similar to a private business.

The district does not have the authority to levy or collect taxes but is supported instead by the fees collected from telephone subscribers who benefit from the availability of its service. It recovers the cost of providing its services from its customers. Consequently, the district functions in a manner similar to a private business enterprise and utilizes the accrual method of accounting. Income is recognized as it is earned, and expenses are recognized as they are incurred, whether or not cash is received or paid out at that time.

The accounts of the district are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the district's assets, liabilities, net assets, revenues, and expenses. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenue; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The accounting and financial reporting treatment applied to the district is determined by its measurement focus. The transactions of the district are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included in the Statement of Net Assets. Net assets (i.e., total assets net of total liabilities) are segregated into invested in capital assets, net of related debt, restricted for debt services, and unrestricted components. As of June 30, 2012, the district had no debt that related to the other aforementioned categories.

Budgetary Law and Practice – The treasurer of the district files an annual budget with the county mayor of Williamson County in accordance with *Tennessee Code Annotated*, Title 7, Chapter 86, Part 1. In March of each year, the treasurer presents to the board of directors a preliminary budget, which is then discussed and amended as necessary for board approval.

The budget for operations is prepared on the modified-cash receipts and disbursements basis by line item accounts. Revenues are budgeted in the

year receipt is expected and disbursements are budgeted in the year that the disbursement is expected to occur.

Equipment – Equipment is stated at cost or estimated historical cost if actual cost is not available and depreciated from two to ten years by the straight-line method of depreciation. The district defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Maintenance and repairs are charged to operations when incurred. Major renewals and betterments are capitalized. When items of property are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included as non-operating revenue or loss.

Use of Estimates – The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and disclosure of contingencies at the date of the financial statements and the reported amounts of the revenues and expenses during the reported period. Actual results could differ from these estimates.

Cash Flow - Cash and Cash Equivalents – The district presents its cash flow statement using the direct method. For purposes of cash flow presentation, the district considers cash in operating bank accounts, cash on hand, and certificates of deposit with an original maturity of 90 days or less to be cash and cash equivalents. At June 30, 2012, there were no certificates of deposit that qualified as cash equivalents.

Use of Facilities – The district conducts its operations in the Williamson County government's office building at no cost to the district. The measurement of the contribution from Williamson County is not considered material for disclosure as in-kind support and as an expense in the accompanying statements of revenue, expenses, and changes in net assets.

Operating Revenues and Expenses – The district's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its system. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from nonexchange transactions or ancillary activities. When an expense is incurred for purposes for which there are both restricted and unrestricted net assets available, it is the district's policy to apply those expenses to restricted net assets to the extent such are available and then to unrestricted net assets.

B. Cash and Cash Equivalents

The district is authorized to make investments in bonds, notes or treasury bills of the United States, Federal Land Bank bonds, Federal Home Loan Bank notes and bonds, Federal National Mortgage Association notes and debentures, banks for cooperative debentures, or any of its other agencies, or

obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law. During the year ended June 30, 2012, the board of directors chose to limit the investment of funds to certificates of deposits at banks. Cash reserves for operations were held in bank checking and savings accounts.

Cash – At June 30, 2012, the carrying amount of cash deposits was \$982,313, and the bank balance was \$1,037,631 as listed below. At June 30, 2012, the entire bank balance was covered by federal depository insurance, or by collateral held in the Tennessee Bank Collateral Pool. The pool is a multiple financial institution collateral pool to which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to the members of the pool if the value of collateral is inadequate to cover a loss.

Cash Accounts	Interest Rate	June 30, 2012	
		Carrying Amount	Bank Balance
Franklin Synergy Bank Checking	0.30%	\$ 727,098	\$ 782,416
Franklin Synergy Bank Money Market	0.79%	255,215	255,215
Total		<u>\$ 982,313</u>	<u>\$ 1,037,631</u>

Certificates of Deposit – At June 30, 2012 the district held the following certificates of deposit:

Bank	Maturity	Interest	Amount
Franklin Synergy Bank	12-9-12	1.06 %	\$ 250,000
Franklin Synergy Bank	12-9-12	1.06	250,000
Franklin Synergy Bank	12-9-12	1.06	<u>250,000</u>
Total			<u>\$ 750,000</u>

The certificates of deposit are insured by the Federal Deposit Insurance Corporation or the Tennessee Bank Collateral Pool and are shown at their fair value.

C. Accounts Receivable

The district receives the majority of its revenue from the telephone subscribers residing within Williamson County. As provided in the act, telephone companies collect the 911 fees from the subscribers and remit the

funds on a not longer than bi-monthly basis to the district. The policy of the telephone companies has been to remit based upon their billings rather than on their collections. Accordingly, the financial statements do not include a provision for bad debts. Also included in accounts receivable are amounts from the communities and organizations that have contracted with the district for 911 dispatch services.

The following is the detail of the receivables at June 30, 2012:

AT&T	\$ 33,426
Fairview	54,000
Windstream	10,750
XO Communications	4,572
Others	<u>16,482</u>
 Total	 <u><u>\$ 119,230</u></u>

D. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-11	Additions	Balance 6-30-12
Communications Equipment	\$ 1,892,372	\$ 77,044	\$ 1,969,416
Office Furniture and Equipment	67,772	0	67,772
Subtotal	<u>\$ 1,960,144</u>	<u>\$ 77,044</u>	<u>\$ 2,037,188</u>
Less: Accumulated Depreciation	(1,520,242)	(232,698)	(1,752,940)
 Total	 <u><u>\$ 439,902</u></u>	 <u><u>\$ (155,654)</u></u>	 <u><u>\$ 284,248</u></u>

E. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district is covered under insurance policies maintained by Williamson County. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

F. Accounts Payable

Accounts payable include the following:

Administrative fees-service charge to various telephone companies	\$ 1,957
Spring Hill, Tennessee	<u>7,804</u>
Total	<u>\$ 9,761</u>

G. Due to Others

During the year ended June 30, 2012, the district was notified by a telephone company that the district was overpaid \$8,717 for emergency telephone fees.

H. Related-party Transactions

Williamson County provides dispatch employees and certain services to the district. The district and Williamson County signed an interlocal contract effective from July 1, 1998, to June 30, 1999, that automatically renews each year unless one party notifies the other in writing within 60 days prior to the commencement of the new fiscal year. The expenses, which are primarily salaries, employee benefits, and services, are billed to the district quarterly and are included in the Statement of Revenues, Expenses, and Changes in Fund Net Assets as contracts with government agencies. Amounts paid or payable to Williamson County for the fiscal year 2012 totaled \$1,074,960. The amount payable to Williamson County at June 30, 2012, was \$197,570.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Williamson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 40,438,646	\$ 0	\$ 0	\$ 40,438,646	\$ 36,543,783	\$ 36,543,783	\$ 3,894,863
Licenses and Permits	1,209,112	0	0	1,209,112	1,065,000	1,065,000	144,112
Fines, Forfeitures, and Penalties	644,356	0	0	644,356	377,500	377,500	266,856
Charges for Current Services	5,358,916	0	0	5,358,916	4,994,600	5,046,010	312,906
Other Local Revenues	1,043,809	0	0	1,043,809	745,500	760,500	283,309
Fees Received from County Officials	11,369,481	0	0	11,369,481	10,150,000	10,150,000	1,219,481
State of Tennessee	5,090,029	0	0	5,090,029	3,495,400	3,316,319	1,773,710
Federal Government	2,210,887	0	0	2,210,887	2,062,698	2,945,552	(734,665)
Other Governments and Citizens Groups	611,474	0	0	611,474	205,000	927,462	(315,988)
Total Revenues	\$ 67,976,710	\$ 0	\$ 0	\$ 67,976,710	\$ 59,639,481	\$ 61,132,126	\$ 6,844,584
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 802,522	(325)	3,850	\$ 806,047	\$ 676,200	\$ 876,200	\$ 70,153
Board of Equalization	15,113	0	0	15,113	7,700	14,700	(413)
Beer Board	1,050	0	0	1,050	2,700	2,700	1,650
Other Boards and Committees	825	(250)	0	575	3,300	3,300	2,725
County Mayor/Executive	411,669	(15,839)	130	395,960	699,048	699,048	303,088
Personnel Office	196,330	0	0	196,330	259,629	259,629	63,299
County Attorney	577,668	(171)	0	577,497	609,450	609,450	31,953
Election Commission	630,391	(498)	5,540	635,433	567,643	747,512	112,079
Register of Deeds	645,916	0	0	645,916	597,105	709,905	63,989
Development	2,085,736	(29,605)	8,213	2,064,344	2,265,822	2,274,784	210,440
Planning	16,714	(11,530)	7,100	12,284	23,855	23,855	11,571
Building	21,565	(938)	0	20,627	19,121	21,121	494

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>General Government (Cont.)</u>							
Engineering	\$ 19,609	\$ (2,600)	\$ 8,434	\$ 25,443	\$ 47,997	\$ 47,997	\$ 22,554
Codes Compliance	19,102	(12,201)	5,530	12,431	50,381	48,381	35,950
Geographical Information Systems	1,100,815	(7,500)	255,088	1,348,403	1,129,989	1,389,989	41,586
County Buildings	2,760,608	(68,694)	136,006	2,827,920	3,060,944	3,060,944	233,024
Other Facilities	105,634	0	0	105,634	105,283	107,133	1,499
Preservation of Records	167,496	(440)	581	167,637	247,607	247,607	79,970
Risk Management	162,174	0	0	162,174	200,892	200,892	38,718
Other Risk Management	258,582	0	205	258,787	266,300	266,300	7,513
<u>Finance</u>							
Accounting and Budgeting	843,769	(10,609)	42,131	875,291	916,565	916,565	41,274
Property Assessor's Office	1,356,872	(17,526)	93,129	1,432,475	1,550,071	1,547,821	115,346
County Trustee's Office	505,338	(8,149)	14,538	511,727	554,416	581,816	70,089
County Clerk's Office	834,830	0	3,009	837,839	959,120	979,121	141,282
<u>Administration of Justice</u>							
Circuit Court	1,357,667	(2,411)	10,437	1,365,693	1,494,727	1,522,727	157,034
General Sessions Court	796,628	(30)	20	796,618	740,378	912,832	116,214
Drug Court	74,185	0	0	74,185	0	74,185	0
Chancery Court	425,150	0	0	425,150	416,158	428,158	3,008
Juvenile Court	415,551	0	0	415,551	416,854	429,650	14,099
Other Administration of Justice	160,039	0	0	160,039	174,334	174,334	14,295
Victims Assistance Programs	72,987	0	0	72,987	0	72,987	0
<u>Public Safety</u>							
Sheriff's Department	6,673,871	(47,572)	73,061	6,699,360	6,815,689	7,050,993	351,633
Traffic Control	74,225	(1,950)	440	72,715	103,729	103,729	31,014

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
Jail	\$ 4,952,471	\$ (29,598)	\$ 86,323	\$ 5,009,196	\$ 5,101,462	\$ 5,133,639	\$ 124,443
Workhouse	176,562	(3,453)	5,259	178,368	193,219	193,219	14,851
Juvenile Services	1,636,143	(977)	1,563	1,636,729	1,630,476	1,645,476	8,747
Fire Prevention and Control	468,388	(16,504)	44,059	495,943	496,359	496,359	416
Civil Defense	1,374,255	(20,278)	12,618	1,366,595	1,297,606	1,766,324	399,729
Rescue Squad	5,799	(5,799)	0	0	0	0	0
Other Emergency Management	8,208	(6,521)	6,500	8,187	25,000	25,000	16,813
County Coroner/Medical Examiner	170,420	0	0	170,420	184,130	184,130	13,710
<u>Public Health and Welfare</u>							
Local Health Center	922,630	(11,632)	4,815	915,813	1,383,160	1,385,910	470,097
Rabies and Animal Control	954,826	0	1,540	956,366	993,000	1,057,320	100,954
Ambulance/Emergency Medical Services	1,943,624	0	0	1,943,624	1,943,624	1,943,624	0
Other Local Health Services	9,576	0	0	9,576	9,576	9,576	0
Regional Mental Health Center	21,780	0	0	21,780	21,780	21,780	0
Appropriation to State	103,816	0	0	103,816	103,816	103,816	0
General Welfare Assistance	17,617	0	0	17,617	17,617	17,617	0
Aid to Dependent Children	10,502	0	0	10,502	11,000	11,000	498
Other Public Health and Welfare	58,787	(15)	0	58,772	66,932	66,932	8,160
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	45,464	0	0	45,464	45,464	45,464	0
Senior Citizens Assistance	83,530	0	0	83,530	87,760	87,760	4,230
Libraries	2,032,038	(14,265)	9,988	2,027,761	1,957,163	2,152,381	124,620
Parks and Fair Boards	9,104,062	(37,594)	58,246	9,124,714	9,331,441	9,543,627	418,913
Other Social, Cultural, and Recreational	1,070,459	(3,562)	210	1,067,107	1,200,109	1,203,049	135,942

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	\$ 302,742	\$ (397)	0	\$ 302,345	\$ 356,202	\$ 356,202	\$ 53,857
Soil Conservation	48,067	0	0	48,067	48,127	48,127	60
Other Operations							
Other Economic and Community Development	254,021	0	1,565	255,586	301,815	301,815	46,229
Public Transportation	750,067	(98,790)	0	651,277	999,250	1,363,250	711,973
Veterans' Services	14,823	0	0	14,823	14,456	16,056	1,233
Other Charges	2,169,494	(77,558)	51,611	2,143,547	2,693,992	2,693,992	550,445
Employee Benefits	12,164,836	0	0	12,164,836	12,634,925	12,634,925	470,089
ARRA Grant # 6	9,483	0	0	9,483	0	14,446	4,963
Miscellaneous	719,174	0	2,500	721,674	770,599	754,637	32,963
Total Expenditures	\$ 65,194,295	\$ (565,781)	\$ 954,239	\$ 65,582,753	\$ 68,903,067	\$ 71,683,818	\$ 6,101,065
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ 2,782,415	\$ 565,781	\$ (954,239)	\$ 2,393,957	\$ (9,263,586)	\$ (10,551,692)	\$ 12,945,649
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 92,332	0	0	\$ 92,332	\$ 63,400	\$ 72,362	\$ 19,970
Transfers Out	(551,024)	0	0	(551,024)	0	(556,896)	5,872
Total Other Financing Sources (Uses)	\$ (458,692)	0	0	\$ (458,692)	\$ 63,400	\$ (484,534)	\$ 25,842
Net Change in Fund Balance	\$ 2,323,723	\$ 565,781	\$ (954,239)	\$ 1,935,265	\$ (9,200,186)	\$ (11,036,226)	\$ 12,971,491
Fund Balance, July 1, 2011	37,206,789	(565,781)	0	36,641,008	33,509,885	33,509,885	3,131,123
Fund Balance, June 30, 2012	\$ 39,530,512	0	\$ (954,239)	\$ 38,576,273	\$ 24,309,699	\$ 22,473,659	\$ 16,102,614

Exhibit F-2

Williamson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual		Budgeted Amounts	Variance with Final Budget - Positive (Negative)
				Revenues/ Expenditures			
				(Budgetary Basis)	(Budgetary Basis)		
Revenues							
Local Taxes	\$ 7,893,975	\$ 0	\$ 0	\$ 7,893,975	\$ 7,967,373	\$ 7,967,373	\$ (73,398)
Other Local Revenues	270,750	0	0	270,750	60,000	173,091	97,659
State of Tennessee	3,479,288	0	0	3,479,288	2,775,000	3,057,716	421,572
Federal Government	1,769,853	0	0	1,769,853	0	883,673	886,180
Other Governments and Citizens Groups	111,827	0	0	111,827	50,000	50,000	61,827
Total Revenues	\$ 13,525,693	\$ 0	\$ 0	\$ 13,525,693	\$ 10,852,373	\$ 12,131,853	\$ 1,393,840
Expenditures							
Highways							
Administration	\$ 686,474	\$ 0	\$ 2,935	\$ 689,409	\$ 835,898	\$ 835,898	\$ 146,489
Highway and Bridge Maintenance	6,148,198	(861,607)	611,454	5,898,045	5,458,062	6,335,698	437,653
Operation and Maintenance of Equipment	1,617,108	(3,713)	55,209	1,668,604	1,730,351	1,993,442	324,838
Quarry Operations	621,737	0	19,763	641,500	750,022	750,022	108,522
Other Charges	351,789	(1,442)	0	350,347	755,000	755,000	404,653
Employee Benefits	1,289,265	0	0	1,289,265	1,317,400	1,317,400	28,135
Capital Outlay	460,358	(2,000)	104,626	562,984	180,000	718,752	155,768
Total Expenditures	\$ 11,174,929	\$ (868,762)	\$ 793,987	\$ 11,100,154	\$ 11,026,733	\$ 12,706,212	\$ 1,606,058
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,350,764	\$ 868,762	\$ (793,987)	\$ 2,425,539	\$ (174,360)	\$ (574,359)	\$ 2,999,898
Other Financing Sources (Uses)							
Transfers In	\$ 100,000	\$ 0	\$ 0	\$ 100,000	\$ 100,000	\$ 100,000	\$ 0
Transfers Out	(200,000)	0	0	(200,000)	0	(200,000)	0
Total Other Financing Sources (Uses)	\$ (100,000)	\$ 0	\$ 0	\$ (100,000)	\$ 100,000	\$ (100,000)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 2,250,764	\$ 868,762	\$ (793,987)	\$ 2,325,539	\$ (74,360)	\$ (674,359)	\$ 2,999,898
	11,976,639	(868,762)	0	11,107,877	10,912,497	10,912,497	195,380
Fund Balance, June 30, 2012	\$ 14,227,403	\$ 0	\$ (793,987)	\$ 13,433,416	\$ 10,838,137	\$ 10,238,138	\$ 3,195,278

Exhibit F-3

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

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-11	\$ 122,226	\$ 127,375	\$ 5,149	95.96	% \$ 58,312	8.83 %
6-30-09	93,313	97,035	3,721	96.16	56,545	6.58
6-30-07	81,676	86,320	4,644	94.62	49,964	9.29

Exhibit F-4

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

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Self-Insurance	7-1-08	\$ 0	\$ 182,850	\$ 182,850	0	\$ 162,765	112 %
"	7-1-10	0	227,160	227,160	0	165,379	137
"	7-1-11	0	227,160	227,160	0	169,665	134
State Medicare Supplement	7-1-09	0	2,145	2,145	0	N/A	N/A
"	7-1-10	0	2,145	2,145	0	N/A	N/A
"	7-1-11	0	1,939	1,939	0	N/A	N/A

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

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 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, Beer Board, Other Boards and Committees, 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 generally accepted accounting principles (GAAP), except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2012, Williamson County reported the following significant encumbrances:

<u>Funds</u>	<u>Description</u>	<u>Amount</u>
<u>Primary Government</u>		
Major Fund:		
General	VIOP phones	\$ 243,446
"	Consulting services	92,368
"	AV upgrade	30,009
"	Gear for fire services	42,994
Highway/Public Works	Asphalt	523,811
"	Guardrails	60,000
"	Job costing software	55,975
"	Bridge beams and steel	38,872

B. CASH SHORTAGES – PRIOR AND CURRENT YEARS

The audit of Williamson County for the 2005-06 year reported a cash shortage of at least \$45,037.43, as of June 30, 2006, at the Fairview Recreational Center. This cash shortage resulted from collections that were not deposited or otherwise

accounted for properly. On October 6, 2008, the defendant pled guilty and was sentenced to four years probation and ordered to pay restitution to Williamson County. On October 7, 2008, the defendant signed a promissory note with Williamson County. The promissory note states that the debtor shall pay the principal amount in full no later than 48 months from November 1, 2008. As of June 30, 2012, this individual had paid restitution totaling \$9,031.50, leaving an outstanding cash shortage of \$36,005.93.

The audit of Williamson County for the 2008-09 year reported a cash shortage of \$3,386.18 in the Office of County Clerk. In December 2008, the county clerk discovered that collections from a title application transaction totaling \$1,877.68 had been diverted for an employee's personal use. On December 29, 2008, the employee admitted to fraudulently substituting funds to cover the diversion of funds, and the county clerk terminated the employee for mishandling the funds. Subsequently, the county clerk's bookkeeper and auditors discovered two additional title applications totaling \$1,508.50 had been stolen. Therefore, the amount of funds diverted from the office totaled \$3,386.18 (\$1,877.68 plus \$1,508.50). On November 10, 2009, the defendant pled guilty to one count of theft over \$1,000 and one count of forgery. The defendant was sentenced to two years' probation, and ordered to pay restitution of \$3,386.18 to Williamson County. As of June 30, 2012, no restitution had been paid, leaving the outstanding cash shortage of \$3,386.18.

A special report of the Williamson County Animal Control Department released on July 26, 2010, for the period May 17, 2005, through March 31, 2010, reported a cash shortage of at least \$106,446.17 from receipts that were not deposited with the county or otherwise accounted for properly. On November 15, 2010, the employee pled guilty to theft over \$60,000 and was sentenced to eight years' confinement, which was suspended to eight years' probation, and was ordered to pay restitution of \$106,446.17. As of June 30, 2012, this individual had paid restitution of \$79.00, leaving the outstanding cash shortage of \$106,367.17.

The Animal Control Office had a cash shortage of \$130 as of June 30 2012. Williamson County is self-insured; therefore, the county will likely lose the \$130. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of the report.

C. EXPENDITURES EXCEEDED APPROPRIATIONS

Expenditures exceeded appropriations approved by the County Commission in the Board of Equalization major appropriation category (the legal level of control) of the General Fund by \$413. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues in the General Fund.

**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.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions of Williamson County’s recycling and solid waste collection.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held in trust for the benefit of the Office of District Attorney General.

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.

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

ASSETS

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

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>	
Claims and Judgments Payable	
Due to Litigants, Heirs, and Others	
Other Current Liabilities	
Deferred Revenue - Current Property Taxes	
Deferred Revenue - Delinquent Property Taxes	
Other Deferred Revenues	
Total Liabilities	
<u>Fund Balances</u>	
Restricted:	
Restricted for Administration of Justice	
Restricted for Public Safety	
Restricted for Public Health and Welfare	
Committed:	
Committed for Public Health and Welfare	
Total Fund Balances	
Total Liabilities and Fund Balances	

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees		
\$	575	0	150	2,800	3,525	
	4,132,765	115,130	268,386	0	4,516,281	
	131,251	0	0	0	131,251	
	38,578	0	0	0	38,578	
	2,910,283	0	0	0	2,910,283	
	(41,908)	0	0	0	(41,908)	
<u>\$</u>	<u>7,171,544</u>	<u>115,130</u>	<u>268,536</u>	<u>2,800</u>	<u>7,558,010</u>	

\$	5,500	0	0	0	5,500
	0	0	0	2,800	2,800
	0	28,252	0	0	28,252
	2,790,784	0	0	0	2,790,784
	69,591	0	0	0	69,591
	15,651	0	0	0	15,651
<u>\$</u>	<u>2,881,526</u>	<u>28,252</u>	<u>0</u>	<u>2,800</u>	<u>2,912,578</u>

\$	0	0	268,536	0	268,536
	0	86,878	0	0	86,878
	1,116,928	0	0	0	1,116,928
	3,173,090	0	0	0	3,173,090
<u>\$</u>	<u>4,290,018</u>	<u>86,878</u>	<u>268,536</u>	<u>0</u>	<u>4,645,432</u>
<u>\$</u>	<u>7,171,544</u>	<u>115,130</u>	<u>268,536</u>	<u>2,800</u>	<u>7,558,010</u>

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

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees		
<u>Revenues</u>						
Local Taxes	\$ 3,066,629	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,066,629
Fines, Forfeitures, and Penalties	0	69,517	54,892	0	0	124,409
Charges for Current Services	862,852	0	0	279	0	863,131
Other Local Revenues	763,149	0	0	0	0	763,149
Fees Received from County Officials	35	0	0	0	0	35
State of Tennessee	226,053	0	0	0	0	226,053
Federal Government	436,330	0	0	0	0	436,330
Other Governments and Citizens Groups	0	5,121	0	0	0	5,121
Total Revenues	\$ 5,355,048	\$ 74,638	\$ 54,892	\$ 279	\$ 0	\$ 5,484,857
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 279	\$ 0	\$ 279
Administration of Justice	0	0	65,380	0	0	65,380
Public Safety	0	81,508	0	0	0	81,508
Public Health and Welfare	3,399,068	0	0	0	0	3,399,068
Other Operations	653,885	0	0	0	0	653,885
Total Expenditures	\$ 4,052,953	\$ 81,508	\$ 65,380	\$ 279	\$ 0	\$ 4,200,120
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,302,095	\$ (6,870)	\$ (10,488)	\$ 0	\$ 0	\$ 1,284,737
Net Change in Fund Balances	\$ 1,302,095	\$ (6,870)	\$ (10,488)	\$ 0	\$ 0	\$ 1,284,737
Fund Balance, July 1, 2011	2,987,923	93,748	279,024	0	0	3,360,695
Fund Balance, June 30, 2012	\$ 4,290,018	\$ 86,878	\$ 268,536	\$ 0	\$ 0	\$ 4,645,432

Exhibit G-3

Williamson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,066,629	\$ 0	\$ 0	\$ 3,066,629	\$ 2,877,993	\$ 2,877,993	\$ 188,636
Charges for Current Services	862,852	0	0	862,852	1,100,000	1,100,000	(237,148)
Other Local Revenues	763,149	0	0	763,149	500,000	511,240	251,909
Fees Received from County Officials	35	0	0	35	0	0	35
State of Tennessee	226,053	0	0	226,053	135,000	135,000	91,053
Federal Government	436,330	0	0	436,330	0	0	436,330
Total Revenues	\$ 5,355,048	\$ 0	\$ 0	\$ 5,355,048	\$ 4,612,993	\$ 4,624,233	\$ 730,815
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Management	\$ 3,399,068	(121,225)	221,866	3,499,709	4,049,245	4,060,485	560,776
<u>Other Operations</u>							
Other Charges	216,042	(1,500)	0	214,542	400,000	400,000	185,458
Employee Benefits	437,843	0	0	437,843	491,730	491,730	53,887
Total Expenditures	\$ 4,052,953	(122,725)	221,866	\$ 4,152,094	\$ 4,940,975	\$ 4,952,215	\$ 800,121
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,302,095	\$ 122,725	\$ (221,866)	\$ 1,202,954	\$ (327,982)	\$ (327,982)	\$ 1,530,936
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 1,302,095	\$ 122,725	\$ (221,866)	\$ 1,202,954	\$ (327,982)	\$ (327,982)	\$ 1,530,936
	2,987,923	(122,725)	0	2,865,198	2,865,199	2,865,199	(1)
Fund Balance, June 30, 2012	\$ 4,290,018	\$ 0	\$ (221,866)	\$ 4,068,152	\$ 2,537,217	\$ 2,537,217	\$ 1,530,935

Exhibit G-4

Williamson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 69,517 \$	0 \$	69,517 \$	36,000 \$	36,000 \$	33,517
Other Governments and Citizens Groups	5,121	0	5,121	0	1,321	3,800
Total Revenues	\$ 74,638 \$	0 \$	74,638 \$	36,000 \$	37,321 \$	37,317
<u>Expenditures</u>						
Public Safety	\$ 81,508 \$	(1,702) \$	79,806 \$	84,000 \$	85,321 \$	5,515
Drug Enforcement	81,508 \$	(1,702) \$	79,806 \$	84,000 \$	85,321 \$	5,515
Total Expenditures	\$ (6,870) \$	1,702 \$	(5,168) \$	(48,000) \$	(48,000) \$	42,832
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,870) \$	1,702 \$	(5,168) \$	(48,000) \$	(48,000) \$	42,832
Net Change in Fund Balance Fund Balance, July 1, 2011	93,748	(1,702)	92,046	92,046	92,046	0
Fund Balance, June 30, 2012	\$ 86,878 \$	0 \$	86,878 \$	44,046 \$	44,046 \$	42,832

Major Governmental Funds

Debt Service Funds

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

General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs specifically issued for schools outside the territorial boundaries of the Franklin Special School District.

Exhibit H-1

Williamson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 25,504,254	\$ 23,714,132	\$ 23,714,132	\$ 1,790,122
Other Local Revenues	1,250,553	375,000	375,000	875,553
Federal Government	678,120	678,119	678,119	1
Other Governments and Citizens Groups	1,898,201	521,490	1,898,201	0
Total Revenues	<u>\$ 29,331,128</u>	<u>\$ 25,288,741</u>	<u>\$ 26,665,452</u>	<u>\$ 2,665,676</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 8,600,442	\$ 11,755,450	\$ 8,600,450	\$ 8
Highways and Streets	160,200	160,200	160,200	0
Education	8,277,358	8,277,360	8,277,360	2
<u>Interest on Debt</u>				
General Government	4,919,065	6,230,000	5,168,377	249,312
Highways and Streets	47,377	47,380	47,380	3
Education	6,539,568	6,606,100	6,606,100	66,532
<u>Other Debt Service</u>				
General Government	549,709	620,000	620,000	70,291
Total Expenditures	<u>\$ 29,093,719</u>	<u>\$ 33,696,490</u>	<u>\$ 29,479,867</u>	<u>\$ 386,148</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 237,409</u>	<u>\$ (8,407,749)</u>	<u>\$ (2,814,415)</u>	<u>\$ 3,051,824</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 1	\$ 5,885,177	\$ 1	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 1</u>	<u>\$ 5,885,177</u>	<u>\$ 1</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 237,410	\$ (2,522,572)	\$ (2,814,414)	\$ 3,051,824
Fund Balance, July 1, 2011	<u>21,712,375</u>	<u>16,422,761</u>	<u>16,422,761</u>	<u>5,289,614</u>
Fund Balance, June 30, 2012	<u>\$ 21,949,785</u>	<u>\$ 13,900,189</u>	<u>\$ 13,608,347</u>	<u>\$ 8,341,438</u>

Exhibit H-2

Williamson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural Debt Service Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 14,338,191	\$ 12,943,573	\$ 12,943,573	\$ 1,394,618
Other Local Revenues	117,745	110,000	110,000	7,745
Federal Government	953,928	953,928	953,928	0
Total Revenues	<u>\$ 15,409,864</u>	<u>\$ 14,007,501</u>	<u>\$ 14,007,501</u>	<u>\$ 1,402,363</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 10,685,000	\$ 10,685,000	\$ 10,685,000	\$ 0
<u>Interest on Debt</u>				
Education	9,640,305	9,650,000	9,650,000	9,695
<u>Other Debt Service</u>				
Education	276,147	235,000	295,000	18,853
Total Expenditures	<u>\$ 20,601,452</u>	<u>\$ 20,570,000</u>	<u>\$ 20,630,000</u>	<u>\$ 28,548</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (5,191,588)</u>	<u>\$ (6,562,499)</u>	<u>\$ (6,622,499)</u>	<u>\$ 1,430,911</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (3,191,588)	\$ (4,562,499)	\$ (4,622,499)	\$ 1,430,911
Fund Balance, July 1, 2011	<u>11,704,029</u>	<u>11,704,029</u>	<u>11,704,029</u>	<u>0</u>
Fund Balance, June 30, 2012	<u>\$ 8,512,441</u>	<u>\$ 7,141,530</u>	<u>\$ 7,081,530</u>	<u>\$ 1,430,911</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.

Cities Property Tax Fund – The Cities Property Tax Fund is used to account for the property taxes of the City of Nolensville and Town of Thompson’s Station. These collections are remitted to each city monthly.

Cities Adequate Facilities Tax Fund – The Cities Adequate Facilities Tax Fund is used to account for various cities’ share of adequate facilities tax collected by the county. These collections are remitted to the cities on a monthly basis.

Special School District Fund – The Special School District Fund is used to account for the Franklin Special School District’s share of education revenues collected by the county that must be apportioned between the county and special school district on an average daily attendance basis and property taxes assessed on parcels that lie within the Franklin Special School District. These collections are remitted to the special school district on a monthly basis.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues that are held in trust for the benefit of the judicial district drug task force.

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 and general sessions courts clerk, juvenile court clerk, clerk and master, register, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Other Agency Fund – The Other Agency Fund is used to account for a special litigation tax levied by Chapter 9, Private Acts of 1957, as amended. Proceeds of the tax must be expended for the benefit of the county’s law library under the control of the Williamson County Governmental Library Commission.

Exhibit I-1

Williamson County, Tennessee
 Combining Statement of Fiduciary Assets and Liabilities
 Fiduciary Funds
 For the Year Ended June 30, 2012

	Agency Funds							Total
	Cities - Sales Tax	Cities - Property Tax	Special School District	Judicial District Drug	Constitu- tional Officers - Agency	Other Agency		
<u>ASSETS</u>								
Cash	\$ 0	\$ 0	\$ 0	\$ 7,122	\$ 6,261,488	\$ 0	\$ 0	\$ 6,268,610
Equity in Pooled Cash and Investments	0	2,611	542,975	1,310,718	0	34,566	0	1,890,870
Investments	0	0	0	0	14,106	0	0	14,106
Accounts Receivable	0	0	0	0	28,477	0	0	28,477
Due from Other Governments	6,723,737	0	698,286	0	0	0	0	7,422,023
Taxes Receivable	0	0	10,216,253	0	0	0	0	10,216,253
Allowance for Uncollectible Taxes	0	0	(110,011)	0	0	0	0	(110,011)
Total Assets	\$ 6,723,737	\$ 2,611	\$ 11,347,503	\$ 1,317,840	\$ 6,304,071	\$ 34,566	\$ 0	\$ 25,730,328
<u>LIABILITIES</u>								
Due to Other Taxing Units	\$ 6,723,737	\$ 2,611	\$ 11,347,503	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,073,851
Due to Joint Venture	0	0	0	988,236	0	0	0	988,236
Due to Litigants, Heirs, and Others	0	0	0	329,604	6,304,071	34,566	0	6,668,241
Total Liabilities	\$ 6,723,737	\$ 2,611	\$ 11,347,503	\$ 1,317,840	\$ 6,304,071	\$ 34,566	\$ 0	\$ 25,730,328

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 38,765,097	\$ 38,765,097	\$ 0
Due from Other Governments	6,416,133	6,723,737	6,416,133	6,723,737
Total Assets	\$ 6,416,133	\$ 45,488,834	\$ 45,181,230	\$ 6,723,737
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 6,416,133	\$ 45,488,834	\$ 45,181,230	\$ 6,723,737
Total Liabilities	\$ 6,416,133	\$ 45,488,834	\$ 45,181,230	\$ 6,723,737
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 1,310	\$ 365,127	\$ 363,826	\$ 2,611
Total Assets	\$ 1,310	\$ 365,127	\$ 363,826	\$ 2,611
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,310	\$ 365,127	\$ 363,826	\$ 2,611
Total Liabilities	\$ 1,310	\$ 365,127	\$ 363,826	\$ 2,611
<u>Cities Adequate Facilities Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,528,438	\$ 1,528,438	\$ 0
Total Assets	\$ 0	\$ 1,528,438	\$ 1,528,438	\$ 0
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 0	\$ 1,528,438	\$ 1,528,438	\$ 0
Total Liabilities	\$ 0	\$ 1,528,438	\$ 1,528,438	\$ 0
<u>Special School District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 486,693	\$ 33,658,028	\$ 33,601,746	\$ 542,975
Due from Other Governments	684,381	698,286	684,381	698,286
Taxes Receivable	10,382,841	10,216,253	10,382,841	10,216,253
Allowance for Uncollectible Taxes	(137,929)	(110,011)	(137,929)	(110,011)
Total Assets	\$ 11,415,986	\$ 44,462,556	\$ 44,531,039	\$ 11,347,503
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 11,415,986	\$ 44,462,556	\$ 44,531,039	\$ 11,347,503
Total Liabilities	\$ 11,415,986	\$ 44,462,556	\$ 44,531,039	\$ 11,347,503

(Continued)

Exhibit I-2

Williamson County, Tennessee
 Combining Statement of Changes in Assets and
 Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
Judicial District Drug Fund				
<u>Assets</u>				
Cash	\$ 3,752	\$ 7,122	\$ 3,752	\$ 7,122
Equity in Pooled Cash and Investments	1,938,485	755,489	1,383,256	1,310,718
Due from Other Governments	393	0	393	0
Total Assets	\$ 1,942,630	\$ 762,611	\$ 1,387,401	\$ 1,317,840
<u>Liabilities</u>				
Due to Joint Venture	\$ 1,702,311	\$ 384,826	\$ 1,098,901	\$ 988,236
Due to Litigants, Heirs, and Others	240,319	377,785	288,500	329,604
Total Liabilities	\$ 1,942,630	\$ 762,611	\$ 1,387,401	\$ 1,317,840
Constitutional Officers - Agency Fund				
<u>Assets</u>				
Cash	\$ 7,057,379	\$ 48,014,918	\$ 48,810,809	\$ 6,261,488
Investments	14,353	14,106	14,353	14,106
Accounts Receivable	31,124	28,477	31,124	28,477
Total Assets	\$ 7,102,856	\$ 48,057,501	\$ 48,856,286	\$ 6,304,071
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 7,102,856	\$ 48,057,501	\$ 48,856,286	\$ 6,304,071
Total Liabilities	\$ 7,102,856	\$ 48,057,501	\$ 48,856,286	\$ 6,304,071
Other Agency Fund				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 34,079	\$ 34,566	\$ 34,079	\$ 34,566
Total Assets	\$ 34,079	\$ 34,566	\$ 34,079	\$ 34,566
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 34,079	\$ 34,566	\$ 34,079	\$ 34,566
Total Liabilities	\$ 34,079	\$ 34,566	\$ 34,079	\$ 34,566
Totals - All Agency Funds				
<u>Assets</u>				
Cash	\$ 7,061,131	\$ 48,022,040	\$ 48,814,561	\$ 6,268,610
Equity in Pooled Cash and Investments	2,460,567	75,106,745	75,676,442	1,890,870
Investments	14,353	14,106	14,353	14,106
Due from Other Governments	7,100,907	7,422,023	7,100,907	7,422,023
Accounts Receivable	31,124	28,477	31,124	28,477
Taxes Receivable	10,382,841	10,216,253	10,382,841	10,216,253
Allowance for Uncollectible Taxes	(137,929)	(110,011)	(137,929)	(110,011)
Total Assets	\$ 26,912,994	\$ 140,699,633	\$ 141,882,299	\$ 25,730,328
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 17,833,429	\$ 91,844,955	\$ 91,604,533	\$ 18,073,851
Due to Joint Venture	1,702,311	384,826	1,098,901	988,236
Due to Litigants, Heirs, and Others	7,377,254	48,469,852	49,178,865	6,668,241
Total Liabilities	\$ 26,912,994	\$ 140,699,633	\$ 141,882,299	\$ 25,730,328

Williamson County School Department

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

Extended School Program Fund – The Extended School Program Fund is used to account for transactions related to the after-school programs in the individual schools.

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

Exhibit J-1

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

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Total	Governmental Activities
Governmental Activities:						
Instruction	\$ 188,320,889	\$ 508,657	\$ 10,510,267	\$ 1,162	\$ (177,300,803)	
Support Services	92,735,178	88,447	212,785	6,808,835	(85,625,111)	
Operation of Non-Instructional Services	13,391,193	10,262,031	3,150,955	0	21,793	
Total Governmental Activities	\$ 294,447,260	\$ 10,859,135	\$ 13,874,007	\$ 6,809,997	\$ (262,904,121)	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 96,074,208	
Local Option Sales Tax					36,456,314	
Other Local Taxes					9,785	
Grants and Contributions Not Restricted to Specific Programs					101,520,802	
Unrestricted Investment Income					288,448	
Miscellaneous					228,458	
Total General Revenues					\$ 234,578,015	
Change in Net Assets					\$ (28,326,106)	
Net Assets, July 1, 2011					370,313,734	
Net Assets, June 30, 2012					\$ 341,987,628	

Exhibit J-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</u>	
			<u>Other</u>	
<u>Purpose</u>	<u>Capital</u>	<u>Govern-</u>	<u>ment-</u>	
<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>mental</u>	
			<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash	\$ 300	\$ 0	\$ 180,036	\$ 180,336
Equity in Pooled Cash and Investments	36,373,265	14,360,475	3,096,374	53,830,114
Accounts Receivable	74,616	0	11,887	86,503
Due from Other Governments	6,326,777	0	274,510	6,601,287
Due from Other Funds	607	0	0	607
Property Taxes Receivable	89,383,957	0	0	89,383,957
Allowance for Uncollectible Property Taxes	(979,961)	0	0	(979,961)
Prepaid Items	7,395	0	0	7,395
Total Assets	\$ 131,186,956	\$ 14,360,475	\$ 3,562,807	\$ 149,110,238
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 456,943	\$ 698,679	\$ 155,238	\$ 1,310,860
Accrued Payroll	12,726,280	0	140,026	12,866,306
Payroll Deductions Payable	3,655,161	0	22,295	3,677,456
Contracts Payable	0	1,065,761	0	1,065,761
Retainage Payable	0	84,225	0	84,225
Claims and Judgments Payable	433,513	0	0	433,513
Due to Other Funds	0	0	607	607
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	0	0	187,201	187,201
Deferred Revenue - Current Property Taxes	86,913,310	0	0	86,913,310
Deferred Revenue - Delinquent Property Taxes	1,245,686	0	0	1,245,686
Other Deferred Revenues	2,928,755	0	0	2,928,755
Total Liabilities	\$ 108,359,648	\$ 1,848,665	\$ 505,367	\$ 110,713,680
<u>Fund Balances</u>				
Nonspendable:				
Prepaid Items	\$ 7,395	\$ 0	\$ 0	\$ 7,395
Restricted:				
Restricted for Education	208,484	0	0	208,484
Committed:				
Committed for Education	20,921	0	242,807	263,728
Committed for Capital Outlay	0	12,511,810	0	12,511,810
Assigned:				
Assigned for Education	12,865,133	0	2,814,633	15,679,766
Unassigned	9,725,375	0	0	9,725,375
Total Fund Balances	\$ 22,827,308	\$ 12,511,810	\$ 3,057,440	\$ 38,396,558
Total Liabilities and Fund Balances	\$ 131,186,956	\$ 14,360,475	\$ 3,562,807	\$ 149,110,238

Exhibit J-3

Williamson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Williamson County School Department
June 30, 2012

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 38,396,558
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 30,252,967	
Add: construction in progress	44,470	
Add: buildings and improvements net of accumulated depreciation	335,016,285	
Add: intangibles net of accumulated depreciation	744,357	
Add: other capital assets net of accumulated depreciation	<u>17,774,766</u>	383,832,845
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (1,017,582)	
Less: other postemployment benefits liability - state Medicare plan	(1,235,313)	
Less: other postemployment benefits liability - self-insurance plan	<u>(82,163,321)</u>	(84,416,216)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>4,174,441</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 341,987,628</u>

Exhibit J-4

Williamson County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Williamson County School Department
For the Year Ended June 30, 2012

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Governmental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 132,917,126	\$ 0	\$ 0	\$ 132,917,126
Licenses and Permits	9,163	0	0	9,163
Fines, Forfeitures, and Penalties	500	0	0	500
Charges for Current Services	916,327	0	9,656,190	10,572,517
Other Local Revenues	973,913	14,567	9,398	997,878
State of Tennessee	102,690,361	0	91,865	102,782,226
Federal Government	1,235,356	0	11,035,154	12,270,510
Other Governments and Citizens Groups	0	6,702,000	0	6,702,000
Total Revenues	\$ 238,742,746	\$ 6,716,567	\$ 20,792,607	\$ 266,251,920
<u>Expenditures</u>				
Current:				
Instruction	\$ 157,013,891	\$ 0	\$ 6,403,513	\$ 163,417,404
Support Services	78,197,639	0	2,805,675	81,003,314
Operation of Non-Instructional Services	1,315,487	0	12,235,352	13,550,839
Capital Projects	0	14,960,050	0	14,960,050
Total Expenditures	\$ 236,527,017	\$ 14,960,050	\$ 21,444,540	\$ 272,931,607
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 2,215,729	\$ (8,243,483)	\$ (651,933)	\$ (6,679,687)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 413,231	\$ 2,005,929	\$ 0	\$ 2,419,160
Transfers Out	(2,005,929)	0	(413,231)	(2,419,160)
Total Other Financing Sources (Uses)	\$ (1,592,698)	\$ 2,005,929	\$ (413,231)	\$ 0
Net Change in Fund Balances	\$ 623,031	\$ (6,237,554)	\$ (1,065,164)	\$ (6,679,687)
Fund Balance, July 1, 2011	22,204,277	18,749,364	4,122,604	45,076,245
Fund Balance, June 30, 2012	\$ 22,827,308	\$ 12,511,810	\$ 3,057,440	\$ 38,396,558

Exhibit J-5

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

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ (6,679,687)
(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	\$ 14,983,398	
Less: current-year depreciation expense	<u>(11,648,699)</u>	3,334,699
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		
Less: loss on disposal of capital assets	\$ (72,212)	
Add: assets donated and capitalized	101,434	
Add: assets donated and disposed of in same period at loss	<u>5,400</u>	34,622
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2011	\$ (4,404,942)	
Add: deferred delinquent property taxes and other deferred June 30, 2012	<u>4,174,441</u>	(230,501)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ 100,952	
Change in other postemployment benefits liability - state Medicare plan	(231,732)	
Change in other postemployment benefits liability - self-insurance plan	<u>(24,654,459)</u>	<u>(24,785,239)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (28,326,106)</u>

Exhibit J-6

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

	Special Revenue Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	
<u>ASSETS</u>				
Cash	\$ 0	\$ 100	\$ 179,936	\$ 180,036
Equity in Pooled Cash and Investments	133,611	2,418,895	543,868	3,096,374
Accounts Receivable	0	49	11,838	11,887
Due from Other Governments	274,510	0	0	274,510
Total Assets	<u>\$ 408,121</u>	<u>\$ 2,419,044</u>	<u>\$ 735,642</u>	<u>\$ 3,562,807</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 2,386	\$ 152,169	\$ 683	\$ 155,238
Accrued Payroll	140,026	0	0	140,026
Payroll Deductions Payable	22,295	0	0	22,295
Due to Other Funds	607	0	0	607
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	0	187,201	0	187,201
Total Liabilities	<u>\$ 165,314</u>	<u>\$ 339,370</u>	<u>\$ 683</u>	<u>\$ 505,367</u>
<u>Fund Balances</u>				
Committed:				
Committed for Education	\$ 242,807	\$ 0	\$ 0	\$ 242,807
Assigned:				
Assigned for Education	0	2,079,674	734,959	2,814,633
Total Fund Balances	<u>\$ 242,807</u>	<u>\$ 2,079,674</u>	<u>\$ 734,959</u>	<u>\$ 3,057,440</u>
Total Liabilities and Fund Balances	<u>\$ 408,121</u>	<u>\$ 2,419,044</u>	<u>\$ 735,642</u>	<u>\$ 3,562,807</u>

Exhibit J-7

Williamson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Williamson County School Department
For the Year Ended June 30, 2012

	Special Revenue Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 7,878,290	\$ 1,777,900	\$ 9,656,190
Other Local Revenues	0	8,599	799	9,398
State of Tennessee	0	91,865	0	91,865
Federal Government	8,499,778	2,535,376	0	11,035,154
Total Revenues	\$ 8,499,778	\$ 10,514,130	\$ 1,778,699	\$ 20,792,607
<u>Expenditures</u>				
Current:				
Instruction	\$ 6,403,513	\$ 0	\$ 0	\$ 6,403,513
Support Services	2,805,675	0	0	2,805,675
Operation of Non-Instructional Services	0	10,722,615	1,512,737	12,235,352
Total Expenditures	\$ 9,209,188	\$ 10,722,615	\$ 1,512,737	\$ 21,444,540
Excess (Deficiency) of Revenues Over Expenditures				
	\$ (709,410)	\$ (208,485)	\$ 265,962	\$ (651,933)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (164,153)	\$ (215,155)	\$ (33,923)	\$ (413,231)
Total Other Financing Sources (Uses)	\$ (164,153)	\$ (215,155)	\$ (33,923)	\$ (413,231)
Net Change in Fund Balances				
Fund Balance, July 1, 2011	\$ 1,116,370	\$ 2,503,314	\$ 502,920	\$ 4,122,604
Fund Balance, June 30, 2012	\$ 242,807	\$ 2,079,674	\$ 734,959	\$ 3,057,440

Exhibit J-8

Williamson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Williamson County School Department
General Purpose School Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 132,917,126	\$ 0	\$ 0	\$ 132,917,126	\$ 125,292,125	\$ 125,392,129	\$ 7,524,997
Licenses and Permits	9,163	0	0	9,163	9,000	9,000	163
Fines, Forfeitures, and Penalties	500	0	0	500	2,000	2,000	(1,500)
Charges for Current Services	916,327	0	0	916,327	1,028,397	1,028,397	(112,070)
Other Local Revenues	973,913	0	0	973,913	733,500	751,866	222,047
State of Tennessee	102,690,361	0	0	102,690,361	100,605,056	101,822,836	867,525
Federal Government	1,235,356	0	0	1,235,356	982,121	1,291,265	(55,909)
Total Revenues	\$ 238,742,746	\$ 0	\$ 0	\$ 238,742,746	\$ 228,652,199	\$ 230,297,493	\$ 8,445,253
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 123,126,608	(881,309)	\$ 815,888	\$ 123,061,187	\$ 120,992,157	\$ 124,401,941	\$ 1,340,754
Alternative Instruction Program	452,981	0	0	452,981	457,921	462,540	9,559
Special Education Program	26,474,161	(17,982)	35,234	26,491,413	27,452,886	27,683,216	1,191,803
Vocational Education Program	5,179,159	(16,613)	48,824	5,211,370	5,562,063	5,613,244	401,874
Student Body Education Program	1,596,482	(154,170)	51,030	1,493,342	1,600,000	1,600,000	106,658
Adult Education Program	184,500	(3,036)	656	182,120	228,118	292,860	110,740
<u>Support Services</u>							
Attendance	130,778	0	0	130,778	136,877	136,877	6,099
Health Services	2,861,108	0	6,448	2,867,556	3,017,058	3,017,058	149,502
Other Student Support	7,144,011	(24,348)	13,866	7,133,529	7,129,940	7,259,060	125,531
Regular Instruction Program	7,194,215	(32,806)	45,673	7,207,082	7,402,853	7,531,973	324,891
Special Education Program	2,695,045	(2,996)	4,265	2,696,314	2,489,787	2,856,628	160,314
Vocational Education Program	221,014	(1,687)	0	219,327	242,152	244,486	25,159

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Adult Programs	\$ 146,742	\$ 0	\$ 0	\$ 146,742	\$ 148,184	\$ 149,024	\$ 2,282
Other Programs	14,520	0	0	14,520	0	14,520	0
Board of Education	4,507,773	(46,578)	56,386	4,517,581	4,302,650	4,752,650	235,069
Director of Schools	1,127,436	(1,801)	2,833	1,128,468	1,210,321	1,218,556	90,088
Office of the Principal	15,810,847	(4,500)	0	15,806,347	15,921,719	16,081,291	274,944
Fiscal Services	1,142,674	(800)	2,854	1,144,728	1,165,359	1,165,359	20,631
Human Services/Personnel	645,430	(2,069)	24,191	667,552	706,630	707,470	39,918
Operation of Plant	13,008,601	(50,535)	381,806	13,339,872	14,700,025	14,050,025	710,153
Maintenance of Plant	5,316,255	(434,447)	659,409	5,541,217	5,777,249	5,777,249	236,032
Transportation	12,589,983	(666,089)	1,511,584	13,435,478	12,142,433	13,981,433	545,955
Central and Other	3,641,207	(95,697)	62,765	3,608,275	3,743,897	3,744,737	136,462
<u>Operation of Non-Instructional Services</u>							
Community Services	551,723	(458)	3,782	555,047	596,368	596,368	41,321
Early Childhood Education	763,764	(4,236)	1,776	761,304	815,951	824,854	63,550
Total Expenditures	\$ 236,527,017	\$ (2,442,157)	\$ 3,729,270	\$ 237,814,130	\$ 237,942,598	\$ 244,163,419	\$ 6,349,289
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,215,729	\$ 2,442,157	\$ (3,729,270)	\$ 928,616	\$ (9,290,399)	\$ (13,865,926)	\$ 14,794,542
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 413,231	\$ 0	\$ 0	\$ 413,231	\$ 150,000	\$ 150,000	\$ 263,231
Transfers Out	(2,005,929)	0	0	(2,005,929)	0	(2,005,929)	0
Total Other Financing Sources (Uses)	\$ (1,592,698)	\$ 0	\$ 0	\$ (1,592,698)	\$ 150,000	\$ (1,855,929)	\$ 263,231
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 623,031	\$ 2,442,157	\$ (3,729,270)	\$ (664,082)	\$ (9,140,399)	\$ (15,721,855)	\$ 15,057,773
Fund Balance, July 1, 2011	22,204,277	(2,442,157)	0	19,762,120	19,854,224	19,854,224	(92,104)
Fund Balance, June 30, 2012	\$ 22,827,308	\$ 0	\$ (3,729,270)	\$ 19,098,038	\$ 10,713,825	\$ 4,132,369	\$ 14,965,669

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 8,499,778	\$ 0	\$ 0	\$ 8,499,778	\$ 6,307,263	\$ 11,464,560	\$ (2,964,782)
Total Revenues	\$ 8,499,778	\$ 0	\$ 0	\$ 8,499,778	\$ 6,307,263	\$ 11,464,560	\$ (2,964,782)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,366,203	\$ 0	\$ 0	\$ 1,366,203	\$ 597,142	\$ 1,596,044	\$ 229,841
Special Education Program	4,790,807	(43,664)	0	4,747,143	4,024,902	6,665,091	1,917,948
Vocational Education Program	246,503	(3,576)	22,441	265,368	245,482	265,988	620
<u>Support Services</u>							
Health Services	639,054	0	0	639,054	491,777	779,837	140,783
Other Student Support	76,341	(569)	0	75,772	63,549	93,228	17,456
Regular Instruction Program	542,692	(599)	39,192	581,285	374,471	1,042,483	461,198
Special Education Program	627,776	(28,350)	0	599,426	373,042	707,647	108,221
Vocational Education Program	0	0	0	0	100	0	0
Transportation	919,812	(820,398)	0	99,414	0	138,452	39,038
Total Expenditures	\$ 9,209,188	\$ (897,156)	\$ 61,633	\$ 8,373,665	\$ 6,170,465	\$ 11,288,770	\$ 2,915,105
Excess (Deficiency) of Revenues Over Expenditures	\$ (709,410)	\$ 897,156	\$ (61,633)	\$ 126,113	\$ 136,798	\$ 175,790	\$ (49,677)
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (164,153)	\$ 0	\$ 0	\$ (164,153)	\$ (136,798)	\$ (221,357)	\$ 57,204
Total Other Financing Sources (Uses)	\$ (164,153)	\$ 0	\$ 0	\$ (164,153)	\$ (136,798)	\$ (221,357)	\$ 57,204
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (873,563)	\$ 897,156	\$ (61,633)	\$ (38,040)	\$ 0	\$ (45,567)	\$ 7,527
Fund Balance, July 1, 2011	1,116,370	(897,156)	0	219,214	0	45,567	173,647
Fund Balance, June 30, 2012	\$ 242,807	\$ 0	\$ (61,633)	\$ 181,174	\$ 0	\$ 0	\$ 181,174

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 7,878,290	\$ 0	\$ 0	\$ 7,878,290	\$ 7,492,745	\$ 7,742,745	\$ 135,545
Other Local Revenues	8,599	0	0	8,599	25,000	25,000	(16,401)
State of Tennessee	91,865	0	0	91,865	97,000	97,000	(5,135)
Federal Government	2,535,376	0	0	2,535,376	1,765,000	2,615,000	(79,624)
Total Revenues	\$ 10,514,130	\$ 0	\$ 0	\$ 10,514,130	\$ 9,379,745	\$ 10,479,745	\$ 34,385
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 10,722,615	\$ (193,524)	\$ 150,966	\$ 10,680,057	\$ 9,194,412	\$ 11,365,314	\$ 685,257
Total Expenditures	\$ 10,722,615	\$ (193,524)	\$ 150,966	\$ 10,680,057	\$ 9,194,412	\$ 11,365,314	\$ 685,257
Excess (Deficiency) of Revenues Over Expenditures	\$ (208,485)	\$ 193,524	\$ (150,966)	\$ (165,927)	\$ 185,333	\$ (885,569)	\$ 719,642
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (215,155)	\$ 0	\$ 0	\$ (215,155)	\$ 0	\$ (231,000)	\$ 15,845
Total Other Financing Sources (Uses)	\$ (215,155)	\$ 0	\$ 0	\$ (215,155)	\$ 0	\$ (231,000)	\$ 15,845
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (423,640)	\$ 193,524	\$ (150,966)	\$ (381,082)	\$ 185,333	\$ (1,116,569)	\$ 735,487
Fund Balance, June 30, 2012	2,503,314	(193,524)	0	2,309,790	2,312,147	2,312,147	(2,357)
	\$ 2,079,674	\$ 0	\$ (150,966)	\$ 1,928,708	\$ 2,497,480	\$ 1,195,578	\$ 733,130

Exhibit J-11

Williamson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Williamson County School Department
Extended School Program Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Charges for Current Services	\$ 1,777,900	\$ 0	\$ 0	\$ 1,777,900	\$ 1,722,194	\$ 1,722,194	\$ 55,706
Other Local Revenues	799	0	0	799	1,500	1,500	(701)
Total Revenues	\$ 1,778,699	\$ 0	\$ 0	\$ 1,778,699	\$ 1,723,694	\$ 1,723,694	\$ 55,005
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Community Services	\$ 1,512,737	\$ (11,421)	\$ 13,867	\$ 1,515,183	\$ 1,576,481	\$ 1,612,254	\$ 97,071
Total Expenditures	\$ 1,512,737	\$ (11,421)	\$ 13,867	\$ 1,515,183	\$ 1,576,481	\$ 1,612,254	\$ 97,071
Excess (Deficiency) of Revenues Over Expenditures	\$ 265,962	\$ 11,421	\$ (13,867)	\$ 263,516	\$ 147,213	\$ 111,440	\$ 152,076
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (33,923)	\$ 0	\$ 0	\$ (33,923)	\$ 0	\$ (38,163)	\$ 4,240
Total Other Financing Sources (Uses)	\$ (33,923)	\$ 0	\$ 0	\$ (33,923)	\$ 0	\$ (38,163)	\$ 4,240
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 232,039	\$ 11,421	\$ (13,867)	\$ 229,593	\$ 147,213	\$ 73,277	\$ 156,316
Fund Balance, July 1, 2011	502,920	(11,421)	0	491,499	485,461	485,461	6,038
Fund Balance, June 30, 2012	\$ 734,959	\$ 0	\$ (13,867)	\$ 721,092	\$ 632,674	\$ 558,738	\$ 162,354

MISCELLANEOUS SCHEDULES

Exhibit K-1

Williamson County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Various Projects	\$ 4,030,000	1.38 %	6-7-12	12-1-13	\$ 0	\$ 4,030,000	\$ 0	\$ 4,030,000
<u>Payable through Rural Debt Service Fund</u>								
Various Projects	2,690,000	.45	6-7-12	12-1-13	0	2,690,000	0	2,690,000
Total Notes Payable					\$ 0	\$ 6,720,000	\$ 0	\$ 6,720,000
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Various Projects	8,490,000	Variable	8-24-98	8-24-18	\$ 4,110,000	\$ 0	\$ 501,000	\$ 3,609,000
Recreational Facilities	4,095,000	Variable	4-21-03	5-25-23	2,770,000	0	192,000	2,578,000
Various Projects	2,015,000	Variable	5-31-05	5-25-20	1,317,000	0	130,000	1,187,000
Total Other Loans Payable					\$ 8,197,000	\$ 0	\$ 823,000	\$ 7,374,000
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Refunding	34,110,000	4.5 to 5.5	8-1-1998	9-1-14	\$ 10,560,000	\$ 0	\$ 2,430,000	\$ 8,130,000
General Obligation	21,490,000	3 to 4.75	11-1-01	4-1-12	1,260,000	0	1,260,000	0
School Improvements	31,880,000	3 to 4.75	11-1-01	4-1-12	1,870,000	0	1,870,000	0
Landfill Equipment and Repairs	1,290,000	3 to 4.75	11-14-01	4-1-12	75,000	0	75,000	0
General Obligation Refunding	9,220,000	3 to 5	7-1-02	3-1-20	8,320,000	0	755,000	7,565,000
General Obligation Refunding - Schools	20,805,000	3 to 5	7-1-02	3-1-20	18,775,000	0	1,680,000	17,095,000
General Obligation	25,595,000	3 to 5	12-1-02	4-1-12	1,315,000	0	1,315,000	0
Landfill Equipment and Closure	735,000	3.5 to 4	12-1-02	4-1-12	35,000	0	35,000	0
General Obligation	4,450,000	2.25 to 4.4	12-1-03	4-1-23	3,130,000	0	200,000	2,930,000
General Obligation Refunding	6,360,000	2 to 4	2-1-04	4-1-18	4,430,000	0	565,000	3,865,000
General Obligation and School Improvements	11,830,000	4 to 4.75	6-1-04	5-1-14	1,420,000	0	450,000	970,000
General Obligation Refunding	15,910,000	2 to 5	11-15-04	4-1-21	14,505,000	0	0	14,505,000

(Continued)

Exhibit K-1

Williamson County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
BONDS PAYABLE (CONT.)								
Payable through General Debt Service Fund (Cont.)								
General Obligation Refunding - Schools	\$ 23,605,000	2 to 5	11-15-04	4-1-21	\$ 21,515,000	0	0	\$ 21,515,000
Landfill Refunding	955,000	2 to 5	11-15-04	4-1-21	865,000	0	0	865,000
General Obligation and School Improvements	20,900,000	3 to 4.375	12-1-04	5-1-25	6,900,000	0	900,000	6,000,000
General Obligation	16,075,000	4 to 4.75	7-1-06	4-1-16	4,055,000	0	740,000	3,315,000
School Improvements	8,300,000	4 to 4.75	7-1-06	4-1-16	1,250,000	0	230,000	1,020,000
Landfill Public Improvement	1,360,000	4 to 4.75	7-1-06	4-1-16	335,000	0	60,000	275,000
General Obligation Refunding	16,170,000	5	12-20-06	4-1-22	16,170,000	0	0	16,170,000
General Obligation Refunding - Schools	145,000	5	12-20-06	4-1-22	145,000	0	0	145,000
Landfill Refunding	440,000	5	12-20-06	4-1-22	440,000	0	0	440,000
General Obligation	3,565,000	4 to 5	2-22-07	4-1-27	3,170,000	0	150,000	3,020,000
School Improvements	4,070,000	4 to 5	2-22-07	4-1-27	3,615,000	0	170,000	3,445,000
General Obligation Schools	7,465,000	3.5 to 4.25	2-28-08	5-1-28	7,165,000	0	160,000	7,005,000
General Obligation Refunding	3,635,000	3.5 to 4.25	2-28-08	5-1-28	3,485,000	0	90,000	3,395,000
General Obligation Refunding	26,450,000	2.5 to 4.4	2-24-09	4-1-29	25,950,000	0	1,000,000	24,950,000
General Obligation - Build America Bonds	24,700,000	2.25 to 5.75	12-3-09	4-1-34	24,700,000	0	0	24,700,000
General Obligation Refunding	32,960,000	2.5 to 5	4-1-10	4-1-26	32,960,000	0	150,000	32,810,000
General Obligation - Build America Bonds	17,950,000	1 to 4.6	10-26-10	4-1-30	17,950,000	0	100,000	17,850,000
General Obligation Refunding	24,500,000	2 to 4	12-22-10	3-1-19	22,700,000	0	1,830,000	20,870,000
Total Payable through General Debt Service Fund					\$ 259,065,000	\$	\$ 16,215,000	\$ 242,850,000
Payable through Rural Debt Service Fund								
Rural School Refunding	22,015,000	4.5 to 5.5	8-1-1998	9-1-15	\$ 5,515,000	\$	\$ 1,745,000	\$ 3,770,000
Rural School	3,720,000	4 to 4.75	11-1-01	4-1-12	190,000	0	190,000	0
Rural School Refunding	11,745,000	3 to 5	7-1-02	3-1-20	10,415,000	0	950,000	9,465,000
Rural School	9,525,000	3 to 5	12-1-02	4-1-12	500,000	0	500,000	0
Rural School	1,365,000	2 to 4.4	12-1-03	4-1-23	1,115,000	0	50,000	1,065,000
Rural School Refunding	11,750,000	2 to 5	2-1-04	4-1-18	8,635,000	0	1,050,000	7,585,000
Rural School	9,970,000	3.5 to 4.875	6-1-04	5-1-14	1,310,000	0	420,000	890,000
Rural School	20,840,000	3 to 4.375	12-1-04	5-1-25	7,175,000	0	1,000,000	6,175,000
Rural School	20,045,000	4 to 4.75	7-1-06	4-1-16	4,870,000	0	900,000	3,970,000
Rural School	27,560,000	4 to 4.5	2-22-07	4-1-27	26,560,000	0	1,275,000	25,285,000
Rural School	19,250,000	3.5 to 4.25	2-28-08	5-1-28	18,800,000	0	250,000	18,550,000
Rural School Refunding	23,660,000	2.5 to 5	2-24-09	4-1-29	23,410,000	0	500,000	22,910,000

(Continued)

Exhibit K-1

Williamson County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
<u>BONDS PAYABLE (CONT.)</u>								
<u>Payable through Rural Debt Service Fund (Cont.)</u>								
Rural School - Build America Bonds	\$ 39,000,000	2.25 to 5.75 %	12-31-09	4-1-34	\$ 39,000,000	0	0	\$ 39,000,000
Rural School Refunding	38,930,000	3 to 5	4-1-10	4-1-26	38,930,000	0	110,000	38,820,000
Rural School - Build America Bonds	18,000,000	.85 to 5	10-26-10	4-1-30	18,000,000	0	100,000	17,900,000
Rural School Refunding	14,500,000	2 to 4	12-22-10	3-1-19	14,500,000	0	1,645,000	12,855,000
Total Payable through Rural Debt Service Fund					<u>\$ 218,925,000</u>	<u>0</u>	<u>\$ 10,685,000</u>	<u>\$ 208,240,000</u>
Total Bonds Payable					<u>\$ 477,990,000</u>	<u>0</u>	<u>\$ 26,900,000</u>	<u>\$ 451,090,000</u>

Exhibit K-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 0	\$ 66,392	\$ 66,392
2014	6,720,000	33,759	6,753,759
Total	\$ 6,720,000	\$ 100,151	\$ 6,820,151

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2013	\$ 859,000	\$ 35,410	\$ 29,277	\$ 923,687
2014	896,000	31,307	26,276	953,583
2015	937,000	27,027	23,149	987,176
2016	979,000	22,554	19,880	1,021,434
2017	1,023,000	17,879	16,467	1,057,346
2018	1,069,000	12,996	12,818	1,094,814
2019	400,000	7,894	8,161	416,055
2020	413,000	5,934	6,642	425,576
2021	257,000	3,910	4,052	264,962
2022	266,000	2,651	3,076	271,727
2023	275,000	1,348	2,066	278,414
Total	\$ 7,374,000	\$ 168,910	\$ 151,864	\$ 7,694,774

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 30,155,000	\$ 18,600,018	\$ 48,755,018
2014	31,105,000	17,462,788	48,567,788
2015	32,555,000	16,261,298	48,816,298
2016	31,115,000	15,113,874	46,228,874
2017	32,385,000	13,961,269	46,346,269
2018	32,545,000	12,789,919	45,334,919
2019	32,235,000	11,493,445	43,728,445
2020	29,720,000	10,799,400	40,519,400
2021	27,120,000	9,434,866	36,554,866
2022	23,385,000	8,195,301	31,580,301
2023	21,235,000	7,110,780	28,345,780
2024	21,645,000	6,129,729	27,774,729
2025	20,910,000	5,141,517	26,051,517
2026	18,510,000	4,201,041	22,711,041
2027	15,420,000	3,355,480	18,775,480
2028	13,350,000	2,657,125	16,007,125
2029	11,160,000	2,030,740	13,190,740
2030	7,570,000	1,484,875	9,054,875
2031	4,480,000	1,090,775	5,570,775
2032	4,640,000	833,175	5,473,175
2033	4,850,000	566,375	5,416,375
2034	5,000,000	287,500	5,287,500
Total	\$ 451,090,000	\$ 169,001,290	\$ 620,091,290

Exhibit K-3

Williamson County, Tennessee
Schedule of Investments
June 30, 2012

<u>Fund and Type</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
<u>Constitutional Officers - Agency Fund</u> <u>Clerk and Master</u> Putnam Fund for Growth and Income	April 2001	various	varies	<u>\$ 14,106</u>

Exhibit K-4

Williamson County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Williamson County School Department
For the Year Ended June 30, 2012

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Meadowbrook sewer project	\$ 250,000
"	"	Sheriff's Department equipment	98,000
"	"	Flood buyout program	82,944
"	"	Improvements at Timberland Park	49,990
"	Judicial District Drug	Salaries	70,090
Highway/Public Works	General Capital Projects	Highway equipment	200,000
General Capital Projects	General	Traffic shed study	8,962
"	"	Close projects	13,116
"	Highway/Public Works	Highway projects	100,000
"	General Debt Service	Close projects	1
"	Rural Debt Service	Allocation of school privilege tax	2,000,000
"	Cities Adequate Facilities Tax	Allocation of cities share of privilege tax	1,528,438
"	Special School District	Allocation of ADA share of privilege tax	449,049
"	"	Allocation of ADA share of adequate facilities tax	354,602
Judicial District Drug	General	Salaries	70,254
Total Transfers Primary Government			<u>\$ 5,275,446</u>
<u>DISCRETELY PRESENTED WILLIAMSON COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Education Capital Projects	Various capital projects	\$ 2,005,929
School Federal Projects	General Purpose School	Indirect costs	164,153
Central Cafeteria	"	"	215,155
Extended School Program	"	"	33,923
Total Transfers Discretely Presented Williamson County School Department			<u>\$ 2,419,160</u>

Exhibit K-5

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 140,627	\$ 50,000	Cincinnati Insurance Company
Highway Superintendent	Section 8-24-102, TCA	116,427	100,000	"
Director of Schools	State Board of Education and Williamson County Board of Education	183,039	100,000	(1)
Trustee	Section 8-24-102, TCA	105,838	5,000,000	Cincinnati Insurance Company
Assessor of Property:			4,740,065	Travelers Casualty and Surety Company of America
Dennis Anglin (7-1-11 through 5-14-12)	Section 8-24-102, TCA	95,631	10,000	Cincinnati Insurance Company
Brad Coleman (5-15-12 through 6-30-12)	Section 8-24-102, TCA	10,207	10,000	"
County Clerk	Section 8-24-102, TCA	105,838	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	105,838	50,000	"
Clerk and Master	Section 8-24-102, TCA	105,838	50,000	"
Juvenile Court Clerk	Section 8-24-102, TCA	105,838	50,000	"
Register	Section 8-24-102, TCA	105,838	25,000	"
Sheriff	Section 8-24-102, TCA	116,424	25,000	"
Director of Accounts and Budgets	County Commission	113,627	15,000	"
Employee Blanket Bonds - All County and School Department Employees:				
Public Employee Dishonesty			100,000	Self-insured
Public Employee Dishonesty			100,001 to 3,882,500	Princeton Surplus Insurance Company

(1) Covered under county's employee blanket bond.
(2) Includes a career ladder supplement of \$1,000 and vacation pay of \$7,395.
(3) Does not include a law enforcement training supplement of \$600.

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

	Special Revenue Funds						Highway / Public Works
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 34,291,262	\$ 2,986,170	\$ 0	\$ 0	\$ 0	\$ 0	\$ 851,154
Trustee's Collections - Prior Year	408,308	39,874	0	0	0	0	13,234
Circuit/Clerk & Master Collections - Prior Years	259,284	24,879	0	0	0	0	7,202
Interest and Penalty	100,419	8,713	0	0	0	0	2,979
Payments in-Lieu-of Taxes - T.V.A.	48,810	6,973	0	0	0	0	2,331
Payments in-Lieu-of Taxes - Other	141	20	0	0	0	0	17
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	0	0	0	0
Hotel/Motel Tax	3,124,796	0	0	0	0	0	0
Wheel Tax	370,520	0	0	0	0	0	3,500,000
Litigation Tax - General	45,350	0	0	0	0	0	0
Litigation Tax - Special Purpose	74,665	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	2,719	0	0	0	0	0	0
Litigation Tax - Courtroom Security	298,528	0	0	0	0	0	0
Business Tax	736,082	0	0	0	0	0	3,400,000
Mineral Severance Tax	0	0	0	0	0	0	117,058
Other County Local Option Taxes	0	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	150,506	0	0	0	0	0	0
Wholesale Beer Tax	522,336	0	0	0	0	0	0
Beer Privilege Tax	2,280	0	0	0	0	0	0
Interstate Telecommunications Tax	2,640	0	0	0	0	0	0
Total Local Taxes	\$ 40,438,646	\$ 3,066,629	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,893,975
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Animal Vaccination	\$ 142,449	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	701,355	0	0	0	0	0	0
<u>Permits</u>							
Beer Permits	1,425	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits (Cont.)</u>						
Building Permits	\$ 339,228	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Electrical Permits	505	0	0	0	0	0
Other Permits	24,150	0	0	0	0	0
Total Licenses and Permits	\$ 1,209,112	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 14,317	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	24,098	0	0	0	0	0
Drug Control Fines	1,607	0	13,264	0	0	0
Jail Fees	6,404	0	0	0	0	0
District Attorney General Fees	0	0	0	16,339	0	0
Judicial Commissioner Fees	669	0	0	0	0	0
DUI Treatment Fees	5,258	0	0	0	0	0
Data Entry Fee - Circuit Court	3,061	0	0	0	0	0
Courtroom Security Fee	785	0	0	0	0	0
<u>Criminal Court</u>						
Drug Court Fees	4,138	0	0	0	0	0
District Attorney General Fees	0	0	0	27,671	0	0
Data Entry Fee - Criminal Court	14,075	0	0	0	0	0
Courtroom Security Fee	6,261	0	0	0	0	0
Victims Assistance Assessments	11,990	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	85,673	0	0	0	0	0
Officers Costs	169,232	0	0	0	0	0
Game and Fish Fines	214	0	0	0	0	0
Drug Control Fines	0	0	30,180	0	0	0
Drug Court Fees	33,961	0	0	0	0	0
Jail Fees	23,134	0	0	0	0	0
District Attorney General Fees	0	0	0	142	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Judicial Commissioner Fees	\$ 9,340	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
DUI Treatment Fines	38,542	0	0	0	0	0
Data Entry Fee - General Sessions Court	8,298	0	0	0	0	0
Victims Assistance Assessments	69,695	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	79,050	0	0	0	0	0
Data Entry Fee - Juvenile Court	2,866	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	15,966	0	0	0	0	0
Data Entry Fee - Chancery Court	7,965	0	0	0	0	0
<u>Other Courts - In-county</u>						
Drug Court Fees	1,712	0	0	0	0	0
District Attorney General Fees	0	0	0	6,781	0	0
DUI Treatment Fines	1,134	0	0	0	0	0
<u>Courts in Other District Counties</u>						
District Attorney General Fees	0	0	0	3,959	0	0
<u>Judicial District Drug Program</u>						
Victims Assistance Assessments	2,684	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	2,227	0	26,073	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 644,356	\$ 0	\$ 69,517	\$ 54,892	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 862,852	\$ 0	\$ 0	\$ 0	\$ 0
Other General Service Charges	16,275	0	0	0	0	0
Service Charges	88,750	0	0	0	0	0
<u>Fees</u>						
Engineer Review Fees	6,650	0	0	0	0	0
Recreation Fees	4,095,495	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	
<u>Charges for Current Services (Cont.)</u>							
<u>Fees (Cont.)</u>							
Copy Fees	\$ 22,889	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Library Fees	65,730	0	0	0	0	0	0
Telephone Commissions	127,179	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	279	0	0
Data Processing Fee - Register	102,979	0	0	0	0	0	0
Probation Fees	585,107	0	0	0	0	0	0
Data Processing Fee - Sheriff	19,709	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,900	0	0	0	0	0	0
Data Processing Fee - County Clerk	19,320	0	0	0	0	0	0
<u>Education Charges</u>							
Transportation from Individuals	84,447	0	0	0	0	0	0
<u>Other Charges for Services</u>							
Other Charges for Services	122,486	0	0	0	0	0	0
Total Charges for Current Services	\$ 5,358,916	\$ 862,852	\$ 0	\$ 0	\$ 279	\$ 0	0
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 180,370	\$ 24,304	\$ 0	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	572,365	24,600	0	0	0	0	0
Sale of Materials and Supplies	1,178	149,931	0	0	0	0	18,913
Commissary Sales	17	0	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	0	39,427
Sale of Maps	45,863	0	0	0	0	0	0
Sale of Recycled Materials	895	345,274	0	0	0	0	0
Miscellaneous Refunds	68,412	0	0	0	0	0	145,390
<u>Nonrecurring Items</u>							
Sale of Equipment	26,351	166,040	0	0	0	0	64,030
Sale of Property	43,800	0	0	0	0	0	0
Damages Recovered from Individuals	4,019	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>						
<u>Other Local Revenues</u>	\$ 100,539	\$ 53,000	\$ 0	\$ 0	\$ 0	\$ 2,990
Total Other Local Revenues	\$ 1,043,809	\$ 763,149	\$ 0	\$ 0	\$ 0	\$ 270,750
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 2,229,474	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	1,138,138	0	0	0	0	0
Clerk and Master	631,899	0	0	0	0	0
Juvenile Court Clerk	39,615	0	0	0	0	0
Register	1,792,057	0	0	0	0	0
Sheriff	121,567	0	0	0	0	0
Trustee	5,416,731	35	0	0	0	0
Total Fees Received from County Officials	\$ 11,369,481	\$ 35	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	217,406	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	63,000	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	138,752
State Aid Program	0	0	0	0	0	154,879
Litter Program	64,732	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	2,386,143	0	0	0	0	0
Beer Tax	18,421	0	0	0	0	0
Alcoholic Beverage Tax	106,453	0	0	0	0	106,453
Mixed Drink Tax	48,706	0	0	0	0	0
Contracted Prisoner Boarding	1,173,780	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						Highway / Public Works
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees		
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues (Cont.)</u>							
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,947,030
Petroleum Special Tax	0	0	0	0	0	0	132,174
Registrar's Salary Supplement	15,164	0	0	0	0	0	0
Other State Grants	950,168	8,647	0	0	0	0	0
Other State Revenues	254,462	0	0	0	0	0	0
Total State of Tennessee	\$ 5,090,029	\$ 226,053	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,479,288
<u>Federal Government</u>							
<u>Federal Through State</u>							
Civil Defense Reimbursement	\$ 877,390	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Disaster Relief	55,830	436,330	0	0	0	0	1,769,853
Homeland Security Grants	0	0	0	0	0	0	0
Other Federal through State	1,124,413	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Asset Forfeiture Funds	130,922	0	0	0	0	0	0
Tax Credit Bond Rebate	0	0	0	0	0	0	0
ARRA Grant # 6	6,955	0	0	0	0	0	0
Other Direct Federal Revenue	15,377	0	0	0	0	0	0
Total Federal Government	\$ 2,210,887	\$ 436,330	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,769,853
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 12,914	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Paving and Maintenance	0	0	0	0	0	0	111,827
Contributions	0	0	0	0	0	0	0
Contracted Services	235,121	0	0	0	0	0	0
<u>Citizens Groups</u>							
Donations	363,439	0	5,121	0	0	0	0
Total Other Governments and Citizens Groups	\$ 611,474	\$ 0	\$ 5,121	\$ 0	\$ 0	\$ 0	\$ 111,827
Total	\$ 67,976,710	\$ 5,355,048	\$ 74,638	\$ 54,892	\$ 279	\$ 13,525,693	

(Continued)

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

	Debt Service Funds			Capital Projects Fund		Total
	General Debt Service	Rural Debt Service		General Capital Projects		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 24,494,825	\$ 12,618,627	\$	0	\$	75,242,038
Trustee's Collections - Prior Year	295,903	140,897		0		898,216
Circuit/Clerk & Master Collections - Prior Years	185,203	89,612		0		566,180
Interest and Penalty	71,729	34,916		0		218,756
Payments in-Lieu-of Taxes - T.V.A.	34,864	23,243		0		116,221
Payments in-Lieu-of Taxes - Other	101	67		0		346
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	1,430,829		0		1,430,829
Hotel/Motel Tax	0	0		0		3,124,796
Wheel Tax	0	0		0		3,870,520
Litigation Tax - General	0	0		0		45,350
Litigation Tax - Special Purpose	0	0		0		74,665
Litigation Tax - Jail, Workhouse, or Courthouse	421,629	0		0		424,348
Litigation Tax - Courtroom Security	0	0		0		298,528
Business Tax	0	0		0		4,136,082
Mineral Severance Tax	0	0		0		117,058
Other County Local Option Taxes	0	0		10,303,693		10,303,693
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0		0		150,506
Wholesale Beer Tax	0	0		0		522,336
Beer Privilege Tax	0	0		0		2,280
Interstate Telecommunications Tax	0	0		0		2,640
Total Local Taxes	\$ 25,504,254	\$ 14,338,191	\$ 10,303,693	\$ 10,303,693	\$	101,545,388
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Vaccination	\$	0	\$	0	\$	142,449
Cable TV Franchise	0	0	0	0	0	701,355
<u>Permits</u>						
Beer Permits	0	0	0	0	0	1,425

(Continued)

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

	Debt Service Funds			Capital Projects Fund		Total
	General Service	Rural Debt Service		General Capital	Projects	
<u>Licenses and Permits (Cont.)</u>						
<u>Permits (Cont.)</u>						
Building Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 339,228
Electrical Permits	0	0	0	0	0	505
Other Permits	0	0	0	0	0	24,150
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,209,112
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,317
Officers Costs	0	0	0	0	0	24,098
Drug Control Fines	0	0	0	0	0	14,871
Jail Fees	0	0	0	0	0	6,404
District Attorney General Fees	0	0	0	0	0	16,339
Judicial Commissioner Fees	0	0	0	0	0	669
DUI Treatment Fines	0	0	0	0	0	5,258
Data Entry Fee - Circuit Court	0	0	0	0	0	3,061
Courtroom Security Fee	0	0	0	0	0	785
<u>Criminal Court</u>						
Drug Court Fees	0	0	0	0	0	4,138
District Attorney General Fees	0	0	0	0	0	27,671
Data Entry Fee - Criminal Court	0	0	0	0	0	14,075
Courtroom Security Fee	0	0	0	0	0	6,261
Victims Assistance Assessments	0	0	0	0	0	11,990
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	85,673
Officers Costs	0	0	0	0	0	169,232
Game and Fish Fines	0	0	0	0	0	214
Drug Control Fines	0	0	0	0	0	30,180
Drug Court Fees	0	0	0	0	0	33,961
Jail Fees	0	0	0	0	0	23,134
District Attorney General Fees	0	0	0	0	0	142

(Continued)

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

	Debt Service Funds			Capital Projects Fund		Total
	General Service	Rural Debt Service		General Capital	Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Judicial Commissioner Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,340
DUI Treatment Fines	0	0	0	0	0	38,542
Data Entry Fee - General Sessions Court	0	0	0	0	0	8,298
Victims Assistance Assessments	0	0	0	0	0	69,695
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	79,050
Data Entry Fee - Juvenile Court	0	0	0	0	0	2,866
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	15,966
Data Entry Fee - Chancery Court	0	0	0	0	0	7,965
<u>Other Courts - In-county</u>						
Drug Court Fees	0	0	0	0	0	1,712
District Attorney General Fees	0	0	0	0	0	6,781
DUI Treatment Fines	0	0	0	0	0	1,134
<u>Courts in Other District Counties</u>						
District Attorney General Fees	0	0	0	0	0	3,959
<u>Judicial District Drug Program</u>						
Victims Assistance Assessments	0	0	0	0	0	2,684
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	28,300
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 768,765
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tippling Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	862,852
Other General Service Charges	0	0	0	0	0	16,275
Service Charges	0	0	0	0	0	88,750
<u>Fees</u>						
Engineer Review Fees	0	0	0	0	0	6,650
Recreation Fees	0	0	0	0	0	4,095,495

(Continued)

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

	Debt Service Funds			Capital Projects Fund		Total
	General Service	Rural Debt Service		General Capital	Projects	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Copy Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	22,889
Library Fees	0	0	0	0	0	65,730
Telephone Commissions	0	0	0	0	0	127,179
Constitutional Officers' Fees and Commissions	0	0	0	0	0	279
Data Processing Fee - Register	0	0	0	0	0	102,979
Probation Fees	0	0	0	0	0	585,107
Data Processing Fee - Sheriff	0	0	0	0	0	19,709
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	1,900
Data Processing Fee - County Clerk	0	0	0	0	0	19,320
Education Charges						
Transportation from Individuals	0	0	0	0	0	84,447
Other Charges for Services						
Other Charges for Services	0	0	0	0	0	122,486
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	6,222,047
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 239,110	\$ 80,213	\$ 13,576	\$ 537,573		
Lease/Rentals	97,149	0	0	694,114		
Sale of Materials and Supplies	0	0	0	170,022		
Commissary Sales	0	0	0	17		
Sale of Gasoline	0	0	0	39,427		
Sale of Maps	0	0	0	45,863		
Sale of Recycled Materials	0	0	0	346,169		
Miscellaneous Refunds	0	37,532	0	251,334		
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	256,421		
Sale of Property	0	0	0	43,800		
Damages Recovered from Individuals	0	0	0	4,019		

(Continued)

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

	Debt Service Funds			Capital Projects Fund		Total
	General Debt Service	Rural Debt Service		General Capital Projects		
<u>Other Local Revenues (Cont.)</u>						
<u>Other Local Revenues</u>	\$ 914,294	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,070,823
Total Other Local Revenues	\$ 1,250,553	\$ 117,745	\$ 0	\$ 13,576	\$ 0	\$ 3,459,582
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,229,474
Circuit Court Clerk	0	0	0	0	0	1,138,138
Clerk and Master	0	0	0	0	0	631,899
Juvenile Court Clerk	0	0	0	0	0	39,615
Register	0	0	0	0	0	1,792,057
Sheriff	0	0	0	0	0	121,567
Trustee	0	0	0	0	0	5,416,766
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,369,516
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Solid Waste Grants	0	0	0	0	0	217,406
Public Safety Grants						
Law Enforcement Training Programs	0	0	0	0	0	63,000
Public Works Grants						
Bridge Program	0	0	0	0	0	138,752
State Aid Program	0	0	0	0	0	154,879
Litter Program	0	0	0	0	0	64,732
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	2,386,143
Beer Tax	0	0	0	0	0	18,421
Alcoholic Beverage Tax	0	0	0	0	0	212,906
Mixed Drink Tax	0	0	0	0	0	48,706
Contracted Prisoner Boarding	0	0	0	0	0	1,173,780

(Continued)

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

	Debt Service Funds			Capital Projects Fund		Total
	General Debt Service	Rural Debt Service		General Capital Projects		
State of Tennessee (Cont.)						
<u>Other State Revenues (Cont.)</u>						
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,947,030	
Petroleum Special Tax	0	0	0	0	132,174	
Registrar's Salary Supplement	0	0	0	0	15,164	
Other State Grants	0	0	0	0	958,815	
Other State Revenues	0	0	0	0	254,462	
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,795,370	
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 877,390	
Disaster Relief	0	0	0	0	2,262,013	
Homeland Security Grants	0	0	0	234,990	234,990	
Other Federal through State	0	0	0	63,951	1,188,364	
<u>Direct Federal Revenue</u>						
Asset Forfeiture Funds	0	0	0	0	130,922	
Tax Credit Bond Rebate	678,120	953,928	0	0	1,632,048	
ARRA Grant # 6	0	0	0	0	6,955	
Other Direct Federal Revenue	0	0	0	0	15,377	
Total Federal Government	\$ 678,120	\$ 953,928	\$ 298,941	\$ 0	\$ 6,348,059	
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,914	
Paving and Maintenance	0	0	0	0	111,827	
Contributions	1,898,201	0	0	0	1,898,201	
Contracted Services	0	0	0	0	235,121	
<u>Citizens Groups</u>						
Donations	0	0	0	0	368,560	
Total Other Governments and Citizens Groups	\$ 1,898,201	\$ 0	\$ 0	\$ 0	\$ 2,626,623	
Total	\$ 29,331,128	\$ 15,409,864	\$ 10,616,210	\$ 142,344,462		

Exhibit K-7

Williamson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Williamson County School Department
For the Year Ended June 30, 2012

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 94,115,062	\$ 0	\$ 0	\$ 0	\$ 0	\$ 94,115,062
Trustee's Collections - Prior Year	1,203,793	0	0	0	0	1,203,793
Circuit/Clerk & Master Collections - Prior Years	722,693	0	0	0	0	722,693
Interest and Penalty	275,129	0	0	0	0	275,129
Payments in-Lieu-of Taxes - T.V.A.	2,936	0	0	0	0	2,936
Payments in-Lieu-of Taxes - Local Utilities	131,414	0	0	0	0	131,414
<u>County Local Option Taxes</u>						
Local Option Sales Tax	36,456,314	0	0	0	0	36,456,314
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	9,785	0	0	0	0	9,785
Total Local Taxes	\$ 132,917,126	\$ 0	\$ 0	\$ 0	\$ 0	\$ 132,917,126
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	9,163	0	0	0	0	9,163
Total Licenses and Permits	\$ 9,163	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,163
<u>Fines, Forfeitures, and Penalties</u>						
<u>General Sessions Court</u>						
Fines	500	0	0	0	0	500
Total Fines, Forfeitures, and Penalties	\$ 500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Regular Day Students	152,268	0	0	0	0	152,268
Tuition - Summer School	15,391	0	0	0	0	15,391
Lunch Payments - Children	0	0	4,652,344	0	0	4,652,344
Lunch Payments - Adults	0	0	252,728	0	0	252,728
Income from Breakfast	0	0	113,116	0	0	113,116
A la carte Sales	0	0	2,860,102	0	0	2,860,102
Contract for Instructional Services with Other LEAs	87,947	0	0	0	0	87,947
Receipts from Individual Schools	59,281	0	0	0	0	59,281
Community Service Fees - Children	331,691	0	0	1,777,900	0	2,109,591

(Continued)

Exhibit K-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>						
Other Charges for Services	\$ 269,749	\$ 0	\$ 0	\$ 0	\$ 0	\$ 269,749
Total Charges for Current Services	\$ 916,327	\$ 0	\$ 7,878,290	\$ 1,777,900	\$ 0	\$ 10,572,517
<u>Other Local Revenues</u>						
Recurring Items						
Investment Income	\$ 268,547	\$ 0	\$ 4,535	\$ 799	\$ 14,567	\$ 288,448
Lease/Rentals	274,150	0	0	0	0	274,150
Refund of Telecommunication & Internet Fees (E-Rate)	39,164	0	0	0	0	39,164
Commodity Rebates	56,585	0	0	0	0	56,585
Miscellaneous Refunds	27,661	0	4,064	0	0	31,725
Nonrecurring Items						
Sale of Equipment	74,615	0	0	0	0	74,615
Damages Recovered from Individuals	18,949	0	0	0	0	18,949
Contributions and Gifts	2,500	0	0	0	0	2,500
<u>Other Local Revenues</u>						
Other Local Revenues	211,742	0	0	0	0	211,742
Total Other Local Revenues	\$ 973,913	\$ 0	\$ 8,599	\$ 799	\$ 14,567	\$ 997,878
<u>State of Tennessee</u>						
General Government Grants						
On-Behalf Contributions for OPEB	\$ 14,520	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,520
<u>State Education Funds</u>						
Basic Education Program	98,293,002	0	0	0	0	98,293,002
Early Childhood Education	482,698	0	0	0	0	482,698
School Food Service	0	0	91,865	0	0	91,865
Driver Education	19,042	0	0	0	0	19,042
Other State Education Funds	332,720	0	0	0	0	332,720
Career Ladder Program	806,808	0	0	0	0	806,808
Career Ladder - Extended Contract	213,387	0	0	0	0	213,387
Career Ladder - Extended Contract - ARRA	58,399	0	0	0	0	58,399
Other Vocational	6,351	0	0	0	0	6,351
<u>Other State Revenues</u>						
Mixed Drink Tax	656,953	0	0	0	0	656,953

(Continued)

Exhibit K-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
State Revenue Sharing - T.V.A.	\$ 1,796,341	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,796,341
Other State Revenues	10,140	0	0	0	0	10,140
Total State of Tennessee	\$ 102,690,361	\$ 0	\$ 91,865	\$ 0	\$ 0	\$ 102,782,226
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,785,512	\$ 0	\$ 0	\$ 1,785,512
USDA - Commodities	0	0	518,540	0	0	518,540
Breakfast	0	0	231,324	0	0	231,324
Adult Education State Grant Program	173,680	0	0	0	0	173,680
Vocational Education - Basic Grants to States	0	253,819	0	0	0	253,819
Other Vocational	0	85,000	0	0	0	85,000
Title I Grants to Local Education Agencies	0	618,353	0	0	0	618,353
Special Education - Grants to States	612,652	6,063,067	0	0	0	6,675,719
Special Education Preschool Grants	47,935	160,312	0	0	0	208,247
English Language Acquisition Grants	0	82,397	0	0	0	82,397
Eisenhower Professional Development State Grants	0	388,735	0	0	0	388,735
Race-to-the-Top - ARRA	0	138,325	0	0	0	138,325
Other Federal through State	19,662	709,770	0	0	0	729,432
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	381,427	0	0	0	0	381,427
Total Federal Government	\$ 1,235,356	\$ 8,499,778	\$ 2,535,376	\$ 0	\$ 0	\$ 12,270,510
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,702,000	\$ 6,702,000
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,702,000	\$ 6,702,000
<u>Total</u>	\$ 238,742,746	\$ 8,499,778	\$ 10,514,130	\$ 1,778,699	\$ 6,716,567	\$ 266,251,920

Exhibit K-8

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

General Fund

General Government

County Commission

County Official/Administrative Officer	\$	150,156	
Other Per Diem and Fees		4,700	
Audit Services		64,529	
Dues and Memberships		65	
Legal Notices, Recording, and Court Costs		426	
Postal Charges		1,500	
Travel		942	
Refunds		9,806	
Tax Relief Program		570,073	
Other Charges		325	
Total County Commission			\$ 802,522

Board of Equalization

Board and Committee Members Fees	\$	15,113	
Total Board of Equalization			15,113

Beer Board

Board and Committee Members Fees	\$	1,050	
Total Beer Board			1,050

Other Boards and Committees

Board and Committee Members Fees	\$	600	
Advertising		225	
Total Other Boards and Committees			825

County Mayor/Executive

County Official/Administrative Officer	\$	140,627	
Supervisor/Director		76,181	
Secretary(ies)		108,533	
Part-time Personnel		1,208	
Longevity Pay		2,600	
Communication		2,564	
Dues and Memberships		835	
Operating Lease Payments		1,610	
Postal Charges		4,500	
Printing, Stationery, and Forms		1,375	
Travel		1,523	
Other Contracted Services		64,436	
Office Supplies		1,321	
Other Supplies and Materials		755	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Premiums on Corporate Surety Bonds	\$	113	
Other Charges		3,488	
Total County Mayor/Executive			\$ 411,669

Personnel Office

Assistant(s)	\$	85,822	
Supervisor/Director		96,132	
Clerical Personnel		4,962	
Longevity Pay		1,600	
Communication		250	
Data Processing Services		2,605	
Dues and Memberships		105	
Printing, Stationery, and Forms		3,872	
Office Supplies		742	
Periodicals		240	
Total Personnel Office			196,330

County Attorney

Legal Services	\$	577,668	
Total County Attorney			577,668

Election Commission

County Official/Administrative Officer	\$	95,245	
Assistant(s)		116,204	
Temporary Personnel		31,109	
Part-time Personnel		28,648	
Longevity Pay		1,500	
Overtime Pay		7,235	
Election Commission		5,525	
Election Workers		60,005	
Advertising		6,471	
Communication		117	
Dues and Memberships		3,436	
Freight Expenses		6,382	
Operating Lease Payments		144,197	
Licenses		30,011	
Maintenance and Repair Services - Equipment		19,140	
Maintenance and Repair Services - Office Equipment		25,164	
Postal Charges		14,539	
Printing, Stationery, and Forms		24,352	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Travel	\$	1,152	
Office Supplies		9,252	
Periodicals		297	
Other Charges		410	
Total Election Commission			\$ 630,391

Register of Deeds

County Official/Administrative Officer	\$	105,838	
Deputy(ies)		397,735	
Part-time Personnel		748	
Longevity Pay		6,750	
Communication		268	
Dues and Memberships		716	
Operating Lease Payments		12,533	
Maintenance and Repair Services - Office Equipment		39,821	
Postal Charges		6,204	
Printing, Stationery, and Forms		30,749	
Premiums on Corporate Surety Bonds		75	
Data Processing Equipment		44,479	
Total Register of Deeds			645,916

Development

Assistant(s)	\$	1,207,071	
Supervisor/Director		103,011	
Deputy(ies)		375,854	
Secretary(ies)		299,751	
Temporary Personnel		2,868	
Longevity Pay		24,350	
Board and Committee Members Fees		14,964	
Communication		5,805	
Consultants		24,092	
Dues and Memberships		673	
Operating Lease Payments		8,051	
Maintenance and Repair Services - Office Equipment		2,045	
Postal Charges		4,973	
Travel		253	
Office Supplies		10,429	
In Service/Staff Development		120	
Other Charges		1,426	
Total Development			2,085,736

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Planning

Advertising	\$	897	
Consultants		7,569	
Dues and Memberships		1,015	
Evaluation and Testing		3,900	
Maintenance and Repair Services - Vehicles		344	
Travel		129	
Gasoline		609	
Instructional Supplies and Materials		1,061	
In Service/Staff Development		1,190	
Total Planning			\$ 16,714

Building

Communication	\$	1,699	
Dues and Memberships		425	
Maintenance and Repair Services - Vehicles		4,654	
Gasoline		11,707	
Uniforms		281	
In Service/Staff Development		2,799	
Total Building			21,565

Engineering

Board and Committee Members Fees	\$	2,625	
Dues and Memberships		1,110	
Evaluation and Testing		2,655	
Maintenance and Repair Services - Vehicles		1,862	
Permits		3,460	
Gasoline		4,831	
Instructional Supplies and Materials		891	
In Service/Staff Development		2,175	
Total Engineering			19,609

Codes Compliance

Advertising	\$	410	
Communication		1,022	
Consultants		2,000	
Contracts with Private Agencies		9,041	
Maintenance and Repair Services - Vehicles		1,358	
Travel		935	
Gasoline		2,159	
Periodicals		142	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

Uniforms	\$	498	
In Service/Staff Development		1,537	
Total Codes Compliance			\$ 19,102

Geographical Information Systems

Supervisor/Director	\$	96,411	
Data Processing Personnel		561,585	
Secretary(ies)		32,030	
Part-time Personnel		16,408	
Longevity Pay		6,250	
Communication		130,583	
Consultants		16,829	
Dues and Memberships		1,369	
Licenses		214,831	
Maintenance and Repair Services - Vehicles		999	
Travel		450	
Other Contracted Services		4,777	
Gasoline		4,104	
Instructional Supplies and Materials		483	
Office Supplies		6,709	
In Service/Staff Development		6,997	
Total Geographical Information Systems			1,100,815

County Buildings

Supervisor/Director	\$	105,622
Deputy(ies)		68,524
Foremen		57,433
Mechanic(s)		612,343
Nightwatchmen		27,370
Clerical Personnel		38,025
Custodial Personnel		303,556
Part-time Personnel		194,216
Longevity Pay		13,500
Overtime Pay		26,395
Communication		37,074
Contracts with Private Agencies		63,372
Operating Lease Payments		1,500
Maintenance and Repair Services - Buildings		330,185
Maintenance and Repair Services - Vehicles		19,559
Custodial Supplies		80,052

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Electricity	\$	628,176	
Gasoline		53,883	
Natural Gas		39,333	
Office Supplies		1,763	
Uniforms		9,465	
Water and Sewer		47,607	
In Service/Staff Development		1,655	
Total County Buildings			\$ 2,760,608

Other Facilities

Assistant(s)	\$	32,332	
Supervisor/Director		49,975	
Part-time Personnel		13,678	
Longevity Pay		400	
Communication		341	
Maintenance and Repair Services - Office Equipment		888	
Maintenance and Repair Services - Vehicles		832	
Travel		549	
Gasoline		543	
Office Supplies		1,552	
Other Supplies and Materials		4,544	
Total Other Facilities			105,634

Preservation of Records

County Official/Administrative Officer	\$	55,065	
Assistant(s)		89,806	
Temporary Personnel		3,870	
Longevity Pay		2,200	
Communication		1,556	
Operating Lease Payments		1,725	
Licenses		2,650	
Maintenance and Repair Services - Office Equipment		285	
Postal Charges		363	
Other Contracted Services		1,200	
Office Supplies		4,641	
Other Supplies and Materials		4,135	
Total Preservation of Records			167,496

Risk Management

County Official/Administrative Officer	\$	84,446	
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(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Risk Management (Cont.)

Assistant(s)	\$	71,179	
Longevity Pay		800	
Communication		1,640	
Dues and Memberships		185	
Postal Charges		1,000	
Travel		1,331	
Instructional Supplies and Materials		142	
Office Supplies		1,451	
Total Risk Management			\$ 162,174

Other Risk Management

Paraprofessionals	\$	72,859	
Clerical Personnel		165,183	
Longevity Pay		1,800	
Communication		1,278	
Operating Lease Payments		1,980	
Postal Charges		8,143	
Printing, Stationery, and Forms		3,896	
Travel		245	
Office Supplies		2,893	
In Service/Staff Development		305	
Total Other Risk Management			258,582

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	113,627	
Assistant(s)		74,390	
Accountants/Bookkeepers		314,713	
Purchasing Personnel		96,901	
Longevity Pay		4,950	
Communication		1,683	
Operating Lease Payments		1,480	
Maintenance and Repair Services - Office Equipment		8,707	
Postal Charges		5,908	
Printing, Stationery, and Forms		4,918	
Travel		290	
Office Supplies		8,220	
Premiums on Corporate Surety Bonds		150	
In Service/Staff Development		3,161	
Data Processing Equipment		179,033	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Furniture and Fixtures	\$ 25,638	
Total Accounting and Budgeting		\$ 843,769

Property Assessor's Office

County Official/Administrative Officer	\$ 105,838	
Deputy(ies)	1,049,334	
Salary Supplements	8,750	
Part-time Personnel	9,563	
Longevity Pay	12,300	
Overtime Pay	18,984	
Advertising	79	
Communication	5,742	
Consultants	58,500	
Data Processing Services	14,736	
Dues and Memberships	2,435	
Operating Lease Payments	16,545	
Licenses	255	
Maintenance and Repair Services - Office Equipment	6,827	
Maintenance and Repair Services - Vehicles	2,792	
Postal Charges	12,294	
Printing, Stationery, and Forms	2,899	
Travel	1,618	
Gasoline	3,692	
Office Supplies	12,779	
Periodicals	1,609	
Premiums on Corporate Surety Bonds	150	
In Service/Staff Development	1,929	
Other Charges	7,222	
Total Property Assessor's Office		1,356,872

County Trustee's Office

County Official/Administrative Officer	\$ 105,838
Assistant(s)	265,941
Part-time Personnel	27,885
Longevity Pay	3,200
Overtime Pay	780
Advertising	772
Communication	1,850
Data Processing Services	16,607
Dues and Memberships	751

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Maintenance and Repair Services - Office Equipment	\$	19,045	
Postal Charges		36,789	
Printing, Stationery, and Forms		12,374	
Travel		1,223	
Premiums on Corporate Surety Bonds		7,439	
In Service/Staff Development		2,346	
Other Charges		2,498	
Total County Trustee's Office			\$ 505,338

County Clerk's Office

County Official/Administrative Officer	\$	105,838	
Assistant(s)		619,263	
Temporary Personnel		3,998	
Part-time Personnel		19,271	
Longevity Pay		8,200	
Advertising		1,050	
Communication		296	
Dues and Memberships		766	
Operating Lease Payments		4,427	
Maintenance and Repair Services - Office Equipment		15,838	
Postal Charges		36,417	
Printing, Stationery, and Forms		9,518	
Other Supplies and Materials		4,857	
Premiums on Corporate Surety Bonds		163	
Other Charges		12	
Office Equipment		4,916	
Total County Clerk's Office			834,830

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	105,838	
Deputy(ies)		1,034,519	
Part-time Personnel		77,100	
Longevity Pay		17,800	
Jury and Witness Expense		26,366	
Advertising		119	
Communication		5,763	
Dues and Memberships		686	
Operating Lease Payments		40,703	
Postal Charges		12,294	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Printing, Stationery, and Forms	\$	10,532	
Travel		188	
Food Supplies		2,408	
Office Supplies		14,738	
Premiums on Corporate Surety Bonds		113	
Office Equipment		8,500	
Total Circuit Court			\$ 1,357,667

General Sessions Court

Judge(s)	\$	307,790	
Assistant(s)		162,908	
Probation Officer(s)		120,008	
Secretary(ies)		71,514	
Clerical Personnel		28,190	
Temporary Personnel		3,176	
Longevity Pay		3,550	
Communication		3,184	
Contracts with Government Agencies		78,311	
Dues and Memberships		850	
Evaluation and Testing		2,688	
Operating Lease Payments		2,422	
Postal Charges		495	
Printing, Stationery, and Forms		1,935	
Travel		1,124	
Office Supplies		5,769	
Periodicals		2,373	
In Service/Staff Development		255	
Other Charges		86	
Total General Sessions Court			796,628

Drug Court

Drug Treatment	\$	74,185	
Total Drug Court			74,185

Chancery Court

County Official/Administrative Officer	\$	105,838	
Assistant(s)		264,391	
Part-time Personnel		4,986	
Longevity Pay		4,250	
Communication		2,416	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Dues and Memberships	\$	836	
Maintenance and Repair Services - Office Equipment		12,263	
Postal Charges		15,449	
Printing, Stationery, and Forms		5,246	
Office Supplies		3,707	
Periodicals		794	
Other Supplies and Materials		400	
Premiums on Corporate Surety Bonds		235	
In Service/Staff Development		400	
Other Charges		116	
Office Equipment		3,823	
Total Chancery Court			\$ 425,150

Juvenile Court

County Official/Administrative Officer	\$	105,838	
Assistant(s)		242,107	
Part-time Personnel		17,800	
Longevity Pay		4,300	
Communication		2,924	
Dues and Memberships		821	
Operating Lease Payments		6,297	
Maintenance and Repair Services - Office Equipment		1,994	
Postal Charges		4,000	
Printing, Stationery, and Forms		4,548	
Travel		475	
Other Contracted Services		9,507	
Office Supplies		1,781	
Premiums on Corporate Surety Bonds		113	
Other Charges		292	
Data Processing Equipment		12,754	
Total Juvenile Court			415,551

Other Administration of Justice

County Official/Administrative Officer	\$	65,471	
Assistant(s)		78,039	
Part-time Personnel		16,229	
Longevity Pay		300	
Total Other Administration of Justice			160,039

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Victims Assistance Programs

Contributions	\$ 72,987	
Total Victims Assistance Programs		\$ 72,987

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 116,424	
Deputy(ies)	4,340,185	
Accountants/Bookkeepers	56,919	
Salary Supplements	63,000	
Clerical Personnel	401,942	
Longevity Pay	56,450	
Overtime Pay	258,455	
Communication	36,042	
Contracts with Private Agencies	75,436	
Evaluation and Testing	260	
Operating Lease Payments	7,666	
Maintenance and Repair Services - Vehicles	106,440	
Postal Charges	4,718	
Transportation - Other than Students	20,543	
Travel	34	
Data Processing Supplies	16,702	
Gasoline	436,167	
Law Enforcement Supplies	12,021	
Office Supplies	19,965	
Periodicals	653	
Tires and Tubes	42,493	
Uniforms	72,247	
Other Supplies and Materials	5,800	
Premiums on Corporate Surety Bonds	75	
In Service/Staff Development	68,041	
Other Charges	22,091	
Law Enforcement Equipment	143,457	
Motor Vehicles	256,795	
Other Capital Outlay	32,850	
Total Sheriff's Department		6,673,871

Traffic Control

Guards	\$ 71,021	
Advertising	685	
Uniforms	2,519	
Total Traffic Control		74,225

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

Guards	\$ 3,015,709	
Longevity Pay	14,300	
Overtime Pay	86,933	
Communication	20,721	
Evaluation and Testing	7,955	
Laundry Service	45,329	
Operating Lease Payments	4,536	
Maintenance and Repair Services - Buildings	109,227	
Maintenance and Repair Services - Equipment	13,530	
Maintenance and Repair Services - Vehicles	8,350	
Medical and Dental Services	776,210	
Postal Charges	788	
Drugs and Medical Supplies	5,269	
Electricity	210,734	
Food Supplies	367,136	
Gasoline	12,402	
Natural Gas	39,206	
Office Supplies	22,780	
Periodicals	219	
Prisoners Clothing	11,006	
Uniforms	23,804	
Water and Sewer	111,298	
Other Supplies and Materials	27,141	
In Service/Staff Development	17,888	
Total Jail		\$ 4,952,471

Workhouse

Deputy(ies)	\$ 121,675	
Longevity Pay	2,050	
Maintenance and Repair Services - Vehicles	4,808	
Gasoline	17,497	
Instructional Supplies and Materials	16,058	
Office Supplies	1,776	
Other Road Supplies	3,349	
Small Tools	2,999	
Uniforms	2,523	
Other Supplies and Materials	3,827	
Total Workhouse		176,562

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services

Judge(s)	\$	102,062	
Assistant(s)		1,149,756	
Teachers		136,033	
Part-time Personnel		85,480	
Longevity Pay		15,050	
Overtime Pay		2,703	
Communication		9,296	
Dues and Memberships		970	
Operating Lease Payments		8,110	
Legal Services		34,306	
Maintenance and Repair Services - Office Equipment		8,159	
Medical and Dental Services		1,019	
Postal Charges		3,357	
Printing, Stationery, and Forms		4,139	
Transportation - Other than Students		3,198	
Travel		6,812	
Other Contracted Services		2,000	
Food Supplies		14,458	
Instructional Supplies and Materials		966	
Office Supplies		13,392	
Other Supplies and Materials		31,688	
In Service/Staff Development		3,005	
Other Charges		184	
Total Juvenile Services			\$ 1,636,143

Fire Prevention and Control

Contracts with Government Agencies	\$	2,000	
Contributions		466,388	
Total Fire Prevention and Control			468,388

Civil Defense

County Official/Administrative Officer	\$	69,137	
Assistant(s)		62,549	
Supervisor/Director		72,903	
Salary Supplements		17,346	
Dispatchers/Radio Operators		667,400	
Secretary(ies)		72,771	
Part-time Personnel		43,919	
Longevity Pay		6,750	
Overtime Pay		49,634	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Communication	\$	24,747	
Contracts with Government Agencies		47,177	
Dues and Memberships		1,116	
Evaluation and Testing		382	
Operating Lease Payments		20,823	
Maintenance Agreements		19,220	
Maintenance and Repair Services - Equipment		24,822	
Maintenance and Repair Services - Office Equipment		1,156	
Maintenance and Repair Services - Vehicles		1,867	
Postal Charges		139	
Travel		139	
Other Contracted Services		5,098	
Electricity		10,336	
Gasoline		7,981	
Office Supplies		5,224	
Uniforms		6,986	
In Service/Staff Development		129,490	
Other Charges		143	
Furniture and Fixtures		5,000	
Total Civil Defense			\$ 1,374,255

Rescue Squad

Maintenance and Repair Services - Office Equipment	\$	1,004	
Uniforms		4,795	
Total Rescue Squad			5,799

Other Emergency Management

Printing, Stationery, and Forms	\$	4,916	
Travel		235	
In Service/Staff Development		3,057	
Total Other Emergency Management			8,208

County Coroner/Medical Examiner

Contracts with Private Agencies	\$	76,195	
Medical and Dental Services		30,825	
Other Contracted Services		34,800	
Drugs and Medical Supplies		28,600	
Total County Coroner/Medical Examiner			170,420

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Medical Personnel	\$	152,856	
Secretary(ies)		32,138	
Clerical Personnel		27,070	
Custodial Personnel		24,762	
Part-time Personnel		17,490	
Longevity Pay		3,350	
Board and Committee Members Fees		2,729	
Communication		8,747	
Contracts with Government Agencies		563,700	
Contributions		2,295	
Dues and Memberships		375	
Laundry Service		227	
Maintenance and Repair Services - Buildings		2,864	
Postal Charges		18	
Travel		6,105	
Drugs and Medical Supplies		32,554	
Office Supplies		14,301	
Utilities		30,629	
Liability Insurance		118	
Other Charges		302	
Total Local Health Center			\$ 922,630

Rabies and Animal Control

Assistant(s)	\$	41,901
Supervisor/Director		74,544
Paraprofessionals		83,652
Attendants		275,644
Custodial Personnel		28,794
Part-time Personnel		83,259
Longevity Pay		2,600
Overtime Pay		36,593
Advertising		1,500
Communication		7,156
Contracts with Private Agencies		1,947
Operating Lease Payments		1,752
Maintenance and Repair Services - Buildings		11,705
Maintenance and Repair Services - Office Equipment		800
Maintenance and Repair Services - Vehicles		5,229
Postal Charges		700
Printing, Stationery, and Forms		1,870

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Veterinary Services	\$	19,245	
Other Contracted Services		4,116	
Animal Food and Supplies		25,367	
Custodial Supplies		7,166	
Drugs and Medical Supplies		93,430	
Electricity		31,375	
Equipment Parts - Light		3,124	
Gasoline		22,364	
Instructional Supplies and Materials		216	
Natural Gas		10,252	
Office Supplies		3,982	
Periodicals		10	
Uniforms		3,364	
Water and Sewer		7,958	
Other Supplies and Materials		40,352	
Refunds		45	
In Service/Staff Development		4,517	
Other Capital Outlay		18,297	
Total Rabies and Animal Control			\$ 954,826

Ambulance/Emergency Medical Services

Contracts with Government Agencies	\$	1,943,624	
Total Ambulance/Emergency Medical Services			1,943,624

Other Local Health Services

Contributions	\$	9,576	
Total Other Local Health Services			9,576

Regional Mental Health Center

Contributions	\$	21,780	
Total Regional Mental Health Center			21,780

Appropriation to State

Contributions	\$	103,816	
Total Appropriation to State			103,816

General Welfare Assistance

Contributions	\$	17,617	
Total General Welfare Assistance			17,617

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Aid to Dependent Children

Contributions	\$ 10,502	
Total Aid to Dependent Children		\$ 10,502

Other Public Health and Welfare

Communication	\$ 6,055	
Dues and Memberships	1,175	
Operating Lease Payments	6,843	
Maintenance and Repair Services - Vehicles	10,050	
Postal Charges	590	
Printing, Stationery, and Forms	1,531	
Travel	4,262	
Data Processing Supplies	1,500	
Gasoline	11,905	
Office Supplies	6,169	
Periodicals	59	
Uniforms	3,465	
Other Supplies and Materials	2,417	
Premiums on Corporate Surety Bonds	60	
In Service/Staff Development	1,273	
Data Processing Equipment	1,433	
Total Other Public Health and Welfare		58,787

Social, Cultural, and Recreational Services

Adult Activities

Contributions	\$ 45,464	
Total Adult Activities		45,464

Senior Citizens Assistance

Contributions	\$ 83,530	
Total Senior Citizens Assistance		83,530

Libraries

County Official/Administrative Officer	\$ 62,784	
Librarians	1,086,744	
Temporary Personnel	10,597	
Part-time Personnel	209,318	
Longevity Pay	13,150	
Communication	6,643	
Contributions	98,115	
Dues and Memberships	692	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Operating Lease Payments	\$	11,631	
Maintenance and Repair Services - Office Equipment		3,773	
Postal Charges		3,495	
Printing, Stationery, and Forms		1,219	
Travel		403	
Other Contracted Services		26,597	
Data Processing Supplies		104,472	
Library Books/Media		222,379	
Office Supplies		12,533	
Periodicals		7,500	
Utilities		127,038	
Other Supplies and Materials		21,972	
In Service/Staff Development		983	
Total Libraries			\$ 2,032,038

Parks and Fair Boards

County Official/Administrative Officer	\$	105,794
Assistant(s)		1,447,625
Supervisor/Director		457,469
Mechanic(s)		36,192
Clerical Personnel		219,160
Custodial Personnel		241,116
Maintenance Personnel		386,661
Temporary Personnel		495,507
Part-time Personnel		3,035,896
Longevity Pay		26,050
Overtime Pay		9,841
Other Per Diem and Fees		7,350
Advertising		14,107
Communication		76,666
Contracts with Private Agencies		145,560
Dues and Memberships		5,458
Evaluation and Testing		3,884
Maintenance and Repair Services - Buildings		194,364
Maintenance and Repair Services - Equipment		64,304
Maintenance and Repair Services - Office Equipment		25,384
Maintenance and Repair Services - Vehicles		17,493
Pest Control		3,390
Postal Charges		12,744
Printing, Stationery, and Forms		70,109

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Rentals	\$	7,184	
Travel		231	
Disposal Fees		27,159	
Permits		2,665	
Other Contracted Services		27,004	
Custodial Supplies		102,581	
Drugs and Medical Supplies		3,763	
Electricity		900,842	
Fertilizer, Lime, and Seed		49,488	
Food Supplies		5,902	
Fuel Oil		2,048	
Gasoline		91,758	
Instructional Supplies and Materials		84,555	
Natural Gas		161,634	
Office Supplies		13,015	
Periodicals		1,126	
Uniforms		16,171	
Water and Sewer		189,804	
Clay		3,190	
Chemicals		58,271	
Other Supplies and Materials		129,816	
Refunds		32,778	
Surcharge		15,135	
In Service/Staff Development		764	
Other Charges		75,054	
Total Parks and Fair Boards			\$ 9,104,062

Other Social, Cultural, and Recreational

Supervisor/Director	\$	68,760
Foremen		43,202
Clerical Personnel		71,689
Cafeteria Personnel		35,546
Maintenance Personnel		237,303
Temporary Personnel		60,145
Longevity Pay		3,900
Overtime Pay		4,437
Communication		9,241
Dues and Memberships		670
Operating Lease Payments		2,054
Maintenance and Repair Services - Buildings		8,462

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational (Cont.)

Maintenance and Repair Services - Equipment	\$	11,132	
Maintenance and Repair Services - Vehicles		1,084	
Rentals		15,360	
Travel		694	
Disposal Fees		131,161	
Other Contracted Services		7,787	
Custodial Supplies		14,519	
Electricity		170,550	
Food Supplies		67,775	
Gasoline		9,068	
Natural Gas		23,292	
Office Supplies		995	
Periodicals		299	
Small Tools		3,632	
Tires and Tubes		746	
Uniforms		5,986	
Water and Sewer		26,702	
Other Supplies and Materials		32,069	
Other Charges		126	
Other Capital Outlay		2,073	
Total Other Social, Cultural, and Recreational			\$ 1,070,459

Agriculture and Natural Resources

Agriculture Extension Service

Assistant(s)	\$	77,056
Salary Supplements		141,467
Secretary(ies)		30,397
Longevity Pay		1,350
Board and Committee Members Fees		1,350
Social Security		6,450
Extension Service Medicare		2,442
State Retirement		19,328
Medical Insurance		4,613
Communication		3,673
Dues and Memberships		355
Janitorial Services		6,504
Operating Lease Payments		2,224
Maintenance and Repair Services - Equipment		1,872
Maintenance and Repair Services - Vehicles		27
Postal Charges		482

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Travel	\$	1,345	
Gasoline		1,807	
Total Agriculture Extension Service			\$ 302,742

Soil Conservation

Secretary(ies)	\$	41,454	
Longevity Pay		1,350	
Other Charges		5,263	
Total Soil Conservation			48,067

Other Operations

Other Economic and Community Development

Supervisor/Director	\$	89,035	
Secretary(ies)		41,757	
Part-time Personnel		19,727	
Advertising		2,330	
Communication		5,657	
Dues and Memberships		3,423	
Maintenance and Repair Services - Office Equipment		2,827	
Postal Charges		1,873	
Travel		27,061	
Other Contracted Services		53,506	
Office Supplies		1,168	
Periodicals		1,161	
In Service/Staff Development		4,496	
Total Other Economic and Community Development			254,021

Public Transportation

Other Contracted Services	\$	750,067	
Total Public Transportation			750,067

Veterans' Services

Supervisor/Director	\$	13,793	
Communication		16	
Dues and Memberships		25	
Other Supplies and Materials		989	
Total Veterans' Services			14,823

Other Charges

Dues and Memberships	\$	43,858	
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(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges (Cont.)

Building and Contents Insurance	\$ 143,028	
Excess Risk Insurance	591,208	
Trustee's Commission	906,846	
Vehicle and Equipment Insurance	86,162	
Workers' Compensation Insurance	398,392	
Total Other Charges		\$ 2,169,494

Employee Benefits

Social Security	\$ 2,016,984	
State Retirement	2,279,332	
Life Insurance	38,000	
Medical Insurance	7,200,000	
Disability Insurance	21,314	
Unemployment Compensation	35,812	
Local Retirement	100,000	
Employer Medicare	473,394	
Total Employee Benefits		12,164,836

ARRA Grant # 6

Contracts with Private Agencies	\$ 7,515	
Data Processing Equipment	1,968	
Total ARRA Grant # 6		9,483

Miscellaneous

Consultants	\$ 62,500	
Contracts with Private Agencies	55,665	
Contributions	571,037	
Duplicating Supplies	29,972	
Total Miscellaneous		719,174

Total General Fund \$ 65,194,295

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$ 74,649
Deputy(ies)	176,170
Laborers	553,571
Guards	441,581
Clerical Personnel	97,159

(Continued)

Exhibit K-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Longevity Pay	\$	11,700	
Overtime Pay		78,763	
Advertising		7,762	
Communication		11,794	
Dues and Memberships		1,223	
Evaluation and Testing		640	
Maintenance and Repair Services - Buildings		17,521	
Maintenance and Repair Services - Equipment		119,977	
Maintenance and Repair Services - Office Equipment		1,448	
Maintenance and Repair Services - Vehicles		80,902	
Postal Charges		26	
Printing, Stationery, and Forms		4,642	
Rentals		660	
Travel		1,168	
Other Contracted Services		1,090,464	
Diesel Fuel		384,816	
Electricity		29,211	
Gasoline		20,030	
Lubricants		12,161	
Natural Gas		1,410	
Office Supplies		3,140	
Periodicals		212	
Tires and Tubes		46,735	
Uniforms		14,948	
Water and Sewer		1,898	
Other Supplies and Materials		36,301	
In Service/Staff Development		3,495	
Other Charges		72,891	
Total Sanitation Management			\$ 3,399,068

Other Operations

Other Charges

Building and Contents Insurance	\$	4,491	
Excess Risk Insurance		116,121	
Trustee's Commission		70,166	
Workers' Compensation Insurance		25,264	
Total Other Charges			216,042

Employee Benefits

Social Security	\$	86,278	
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(Continued)

Exhibit K-8

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

Solid Waste/Sanitation Fund (Cont.)

Other Operations (Cont.)

Employee Benefits (Cont.)

State Retirement	\$	78,442	
Life Insurance		1,350	
Medical Insurance		250,000	
Unemployment Compensation		1,595	
Employer Medicare		20,178	
Total Employee Benefits			\$ 437,843

Total Solid Waste/Sanitation Fund \$ 4,052,953

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	1,424	
Confidential Drug Enforcement Payments		4,000	
Maintenance and Repair Services - Vehicles		3,488	
Tow-in Services		725	
Other Supplies and Materials		11,741	
Trustee's Commission		421	
In Service/Staff Development		3,947	
Other Capital Outlay		55,762	
Total Drug Enforcement			\$ 81,508

Total Drug Control Fund 81,508

District Attorney General Fund

Administration of Justice

District Attorney General

Other Salaries and Wages	\$	20,710	
Advertising		91	
Communication		10,135	
Dues and Memberships		645	
Postal Charges		150	
Rentals		3,573	
Travel		23,125	
Other Contracted Services		2,652	
Law Enforcement Supplies		54	
Library Books/Media		306	
Office Supplies		2,699	
Other Supplies and Materials		476	
Trustee's Commission		549	

(Continued)

Exhibit K-8

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

District Attorney General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General (Cont.)

Other Charges	\$ 215	
Total District Attorney General		\$ 65,380

Total District Attorney General Fund \$ 65,380

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Bank Charges	\$ 279	
Total County Trustee's Office		\$ 279

Total Constitutional Officers - Fees Fund 279

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 116,427	
Accountants/Bookkeepers	60,133	
Dispatchers/Radio Operators	52,519	
Secretary(ies)	43,503	
Longevity Pay	44,550	
Board and Committee Members Fees	6,450	
Advertising	328	
Communication	9,428	
Engineering Services	251,442	
Evaluation and Testing	2,530	
Operating Lease Payments	1,521	
Legal Services	28,305	
Electricity	42,321	
Natural Gas	13,904	
Office Supplies	2,635	
Water and Sewer	7,097	
Other Charges	3,381	
Total Administration		\$ 686,474

Highway and Bridge Maintenance

Foremen	\$ 170,508
Equipment Operators	2,089,817
Part-time Personnel	99,031
Overtime Pay	40,844

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Contracts with Private Agencies	\$	45,316	
Rentals		21,043	
Asphalt - Cold Mix		13,953	
Asphalt - Hot Mix		3,075,659	
Asphalt - Liquid		62,844	
Other Road Supplies		151,170	
Pipe		109,178	
Road Signs		38,168	
Salt		209,513	
Uniforms		20,340	
Other Charges		814	
Total Highway and Bridge Maintenance			\$ 6,148,198

Operation and Maintenance of Equipment

Foremen	\$	57,135	
Mechanic(s)		116,552	
Nightwatchmen		108,706	
Part-time Personnel		7,642	
Diesel Fuel		490,350	
Equipment Parts - Heavy		513,210	
Equipment and Machinery Parts		2,139	
Garage Supplies		44,618	
Gasoline		157,932	
Lubricants		21,833	
Tires and Tubes		96,991	
Total Operation and Maintenance of Equipment			1,617,108

Quarry Operations

Equipment Operators	\$	314,164	
Overtime Pay		4,562	
Explosive and Drilling Services		99,052	
Maintenance and Repair Services - Vehicles		156,341	
Electricity		46,228	
Other Supplies and Materials		1,390	
Total Quarry Operations			621,737

Other Charges

Building and Contents Insurance	\$	10,491	
Excess Risk Insurance		214,634	
Trustee's Commission		119,939	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Workers' Compensation Insurance	\$ 6,725	
Total Other Charges		\$ 351,789

Employee Benefits

Social Security	\$ 197,390	
State Retirement	255,122	
Life Insurance	4,200	
Medical Insurance	780,000	
Disability Insurance	6,385	
Employer Medicare	46,168	
Total Employee Benefits		1,289,265

Capital Outlay

Bridge Construction	\$ 80,757	
Highway Construction	47,940	
Highway Equipment	328,626	
Site Development	3,035	
Total Capital Outlay		460,358

Total Highway/Public Works Fund		\$ 11,174,929
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General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 7,945,327	
Principal on Other Loans	655,115	
Total General Government		\$ 8,600,442

Highways and Streets

Principal on Bonds	\$ 160,200	
Total Highways and Streets		160,200

Education

Principal on Bonds	\$ 8,109,473	
Principal on Other Loans	167,885	
Total Education		8,277,358

Interest on Debt

General Government

Interest on Bonds	\$ 4,893,463	
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(Continued)

Exhibit K-8

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

General Government (Cont.)

Interest on Other Loans	\$ 25,602	
Total General Government		\$ 4,919,065

Highways and Streets

Interest on Bonds	\$ 47,377	
Total Highways and Streets		47,377

Education

Interest on Bonds	\$ 6,533,715	
Interest on Other Loans	5,853	
Total Education		6,539,568

Other Debt Service

General Government

Fiscal Agent Charges	\$ 3,050	
Trustee's Commission	514,385	
Other Charges	32,274	
Total General Government		549,709

Total General Debt Service Fund		\$ 29,093,719
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Rural Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 10,685,000	
Total Education		\$ 10,685,000

Interest on Debt

Education

Interest on Bonds	\$ 9,640,305	
Total Education		9,640,305

Other Debt Service

Education

Fiscal Agent Charges	\$ 4,933	
Trustee's Commission	271,214	
Total Education		276,147

Total Rural Debt Service Fund		20,601,452
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(Continued)

Exhibit K-8

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

General Capital Projects Fund

Capital Projects

General Administration Projects

Building Improvements	\$	297,002	
Data Processing Equipment		8,900	
Land		54,464	
Other Capital Outlay		232	
Total General Administration Projects			\$ 360,598

Administration of Justice Projects

Building Improvements	\$	232,549	
Total Administration of Justice Projects			232,549

Public Safety Projects

Trustee's Commission	\$	177	
Building Improvements		15,970	
Land		65,000	
Motor Vehicles		207,979	
Other Equipment		335,890	
Other Capital Outlay		681,397	
Total Public Safety Projects			1,306,413

Public Health and Welfare Projects

Landfill Closure/Postclosure Care Costs	\$	85,512	
Solid Waste Equipment		167,183	
Other Equipment		25,663	
Other Construction		89,710	
Total Public Health and Welfare Projects			368,068

Social, Cultural, and Recreation Projects

Trustee's Commission	\$	4,099	
Land		72,730	
Other Equipment		105,744	
Other Construction		1,145,487	
Other Capital Outlay		929,313	
Total Social, Cultural, and Recreation Projects			2,257,373

Public Utility Projects

Other Construction	\$	585,243	
Total Public Utility Projects			585,243

Other General Government Projects

Other Capital Outlay	\$	64,627	
Total Other General Government Projects			64,627

(Continued)

Exhibit K-8

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Highway and Street Capital Projects

Consultants	\$ 11,786	
Trustee's Commission	1,760	
Highway Construction	45,969	
Highway Equipment	<u>642,736</u>	
Total Highway and Street Capital Projects		\$ 702,251

Education Capital Projects

Trustee's Commission	\$ 97,127	
Other Debt Issuance Charges	<u>18,000</u>	
Total Education Capital Projects		115,127

Capital Projects - Donated

Capital Projects Donated to School Department

Contributions	<u>\$ 6,702,000</u>	
Total Capital Projects Donated to School Department		<u>6,702,000</u>

Total General Capital Projects Fund \$ 12,694,249

Total Governmental Funds - Primary Government \$ 142,958,764

Exhibit K-9

Williamson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Williamson County School Department
For the Year Ended June 30, 2012

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 78,278,188	
Career Ladder Program	466,218	
Career Ladder Extended Contracts	192,125	
Homebound Teachers	116,625	
Educational Assistants	1,600,663	
Longevity Pay	31,805	
Other Salaries and Wages	718,973	
Certified Substitute Teachers	819,960	
Non-certified Substitute Teachers	1,232,143	
Social Security	4,982,909	
State Retirement	7,186,066	
Life Insurance	87,843	
Medical Insurance	16,670,900	
Dental Insurance	877,400	
Unemployment Compensation	112,694	
Employer Medicare	1,171,228	
Maintenance and Repair Services - Equipment	47,870	
Other Contracted Services	726,327	
Instructional Supplies and Materials	1,126,841	
Textbooks	5,720,368	
Other Supplies and Materials	588	
Other Charges	852,409	
Regular Instruction Equipment	106,465	
Total Regular Instruction Program		\$ 123,126,608

Alternative Instruction Program

Teachers	\$ 245,786	
Career Ladder Program	2,000	
Educational Assistants	55,072	
Longevity Pay	700	
Social Security	18,418	
State Retirement	25,666	
Life Insurance	459	
Medical Insurance	88,350	
Dental Insurance	4,650	
Employer Medicare	4,307	
Other Supplies and Materials	6,136	
Other Equipment	1,437	
Total Alternative Instruction Program		452,981

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$ 11,571,260	
Career Ladder Program	78,013	
Educational Assistants	3,859,574	
Speech Pathologist	1,704,158	
Longevity Pay	44,300	
Other Salaries and Wages	148,260	
Social Security	1,025,615	
State Retirement	1,511,901	
Life Insurance	26,664	
Medical Insurance	5,269,650	
Dental Insurance	277,250	
Employer Medicare	240,721	
Contracts with Other Public Agencies	53,273	
Contracts with Private Agencies	502,866	
Maintenance and Repair Services - Equipment	6,778	
Other Contracted Services	36,471	
Instructional Supplies and Materials	89,061	
Textbooks	6,557	
Special Education Equipment	21,789	
Total Special Education Program		\$ 26,474,161

Vocational Education Program

Teachers	\$ 2,857,617	
Career Ladder Program	19,650	
Educational Assistants	278,163	
Longevity Pay	3,050	
Other Salaries and Wages	87,757	
Social Security	191,417	
State Retirement	272,350	
Life Insurance	3,566	
Medical Insurance	749,075	
Dental Insurance	39,425	
Employer Medicare	44,943	
Maintenance and Repair Services - Equipment	8,818	
Other Contracted Services	315,701	
Instructional Supplies and Materials	181,392	
Other Charges	2,121	
Vocational Instruction Equipment	124,114	
Total Vocational Education Program		5,179,159

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Student Body Education Program

Other Salaries and Wages	\$	110,500	
Certified Substitute Teachers		34,751	
In-Service Training		4,404	
Other Contracted Services		4,362	
Instructional Supplies and Materials		366,733	
Library Books/Media		152,710	
Other Supplies and Materials		70,190	
In Service/Staff Development		43,069	
Fee Waivers		29,928	
Other Charges		333,549	
Regular Instruction Equipment		446,286	
Total Student Body Education Program			\$ 1,596,482

Adult Education Program

Teachers	\$	127,100	
Other Salaries and Wages		14,045	
Social Security		8,421	
State Retirement		3,338	
Life Insurance		51	
Medical Insurance		9,500	
Dental Insurance		500	
Employer Medicare		2,038	
Instructional Supplies and Materials		8,071	
Other Supplies and Materials		2,951	
Other Charges		8,485	
Total Adult Education Program			184,500

Support Services

Attendance

Longevity Pay	\$	800	
Other Salaries and Wages		96,014	
Social Security		5,978	
State Retirement		6,486	
Life Insurance		102	
Medical Insurance		19,000	
Dental Insurance		1,000	
Employer Medicare		1,398	
Total Attendance			130,778

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

Medical Personnel	\$	1,943,127	
Longevity Pay		9,150	
Social Security		114,147	
State Retirement		126,881	
Life Insurance		2,605	
Medical Insurance		575,700	
Dental Insurance		30,300	
Employer Medicare		27,010	
Travel		6,350	
Other Contracted Services		5,232	
Drugs and Medical Supplies		12,992	
Other Supplies and Materials		3,115	
In Service/Staff Development		502	
Health Equipment		3,997	
Total Health Services			\$ 2,861,108

Other Student Support

Career Ladder Program	\$	21,501	
Guidance Personnel		4,021,955	
Social Workers		193,735	
Secretary(ies)		217,722	
Longevity Pay		4,050	
Other Salaries and Wages		48,664	
Social Security		268,137	
State Retirement		401,819	
Life Insurance		4,675	
Medical Insurance		906,300	
Dental Insurance		47,700	
Employer Medicare		63,020	
Contracts with Government Agencies		381,870	
Travel		509	
Other Contracted Services		404,687	
Other Supplies and Materials		145,800	
Other Charges		2,744	
Regular Instruction Equipment		9,123	
Total Other Student Support			7,144,011

Regular Instruction Program

Supervisor/Director	\$	381,931	
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(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Career Ladder Program	\$	32,938	
Librarians		2,309,817	
Secretary(ies)		235,313	
Clerical Personnel		608,240	
Longevity Pay		13,150	
Other Salaries and Wages		1,365,955	
In-Service Training		24,150	
Social Security		292,960	
State Retirement		432,518	
Life Insurance		5,776	
Medical Insurance		1,121,000	
Dental Insurance		59,000	
Employer Medicare		69,634	
Travel		22,038	
Other Contracted Services		42,190	
Other Supplies and Materials		104,570	
In Service/Staff Development		72,178	
Regular Instruction Equipment		857	
Total Regular Instruction Program			\$ 7,194,215

Special Education Program

Supervisor/Directore	\$	97,549	
Career Ladder Program		5,800	
Psychological Personnel		1,078,233	
Secretary(ies)		73,223	
Longevity Pay		1,400	
Other Salaries and Wages		295,534	
In-Service Training		30,990	
Social Security		95,356	
State Retirement		139,483	
Life Insurance		1,326	
Medical Insurance		266,000	
Dental Insurance		14,000	
Employer Medicare		22,312	
Travel		57,318	
Other Contracted Services		190,997	
Other Supplies and Materials		52,672	
In Service/Staff Development		11,244	
Other Equipment		261,608	
Total Special Education Program			2,695,045

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

Career Ladder Program	\$	1,000	
Secretary(ies)		20,415	
Longevity Pay		700	
Other Salaries and Wages		130,132	
In-Service Training		3,163	
Social Security		9,207	
State Retirement		13,759	
Life Insurance		153	
Medical Insurance		23,750	
Dental Insurance		1,250	
Employer Medicare		2,155	
Travel		3,434	
Other Contracted Services		4,418	
Other Supplies and Materials		857	
In Service/Staff Development		6,621	
Total Vocational Education Program			\$ 221,014

Adult Programs

Career Ladder Program	\$	3,000	
Secretary(ies)		25,314	
Longevity Pay		700	
Other Salaries and Wages		79,421	
Social Security		6,528	
State Retirement		9,513	
Life Insurance		102	
Medical Insurance		19,000	
Dental Insurance		1,000	
Employer Medicare		1,527	
Travel		637	
Total Adult Programs			146,742

Other Programs

On-Behalf Payments to OPEB	\$	14,520	
Total Other Programs			14,520

Board of Education

Other Salaries and Wages	\$	100,172
Board and Committee Members Fees		70,600
Social Security		9,278

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

State Retirement	\$	8,066	
Life Insurance		51	
Medical Insurance		9,500	
Dental Insurance		500	
Employer Medicare		2,170	
Audit Services		46,142	
Dues and Memberships		29,966	
Legal Services		1,920	
Travel		472	
Other Contracted Services		2,898	
Other Supplies and Materials		5,929	
Liability Insurance		589,088	
Trustee's Commission		2,410,825	
Workers' Compensation Insurance		1,167,611	
In Service/Staff Development		7,585	
Criminal Investigation of Applicants - TBI		45,000	
Total Board of Education			\$ 4,507,773

Director of Schools

County Official/Administrative Officer	\$	183,039	
Assistant(s)		235,301	
Secretary(ies)		148,549	
Longevity Pay		2,900	
Other Salaries and Wages		7,395	
Social Security		28,329	
State Retirement		48,013	
Life Insurance		357	
Medical Insurance		66,500	
Dental Insurance		3,500	
Employer Medicare		8,117	
Communication		320,577	
Travel		546	
Other Contracted Services		39,256	
Office Supplies		27,623	
In Service/Staff Development		7,434	
Total Director of Schools			1,127,436

Office of the Principal

Principals	\$	3,934,594	
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(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Career Ladder Program	\$	62,247	
Accountants/Bookkeepers		1,237,912	
Assistant Principals		4,692,145	
Secretary(ies)		1,518,706	
Longevity Pay		39,225	
Social Security		683,860	
State Retirement		999,285	
Life Insurance		10,302	
Medical Insurance		1,933,250	
Dental Insurance		101,750	
Employer Medicare		160,235	
Other Contracted Services		437,336	
Total Office of the Principal			\$ 15,810,847

Fiscal Services

Supervisor/Director	\$	102,448	
Accountants/Bookkeepers		458,380	
Purchasing Personnel		146,523	
Longevity Pay		8,350	
Overtime Pay		506	
Other Salaries and Wages		81,963	
Social Security		46,964	
State Retirement		62,103	
Life Insurance		816	
Medical Insurance		156,750	
Dental Insurance		8,250	
Employer Medicare		10,983	
Travel		572	
Other Contracted Services		12,387	
In Service/Staff Development		12,358	
Administration Equipment		33,321	
Total Fiscal Services			1,142,674

Human Services/Personnel

Supervisor/Director	\$	97,516	
Secretary(ies)		254,644	
Longevity Pay		2,450	
Overtime Pay		348	
Other Salaries and Wages		84,088	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

Social Security	\$	26,324	
State Retirement		34,558	
Life Insurance		459	
Medical Insurance		90,250	
Dental Insurance		4,750	
Employer Medicare		6,156	
Travel		1,809	
Other Contracted Services		24,331	
Other Supplies and Materials		14,624	
In Service/Staff Development		1,386	
Administration Equipment		1,737	
Total Human Services/Personnel			\$ 645,430

Operation of Plant

Supervisor/Director	\$	99,305	
Secretary(ies)		30,647	
Custodial Personnel		94,084	
Longevity Pay		4,250	
Other Salaries and Wages		70,836	
Social Security		17,911	
State Retirement		23,485	
Life Insurance		259	
Medical Insurance		61,750	
Dental Insurance		3,250	
Employer Medicare		4,183	
Janitorial Services		4,822,603	
Disposal Fees		107,267	
Other Contracted Services		36,769	
Electricity		6,041,095	
Natural Gas		367,709	
Water and Sewer		923,726	
Other Supplies and Materials		5,326	
Building and Contents Insurance		294,146	
Total Operation of Plant			13,008,601

Maintenance of Plant

Supervisor/Director	\$	80,305
Secretary(ies)		71,330
Maintenance Personnel		2,113,417

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Longevity Pay	\$	23,450	
Overtime Pay		33,147	
Other Salaries and Wages		102,292	
Social Security		143,590	
State Retirement		191,051	
Life Insurance		3,426	
Medical Insurance		655,500	
Dental Insurance		34,500	
Employer Medicare		33,582	
Maintenance and Repair Services - Buildings		282,736	
Maintenance and Repair Services - Equipment		108,443	
Travel		2,937	
Other Contracted Services		576,624	
General Construction Materials		795,597	
Other Supplies and Materials		7,258	
In Service/Staff Development		13,312	
Other Charges		26,021	
Plant Operation Equipment		17,737	
Total Maintenance of Plant			\$ 5,316,255

Transportation

Supervisor/Director	\$	77,512
Mechanic(s)		408,678
Bus Drivers		4,209,980
Clerical Personnel		29,851
Longevity Pay		112,350
Overtime Pay		8,981
Other Salaries and Wages		727,945
Social Security		320,749
State Retirement		436,883
Life Insurance		13,880
Medical Insurance		2,736,000
Dental Insurance		144,000
Employer Medicare		75,546
Contracts with Parents		2,047
Contracts with Public Carriers		4,885
Maintenance and Repair Services - Buildings		570
Maintenance and Repair Services - Vehicles		76,821
Travel		17

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Other Contracted Services	\$	22,861	
Gasoline		1,687,407	
Lubricants		43,431	
Tires and Tubes		217,692	
Vehicle Parts		345,564	
Other Supplies and Materials		16,927	
Vehicle and Equipment Insurance		184,668	
In Service/Staff Development		5,942	
Other Charges		16,016	
Transportation Equipment		662,780	
Total Transportation			\$ 12,589,983

Central and Other

Supervisor/Director	\$	178,180	
Data Processing Personnel		1,515,174	
Longevity Pay		14,750	
Overtime Pay		4,257	
Social Security		101,655	
State Retirement		136,933	
Life Insurance		1,683	
Medical Insurance		313,500	
Dental Insurance		16,500	
Employer Medicare		23,774	
Travel		17,224	
Other Contracted Services		1,094,377	
Other Supplies and Materials		113,319	
In Service/Staff Development		2,718	
Data Processing Equipment		107,163	
Total Central and Other			3,641,207

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	77,663	
Clerical Personnel		40,829	
Longevity Pay		1,800	
Other Salaries and Wages		187,996	
Social Security		18,185	
State Retirement		24,281	
Life Insurance		306	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Medical Insurance	\$	57,000	
Dental Insurance		3,000	
Employer Medicare		4,227	
Travel		2,733	
Other Contracted Services		110,408	
Other Supplies and Materials		10,500	
In Service/Staff Development		5,798	
Other Equipment		6,997	
Total Community Services			\$ 551,723

Early Childhood Education

Teachers	\$	434,104	
Career Ladder Program		2,000	
Educational Assistants		97,952	
Longevity Pay		720	
In-Service Training		600	
Social Security		32,113	
State Retirement		39,899	
Life Insurance		459	
Medical Insurance		90,250	
Dental Insurance		4,750	
Employer Medicare		7,510	
Travel		712	
Instructional Supplies and Materials		9,252	
Other Supplies and Materials		15,579	
In Service/Staff Development		2,220	
Regular Instruction Equipment		25,644	
Total Early Childhood Education			763,764

Total General Purpose School Fund \$ 236,527,017

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	861,952
Educational Assistants		13,228
Other Salaries and Wages		51,262
Certified Substitute Teachers		25,802
Non-certified Substitute Teachers		6,352

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Social Security	\$	58,277	
State Retirement		78,688	
Life Insurance		890	
Medical Insurance		165,855	
Dental Insurance		8,730	
Employer Medicare		13,632	
Instructional Supplies and Materials		77,696	
Other Supplies and Materials		2,413	
Other Charges		1,426	
Total Regular Instruction Program			\$ 1,366,203

Special Education Program

Teachers	\$	67,713	
Educational Assistants		1,995,571	
Other Salaries and Wages		177,042	
Certified Substitute Teachers		17,942	
Non-certified Substitute Teachers		1,192	
Social Security		129,047	
State Retirement		167,180	
Life Insurance		6,993	
Medical Insurance		1,302,692	
Dental Insurance		68,568	
Employer Medicare		30,180	
Maintenance and Repair Services - Equipment		97	
Other Contracted Services		65,978	
Instructional Supplies and Materials		317,071	
Other Supplies and Materials		282,732	
Special Education Equipment		160,809	
Total Special Education Program			4,790,807

Vocational Education Program

Clerical Personnel	\$	20,414	
Social Security		1,253	
State Retirement		1,621	
Life Insurance		26	
Medical Insurance		4,750	
Dental Insurance		250	
Employer Medicare		293	
Instructional Supplies and Materials		92,339	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Vocational Instruction Equipment	\$ 125,557	
Total Vocational Education Program		\$ 246,503

Support Services

Health Services

Medical Personnel	\$ 470,624	
Social Security	27,920	
State Retirement	30,630	
Life Insurance	469	
Medical Insurance	87,400	
Dental Insurance	4,600	
Employer Medicare	6,530	
Travel	2,614	
Other Supplies and Materials	8,267	
Total Health Services		639,054

Other Student Support

Other Salaries and Wages	\$ 4,891	
Social Security	289	
State Retirement	418	
Employer Medicare	71	
Travel	49,635	
In Service/Staff Development	17,136	
Other Charges	3,901	
Total Other Student Support		76,341

Regular Instruction Program

Secretary(ies)	\$ 15,324	
Clerical Personnel	3,046	
Other Salaries and Wages	102,395	
In-Service Training	130,935	
Social Security	15,419	
State Retirement	22,214	
Life Insurance	102	
Medical Insurance	19,000	
Dental Insurance	1,000	
Employer Medicare	3,607	
Travel	3,673	
Other Contracted Services	6,588	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Supplies and Materials	\$ 13,661	
In Service/Staff Development	205,728	
Total Regular Instruction Program	542,692	\$ 542,692

Special Education Program

Psychological Personnel	\$ 127,532	
Secretary(ies)	38,499	
Other Salaries and Wages	130,516	
In-Service Training	4,912	
Social Security	17,843	
State Retirement	26,759	
Life Insurance	268	
Medical Insurance	49,875	
Dental Insurance	2,625	
Employer Medicare	4,173	
Travel	6,431	
Other Contracted Services	39,870	
Other Supplies and Materials	31,627	
In Service/Staff Development	108,008	
Other Equipment	38,838	
Total Special Education Program	627,776	627,776

Transportation

Contracts with Public Carriers	\$ 14,498	
Maintenance and Repair Services - Vehicles	3,772	
Gasoline	69,067	
Other Supplies and Materials	9,214	
Transportation Equipment	823,261	
Total Transportation	919,812	919,812

Total School Federal Projects Fund \$ 9,209,188

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 77,512
Clerical Personnel	69,022
Cafeteria Personnel	2,789,052
Longevity Pay	49,500

(Continued)

Exhibit K-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Overtime Pay	\$	14,283	
Other Salaries and Wages		192,349	
Social Security		188,742	
State Retirement		170,969	
Life Insurance		5,702	
Medical Insurance		968,050	
Dental Insurance		50,450	
Unemployment Compensation		6,833	
Employer Medicare		44,165	
Bank Charges		8,389	
Communication		28,075	
Maintenance and Repair Services - Equipment		13,780	
Transportation - Other than Students		40,142	
Travel		3,973	
Other Contracted Services		82,698	
Equipment and Machinery Parts		67,488	
Food Supplies		4,064,537	
Uniforms		9,719	
USDA - Commodities		518,540	
Other Supplies and Materials		480,464	
In Service/Staff Development		26,442	
Other Charges		8,838	
Food Service Equipment		742,901	
Total Food Service			\$ 10,722,615

Total Central Cafeteria Fund

\$ 10,722,615

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Accountants/Bookkeepers	\$	30,585
Secretary(ies)		29,751
Attendants		756,765
Longevity Pay		750
Other Salaries and Wages		264,739
Social Security		63,839
State Retirement		39,413
Life Insurance		629
Medical Insurance		108,748

(Continued)

Exhibit K-9

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

Extended School Program Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Dental Insurance	\$	5,713	
Unemployment Compensation		3,385	
Employer Medicare		14,930	
Bank Charges		128	
Communication		4,213	
Travel		4,175	
Other Contracted Services		61,157	
Food Supplies		47,817	
Other Supplies and Materials		41,704	
Refunds		982	
In Service/Staff Development		6,412	
Other Equipment		26,902	
Total Community Services			\$ 1,512,737

Total Extended School Program Fund \$ 1,512,737

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$	120,052	
Engineering Services		10,810	
Other Contracted Services		80,114	
Library Books/Media		124,908	
T&I Construction Materials		2,342	
Utilities		24,675	
Building Construction		4,092,385	
Building Improvements		4,168,106	
Data Processing Equipment		4,903,942	
Furniture and Fixtures		1,417,134	
Site Development		5,692	
Other Capital Outlay		9,890	
Total Education Capital Projects			\$ 14,960,050

Total Education Capital Projects Fund 14,960,050

Total Governmental Funds - Williamson County School Department \$ 272,931,607

Williamson County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2012

	Governmental Activities - Internal Service Fund <hr/> Self - Insurance Fund <hr/>
<u>Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Self-Insurance Premiums/Contributions	\$ 44,866,864
Other Employee Benefits Charges/Contributions	6,463,774
Total Charges for Current Services	<u>\$ 51,330,638</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Retirees' Insurance Payments	\$ 1,202,447
Cobra Insurance Payments	130,877
Miscellaneous Refunds	2,459,311
Total Other Local Revenues	<u>\$ 3,792,635</u>
<u>Federal Government</u>	
<u>Federal through State</u>	
On-Behalf Contributions for OPEB	\$ 109,553
Total Federal Government	<u>\$ 109,553</u>
Total Revenues	<u>\$ 55,232,826</u>
<u>Expenses</u>	
<u>Other Operations</u>	
<u>Employee Benefits</u>	
Handling Charges and Administrative Costs	\$ 3,952,683
Life Insurance	185,255
Dental Insurance	2,848,574
Other Fringe Benefits	562,405
Medical Claims	33,072,101
Other Self-Insured Claims	9,087,348
Total Other General Government	<u>\$ 49,708,366</u>
Total Expenses	<u>\$ 49,708,366</u>

Exhibit K-11

Williamson County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2012

	Cities - Sales Tax Fund	Cities - Property Tax Fund	Cities Adequate Facilities Tax Fund	Special School District Fund	Total
<u>Cash Receipts</u>					
<u>County Property Taxes</u>					
Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 10,363,964	\$ 10,363,964
Trustee's Collections - Prior Year	0	0	0	150,900	150,900
Circuit/Clerk & Master Collections - Prior Years	0	0	0	78,566	78,566
Interest and Penalty	0	0	0	30,430	30,430
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	14,792	14,792
Payments in-Lieu-of Taxes - Other	0	0	0	43	43
Local Option Sales Tax	38,765,097	0	0	3,996,673	42,761,770
Interstate Telecommunications Tax	0	0	0	1,025	1,025
<u>City/School District Property Taxes</u>					
Current Property Taxes	0	356,342	0	17,549,274	17,905,616
Trustee's Collections - Prior Year	0	7,514	0	365,347	372,861
Interest and Penalty	0	1,271	0	68,583	69,854
Pick-up Taxes	0	0	0	162,084	162,084
Marriage Licenses	0	0	0	1,012	1,012
Other Local Revenues	0	0	0	167	167
Mixed Drink Tax	0	0	0	71,517	71,517
Transfers In	0	0	1,528,438	803,651	2,332,089
Total Cash Receipts	\$ 38,765,097	\$ 365,127	\$ 1,528,438	\$ 33,658,028	\$ 74,316,690
<u>Cash Disbursements</u>					
Remittance of Revenues Collected	\$ 38,377,446	\$ 355,333	\$ 1,528,438	\$ 32,985,847	\$ 73,247,064
Trustee's Commission	387,651	8,493	0	615,899	1,012,043
Total Cash Disbursements	\$ 38,765,097	\$ 363,826	\$ 1,528,438	\$ 33,601,746	\$ 74,259,107
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 1,301	\$ 0	\$ 56,282	\$ 57,583
Cash Balance, July 1, 2011	0	1,310	0	486,693	488,003
Cash Balance, June 30, 2012	\$ 0	\$ 2,611	\$ 0	\$ 542,975	\$ 545,586

SINGLE AUDIT SECTION



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

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

December 11, 2012

Williamson County Mayor and
Board of County Commissioners
Williamson 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 Williamson County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Williamson County's basic financial statements and have issued our report thereon dated December 11, 2012. Our report includes references 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 discretely presented Williamson County Hospital District and the discretely presented Williamson County Emergency Communications District as described in our report on Williamson County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

The management of Williamson County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Williamson 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 Williamson County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Williamson County's internal control over financial reporting.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 12.01.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 12.03, 12.05, 12.06, and 12.07.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Williamson 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 12.02 and 12.04.

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

Williamson 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 Williamson 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, director of schools, highway superintendent, County Commission, Board of Education, others within Williamson 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 long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu



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

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

INDEPENDENT AUDITOR'S REPORT

December 11, 2012

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited Williamson County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Other auditors have audited the compliance of Williamson County with the types of compliance requirements described above that are applicable to its major federal program Highway Planning and Construction (CFDA No. 20.205) for the year ended June 30, 2012. Williamson 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 Williamson County's management. Our responsibility is to express an opinion on Williamson 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 Williamson County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion. Our audit does not provide a legal determination of Williamson County's compliance with those requirements.

In our opinion, based on our audit and the report of other auditors, Williamson County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and is described in the accompanying Schedule of Findings and Questioned Costs as items 12.04 and 12.08.

Internal Control Over Compliance

The management of Williamson 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 Williamson County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Williamson 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.

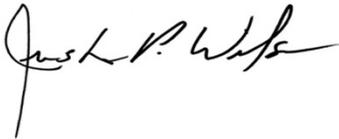
Schedule of Expenditures of Federal Awards

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 Williamson County as of and for the year ended June 30, 2012, and have issued our report thereon dated December 11, 2012. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Williamson 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 Williamson 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, director of schools, highway superintendent, County Commission, Board of Education, others within Williamson 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,



Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 518,540 (4)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	231,324
National School Lunch Program	10.555	N/A	1,785,512 (4)
Total U.S. Department of Agriculture			\$ 2,535,376
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	HM-09-46	\$ 63,951
Total U.S. Department of Housing and Urban Development			\$ 63,951
U.S. Department of Justice:			
Direct Programs:			
Federal Asset Forfeiture Program	16.XXX	N/A	\$ 130,922
State Criminal Alien Assistance Program	16.606	N/A	15,377
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	N/A	6,955
Total U.S. Department of Justice			\$ 153,254
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	(2)	\$ 647,222
State and Community Highway Safety	20.600	(2)	58,464
Alcohol Open Container Requirements	20.607	(2)	44,788
National Highway Traffic Safety Administration Discretionary Safety Grants	20.614	(2)	50,995
Total U.S. Department of Transportation			\$ 801,469
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(2)	\$ 2,721
Total Institute of Museum and Library Services			\$ 2,721
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 173,680
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	617,622
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	5,577,622
Special Education - Preschool Grants	84.173	N/A	103,547
Special Education - Grants to States, Recovery Act	84.391	N/A	1,953,892
Special Education - Preschool Grants, Recovery Act	84.392	N/A	141,316
Career and Technical Education - Basic Grants to States	84.048	N/A	319,978
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	2,830
Education Technology State Grants, Recovery Act	84.386	N/A	2,403
English Language Acquisition State Grants	84.365	N/A	85,597
Improving Teacher Quality State Grants	84.367	N/A	382,059
State Fiscal Stabilization Fund: Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	138,454
State Fiscal Stabilization Fund - Government Services, Recovery Act	84.397	N/A	58,399
Education Jobs Fund	84.410	N/A	708,608
Total U.S. Department of Education			\$ 10,266,007

(Continued)

Williamson 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. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	\$ 139,700
Total U.S. Election Assistance Commission			\$ 139,700
U.S. Department of Health and Human Services Centers for Disease Control and Prevention:			
Passed-through State Department of Health:			
The Affordable Care Act: Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	(2)	\$ 19,662
Total U.S. Department of Health and Human Services Centers for Disease Control and Prevention:			\$ 19,662
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Public Safety Interoperable Communications Grant Program	97.001	(2)	\$ 97,198
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(3)	1,222,810
Emergency Management Performance Grants	97.042	(2)	45,000
Homeland Security Grant Program	97.067	(2)	252,823
Total U.S. Department of Homeland Security			\$ 1,617,831
Total Expenditures of Federal Awards			\$ 15,599,971

State Grants		Contract Number	Expenditures
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	\$ 217,406
Litter Program - State Department of Transportation	N/A	(2)	64,732
Low Cost Sterilization of Animals - State Department of Health	N/A	Z-12-35935	1,400
Juvenile Justice State Supplement Funds - State Commission on Children and Youth	N/A	(2)	9,000
High Schools That Work Competitive Grant - State Department of Education	N/A	(2)	6,351
Adult Education - State Department of Education	N/A	(2)	60,170
Early Childhood Education Lottery - State Department of Education	N/A	(2)	482,698
LEAPS Grant - State Department of Education	N/A	(2)	41,016
Safe Schools Act - State Department of Education	N/A	(2)	106,900
Coordinated School Health - State Department of Education	N/A	(2)	86,223
Dental Services Grant - State Department of Health	N/A	GG-12-35935	138,000
Development and Coordination of Rural Health Services - State Department of Health	N/A	GG-12-4409	810,768
Total State Grants			\$ 2,024,664

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) FEMA-1909-DR-TN: \$1,067,220; N/A: \$155,590.
- (4) Total for CFDA No. 10.555 is \$2,304,052.

SUBRECIPIENT

Program Title	Federal CFDA Number	Amount Provided to Subrecipient	Subrecipient
Highway Planning and Construction	20.205	\$ 647,222	Transportation Management Association

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

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Williamson County, Tennessee, for the year ended June 30, 2011, which have not been corrected.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.03	223	Time records were not signed by employees

OFFICE OF COUNTY CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.05	224	Duties were not segregated adequately

OFFICE OF JUVENILE COURT CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.07	225	Multiple employees operated from the same cash drawer

WILLIAMSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Williamson County is unqualified.
2. The audit of the financial statements of Williamson County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Williamson 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 one finding that is required to be reported under Section 510(a) of OMB Circular A-133.
7. The Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, Special Education – Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); the Child Nutrition Cluster: School Breakfast and National School Lunch Programs (CFDA Nos. 10.553 and 10.555); the State Fiscal Stabilization Fund Race-to-the-Top Incentive Grant, Recovery Act (CFDA No. 84.395); and the Highway Planning and Construction Grant (CFDA No. 20.205) were determined to be major programs.
8. A \$467,999 threshold was used to distinguish between Type A and Type B federal programs.
9. Williamson County did qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 12.01 **THE SELF-INSURANCE FUND REQUIRED A MATERIAL AUDIT ADJUSTMENT** (Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2012, certain general ledger account balances in the Self-Insurance Fund were not materially correct, and an audit adjustment was required for the financial statements to be materially correct at year end. Generally accepted accounting principles require Williamson County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of management's lack of oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Williamson County should have appropriate processes in place to ensure that its general ledger accounts are materially correct.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

Claims for the week of June 30, 2012, were paid on July 9, 2012. Due to the timing of the transaction, an accrual should have been posted for the fiscal year 2011-2012. In the future, steps will be taken to match the expenditure to the appropriate budget year.

FINDING 12.02 **CASH TOTALING \$130 WAS UNACCOUNTED FOR AT THE ANIMAL CONTROL DEPARTMENT** (Noncompliance Under *Government Auditing Standards*)

On March 16, 2012, the director at the Animal Control Department informed the county Finance Office that cash from an outside adoption event totaling \$130 was missing. As a result, on March 19, 2012, the Finance Office filed a Fraud Reporting Form with the state

Comptroller's Office. Subsequently, auditors conducted an investigation; however, due to a lack of internal controls, auditors were unable to determine who may have taken the funds.

Collections received at outside adoption events are sealed in envelopes with the pet's name noted on the envelope. These envelopes are delivered to the Animal Control Department to be entered into its accounting system. On March 5, 2012, five envelopes were purportedly delivered to the Animal Control Department and left at the front counter. The funds were entered into the accounting system later in the day. Later that day while conducting the daily animal inventory, it was noted that a dog was not at the facility and had actually been adopted at the outside event. However, there was no related envelope with funds nor was the pet removed from the pet inventory listing. The employee who entered the collections into the system stated that she had only receipted four envelopes; therefore, one envelope containing \$130 was missing.

The following internal control deficiencies provided opportunity for these funds to be misappropriated:

- A. Funds were not properly safeguarded at outside adoption events nor were they safeguarded upon return to the Animal Control Department.
- B. All employees and customers had access to the envelopes left at the front counter.

RECOMMENDATION

The office should strengthen internal controls over cash collections and deposits.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

Procedures have been established by the Animal Control management to secure funds from outside adoptions until they are received and accounted for in the office.

FINDING 12.03

TIME RECORDS WERE NOT SIGNED BY EMPLOYEES

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

Employees did not sign their time records as evidence of review and approval. Sound business practices dictate that payroll time records should be reviewed and approved. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. If employees do not review and approve their time records, improper payments could result.

RECOMMENDATION

Employees should sign their time records as evidence of review and approval.

MANAGEMENT’S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

The budget office will work with the officials, review this finding, and suggest procedures to ensure all payroll time sheets are properly approved.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 12.04 **THE SCHOOL DEPARTMENT DID NOT COMPLY WITH MANAGEMENT DIRECTIVES FROM THE OFFICE OF TENNESSEE RECOVERY ACT MANAGEMENT**
(Noncompliance Under *Government Auditing Standards* and OMB Circular A-133)

During the year examined, the School Department received an American Recovery and Reinvestment Act (ARRA) – Race-to-the-Top Grant (CFDA No. 84.395). The Office of Tennessee Recovery Act Management (TRAM) established directives for county governments that receive ARRA grants. These directives are intended to promote transparency and accountability for ARRA grants. The School Department did not prepare an action plan for the ARRA – Race-to-the-Top Grant, which details how the department is going to accomplish the goals and objectives of the grant. TRAM Directive No. 9 requires county governments to prepare an action plan for each ARRA grant it receives. The failure to prepare action plans increases the risks that the school system will not meet the goals and objectives of the grant.

When ARRA grant requirements are not followed, the Office of Management and Budget can terminate the grants, suspend or debar the county from receiving grants, or in serious cases, may apply civil or criminal penalties.

RECOMMENDATION

The School Department’s designated official for the Race-to-the-Top Grant should ensure compliance with the TRAM directives to ensure transparency and accountability.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

We concur with the finding and current personnel overseeing this grant have completed the action plan as required.

OFFICE OF COUNTY CLERK

FINDING 12.05

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among the official and employees in the Office of County Clerk. 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 provide reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

OFFICE OF JUVENILE COURT CLERK

FINDING 12.06

THE ACCOUNTING SOFTWARE DID NOT IDENTIFY THE USER WHO PROCESSED EACH TRANSACTION

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

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

RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the software that would identify the user that performed each transaction.

MANAGEMENT'S RESPONSE – JUVENILE COURT CLERK

We have attempted to change the software to accommodate this request but, at present, we have been unable to incorporate this feature. The Juvenile Court is in the process of working toward a new software case management system, but it is a costly venture and will take time to accomplish. We certainly will add this capability to any new software added to this office. Also, it should be noted that in such a small office we are aware of exactly who

has taken every payment and all payments are balanced daily. We also keep hard copies of each transaction as additional verification of payments.

FINDING 12.07 **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 Office of Juvenile Court Clerk. Good 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 the 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 is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The juvenile court clerk should assign each employee their own cash drawer.

MANAGEMENT'S RESPONSE – JUVENILE COURT CLERK

Our office is a small office and it is obvious who took each and every payment. There has never been a time where we could not readily discern who took each and every payment. Also, we are housed in the same building as the Williamson County Jail, and our offices are cleaned by inmates. I cannot believe that it would be a better idea for several cash drawers to be in this office for inmates to have access. Our cash drawer is locked with the key in a totally separate area in the office. We are forever cognizant of the risks of cash in the office and take great strides to protect our public funds. The cash is counted at least twice daily.

AUDITOR'S COMMENT

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.

BEST PRACTICE

WILLIAMSON COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Williamson County does not have a central system of accounting, budgeting, and purchasing for all departments. Williamson County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county mayor and highway superintendent, but exclude the School Department. Sound business practices dictate that establishing a central system for all departments would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Being a large district, having highly trained personnel is needed, both in the area of finance and purchasing. While management tends to agree that smaller governments would realize a possible saving from duplication of effort in these areas, much larger districts are in need of their own staffs with specialized training to run an LEA as much like a business as possible. The state department of education has many unfunded mandates that are pushed to the local level that must be monitored and addressed governing such areas as funding and personnel. Smaller counties could devote more time to the need of their LEA with a combined department even though the county general function is complex in its own right as well as the Highway Department; however, neither have the reporting, accountability measures nor timeline mandates to a state department like an LEA does.

AUDITOR'S COMMENT

Having highly trained personnel is needed in finance and purchasing for all general county governments, Highway Departments, and School Departments regardless of size. Implementation of a central financial management system reduces duplication of services, increases efficiencies, provides professional leadership, removes the day-to-day burden of fiscal matters from the various departments, and should improve financial reporting and transparency for all departments.

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

Federal/Pass-through Agency	Finding Number	Federal CFDA Numbers	Criteria	Explanation	Amount Questioned
U.S. Department of Education: Passed-through State Department of Education: State Fiscal Stabilization Fund: Race-to-the-Top Incentive Grants, Recovery Act	12.08	84.395	Circular A-133, Compliance Supplement Part 3A	Noncompliance under GAS and OMB Circular A-133. See Finding No. 12.04 - The Williamson County School Department did not comply with management directives from the Office of Tennessee Recovery Act Management	\$ 0

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

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

Director of Schools – Corrective Action Plan for Current-Year's Findings

FINDINGS 12.04 and 12.08

Contact person: Dr. Mike Looney

Corrective action planned: Management acknowledges that an action plan was not prepared for the Race-to-the-Top program for 2011-12. Management has developed an action plan for the program for the current fiscal year.

Anticipated completion date: 2012-13