ANNUAL FINANCIAL REPORT

FRANKLIN COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2013

TENNESSEE
COMPTROLLER
OF THE TREASURY

ANNUAL FINANCIAL REPORT

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FOR THE YEAR ENDED JUNE 30, 2013

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

CARL LOWE, CGFM
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MICHAEL FORD, CPA, CGFM
Auditor 4

AMY HEWITT, CPA, CFE
BRANDON MARKS
JENI PALADENI
State Auditors

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

FRANKLIN COUNTY, TENNESSEE
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Audit Highlights

Annual Financial Report
Franklin County, Tennessee
For the Year Ended June 30, 2013

Scope

We have audited the basic financial statements of Franklin County as of and for the year ended June 30, 2013.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF FINANCE DEPARTMENT

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

OFFICE OF DIRECTOR OF SCHOOLS

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

OFFICE OF COUNTY CLERK

- Duties were not segregated adequately.

OFFICE OF SHERIFF

- The office did not deposit some funds within three days of collection.

INTRODUCTORY SECTION

Franklin County Officials
June 30, 2013

Officials

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

Board of County Commissioners

Eddie Clark, Chairman
Stanley Bean
James Cantrell
Anthony DeMatteo
Dr. Sherwood Ebey
David Eldridge
Barbara Finney
Angie Fuller
Douglas Goodman
Sue Hill
Johnny Hughes
John Page
Scottie Riddle
Jean Snead
Charles Stines
Bub Wilkenson

Highway Commission

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

Board of Education

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

(Continued)

Financial Management Committee

Richard Stewart, Chairman, County Mayor
John Woodall, Superintendent of Highways
Dr. Rebecca Sharber, Director of Schools
Eddie Clark
Anthony DeMatteo
David Eldridge
Sue Hill

Audit Committee

Glen Seaton, Chairman
Margaret Lynch
Glen Glasner
Ron Schlagheck
Becky Sherman

FINANCIAL SECTION

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Franklin County Emergency Communications District, which represent 2.66 percent, 3.25 percent, and 1.06 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Franklin County Emergency Communications District, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits

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

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Tennessee, as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note V.B., Franklin County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements;* Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34);* Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*, which became effective for the year ended June 30, 2013. Franklin County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62,* which have an effective date of June 30, 2014.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of funding progress – pension plan and other postemployment benefits plan on pages 70-72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Franklin County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and

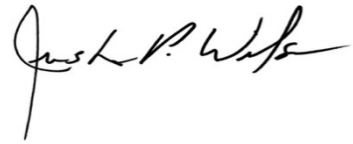
other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Franklin County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2013, on our consideration of Franklin County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Franklin County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 9, 2013

JPW/sb

Basic Financial Statements

Exhibit A

Franklin County, Tennessee
Statement of Net Position
June 30, 2013

	Primary Government	Component Units	
	Governmental Activities	Franklin County School Department	Franklin County Emergency Communications District
ASSETS			
Cash	$ 2,355	$ 1,634	$ 1,570,338
Equity in Pooled Cash and Investments	12,188,516	8,336,119	0
Accounts Receivable	43,533	67,995	58,730
Due from Component Units	919,766	0	0
Due from Other Governments	1,470,050	792,375	0
Property Taxes Receivable	13,271,624	9,830,019	0
Allowance for Uncollectible Property Taxes	(528,410)	(388,734)	0
Prepaid Items	50,172	3,977	0
Capital Assets:			
Assets Not Depreciated:			
Land	28,423,988	5,451,186	0
Construction in Progress	0	0	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	12,850,260	35,824,368	0
Other Capital Assets	2,253,469	3,523,632	103,836
Infrastructure	11,143,233	0	0
Total Assets	$ 82,088,556	$ 63,442,571	$ 1,732,904
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	$ 471,670	$ 0	$ 0
Total Deferred Outflows of Resources	$ 471,670	$ 0	$ 0
LIABILITIES			
Accounts Payable	$ 97,271	$ 93,262	$ 185
Accrued Payroll	220,381	43,985	0
Payroll Deductions Payable	61,621	0	0
Due to Primary Government	0	919,766	0
Due to State of Tennessee	5,211	0	0
Accrued Interest Payable	214,464	5,449	0
Noncurrent Liabilities:			
Due Within One Year	5,426,600	172,492	66,379
Due in More Than One Year (net of unamortized premium on debt)	26,942,268	4,389,903	27,658
Total Liabilities	$ 32,967,816	$ 5,624,857	$ 94,222
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 12,226,656	$ 9,076,116	$ 0
Total Deferred Inflows of Resources	$ 12,226,656	$ 9,076,116	$ 0
NET POSITION			
Net Investment in Capital Assets	$ 44,908,908	$ 44,799,186	$ 9,799
Restricted for:			
Courthouse and Jail Maintenance	35,352	0	0
Public Library	204,232	0	0
Solid Waste/Sanitation	199,432	0	0
Local Purpose	103,420	0	0
Drug Control	6,894	0	0
Highway/Public Works	699,931	0	0
School Federal Projects	0	29,028	0
Central Cafeteria	0	1,757,996	0
Debt Service	4,280,715	0	0
Capital Projects	0	0	0
Other Purposes	47,351	403,876	0
Unrestricted	(13,120,481)	1,751,512	1,628,883
Total Net Position	$ 37,365,754	$ 48,741,598	$ 1,638,682

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

Exhibit B

Franklin County, Tennessee
Statement of Activities
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Units: Franklin County School Department	Net (Expense) Revenue and Changes in Net Position: Component Units: Franklin County Emergency Communications District
Primary Government:							
Governmental Activities:							
General Government	$ 2,516,853	$ 357,103	$ 195,171	$ 16,551	$ (1,948,028)	$ 0	$ 0
Finance	1,848,393	973,784	44,528	0	(830,081)	0	0
Administration of Justice	1,739,252	1,015,317	9,000	0	(714,935)	0	0
Public Safety	7,768,563	1,011,574	839,694	163,928	(5,753,367)	0	0
Public Health and Welfare	1,832,690	172,750	218,128	0	(1,441,812)	0	0
Social, Cultural, and Recreational Services	411,117	18,580	140,736	0	(251,801)	0	0
Agriculture and Natural Resources	156,835	0	0	0	(156,835)	0	0
Other Operations	1,269,628	0	0	365,345	(904,283)	0	0
Highways/Public Works	3,000,238	1,526	1,912,563	0	(1,086,149)	0	0
Education	0	0	0	539,180	539,180	0	0
Interest on Long-term Debt	1,072,917	0	0	0	(1,072,917)	0	0
Other Debt Service	349,983	0	0	0	(349,983)	0	0
Total Primary Government	$ 21,966,469	$ 3,550,634	$ 3,359,820	$ 1,085,004	$ (13,971,011)	$ 0	$ 0
Component Units:							
Franklin County School Department	$ 51,792,468	$ 1,514,561	$ 6,254,334	$ 0	$ 0	$ (44,023,573)	$ 0
Franklin County Emergency Communications District	379,941	460,662	0	70,962	0	0	151,683
Total Component Units	$ 52,172,409	$ 1,975,223	$ 6,254,334	$ 70,962	$ 0	$ (44,023,573)	$ 151,683

(Continued)

Exhibit B

Franklin County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total Governmental Activities	Component Units: Franklin County School Department	Component Units: Franklin County Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					$ 10,150,482	$ 9,617,727	$ 0
Property Taxes Levied for Debt Service					2,802,641	0	0
Local Option Sales Taxes					552,648	4,006,321	0
Hotel/Motel Tax					97,313	0	0
Litigation Tax - General					220,588	0	0
Litigation Tax - Jail, Workhouse, or Courthouse					172,967	0	0
Business Tax					337,729	0	0
Mineral Severance Tax					44,717	0	0
Wholesale Beer Tax					201,495	0	0
Other Local Taxes					3,105	3,341	0
Grants and Contributions Not Restricted to Specific Programs					2,147,067	28,595,382	0
Unrestricted Investment Earnings					117,219	5,518	7,830
Miscellaneous					144,432	124,861	0
Sale of Capital Assets/Equipment					65,274	1,591	0
Total General Revenues					$ 17,057,677	$ 42,354,741	$ 7,830
Change in Net Position					$ 3,086,666	$ (1,668,832)	$ 159,513
Net Position, July 1, 2012					34,279,088	50,410,430	1,409,488
Restatement					0	0	69,681
Net Position, June 30, 2013					$ 37,365,754	$ 48,741,598	$ 1,638,682

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

Exhibit C-1

Franklin County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2013

	Major Funds		Nonmajor Funds	
	General	Education Debt Service	Other Govern-mental Funds	Total Governmental Funds
ASSETS				
Cash	$ 0	$ 0	$ 2,355	$ 2,355
Equity in Pooled Cash and Investments	7,350,035	2,615,224	2,223,257	12,188,516
Accounts Receivable	30,691	6	12,836	43,533
Due from Other Governments	710,560	400,632	358,858	1,470,050
Due from Other Funds	2,684	0	3,243	5,927
Property Taxes Receivable	8,363,290	1,909,147	2,999,187	13,271,624
Allowance for Uncollectible Property Taxes	(331,137)	(75,673)	(121,600)	(528,410)
Prepaid Items	47,351	0	2,821	50,172
Total Assets	$ 16,173,474	$ 4,849,336	$ 5,480,957	$ 26,503,767
LIABILITIES				
Accounts Payable	$ 82,254	$ 250	$ 14,767	$ 97,271
Accrued Payroll	193,529	0	26,852	220,381
Payroll Deductions Payable	54,047	0	7,574	61,621
Due to Other Funds	3,243	0	2,684	5,927
Due to State of Tennessee	4,192	0	1,019	5,211
Total Liabilities	$ 337,265	$ 250	$ 52,896	$ 390,411
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 7,721,876	$ 1,762,727	$ 2,742,053	$ 12,226,656
Deferred Delinquent Property Taxes	289,391	66,525	125,506	481,422
Other Deferred/Unavailable Revenue	235,097	0	170,446	405,543
Total Deferred Inflows of Resources	$ 8,246,364	$ 1,829,252	$ 3,038,005	$ 13,113,621
FUND BALANCES				
Nonspendable:				
Prepaid Items	$ 47,351	$ 0	$ 2,821	$ 50,172
Restricted:				
Restricted for Public Safety	0	0	87,746	87,746
Restricted for Public Health and Welfare	0	0	166,070	166,070
Restricted for Social, Cultural, and Recreational Services	0	0	194,287	194,287
Restricted for Highways/Public Works	0	0	693,463	693,463
Restricted for Debt Service	0	3,019,834	928,919	3,948,753
Committed:				
Committed for Public Safety	0	0	39,066	39,066
Committed for Public Health and Welfare	0	0	71,173	71,173
Committed for Social, Cultural, and Recreational Services	0	0	21,588	21,588
Committed for Other Purposes	5,000,000	0	0	5,000,000
Assigned:				
Assigned for General Government	94,643	0	0	94,643
Assigned for Finance	1,220	0	0	1,220
Assigned for Administration of Justice	210	0	0	210
Assigned for Public Safety	206,856	0	300	207,156
Assigned for Public Health and Welfare	7,049	0	51,177	58,226
Assigned for Social, Cultural, and Recreational Services	12,047	0	5,153	17,200
Assigned for Agriculture and Natural Resources	529	0	0	529
Assigned for Other Operations	277,949	0	0	277,949
Assigned for Highways/Public Works	0	0	128,293	128,293
Assigned for Capital Projects	622,986	0	0	622,986
Unassigned	1,319,005	0	0	1,319,005
Total Fund Balances	$ 7,589,845	$ 3,019,834	$ 2,390,056	$ 12,999,735
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 16,173,474	$ 4,849,336	$ 5,480,957	$ 26,503,767

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

Exhibit C-2

Franklin County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2013

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		$ 12,999,735
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 28,423,988	
Add: buildings and improvements net of accumulated depreciation	12,850,260	
Add: infrastructure net of accumulated depreciation	11,143,233	
Add: other capital assets net of accumulated depreciation	2,253,469	54,670,950
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	$ (1,297,235)	
Less: capital leases payable	(1,303,876)	
Add: leases payable by School Department to primary government	919,766	
Less: bonds payable	(26,606,961)	
Less: compensated absences payable	(554,599)	
Less: landfill closure/postclosure care costs	(328,821)	
Less: accrued interest on bonds, notes, and capital leases	(214,464)	
Less: other deferred revenue - premium on debt	(192,408)	
Less: other postemployment benefits liability	(2,084,968)	
Add: deferred amount on refunding	471,670	(31,191,896)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		886,965
Net position of governmental activities (Exhibit A)		$ 37,365,754

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

Exhibit C-3

Franklin County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	Major Funds		Nonmajor Funds	
	General	Education Debt Service	Other Govern-mental Funds	Total Governmental Funds
Revenues				
Local Taxes	$ 8,887,156	$ 2,998,060	$ 3,315,298	$ 15,200,514
Licenses and Permits	67,821	8,033	36,258	112,112
Fines, Forfeitures, and Penalties	188,245	0	41,690	229,935
Charges for Current Services	259,551	0	42,511	302,062
Other Local Revenues	118,463	0	314,507	432,970
Fees Received from County Officials	1,763,871	0	0	1,763,871
State of Tennessee	2,616,861	0	1,932,389	4,549,250
Federal Government	1,123,925	0	9,245	1,133,170
Other Governments and Citizens Groups	521,440	738,573	33,583	1,293,596
Total Revenues	$ 15,547,333	$ 3,744,666	$ 5,725,481	$ 25,017,480
Expenditures				
Current:				
General Government	$ 2,179,404	$ 0	$ 0	$ 2,179,404
Finance	1,857,831	0	0	1,857,831
Administration of Justice	1,739,806	0	0	1,739,806
Public Safety	6,955,418	0	590,202	7,545,620
Public Health and Welfare	503,647	0	1,267,636	1,771,283
Social, Cultural, and Recreational Services	147,386	0	243,162	390,548
Agriculture and Natural Resources	144,227	0	0	144,227
Other Operations	1,064,922	0	114,543	1,179,465
Highways	0	0	2,031,059	2,031,059
Debt Service:				
Principal on Debt	0	2,679,393	1,417,348	4,096,741
Interest on Debt	0	715,128	415,817	1,130,945
Other Debt Service	0	65,816	31,902	97,718
Capital Projects	53,000	0	0	53,000
Total Expenditures	$ 14,645,641	$ 3,460,337	$ 6,111,669	$ 24,217,647
Excess (Deficiency) of Revenues Over Expenditures	$ 901,692	$ 284,329	$ (386,188)	$ 799,833
Other Financing Sources (Uses)				
Notes Issued	$ 495,000	$ 0	$ 0	$ 495,000
Refunding Debt Issued	0	2,220,000	1,810,000	4,030,000
Premiums on Debt Issued	0	73,779	34,899	108,678
Proceeds from Sale of Capital Assets	50,000	0	0	50,000
Transfers In	9,606	0	667,997	677,603
Transfers Out	(297,997)	0	(379,606)	(677,603)
Discounts on Debt Issued	0	(22,100)	(18,200)	(40,300)
Payments to Refunded Debt Escrow Agent	0	(2,254,093)	(1,815,642)	(4,069,735)
Total Other Financing Sources (Uses)	$ 256,609	$ 17,586	$ 299,448	$ 573,643
Net Change in Fund Balances	$ 1,158,301	$ 301,915	$ (86,740)	$ 1,373,476
Fund Balance, July 1, 2012	6,431,544	2,717,919	2,476,796	11,626,259
Fund Balance, June 30, 2013	$ 7,589,845	$ 3,019,834	$ 2,390,056	$ 12,999,735

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

Exhibit C-4

Franklin County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2013

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)		$ 1,373,476
(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	$ 670,944	
Less: current-year depreciation expense	(2,076,993)	(1,406,049)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: loss on disposal of capital assets		(1,929)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2013	$ 886,965	
Less: deferred delinquent property taxes and other deferred June 30, 2012	(728,957)	158,008
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Less: note proceeds	$ (495,000)	
Less: refunding bond proceeds	(4,030,000)	
Less: change in deferred amount on refunding debt	(55,375)	
Less: change in deferred debt issuance costs	(156,590)	
Less: change in premium on debt issuance	(81,638)	
Add: principal payments on notes	82,299	
Add: principal payments on capital leases	354,228	
Less: principal paid by School Department to primary government	(199,393)	
Add: principal payments on bonds	3,791,399	
Add: payments to refunding agent	4,069,735	3,279,665
(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	$ 58,028	
Change in compensated absences payable	(46)	
Change in other postemployment benefits liability	(374,656)	
Change in landfill closure/postclosure care costs	169	(316,505)
Change in net position of governmental activities (Exhibit B)		$ 3,086,666

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

Exhibit C-5

Franklin County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 8,887,156	$ 0	$ 0	$ 8,887,156	$ 8,782,691	$ 8,857,941	$ 29,215
Licenses and Permits	67,821	0	0	67,821	61,830	71,255	(3,434)
Fines, Forfeitures, and Penalties	188,245	0	0	188,245	196,144	169,769	18,476
Charges for Current Services	259,551	0	0	259,551	239,800	266,300	(6,749)
Other Local Revenues	118,463	0	0	118,463	78,350	126,847	(8,384)
Fees Received from County Officials	1,763,871	0	0	1,763,871	1,758,715	1,730,215	33,656
State of Tennessee	2,616,861	0	0	2,616,861	2,231,021	2,586,931	29,930
Federal Government	1,123,925	0	0	1,123,925	1,090,092	1,188,534	(64,609)
Other Governments and Citizens Groups	521,440	0	0	521,440	313,700	619,214	(97,774)
Total Revenues	$ 15,547,333	$ 0	$ 0	$ 15,547,333	$ 14,752,343	$ 15,617,006	$ (69,673)
Expenditures							
General Government							
County Commission	$ 343,639	$ (3,462)	$ 15,000	$ 355,177	$ 290,964	$ 381,585	$ 26,408
Beer Board	493	0	0	493	525	525	32
County Mayor/Executive	156,157	(27)	250	156,380	172,810	157,213	833
County Attorney	8,500	0	0	8,500	9,025	9,025	525
Election Commission	286,360	(3,899)	0	282,461	297,264	297,264	14,803
Register of Deeds	302,638	(5,544)	200	297,294	310,930	310,930	13,636
Planning	138,831	(631)	1,589	139,789	146,973	146,973	7,184
County Buildings	932,415	(96,380)	9,892	845,927	846,594	920,881	74,954
Other General Administration	10,371	0	0	10,371	15,950	15,950	5,579
Finance							
Property Assessor's Office	427,632	(832)	1,014	427,814	476,307	476,307	48,493
County Trustee's Office	287,924	(300)	0	287,624	289,854	289,854	2,230
County Clerk's Office	510,842	0	0	510,842	519,872	522,283	11,441
Other Finance	631,433	(777)	206	630,862	649,494	643,544	12,682
Administration of Justice							
Circuit Court	852,481	(2,348)	0	850,133	887,010	888,219	38,086

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Administration of Justice (Cont.)							
General Sessions Court	$ 286,024	$ (180)	$ 0	$ 285,844	$ 288,703	$ 288,703	$ 2,859
Drug Court	57,920	0	0	57,920	58,008	58,008	88
Chancery Court	185,931	0	210	186,141	182,603	189,845	3,704
Juvenile Court	119,741	0	0	119,741	122,592	122,964	3,223
Judicial Commissioners	116,527	0	0	116,527	123,589	119,889	3,362
Other Administration of Justice	16,650	0	0	16,650	20,000	40,000	23,350
Probation Services	104,532	0	0	104,532	114,434	114,434	9,902
Public Safety							
Sheriff's Department	3,300,950	(17,459)	29,372	3,312,863	3,039,199	3,386,101	73,238
Administration of the Sexual Offender Registry	17,581	0	0	17,581	20,490	20,490	2,909
Jail	1,849,101	(13,653)	14,904	1,850,352	1,787,878	1,904,442	54,090
Correctional Incentive Program Improvements	580,447	(17,100)	0	563,347	863,710	585,348	22,001
Juvenile Services	21,402	(525)	1,498	22,375	18,000	30,000	7,625
Civil Defense	135,466	(803)	2,814	137,477	146,740	151,090	13,613
Rescue Squad	42,933	(1,777)	240	41,396	44,920	44,920	3,524
Other Emergency Management	801,875	(2,541)	701	800,035	828,715	845,259	45,224
County Coroner/Medical Examiner	34,320	0	0	34,320	31,500	36,500	2,180
Public Safety Grant Programs	171,343	(76,565)	157,327	252,105	169,374	293,105	41,000
Public Health and Welfare							
Local Health Center	35,451	(88)	808	36,171	37,764	39,835	3,664
Rabies and Animal Control	198,490	(405)	6,241	204,326	232,188	232,188	27,862
Other Local Health Services	120,539	0	0	120,539	156,613	125,199	4,660
Appropriation to State	30,646	0	0	30,646	30,646	30,646	0
General Welfare Assistance	17,775	0	0	17,775	17,775	17,775	0
Waste Pickup	100,577	(3,775)	0	96,802	80,992	98,122	1,320
Other Public Health and Welfare	169	0	0	169	169	169	0
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	125,415	0	9,848	135,263	57,550	154,550	19,287

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Social, Cultural, and Recreational Services (Cont.)							
Parks and Fair Boards	$ 21,971	$ 0	$ 2,198	$ 24,169	$ 29,030	$ 29,030	$ 4,861
Agriculture and Natural Resources							
Agriculture Extension Service	67,283	0	160	67,443	101,694	73,914	6,471
Soil Conservation	76,944	0	369	77,313	77,736	77,736	423
Other Operations							
Industrial Development	47,441	0	2,480	49,921	0	77,253	27,332
Other Economic and Community Development	489,973	0	20,000	509,973	144,628	514,945	4,972
Veterans' Services	18,364	0	0	18,364	18,073	18,838	474
Other Charges	509,144	0	0	509,144	590,383	605,502	96,358
Capital Projects							
Highway and Street Capital Projects	53,000	(53,000)	622,987	622,987	0	707,136	84,149
Total Expenditures	$ 14,645,641	$ (302,071)	$ 900,308	$ 15,243,878	$ 14,349,268	$ 16,094,489	$ 850,611
Excess (Deficiency) of Revenues Over Expenditures	$ 901,692	$ 302,071	$ (900,308)	$ 303,455	$ 403,075	$ (477,483)	$ 780,938
Other Financing Sources (Uses)							
Notes Issued	$ 495,000	$ 0	$ 0	$ 495,000	$ 0	$ 495,000	$ 0
Proceeds from Sale of Capital Assets	50,000	0	0	50,000	50,000	50,000	0
Transfers In	9,606	0	0	9,606	9,606	9,606	0
Transfers Out	(297,997)	0	0	(297,997)	(293,330)	(304,830)	6,833
Total Other Financing Sources	$ 256,609	$ 0	$ 0	$ 256,609	$ (233,724)	$ 249,776	$ 6,833
Net Change in Fund Balance	$ 1,158,301	$ 302,071	$ (900,308)	$ 560,064	$ 169,351	$ (227,707)	$ 787,771
Fund Balance, July 1, 2012	6,431,544	(302,071)	0	6,129,473	5,659,079	5,659,079	470,394
Fund Balance, June 30, 2013	$ 7,589,845	$ 0	$ (900,308)	$ 6,689,537	$ 5,828,430	$ 5,431,372	$ 1,258,165

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

Exhibit D

Franklin County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

	Agency Funds
ASSETS	
Cash	$ 1,459,931
Due from Other Governments	545,635
Total Assets	$ 2,005,566
LIABILITIES	
Due to Other Taxing Units	$ 545,635
Due to Litigants, Heirs, and Others	1,459,931
Total Liabilities	$ 2,005,566

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

FRANKLIN COUNTY, TENNESSEE
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FRANKLIN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

The Franklin County School Department operates the public school system in the county, and the voters of Franklin County elect its board. The School Department is fiscally dependent on the county because it may not issue debt and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

The Industrial Development Board of Franklin County provides assistance in industrial recruitment in Franklin County, and the Franklin County Commission appoints its nine-member board. The Franklin County Industrial Development Board turned over all its financial transactions to the General Fund of Franklin County on November 5, 2012. They closed their bank account and remitted the balance ($22,702.57) to the General Fund of Franklin County.

The Franklin County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Franklin County School Department are included in this report as listed in the table of contents. Complete financial statements of the Franklin County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

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

B. Government-wide and Fund Financial Statements

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

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

Franklin County issues all debt for the discretely presented Franklin County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2013.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide

financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

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

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

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

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to

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

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

Franklin County reports the following major governmental funds:

> **General Fund** – This is the county's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> **Education Debt Service Fund** – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt for construction and renovations of the county's schools.

Additionally, Franklin County reports the following fund types:

> **Special Revenue Funds** – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
>
> **Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received from the state to be forwarded to the various cities in the county. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

> **Special Revenue Funds** – These funds account for and report the proceeds of specific revenue sources that are restricted or committed

to expenditure for specified purposes other than debt service or capital projects.

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Franklin County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the Solid Waste/Sanitation Fund. Franklin County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

2. Receivables and Payables

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

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

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as deferred inflow or resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

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

3. Prepaid Items

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

4. Capital Assets

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

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

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

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

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

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

5. Deferred Outflows/Inflows of Resources

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

amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

6. Compensated Absences

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

Years of Service	Hours
One	40
Two - eight	80
Nine plus	120

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

Years of Service	Days
One	5
Two - nine	10
Ten plus	15

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

It is the policy of the discretely presented Franklin County School Department to permit its 11- and 12-month employees to accumulate

up to a maximum of 30 days over a two-year period of earned but unused vacation leave, which will be paid upon retirement, resignation, or termination. Any accumulated unused vacation leave in excess of two years is forfeited. All vacation leave for 11- and 12-month employees is accrued when incurred in the government-wide statements for the School Department. The policy of the School Department does not allow their ten-month employees to accumulate vacation days beyond June 30. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded. A liability for vacation leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

8. Net Position and Fund Balance

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

a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

On the government-wide Statement of Net Position (Exhibit A), the account Restricted for Other Purposes for the primary government consists of various restrictions totaling $47,351, with the primary restrictions being for prepaid items. For the discretely presented School Department, the account balance of $403,876 in Restricted for Other Purposes consists primarily of restrictions for the extended school program ($216,847), E-Rate program ($49,210) and the career ladder program ($15,005).

As of June 30, 2013, Franklin County has $19,479,766 in outstanding debt for capital purposes for the discretely presented Franklin County School Department. This debt is a liability of Franklin County; however, the capital assets acquired are reported in the financial statements of the School Department. Therefore, Franklin County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

9. Minimum Fund Balance Policy

Primary Government

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

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

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

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

Discretely Presented Franklin County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Franklin County School Department

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

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

Primary Government

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

Discretely Presented Franklin County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

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

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

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

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

At June 30, 2013, Franklin County and the Franklin County School Department reported the following significant encumbrances:

Fund	Description	Amount
Primary Government		
Major Fund:		
General	Property Line Survey	$ 15,000
	Emergency Management:	
"	Truck	97,848
"	Puller for New Truck	22,912
"	Data Recorder System	19,445
"	Chamber of Commerce	20,000
"	State-Aid Road Project	622,987

Fund (Cont.)	Description	Amount
Primary Government (Cont.)		
Nonmajor Funds:		
Public Library	Books	$ 1,800
"	Office Equipment	1,985
Solid Waste/Sanitation	Garbage Hauling	29,948
Highway/Public Works	Gasoline and Diesel Fuel	12,000
"	Paving	24,309
School Department		
Major Fund:		
General Purpose School	Data Services	48,356
"	Paper	28,080
"	Notebook Computers	22,093
"	Waste Disposal	10,310
"	Ceiling Grids	32,990
"	School Bus	103,930
"	School Renovations	155,459

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

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

Investment Balances. As of June 30, 2013, Franklin County had the following investments carried at fair value. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Franklin County and the discretely presented Franklin County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
State Treasurer's Investment Pool	11 to 138	N/A	$ 58,418

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Franklin County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings

of certain investments as previously explained. Franklin County has no investment policy that would further limit its investment choices. As of June 30, 2013, Franklin County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

Capital assets activity for the year ended June 30, 2013, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	$ 28,423,988	$ 0	$ 0	$ 28,423,988
Construction in Progress	163,563	0	(163,563)	0
Total Capital Assets Not Depreciated	$ 28,587,551	$ 0	$ (163,563)	$ 28,423,988
Capital Assets Depreciated:				
Buildings and Improvements	$ 18,742,954	$ 268,991	$ 0	$ 19,011,945
Infrastructure	38,494,857	242,793	0	38,737,650
Other Capital Assets	8,153,013	322,723	(13,800)	8,461,936
Total Capital Assets Depreciated	$ 65,390,824	$ 834,507	$ (13,800)	$ 66,211,531
Less Accumulated Depreciated For:				
Buildings and Improvements	$ 5,713,510	$ 448,175	$ 0	$ 6,161,685
Infrastructure	26,415,231	1,179,186	0	27,594,417
Other Capital Assets	5,770,706	449,632	(11,871)	6,208,467
Total Accumulated Depreciation	$ 37,899,447	$ 2,076,993	$ (11,871)	$ 39,964,569
Total Capital Assets Depreciated, Net	$ 27,491,377	$ (1,242,486)	$ (1,929)	$ 26,246,962
Governmental Activities Capital Assets, Net	$ 56,078,928	$ (1,242,486)	$ (165,492)	$ 54,670,950

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

Governmental Activities:

General Government	$ 160,677
Finance	1,754
Administration of Justice	6,894
Public Safety	431,730
Public Health and Welfare	77,018
Social, Cultural, and Recreational Services	25,028
Agriculture and Natural Resources	12,463
Other General Government	90,163
Highways/Public Works	1,271,266
Total Depreciation Expense - Governmental Activities	$ 2,076,993

Discretely Presented Franklin County School Department

Governmental Activities:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	$ 5,451,186	$ 0	$ 0	$ 5,451,186
Total Capital Assets Not Depreciated	$ 5,451,186	$ 0	$ 0	$ 5,451,186
Capital Assets Depreciated:				
Buildings and Improvements	$ 59,379,146	$ 8,800	$ 0	$ 59,387,946
Other Capital Assets	7,008,232	1,076,382	(55,952)	8,028,662
Total Capital Assets Depreciated	$ 66,387,378	$ 1,085,182	$ (55,952)	$ 67,416,608
Less Accumulated Depreciated For:				
Buildings and Improvements	$ 22,114,663	$ 1,448,915	$ 0	$ 23,563,578
Other Capital Assets	3,650,672	906,810	(52,452)	4,505,030
Total Accumulated Depreciation	$ 25,765,335	$ 2,355,725	$ (52,452)	$ 28,068,608
Total Capital Assets Depreciated, Net	$ 40,622,043	$ (1,270,543)	$ (3,500)	$ 39,348,000
Governmental Activities Capital Assets, Net	$ 46,073,229	$ (1,270,543)	$ (3,500)	$ 44,799,186

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

Governmental Activities:

Instruction	$ 1,929,626
Support Services	252,846
Operation of Non-Instructional Services	173,253
Total Depreciation Expense - Governmental Activities	$ 2,355,725

C. Construction Commitments

Discretely Presented Franklin County School Department

At June 30, 2013, the School Department had uncompleted construction contracts of approximately $197,438 for improvements to various schools. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2013, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 2,684
Nonmajor governmental	General	3,243

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2013, consisted of the following amounts:

Primary Government

	Transfers In	
Transfers Out	General Fund	Nonmajor Governmental Funds
General Fund	$ 0	$ 297,997
Nonmajor governmental funds	9,606	370,000
Total	$ 9,606	$ 667,997

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

E. Operating Leases

Franklin County leased data processing equipment for the Finance Department and Trustee's Office, including the maintenance and upgrades for that equipment. The rent expenditures for the year ended June 30, 2013, totaled $27,365. This operating lease expired in March 2013.

F. Capital Leases

Primary Government

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

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

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

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

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

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

The assets acquired through capital leases are as follows:

Primary Government

Asset		Governmental Activities
Machinery and Equipment	$	791,494
Less: Accumulated Depreciation		(213,860)
Total Book Value	$	577,634

Discretely Presented Franklin County School Department

Asset		Governmental Activities
Machinery and Equipment	$	1,468,551
Less: Accumulated Depreciation		(198,254)
Total Book Value	$	1,270,297

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2013, were as follows:

Year Ending June 30	Governmental Funds
2014	$ 390,408
2015	331,112
2016	218,356
2017	197,513
2018	143,976
2019-2020	147,546
Total Minimum Lease Payments	$ 1,428,911
Less: Amount Representing Interest	(125,035)
Present Value of Minimum Lease Payments	$ 1,303,876

G. Long-term Obligations

Primary Government

General Obligation Bonds and Notes

Franklin County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

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

General obligation bonds, notes, and capital leases outstanding as of June 30, 2013, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-13
General Obligation Bonds	2.5 to 5 %	5-21-48	$ 10,878,000	$ 8,586,961
General Obligation Bonds - Refunding	1.23 to 3.75	6-1-21	22,730,000	18,020,000
Capital Outlay Notes	1.85 to 4.875	2-1-23	1,494,666	1,297,235
Capital Leases	0 to 5.265	4-1-20	2,260,045	1,303,876

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2013, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	$ 3,934,158	$ 848,842	$ 4,783,000
2015	3,454,948	750,526	4,205,474
2016	3,565,771	660,575	4,226,346
2017	2,351,628	565,262	2,916,890
2018	2,427,520	490,900	2,918,420
2019-2023	9,397,324	1,188,426	10,585,750
2024-2028	415,843	250,082	665,925
2029-2033	190,751	203,475	394,226
2034-2038	233,475	160,752	394,227
2039-2043	285,768	108,457	394,225
2044-2048	349,775	44,450	394,225
Total	$ 26,606,961	$ 5,271,747	$ 31,878,708

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	$ 567,215	$ 46,326	$ 613,541
2015	75,724	33,485	109,209
2016	79,338	29,870	109,208
2017	83,242	25,966	109,208
2018	87,301	21,908	109,209
2019-2023	404,415	44,031	448,446
Total	$ 1,297,235	$ 201,586	$ 1,498,821

There is $893,567 available in the General Debt Service Fund and $3,019,834 available in the Education Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and capital leases, totaled $711, based on the 2010 federal census.

The School Department is currently servicing some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government. In the prior year, this debt was reflected as debt of the School Department; however, this debt has been reclassified as debt of the primary government because the primary government is legally obligated to repay the debt.

Description of Indebtedness	Outstanding 6-30-13
Capital leases	
Payable through General Purpose School Fund	
Energy Efficient Lighting (State 1)	$ 303,584
Energy Efficient Lighting (State 2)	181,187
Energy Efficient Lighting (Excel)	434,995
Total	$ 919,766

Changes in Long-term Obligations

Long-term obligation activity for the year ended June 30, 2013, was as follows:

	Bonds	Notes	Capital Leases
Balance, July 1, 2012	$ 30,413,360	$ 884,534	$ 538,945
Reclassification of School Debt	0	0	1,119,159
Additions	4,030,000	495,000	0
Reductions	(3,791,399)	(82,299)	(354,228)
Debt Refunded	(4,045,000)	0	0
Balance, June 30, 2013	$ 26,606,961	$ 1,297,235	$ 1,303,876
Balance Due Within One Year	$ 3,934,158	$ 567,215	$ 350,238

	Landfill Postclosure Care Costs	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2012	$ 328,990	$ 1,710,312	$ 554,553
Additions	6,131	393,793	352,004
Reductions	(6,300)	(19,137)	(351,958)
Balance, June 30, 2013	$ 328,821	$ 2,084,968	$ 554,599
Balance Due Within One Year	$ 20,390	$ 0	$ 554,599

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	$ 32,176,460
Less: Balance Due Within One Year	(5,426,600)
Add: Unamortized Premium on Debt	192,408
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 26,942,268

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

Advance Refunding

On June 7, 2013, Franklin County advance refunded a general obligation bond issue and two refunding bond issues with a separate bond issue. The county issued $4,030,000 of bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over the next ten years will be reduced by $276,825, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of $272,219 was obtained.

Discretely Presented Franklin County School Department

Changes in Long-term Obligations

Long-term obligation activity for the discretely presented Franklin County School Department for the year ended June 30, 2013, was as follows:

Governmental Activities:

	Capital Leases
Balance, July 1, 2012	$ 1,119,159
Additions	0
Reductions	0
Reclassifcation of School Debt	(1,119,159)
Balance, June 30, 2013	$ 0
Balance Due Within One Year	$ 0

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2012	$ 142,321	$ 3,406,794
Additions	171,056	1,495,622
Reductions	(140,885)	(512,513)
Balance, June 30, 2013	$ 172,492	$ 4,389,903
Balance Due Within One Year	$ 172,492	$ 0

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2012	$ 142,321	$ 3,406,794
Additions	171,056	1,495,622
Reductions	(140,885)	(512,513)
Balance, June 30, 2013	$ 172,492	$ 4,389,903
Balance Due Within One Year	$ 172,492	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	$ 4,562,395
Less: Balance Due Within One Year	(172,492)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 4,389,903

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

H. On-Behalf Payments

Discretely Presented Franklin County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Franklin County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2013, were $126,919 and $44,269, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Short-term Debt

Primary Government

Franklin County issued revenue anticipation notes totaling $80,000 from the General Fund in advance of revenue collections and deposited the proceeds in the Solid Waste/Sanitation Fund. These notes were necessary because funds were not available to meet obligations coming due before property tax

collections. Short-term debt activity for the year ended June 30, 2013, was as follows:

	Balance 7-1-12	Issued	Paid	Balance 6-30-13
Revenue Anticipation Note	$ 0	$ 80,000	$ (80,000)	$ 0

Discretely Presented Franklin County School Department

Franklin County issued revenue anticipation notes totaling $200,000 from the General Purpose School Fund in advance of revenue collections and deposited the proceeds in the School Federal Projects Fund. These notes were necessary because funds were not available to meet obligations coming due before grant reimbursement collections. Short-term debt activity for the year ended June 30, 2013, was as follows:

	Balance 7-1-12	Issued	Paid	Balance 6-30-13
Revenue Anticipation Note	$ 0	$ 200,000	$ (200,000)	$ 0

V. OTHER INFORMATION

A. Risk Management

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

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

Franklin County provides health insurance coverage to its employees through the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of

state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated* (*TCA*), all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by the fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

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

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements;* Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34);* Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position* became effective for the year ended June 30, 2013. Franklin County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62,* which have an effective date of June 30, 2014.

GASB Statement No. 60 provides accounting and financial reporting guidance related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The standard establishes criteria for determining whether a SCA exists, how to account for SCAs, and requires certain disclosures associated with a SCA.

GASB Statement No. 61 amends Statements No. 14 and No. 34 and modifies certain requirements for inclusion of component units in the financial

reporting entity to ensure that the reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. Statement No. 61 also clarifies the criteria for blending component units and presenting business-type component units.

GASB Statement No. 62 incorporates into GASB's literature the provisions in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The option to use subsequent FASB guidance has been removed.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources that were introduced and defined by Concepts Statement No. 4, *Elements of Financial Statements*. Previous financial reporting standards did not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. In addition, the previous Statement of Net Assets was renamed to a Statement of Financial Position.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66 resolves conflicting guidance by removing the provision that limits fund based reporting of an entity's risk financing activities to the General Fund and the internal service fund type. Under Statement No. 66 decisions about fund type classifications are based on the nature of the activity to be reported as required by Statements No. 54 and No. 34. This statement also modified guidance on operating lease payments, purchased loans, and servicing fees related to mortgage loans.

C. Subsequent Events

On July 1, 2013, the School Department's General Purpose School Fund issued a $100,000 revenue anticipation note to the School Federal Projects Fund for temporary operating funds.

On September 16, 2013, the County Commission authorized a capital outlay note totaling $450,000 for solid waste and highway equipment. This note had not been issued as of the date of this report.

D. Contingent Liabilities

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

E. Change in Administration

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

F. Landfill Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Franklin County closed its sanitary landfill in 1995. The $328,821 reported as landfill postclosure care liability at June 30, 2013, represents amounts based on what it would cost to perform all postclosure care in 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Joint Ventures

The Interlocal Solid Waste Authority is jointly operated by the counties of Giles, Franklin, and Lincoln and the municipality of Tullahoma for the purpose of developing a solid waste regional plan. Also, since inception, the municipalities of Shelbyville, Ardmore, Elkton, Petersburg, Pulaski and Minor Hill have been admitted as "participants." The authority's board was appointed by each participating County Commission or City Council for varying terms of office. Franklin County made no contributions to the authority for the year ended June 30, 2013.

The Twelfth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twelfth Judicial District; Bledsoe, Franklin, Grundy, Marion, Rhea, and Sequatchie counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors comprised of the district attorney general, sheriffs, and police chiefs of the participating law enforcement agencies within the judicial district. Franklin County made no contributions to the DTF for the year ended June 30, 2013.

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

Administrative Offices:

Interlocal Solid Waste Authority
487 Joyce Lane
Winchester, TN 37398

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

H. Retirement Commitments

Information for this footnote for the year ended June 30, 2013, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented below is for the fiscal year ended June 30, 2012.

Plan Description

Employees of Franklin County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident

or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Franklin County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Franklin County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, was 13.14 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2012, the county's annual pension cost of $1,700,595 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 16 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	$1,700,595	100%	$0
6-30-11	1,491,824	100	0
6-30-10	1,673,872	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 89.91 percent funded. The actuarial accrued liability for benefits was $32.49 million, and the actuarial value of assets was $29.21 million, resulting in an unfunded actuarial accrued liability (UAAL) of $3.28 million. The covered payroll (annual payroll of active employees covered by the plan) was $12.61 million, and the ratio of the UAAL to the covered payroll was 26 percent.

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

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

SCHOOL TEACHERS

Plan Description

The Franklin County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no

service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Cost of living adjustments (COLA) are provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salary 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 $1,880,082, $1,869,174, and $1,337,867, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The School Department retirees' contributions vary depending on the insurance options they select, ranging from $301 to $320 per month for their insurance. The required contribution amount for county and highway retirees' spouses is $523 per month. During the year ended June 30, 2013, the county and the School Department contributed $19,137 and $512,513, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	$ 1,504,000	$ 398,000
Interest on the NOPEBO	136,272	68,412
Adjustment to the ARC	(144,650)	(72,619)
Annual OPEB cost	$ 1,495,622	$ 393,793
Amount of contribution	(512,513)	(19,137)
Increase/decrease in NOPEBO	$ 983,109	$ 374,656
Net OPEB obligation, 7-1-12	3,406,794	1,710,312
Net OPEB obligation, 6-30-13	$ 4,389,903	$ 2,084,968

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-11	Local Education Group	$ 1,226,930	39.5%	$ 2,387,046
6-30-12	"	1,485,108	31.34	3,406,794
6-30-13	"	1,495,622	34.27	4,389,903
6-30-11	Local Government Group	494,145	10.19	1,346,555
6-30-12	"	391,668	7.13	1,710,312
6-30-13	"	393,793	4.86	2,084,968

Funded Status and Funding Progress

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

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-11	7-1-11
Actuarial accrued liability (AAL)	$ 11,604,000	$ 2,669,000
Actuarial value of plan assets	$ 0	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 11,604,000	$ 2,669,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	$ 22,047,539	$ 7,090,764
UAAL as a % of covered payroll	52.63%	37.64%

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

Actuarial Methods and Assumptions

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

are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2011, actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.75 percent for fiscal year 2013. The trend rate will decrease to 8.25 percent in fiscal year 2014 and then be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

J. Office of Central Accounting, Budgeting, and Purchasing

Franklin County operates under the provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act also provides for the creation of a Finance Department operated under the direction of the finance director.

K. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by her to serve as the county purchasing agent. The finance director serves as the purchasing agent for Franklin County. All purchase orders are issued by the Finance Department. Purchases exceeding $10,000 for the Office of County Mayor, the discretely presented School Department, and the Office of Highway Superintendent are required to be competitively bid.

VI. OTHER NOTES – DISCRETELY PRESENTED FRANKLIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

Business Activities

The Franklin County Emergency Communications District provides funds and support to procure, lease, and maintain necessary equipment and services related to fielding emergency phone calls in Franklin County.

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, as well as the reported revenues and expenses. Actual results could vary from the estimates that were used.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Franklin County Emergency Communications District. Legally, the district is a separate governmental entity that has considerable legal, financial, and administrative autonomy. However, as the governing board is not elected but is entirely appointed by the county, the district cannot be a primary government. Instead, it qualifies as a component unit of Franklin County, Tennessee (the primary government).

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

Fund Financial Statements

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

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

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

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

- Net Investment in Capital Assets includes the district's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted Net Position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their

use. The district typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project. The district had no restrictions at June 30, 2013.

- Unrestricted Net Position typically includes unrestricted liquid assets. The Board of Directors has the authority to revisit or alter this designation.

Cash Deposits

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

(1) Bonds, notes, treasury bills, or similar types of indebtedness to the United States.

(2) Non-convertible debt including Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Bank, and Student Loan Marketing Association.

(3) Other obligations not specified above, which provide guaranteed principal and interest by the United States or any of its agencies.

(4) Repurchase agreements, which involve obligations of the United States or its agencies, provided the term of the repurchase agreement does not extend beyond the maturity date of the obligation, and the market value of the security exceeds the cost of the security.

(5) Money market funds invested in any of the aforementioned securities.

The district's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the district's custodial bank in the district's name. The carrying amount of total cash deposits for the year ended June 30, 2013, was $1,570,338.

Utility Plant

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

Cash Flow

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

Budgetary Data

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

B. Capital Assets

A summary of changes in capital assets is as follows:

	Balance 7-1-12	Additions	Deletions	Balance 6-30-13
Equipment	$ 370,962	$ 253	$ 0	$ 371,215
Less: Accumulated Depreciation	(197,515)	(69,864)	0	(267,379)
Total	$ 173,447	$ (69,611)	$ 0	$ 103,836

C. Cash and Cash Equivalents

At June 30, 2013, total cash was $1,570,338, of which $818,092 is held in certificates of deposit with maturities of more than three months, leaving $752,246.11 considered as cash equivalents.

D. Budgeting Procedures

The official budget for June 30, 2013, was prepared for adoption for the proprietary fund by June 18, 2012.

E. Exposure

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

F. Grants and Reimbursements

The district received a GIS grant totaling $32,518 and a reimbursement for the purchase of recorder/logger equipment totaling $38,444 during the year from the Tennessee Emergency Communications Board.

G. Long-term Debt

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

The following is a summary of changes in long-term debt during the 2013 fiscal year:

	Balance 7-1-12	Retirements	Balance 6-30-13
AT&T Capital Services	$ 160,416	$ (66,379)	$ 94,037

A summary of annual debt service requirements at June 30, 2013, for governmental funds is as follows:

Year Ending June 30	Lease Principal	Lease Interest	Lease Total
2014	$ 66,379	$ 2,541	$ 68,920
2015	27,658	1,059	28,717
Total	$ 94,037	$ 3,600	$ 97,637

H. Restatement

During 2013, certain matters were noted that require restatement of the prior year. Material accounts receivable were discovered during the audit, which required a restatement to correctly report certain revenue accounts.

The following summarizes the aforementioned adjustments to net position at July 1, 2012:

Fund net position, beginning of year, as previously reported	$ 1,409,488
Accounts Receivable	(69,681)
Fund net position, beginning of year as restated	$ 1,339,807

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit E-1

Franklin County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Franklin County School Department
June 30, 2013

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	$ 29,208	$ 32,485	$ 3,277	89.91 %	$ 12,606	26 %
7-1-09	22,986	25,883	2,897	88.81	12,410	23.34
7-1-07	20,772	23,847	3,075	87.11	11,604	26.5

Information for this exhibit for the year ended June 30, 2013, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented above is for the fiscal year ended June 30, 2012.

Exhibit E-2

Franklin County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Franklin County School Department
June 30, 2013

(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)
PRIMARY GOVERNMENT							
Local Government Group	7-1-10	$ 0	$ 3,310	$ 3,310	0 %	$ 7,071	46.81 %
"	7-1-11	0	2,669	2,669	0	6,525	40.90
"	7-1-12	0	2,669	2,669	0	7,090	37.64
DISCRETELY PRESENTED FRANKLIN COUNTY SCHOOL DEPARTMENT							
Local Education Group	7-1-10	0	9,872	9,872	0	18,540	53.25
"	7-1-11	0	11,604	11,604	0	22,852	50.78
"	7-1-12	0	11,604	11,604	0	22,047	52.63

FRANKLIN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2013

BUDGETARY INFORMATION

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation.

Public Library Fund – The Public Library Fund is used to account for transactions for the Franklin County Public Library.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund accounts for transactions involving solid waste collection.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for a special property tax levied to provide funding for rural fire protection.

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

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register, and sheriff.

Highway/Public Works Fund – The Highway/Public Works Fund accounts for transactions of the county's Highway Department.

General Debt Service Fund

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

Exhibit F-1

Franklin County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 0	$ 0
Equity in Pooled Cash and Investments	35,352	221,643	301,819	70,922	44,649
Accounts Receivable	0	2,159	718	8,015	1,611
Due from Other Governments	0	2,509	4,874	24	0
Due from Other Funds	0	0	0	0	0
Property Taxes Receivable	0	286,062	996,081	382,684	0
Allowance for Uncollectible Property Taxes	0	(11,318)	(41,106)	(16,381)	0
Prepaid Items	0	92	233	0	0
Total Assets	$ 35,352	$ 501,147	$ 1,262,619	$ 445,264	$ 46,260
LIABILITIES					
Accounts Payable	$ 0	$ 1,832	$ 3,202	$ 0	$ 0
Accrued Payroll	0	3,277	15,100	0	0
Payroll Deductions Payable	0	774	3,622	0	0
Due to Other Funds	0	0	0	0	0
Due to State of Tennessee	0	169	850	0	0
Total Liabilities	$ 0	$ 6,052	$ 22,774	$ 0	$ 0
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 0	$ 264,122	$ 904,065	$ 341,844	$ 0
Deferred Delinquent Property Taxes	0	9,853	47,127	22,568	0
Other Deferred/Unavailable Revenue	0	0	0	0	0
Total Deferred Inflows of Resources	$ 0	$ 273,975	$ 951,192	$ 364,412	$ 0
FUND BALANCES					
Nonspendable:					
Prepaid Items	$ 0	$ 92	$ 233	$ 0	$ 0
Restricted:					
Restricted for Public Safety	0	0	0	80,852	6,894
Restricted for Public Health and Welfare	0	0	166,070	0	0
Restricted for Social, Cultural, and Recreational Services	0	194,287	0	0	0
Restricted for Highways/Public Works	0	0	0	0	0
Restricted for Debt Service	35,352	0	0	0	0

(Continued)

Exhibit F-1

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

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
FUND BALANCES (CONT.)					
Committed:					
Committed for Public Safety	$ 0	$ 0	$ 0	$ 0	$ 39,066
Committed for Public Health and Welfare	0	0	71,173	0	0
Committed for Social, Cultural, and Recreational Services	0	21,588	0	0	0
Assigned:					
Assigned for Public Safety	0	0	0	0	300
Assigned for Public Health and Welfare	0	0	51,177	0	0
Assigned for Social, Cultural, and Recreational Services	0	5,153	0	0	0
Assigned for Highways/Public Works	0	0	0	0	0
Total Fund Balances	$ 35,352	$ 221,120	$ 288,653	$ 80,852	$ 46,260
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 35,352	$ 501,147	$ 1,262,619	$ 445,264	$ 46,260

(Continued)

Exhibit F-1

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

	Special Revenue Funds (Cont.)			Debt Service Fund	
	Constitutional Officers - Fees	Highway / Public Works	Total	General Debt Service	Total Nonmajor Governmental Funds
ASSETS					
Cash	$ 2,355	$ 0	$ 2,355	$ 0	$ 2,355
Equity in Pooled Cash and Investments	0	650,806	1,325,191	898,066	2,223,257
Accounts Receivable	329	1	12,833	3	12,836
Due from Other Governments	0	351,005	358,412	446	358,858
Due from Other Funds	0	3,243	3,243	0	3,243
Property Taxes Receivable	0	381,119	2,045,946	953,241	2,999,187
Allowance for Uncollectible Property Taxes	0	(15,079)	(83,884)	(37,716)	(121,600)
Prepaid Items	0	496	821	2,000	2,821
Total Assets	$ 2,684	$ 1,371,591	$ 3,664,917	$ 1,816,040	$ 5,480,957
LIABILITIES					
Accounts Payable	$ 0	$ 2,225	$ 7,259	$ 7,508	$ 14,767
Accrued Payroll	0	8,475	26,852	0	26,852
Payroll Deductions Payable	0	3,178	7,574	0	7,574
Due to Other Funds	2,684	0	2,684	0	2,684
Due to State of Tennessee	0	0	1,019	0	1,019
Total Liabilities	$ 2,684	$ 13,878	$ 45,388	$ 7,508	$ 52,896
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 0	$ 351,889	$ 1,861,920	$ 880,133	$ 2,742,053
Deferred Delinquent Property Taxes	0	13,126	92,674	32,832	125,506
Other Deferred/Unavailable Revenue	0	170,446	170,446	0	170,446
Total Deferred Inflows of Resources	$ 0	$ 535,461	$ 2,125,040	$ 912,965	$ 3,038,005
FUND BALANCES					
Nonspendable:					
Prepaid Items	$ 0	$ 496	$ 821	$ 2,000	$ 2,821
Restricted:					
Restricted for Public Safety	0	0	87,746	0	87,746
Restricted for Public Health and Welfare	0	0	166,070	0	166,070
Restricted for Social, Cultural, and Recreational Services	0	0	194,287	0	194,287
Restricted for Highways/Public Works	0	693,463	693,463	0	693,463
Restricted for Debt Service	0	0	35,352	893,567	928,919

(Continued)

Exhibit F-1

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

	Special Revenue Funds (Cont.)			Debt Service Fund	
	Constitutional Officers - Fees	Highway / Public Works	Total	General Debt Service	Total Nonmajor Governmental Funds
FUND BALANCES (CONT.)					
Committed:					
Committed for Public Safety	$ 0	$ 0	$ 39,066	$ 0	$ 39,066
Committed for Public Health and Welfare	0	0	71,173	0	71,173
Committed for Social, Cultural, and Recreational Services	0	0	21,588	0	21,588
Assigned:					
Assigned for Public Safety	0	0	300	0	300
Assigned for Public Health and Welfare	0	0	51,177	0	51,177
Assigned for Social, Cultural, and Recreational Services	0	0	5,153	0	5,153
Assigned for Highways/Public Works	0	128,293	128,293	0	128,293
Total Fund Balances	$ 0	$ 822,252	$ 1,494,489	$ 895,567	$ 2,390,056
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,684	$ 1,371,591	$ 3,664,917	$ 1,816,040	$ 5,480,957

Exhibit F-2

Franklin County, Tennessee
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue Funds							Debt Service Fund	Total
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Highway / Public Works	Total	General Debt Service	Nonmajor Governmental Funds
Revenues									
Local Taxes	$ 172,967	$ 282,093	$ 948,756	$ 458,708	$ 0	$ 420,612	$ 2,283,136	$ 1,032,162	$ 3,315,298
Licenses and Permits	0	1,264	6,102	23,029	0	1,673	32,068	4,190	36,258
Fines, Forfeitures, and Penalties	0	0	0	0	41,690	0	41,690	0	41,690
Charges for Current Services	0	18,580	23,483	0	50	398	42,511	0	42,511
Other Local Revenues	0	3,513	295,825	0	5,875	9,294	314,507	0	314,507
State of Tennessee	0	1,050	23,116	0	0	1,908,223	1,932,389	0	1,932,389
Federal Government	0	0	0	0	9,245	0	9,245	0	9,245
Other Governments and Citizens Groups	0	31,883	0	0	1,700	0	33,583	0	33,583
Total Revenues	$ 172,967	$ 338,383	$ 1,297,282	$ 481,737	$ 58,560	$ 2,340,200	$ 4,689,129	$ 1,036,352	$ 5,725,481
Expenditures									
Current:									
Public Safety	$ 0	$ 0	$ 0	$ 534,199	$ 56,003	$ 0	$ 590,202	$ 0	$ 590,202
Public Health and Welfare	0	0	1,267,636	0	0	0	1,267,636	0	1,267,636
Social, Cultural, and Recreational Services	0	243,162	0	0	0	0	243,162	0	243,162
Other Operations	1,731	30,021	82,306	0	485	0	114,543	0	114,543
Highways	0	0	0	0	0	2,031,059	2,031,059	0	2,031,059
Debt Service:									
Principal on Debt	0	0	0	0	0	48,407	48,407	1,368,941	1,417,348
Interest on Debt	0	0	0	0	0	11,859	11,859	403,958	415,817
Other Debt Service	0	0	0	0	0	0	0	31,902	31,902
Total Expenditures	$ 1,731	$ 273,183	$ 1,349,942	$ 534,199	$ 56,488	$ 2,091,325	$ 4,306,868	$ 1,804,801	$ 6,111,669
Excess (Deficiency) of Revenues Over Expenditures	$ 171,236	$ 65,200	$ (52,660)	$ (52,462)	$ 2,072	$ 248,875	$ 382,261	$ (768,449)	$ (386,188)
Other Financing Sources (Uses)									
Refunding Debt Issued	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,810,000	$ 1,810,000
Premiums on Debt Issued	0	0	0	0	0	0	0	34,899	34,899
Transfers In	0	0	0	0	0	16,667	16,667	651,330	667,997
Transfers Out	(170,000)	(2,000)	(3,803)	0	0	(203,803)	(379,606)	0	(379,606)
Discounts on Debt Issued	0	0	0	0	0	0	0	(18,200)	(18,200)
Payments to Refunded Debt Escrow Agent	0	0	0	0	0	0	0	(1,815,642)	(1,815,642)
Total Other Financing Sources (Uses)	$ (170,000)	$ (2,000)	$ (3,803)	$ 0	$ 0	$ (187,136)	$ (362,939)	$ 662,387	$ 299,448
Net Change in Fund Balances	$ 1,236	$ 63,200	$ (56,463)	$ (52,462)	$ 2,072	$ 61,739	$ 19,322	$ (106,062)	$ (86,740)
Fund Balance, July 1, 2012	34,116	157,920	345,116	133,314	44,188	760,513	1,475,167	1,001,629	2,476,796
Fund Balance, June 30, 2013	$ 35,352	$ 221,120	$ 288,653	$ 80,852	$ 46,260	$ 822,252	$ 1,494,489	$ 895,567	$ 2,390,056

Exhibit F-3

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 172,967	$ 168,000	$ 158,000	$ 14,967
Total Revenues	$ 172,967	$ 168,000	$ 158,000	$ 14,967
Expenditures				
Other Operations				
Other Charges	$ 1,731	$ 1,685	$ 1,835	$ 104
Total Expenditures	$ 1,731	$ 1,685	$ 1,835	$ 104
Excess (Deficiency) of Revenues Over Expenditures	$ 171,236	$ 166,315	$ 156,165	$ 15,071
Other Financing Sources (Uses)				
Transfers Out	$ (170,000)	$ (170,000)	$ (170,000)	$ 0
Total Other Financing Sources	$ (170,000)	$ (170,000)	$ (170,000)	$ 0
Net Change in Fund Balance	$ 1,236	$ (3,685)	$ (13,835)	$ 15,071
Fund Balance, July 1, 2012	34,116	35,123	35,123	(1,007)
Fund Balance, June 30, 2013	$ 35,352	$ 31,438	$ 21,288	$ 14,064

Exhibit F-4

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Public Library Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 282,093	$ 0	$ 0	$ 282,093	$ 275,769	$ 282,613	$ (520)
Licenses and Permits	1,264	0	0	1,264	931	1,263	1
Charges for Current Services	18,580	0	0	18,580	18,000	19,000	(420)
Other Local Revenues	3,513	0	0	3,513	3,165	3,265	248
State of Tennessee	1,050	0	0	1,050	0	1,050	0
Other Governments and Citizens Groups	31,883	0	0	31,883	30,400	31,600	283
Total Revenues	$ 338,383	$ 0	$ 0	$ 338,383	$ 328,265	$ 338,791	$ (408)
Expenditures							
Social, Cultural, and Recreational Services							
Libraries	$ 243,162	$ (23,987)	$ 5,153	$ 224,328	$ 278,140	$ 255,180	$ 30,852
Other Operations							
Other Charges	30,021	0	0	30,021	32,461	32,461	2,440
Total Expenditures	$ 273,183	$ (23,987)	$ 5,153	$ 254,349	$ 310,601	$ 287,641	$ 33,292
Excess (Deficiency) of Revenues Over Expenditures	$ 65,200	$ 23,987	$ (5,153)	$ 84,034	$ 17,664	$ 51,150	$ 32,884
Other Financing Sources (Uses)							
Transfers Out	$ (2,000)	$ 0	$ 0	$ (2,000)	$ (2,000)	$ (2,000)	$ 0
Total Other Financing Sources	$ (2,000)	$ 0	$ 0	$ (2,000)	$ (2,000)	$ (2,000)	$ 0
Net Change in Fund Balance	$ 63,200	$ 23,987	$ (5,153)	$ 82,034	$ 15,664	$ 49,150	$ 32,884
Fund Balance, July 1, 2012	157,920	(23,987)	0	133,933	134,453	134,453	(520)
Fund Balance, June 30, 2013	$ 221,120	$ 0	$ (5,153)	$ 215,967	$ 150,117	$ 183,603	$ 32,364

Exhibit F-5

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 948,756	$ 0	$ 0	$ 948,756	$ 958,624	$ 951,850	$ (3,094)
Licenses and Permits	6,102	0	0	6,102	6,200	6,200	(98)
Charges for Current Services	23,483	0	0	23,483	25,500	33,075	(9,592)
Other Local Revenues	295,825	0	0	295,825	320,000	290,605	5,220
State of Tennessee	23,116	0	0	23,116	25,000	25,000	(1,884)
Total Revenues	$ 1,297,282	$ 0	$ 0	$ 1,297,282	$ 1,335,324	$ 1,306,730	$ (9,448)
Expenditures							
Public Health and Welfare							
Sanitation Education/Information	$ 590	$ 0	$ 0	$ 590	$ 2,000	$ 2,000	$ 1,410
Convenience Centers	231,827	0	0	231,827	237,326	237,326	5,499
Transfer Stations	1,028,919	(38,745)	45,757	1,035,931	1,183,381	1,069,272	33,341
Postclosure Care Costs	6,300	0	5,420	11,720	12,000	14,000	2,280
Other Operations							
Other Charges	82,306	(460)	0	81,846	74,803	86,553	4,707
Total Expenditures	$ 1,349,942	$ (39,205)	$ 51,177	$ 1,361,914	$ 1,509,510	$ 1,409,151	$ 47,237
Excess (Deficiency) of Revenues Over Expenditures	$ (52,660)	$ 39,205	$ (51,177)	$ (64,632)	$ (174,186)	$ (102,421)	$ 37,789
Other Financing Sources (Uses)							
Transfers Out	$ (3,803)	$ 0	$ 0	$ (3,803)	$ (3,803)	$ (3,803)	$ 0
Total Other Financing Sources	$ (3,803)	$ 0	$ 0	$ (3,803)	$ (3,803)	$ (3,803)	$ 0
Net Change in Fund Balance	$ (56,463)	$ 39,205	$ (51,177)	$ (68,435)	$ (177,989)	$ (106,224)	$ 37,789
Fund Balance, July 1, 2012	345,116	(39,205)	0	305,911	277,661	277,661	28,250
Fund Balance, June 30, 2013	$ 288,653	$ 0	$ (51,177)	$ 237,476	$ 99,672	$ 171,437	$ 66,039

Exhibit F-6

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 458,708	$ 0	$ 458,708	$ 455,704	$ 454,652	$ 4,056
Licenses and Permits	23,029	0	23,029	23,875	23,875	(846)
Total Revenues	$ 481,737	$ 0	$ 481,737	$ 479,579	$ 478,527	$ 3,210
Expenditures						
Public Safety						
Fire Prevention and Control	$ 534,199	$ (31,000)	$ 503,199	$ 503,600	$ 508,731	$ 5,532
Total Expenditures	$ 534,199	$ (31,000)	$ 503,199	$ 503,600	$ 508,731	$ 5,532
Excess (Deficiency) of Revenues Over Expenditures	$ (52,462)	$ 31,000	$ (21,462)	$ (24,021)	$ (30,204)	$ 8,742
Net Change in Fund Balance	$ (52,462)	$ 31,000	$ (21,462)	$ (24,021)	$ (30,204)	$ 8,742
Fund Balance, July 1, 2012	133,314	(31,000)	102,314	99,311	99,311	3,003
Fund Balance, June 30, 2013	$ 80,852	$ 0	$ 80,852	$ 75,290	$ 69,107	$ 11,745

Exhibit F-7

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Fines, Forfeitures, and Penalties	$ 41,690	$ 0	$ 41,690	$ 28,800	$ 47,222	$ (5,532)
Charges for Current Services	50	0	50	500	500	(450)
Other Local Revenues	5,875	0	5,875	8,000	5,250	625
Federal Government	9,245	0	9,245	9,695	9,695	(450)
Other Governments and Citizens Groups	1,700	0	1,700	1,500	2,700	(1,000)
Total Revenues	$ 58,560	$ 0	$ 58,560	$ 48,495	$ 65,367	$ (6,807)
Expenditures						
Public Safety						
Drug Enforcement	$ 56,003	$ 300	$ 56,303	$ 60,245	$ 64,692	$ 8,389
Other Operations						
Other Charges	485	0	485	400	650	165
Total Expenditures	$ 56,488	$ 300	$ 56,788	$ 60,645	$ 65,342	$ 8,554
Excess (Deficiency) of Revenues Over Expenditures	$ 2,072	$ (300)	$ 1,772	$ (12,150)	$ 25	$ 1,747
Net Change in Fund Balance	$ 2,072	$ (300)	$ 1,772	$ (12,150)	$ 25	$ 1,747
Fund Balance, July 1, 2012	44,188	0	44,188	33,792	33,792	10,396
Fund Balance, June 30, 2013	$ 46,260	$ (300)	$ 45,960	$ 21,642	$ 33,817	$ 12,143

Exhibit F-8

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 420,612	$ 0	$ 0	$ 420,612	$ 421,776	$ 424,959	$ (4,347)
Licenses and Permits	1,673	0	0	1,673	1,585	1,585	88
Charges for Current Services	398	0	0	398	2,000	2,000	(1,602)
Other Local Revenues	9,294	0	0	9,294	20,137	20,337	(11,043)
State of Tennessee	1,908,223	0	0	1,908,223	1,927,480	1,905,580	2,643
Total Revenues	$ 2,340,200	$ 0	$ 0	$ 2,340,200	$ 2,372,978	$ 2,354,461	$ (14,261)
Expenditures							
Highways							
Administration	$ 280,740	$ 0	$ 671	$ 281,411	$ 318,052	$ 290,872	$ 9,461
Highway and Bridge Maintenance	655,334	(2,457)	3,992	656,869	854,482	699,772	42,903
Operation and Maintenance of Equipment	315,316	(27,698)	15,350	302,968	391,023	362,395	59,427
Quarry Operations	240,595	(12,039)	2,405	230,961	287,421	257,929	26,968
Other Charges	166,476	(1,264)	77	165,289	240,297	230,453	65,164
Capital Outlay	372,598	(18,425)	24,309	378,482	263,500	413,135	34,653
Principal on Debt							
Highways and Streets	48,407	0	0	48,407	48,407	48,408	1
Interest on Debt							
Highways and Streets	11,859	0	0	11,859	11,859	11,860	1
Total Expenditures	$ 2,091,325	$ (61,883)	$ 46,804	$ 2,076,246	$ 2,415,041	$ 2,314,824	$ 238,578
Excess (Deficiency) of Revenues Over Expenditures	$ 248,875	$ 61,883	$ (46,804)	$ 263,954	$ (42,063)	$ 39,637	$ 224,317
Other Financing Sources (Uses)							
Transfers In	$ 16,667	$ 0	$ 0	$ 16,667	$ 12,000	$ 63,880	$ (47,213)
Transfers Out	(203,803)	0	0	(203,803)	(203,803)	(203,803)	0
Total Other Financing Sources	$ (187,136)	$ 0	$ 0	$ (187,136)	$ (191,803)	$ (139,923)	$ (47,213)
Net Change in Fund Balance	$ 61,739	$ 61,883	$ (46,804)	$ 76,818	$ (233,866)	$ (100,286)	$ 177,104
Fund Balance, July 1, 2012	760,513	(61,883)	0	698,630	621,658	621,658	76,972
Fund Balance, June 30, 2013	$ 822,252	$ 0	$ (46,804)	$ 775,448	$ 387,792	$ 521,372	$ 254,076

Exhibit F-9

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,032,162	$ 1,028,633	$ 1,031,599	$ 563
Licenses and Permits	4,190	4,200	4,200	(10)
Total Revenues	$ 1,036,352	$ 1,032,833	$ 1,035,799	$ 553
Expenditures				
Principal on Debt				
General Government	$ 1,368,941	$ 1,368,942	$ 1,410,998	$ 42,057
Interest on Debt				
General Government	403,958	403,950	361,903	(42,055)
Other Debt Service				
General Government	29,529	29,500	32,727	3,198
Highways and Streets	2,373	0	2,373	0
Total Expenditures	$ 1,804,801	$ 1,802,392	$ 1,808,001	$ 3,200
Excess (Deficiency) of Revenues Over Expenditures	$ (768,449)	$ (769,559)	$ (772,202)	$ 3,753
Other Financing Sources (Uses)				
Refunding Debt Issued	$ 1,810,000	$ 0	$ 1,810,000	$ 0
Premiums on Debt Issued	34,899	0	36,641	(1,742)
Transfers In	651,330	651,330	651,330	0
Discounts on Debt Issued	(18,200)	0	(20,886)	2,686
Payments to Refunded Debt Escrow Agent	(1,815,642)	0	(1,815,642)	0
Total Other Financing Sources	$ 662,387	$ 651,330	$ 661,443	$ 944
Net Change in Fund Balance	$ (106,062)	$ (118,229)	$ (110,759)	$ 4,697
Fund Balance, July 1, 2012	1,001,629	1,004,674	1,004,674	(3,045)
Fund Balance, June 30, 2013	$ 895,567	$ 886,445	$ 893,915	$ 1,652

Major Governmental Fund

Education Debt Service Fund

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

Exhibit G

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Debt Service Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 2,998,060	$ 2,720,255	$ 2,892,885	$ 105,175
Licenses and Permits	8,033	8,823	8,823	(790)
Other Governments and Citizens Groups	738,573	510,000	738,573	0
Total Revenues	$ 3,744,666	$ 3,239,078	$ 3,640,281	$ 104,385
Expenditures				
Principal on Debt				
Education	$ 2,679,393	$ 2,480,000	$ 2,679,393	$ 0
Interest on Debt				
Education	715,128	685,948	715,128	0
Other Debt Service				
Education	65,816	56,000	69,809	3,993
Total Expenditures	$ 3,460,337	$ 3,221,948	$ 3,464,330	$ 3,993
Excess (Deficiency) of Revenues Over Expenditures	$ 284,329	$ 17,130	$ 175,951	$ 108,378
Other Financing Sources (Uses)				
Refunding Debt Issued	$ 2,220,000	$ 0	$ 2,220,000	$ 0
Premiums on Debt Issued	73,779	0	73,779	0
Discounts on Debt Issued	(22,100)	0	(22,267)	167
Payments to Refunded Debt Escrow Agent	(2,254,093)	0	(2,254,093)	0
Total Other Financing Sources	$ 17,586	$ 0	$ 17,419	$ 167
Net Change in Fund Balance	$ 301,915	$ 17,130	$ 193,370	$ 108,545
Fund Balance, July 1, 2012	2,717,919	2,730,396	2,730,396	(12,477)
Fund Balance, June 30, 2013	$ 3,019,834	$ 2,747,526	$ 2,923,766	$ 96,068

Fiduciary Funds

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk; circuit, general sessions, and juvenile courts clerk; clerk and master; register; and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit H-1

Franklin County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

	Agency Funds		
	Cities - Sales Tax	Constitutional Officers - Agency	Total
ASSETS			
Cash	$ 0	$ 1,459,931	$ 1,459,931
Due from Other Governments	545,635	0	545,635
Total Assets	$ 545,635	$ 1,459,931	$ 2,005,566
LIABILITIES			
Due to Other Taxing Units	$ 545,635	$ 0	$ 545,635
Due to Litigants, Heirs, and Others	0	1,459,931	1,459,931
Total Liabilities	$ 545,635	$ 1,459,931	$ 2,005,566

Exhibit H-2

Franklin County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 3,247,172	$ 3,247,172	$ 0
Due from Other Governments	518,359	545,635	518,359	545,635
Total Assets	$ 518,359	$ 3,792,807	$ 3,765,531	$ 545,635
Liabilities				
Due to Other Taxing Units	$ 518,359	$ 3,792,807	$ 3,765,531	$ 545,635
Total Liabilities	$ 518,359	$ 3,792,807	$ 3,765,531	$ 545,635
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 1,481,572	$ 13,475,663	$ 13,497,304	$ 1,459,931
Total Assets	$ 1,481,572	$ 13,475,663	$ 13,497,304	$ 1,459,931
Liabilities				
Due to Litigants, Heirs, and Others	$ 1,481,572	$ 13,475,663	$ 13,497,304	$ 1,459,931
Total Liabilities	$ 1,481,572	$ 13,475,663	$ 13,497,304	$ 1,459,931
Totals - All Agency Funds				
Assets				
Cash	$ 1,481,572	$ 13,475,663	$ 13,497,304	$ 1,459,931
Equity in Pooled Cash and Investments	0	3,247,172	3,247,172	0
Due from Other Governments	518,359	545,635	518,359	545,635
Total Assets	$ 1,999,931	$ 17,268,470	$ 17,262,835	$ 2,005,566
Liabilities				
Due to Other Taxing Units	$ 518,359	$ 3,792,807	$ 3,765,531	$ 545,635
Due to Litigants, Heirs, and Others	1,481,572	13,475,663	13,497,304	1,459,931
Total Liabilities	$ 1,999,931	$ 17,268,470	$ 17,262,835	$ 2,005,566

Franklin County School Department

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

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

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

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

Exhibit I-1

Franklin County, Tennessee
Statement of Activities
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental Activities:				
Instruction	$ 30,150,981	$ 316,644	$ 4,049,095	$ (25,785,242)
Support Services	15,830,575	12,204	0	(15,818,371)
Operation of Non-Instructional Services	5,272,464	1,185,713	2,205,239	(1,881,512)
Interest on Debt	29,180	0	0	(29,180)
Other Debt Service	509,268	0	0	(509,268)
Total Governmental Activities	$ 51,792,468	$ 1,514,561	$ 6,254,334	$ (44,023,573)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				$ 9,617,727
Local Option Sales Taxes				4,006,321
Other Local Taxes				3,341
Grants and Contributions Not Restricted to Specific Programs				28,595,382
Unrestricted Investment Earnings				5,518
Miscellaneous				124,861
Sale of Equipment				1,591
Total General Revenues				$ 42,354,741
Change in Net Position				$ (1,668,832)
Net Position, July 1, 2012				50,410,430
Net Position, June 30, 2013				$ 48,741,598

Exhibit I-2

Franklin County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Franklin County School Department
June 30, 2013

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
ASSETS			
Cash	$ 0	$ 1,634	$ 1,634
Equity in Pooled Cash and Investments	6,552,382	1,783,737	8,336,119
Accounts Receivable	67,328	667	67,995
Due from Other Governments	792,375	0	792,375
Property Taxes Receivable	9,830,019	0	9,830,019
Allowance for Uncollectible Property Taxes	(388,734)	0	(388,734)
Prepaid Items	2,229	1,748	3,977
Total Assets	$ 16,855,599	$ 1,787,786	$ 18,643,385
LIABILITIES			
Accounts Payable	$ 93,169	$ 93	$ 93,262
Accrued Payroll	43,316	669	43,985
Total Liabilities	$ 136,485	$ 762	$ 137,247
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 9,076,116	$ 0	$ 9,076,116
Deferred Delinquent Property Taxes	337,440	0	337,440
Other Deferred/Unavailable Revenue	450,000	0	450,000
Total Deferred Inflows of Resources	$ 9,863,556	$ 0	$ 9,863,556
FUND BALANCES			
Nonspendable:			
Prepaid Items	$ 2,229	$ 1,748	$ 3,977
Restricted:			
Restricted for Education	401,647	1,785,276	2,186,923
Committed:			
Committed for Education	1,043,462	0	1,043,462
Assigned:			
Assigned for Education	637,854	0	637,854
Unassigned	4,770,366	0	4,770,366
Total Fund Balances	$ 6,855,558	$ 1,787,024	$ 8,642,582
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 16,855,599	$ 1,787,786	$ 18,643,385

Exhibit I-3

Franklin County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Franklin County School Department
June 30, 2013

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		$ 8,642,582
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in in the governmental funds.		
Add: land	$ 5,451,186	
Add: buildings and improvements net of accumulated depreciation	35,824,368	
Add: other capital assets net of accumulated depreciation	3,523,632	44,799,186
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: capital leases payable on primary government debt	$ (919,766)	
Less: compensated absences payable	(172,492)	
Less: other postemployment benefits liability	(4,389,903)	
Less: accrued interest on note and capital lease	(5,449)	(5,487,610)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		787,440
Net position of governmental activities (Exhibit A)		$ 48,741,598

Exhibit I-4

Franklin County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2013

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
Revenues			
Local Taxes	$ 13,641,487	$ 0	$ 13,641,487
Licenses and Permits	46,691	0	46,691
Charges for Current Services	257,564	1,185,713	1,443,277
Other Local Revenues	497,297	5,520	502,817
State of Tennessee	28,057,305	32,080	28,089,385
Federal Government	997,347	5,287,518	6,284,865
Total Revenues	$ 43,497,691	$ 6,510,831	$ 50,008,522
Expenditures			
Current:			
Instruction	$ 24,699,061	$ 2,290,188	$ 26,989,249
Support Services	14,837,800	812,945	15,650,745
Operation of Non-Instructional Services	2,686,208	3,031,009	5,717,217
Capital Outlay	612,986	0	612,986
Debt Service:			
Principal on Debt	199,393	0	199,393
Interest on Debt	29,180	0	29,180
Other Debt Service	510,000	0	510,000
Total Expenditures	$ 43,574,628	$ 6,134,142	$ 49,708,770
Excess (Deficiency) of Revenues Over Expenditures	$ (76,937)	$ 376,689	$ 299,752
Net Change in Fund Balances	$ (76,937)	$ 376,689	$ 299,752
Fund Balance, July 1, 2012	6,932,495	1,410,335	8,342,830
Fund Balance, June 30, 2013	$ 6,855,558	$ 1,787,024	$ 8,642,582

Exhibit I-5

Franklin County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2013

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:		
Net change in fund balances - total governmental funds (Exhibit I-4)		$ 299,752
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	$ 1,085,182	
Less: current-year depreciation expense	(2,355,725)	(1,270,543)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position		
Less: loss on the sale or insurance recovery of disposed assets		(3,500)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2013	$ 787,440	
Less: deferred delinquent property taxes and other deferred June 30, 2012	(668,826)	118,614
(4) The issuance of long-term debt (e.g., notes and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on lease for primary government		199,393
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	$ (30,171)	
Change in other postemployment benefits liability	(983,109)	
Change in accrued interest payable	732	(1,012,548)
Change in net position of governmental activities (Exhibit B)		$ (1,668,832)

Exhibit I-6

Franklin County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Franklin County School Department
June 30, 2013

	Special Revenue Funds		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
ASSETS			
Cash	$ 0	$ 1,634	$ 1,634
Equity in Pooled Cash and Investments	29,028	1,754,709	1,783,737
Accounts Receivable	0	667	667
Prepaid Items	0	1,748	1,748
Total Assets	$ 29,028	$ 1,758,758	$ 1,787,786
LIABILITIES			
Accounts Payable	$ 0	$ 93	$ 93
Accrued Payroll	0	669	669
Total Liabilities	$ 0	$ 762	$ 762
FUND BALANCES			
Nonspendable:			
Prepaid Items	$ 0	$ 1,748	$ 1,748
Restricted:			
Restricted for Education	29,028	1,756,248	1,785,276
Total Fund Balances	$ 29,028	$ 1,757,996	$ 1,787,024
Total Liabilities and Fund Balances	$ 29,028	$ 1,758,758	$ 1,787,786

Exhibit I-7

Franklin County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2013

	Special Revenue Funds		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
Revenues			
Charges for Current Services	$ 0	$ 1,185,713	$ 1,185,713
Other Local Revenues	0	5,520	5,520
State of Tennessee	0	32,080	32,080
Federal Government	3,114,359	2,173,159	5,287,518
Total Revenues	$ 3,114,359	$ 3,396,472	$ 6,510,831
Expenditures			
Current:			
Instruction	$ 2,290,188	$ 0	$ 2,290,188
Support Services	812,945	0	812,945
Operation of Non-Instructional Services	0	3,031,009	3,031,009
Total Expenditures	$ 3,103,133	$ 3,031,009	$ 6,134,142
Excess (Deficiency) of Revenues Over Expenditures	$ 11,226	$ 365,463	$ 376,689
Net Change in Fund Balances	$ 11,226	$ 365,463	$ 376,689
Fund Balance, July 1, 2012	17,802	1,392,533	1,410,335
Fund Balance, June 30, 2013	$ 29,028	$ 1,757,996	$ 1,787,024

Exhibit I-8

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Franklin County School Department
General Purpose School Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 13,641,487	$ 0	$ 0	$ 13,641,487	$ 13,520,716	$ 13,520,716	$ 120,771
Licenses and Permits	46,691	0	0	46,691	42,800	42,800	3,891
Charges for Current Services	257,564	0	0	257,564	264,397	264,397	(6,833)
Other Local Revenues	497,297	0	0	497,297	330,559	470,504	26,793
State of Tennessee	28,057,305	0	0	28,057,305	27,610,848	28,129,167	(71,862)
Federal Government	997,347	0	0	997,347	294,741	1,040,352	(43,005)
Total Revenues	$ 43,497,691	$ 0	$ 0	$ 43,497,691	$ 42,064,061	$ 43,467,936	$ 29,755
Expenditures							
Instruction							
Regular Instruction Program	$ 19,305,899	$ (58,966)	$ 142,175	$ 19,389,108	$ 19,998,501	$ 20,039,378	$ 650,270
Alternative Instruction Program	217,424	0	0	217,424	221,229	221,229	3,805
Special Education Program	3,739,860	0	11,735	3,751,595	3,831,417	3,884,627	133,032
Vocational Education Program	1,306,760	(10,734)	279	1,296,305	1,402,142	1,401,069	104,764
Student Body Education Program	121,840	0	3,989	125,829	131,265	133,435	7,606
Adult Education Program	7,278	0	0	7,278	6,989	7,527	249
Support Services							
Attendance	197,533	0	0	197,533	210,906	210,906	13,373
Health Services	388,970	0	1,038	390,008	391,290	391,290	1,282
Other Student Support	1,225,487	0	0	1,225,487	1,109,238	1,307,339	81,852
Regular Instruction Program	1,156,825	(1,285)	0	1,155,540	1,172,310	1,189,146	33,606
Special Education Program	360,631	0	0	360,631	393,131	364,921	4,290
Vocational Education Program	64,348	0	222	64,570	64,399	65,472	902
Adult Programs	116,788	0	0	116,788	114,865	134,972	18,184
Other Programs	171,188	0	0	171,188	0	171,188	0
Board of Education	1,042,351	0	4,520	1,046,871	1,057,598	1,068,581	21,710
Director of Schools	357,754	0	1,420	359,174	403,615	406,756	47,582
Office of the Principal	2,232,019	0	0	2,232,019	2,254,945	2,254,945	22,926

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Human Services/Personnel	$ 101,270	$ 0	$ 4,840	$ 106,110	$ 112,011	$ 112,011	$ 5,901
Operation of Plant	3,456,434	0	21,787	3,478,221	3,750,011	3,750,011	271,790
Maintenance of Plant	1,205,612	(35,567)	86,883	1,256,928	1,461,570	1,461,570	204,642
Transportation	2,209,004	0	121,558	2,330,562	2,443,803	2,485,803	155,241
Central and Other	551,586	(4,971)	27,533	574,148	578,329	622,748	48,600
Operation of Non-Instructional Services							
Community Services	1,333,607	(500)	2,613	1,335,720	745,521	1,486,799	151,079
Early Childhood Education	1,352,601	(491)	5,617	1,357,727	1,337,519	1,362,721	4,994
Capital Outlay							
Regular Capital Outlay	612,986	(1,900)	201,645	812,731	325,000	843,432	30,701
Principal on Debt							
Education	199,393	0	0	199,393	199,393	199,393	0
Interest on Debt							
Education	29,180	0	0	29,180	29,181	29,181	1
Other Debt Service							
Education	510,000	0	0	510,000	510,000	510,000	0
Total Expenditures	$ 43,574,628	$ (114,414)	$ 637,854	$ 44,098,068	$ 44,256,178	$ 46,116,450	$ 2,018,382
Excess (Deficiency) of Revenues Over Expenditures	$ (76,937)	$ 114,414	$ (637,854)	$ (600,377)	$ (2,192,117)	$ (2,648,514)	$ 2,048,137
Other Financing Sources (Uses)							
Transfers Out	$ 0	$ 0	$ 0	$ 0	$ (2,094)	$ 0	$ 0
Total Other Financing Sources	$ 0	$ 0	$ 0	$ 0	$ (2,094)	$ 0	$ 0
Net Change in Fund Balance	$ (76,937)	$ 114,414	$ (637,854)	$ (600,377)	$ (2,194,211)	$ (2,648,514)	$ 2,048,137
Fund Balance, July 1, 2012	6,932,495	(114,414)	0	6,818,081	5,071,515	6,818,081	0
Fund Balance, June 30, 2013	$ 6,855,558	$ 0	$ (637,854)	$ 6,217,704	$ 2,877,304	$ 4,169,567	$ 2,048,137

Exhibit I-9

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Franklin County School Department
School Federal Projects Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Federal Government	$ 3,114,359	$ 3,611,985	$ 3,611,986	$ (497,627)
Total Revenues	$ 3,114,359	$ 3,611,985	$ 3,611,986	$ (497,627)
Expenditures				
Instruction				
Regular Instruction Program	$ 1,448,112	$ 1,564,002	$ 1,621,002	$ 172,890
Special Education Program	768,985	859,603	855,528	86,543
Vocational Education Program	73,091	74,140	73,091	0
Support Services				
Health Services	187,034	207,260	207,260	20,226
Other Student Support	25,672	240,790	182,686	157,014
Regular Instruction Program	210,643	285,333	285,333	74,690
Special Education Program	211,311	212,209	215,049	3,738
Vocational Education Program	4,549	1,000	4,549	0
Transportation	173,736	185,933	185,933	12,197
Total Expenditures	$ 3,103,133	$ 3,630,270	$ 3,630,431	$ 527,298
Excess (Deficiency) of Revenues Over Expenditures	$ 11,226	$ (18,285)	$ (18,445)	$ 29,671
Other Financing Sources (Uses)				
Transfers In	$ 0	$ 87,216	$ 0	$ 0
Transfers Out	0	(87,216)	0	0
Total Other Financing Sources	$ 0	$ 0	$ 0	$ 0
Net Change in Fund Balance	$ 11,226	$ (18,285)	$ (18,445)	$ 29,671
Fund Balance, July 1, 2012	17,802	18,285	18,445	(643)
Fund Balance, June 30, 2013	$ 29,028	$ 0	$ 0	$ 29,028

Exhibit I-10

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Franklin County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 1,185,713	$ 1,221,711	$ 1,221,711	$ (35,998)
Other Local Revenues	5,520	5,500	5,505	15
State of Tennessee	32,080	32,754	32,754	(674)
Federal Government	2,173,159	2,105,605	2,120,605	52,554
Total Revenues	$ 3,396,472	$ 3,365,570	$ 3,380,575	$ 15,897
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 3,031,009	$ 3,311,688	$ 3,326,693	$ 295,684
Total Expenditures	$ 3,031,009	$ 3,311,688	$ 3,326,693	$ 295,684
Excess (Deficiency) of Revenues Over Expenditures	$ 365,463	$ 53,882	$ 53,882	$ 311,581
Net Change in Fund Balance	$ 365,463	$ 53,882	$ 53,882	$ 311,581
Fund Balance, July 1, 2012	1,392,533	1,348,776	1,348,776	43,757
Fund Balance, June 30, 2013	$ 1,757,996	$ 1,402,658	$ 1,402,658	$ 355,338

MISCELLANEOUS SCHEDULES

Exhibit J-1

Franklin County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds
For the Year Ended June 30, 2013

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-12	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-13
NOTES PAYABLE									
Payable through General Debt Service Fund									
Industrial Development Board - Land	$ 822,666	4.75 %	5-28-10	5-27-22	$ 711,244	$ 0	$ 57,542	$ 0	$ 653,702
Total Payable through General Debt Service Fund					$ 711,244	$ 0	$ 57,542	$ 0	$ 653,702
Payable through General Fund									
Sheriff - Litter Truck	40,158	4	6-5-11	6-15-13	$ 13,449	$	$ 13,449	$ 0	$ 0
Highway State-Aid Project	495,000	1.85	5-8-13	5-8-14	0	495,000	0	0	495,000
Total Payable through General Fund					$ 13,449	$ 495,000	$ 13,449	$ 0	$ 495,000
Payable through Highway/Public Works Fund									
Quarry Land	177,000	4.875	11-10-11	2-1-23	$ 159,841	$	$ 11,308	$ 0	$ 148,533
Total Payable through Highway/Public Works Fund					$ 159,841	$ 0	$ 11,308	$ 0	$ 148,533
Total Notes Payable					$ 884,534	$ 495,000	$ 82,299	$ 0	$ 1,297,235
CAPITAL LEASES									
Payable through General Fund									
Jail Security Equipment	78,235	0	12-21-07	12-21-12	$ 9,461	$ 0	$ 9,461	$ 0	$ 0
Telecommunications, Electronics, and Security Equipment	300,000	5.265	10-20-09	10-20-14	149,821	0	61,967	0	87,854
Sheriff Department Computers	57,321	0	10-25-09	10-25-12	6,366	0	6,366	0	0
Energy Efficiency Lighting System	308,473	4.75	1-3-11	1-3-18	270,363	0	39,942	0	230,421
Total Payable through General Fund					$ 436,011	$ 0	$ 117,736	$ 0	$ 318,275
Payable through Highway/Public Works Fund									
Highway Equipment - 2 Trucks	183,021	4.7	4-27-10	2-12-15	$ 102,934	$ 0	$ 37,099	$ 0	$ 65,835
Total Payable through Highway/Public Works Fund					$ 102,934	$ 0	$ 37,099	$ 0	$ 65,835
Payable by School Department through Educational Debt Service Fund									
Energy Efficient Lighting (State 1)	500,000	0	9-1-10	9-1-17	$ 375,008	$ 0	$ 71,424	$ 0	$ 303,584
Energy Efficient Lighting (State 2)	386,672	3	9-1-10	9-1-15	257,879	0	76,692	0	181,187
Energy Efficient Lighting (Excel)	581,879	5	10-1-10	4-1-20	486,272	0	51,277	0	434,995
Total Payable by School Department through Educational Debt Service Fund					$ 1,119,159	$ 0	$ 199,393	$ 0	$ 919,766
Total Capital Leases					$ 1,658,104	$ 0	$ 354,228	$ 0	$ 1,303,876

(Continued)

Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-12	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-13
BONDS PAYABLE									
Payable through General Debt Service Fund									
Industrial Revenue	$ 378,000	5	% 11-18-1978	1-1-17	$ 98,000	$ 0	$ 18,000	$ 0	$ 80,000
General Obligation Jail Refunding Bonds, Series 2003	3,545,000	3.13	6-26-03	6-7-13	1,395,000	0	330,000	1,065,000	0
General Obligation Highway Refunding Bonds, Series 2006B	5,440,000	3.8	12-29-06	6-7-13	1,465,000	0	720,000	745,000	0
General Obligation Series 2007	6,000,000	4.19	8-15-07	4-1-23	4,935,000	0	225,000	0	4,710,000
General Obligation Judicial Center, Series 2010	1,500,000	4.13	5-21-10	5-21-48	1,465,360	0	18,399	0	1,446,961
General Obligation Refunding, Series 2013	1,810,000	1.28	6-7-13	6-1-21	0	1,810,000	0	0	1,810,000
Total Payable through General Debt Service Fund					$ 9,358,360	$ 1,810,000	$ 1,311,399	$ 1,810,000	$ 8,046,961
Payable through Education Debt Service Fund									
School Refunding Bonds, Series 2006A	3,810,000	3.8 to 4	12-29-06	6-7-13	$ 2,480,000	$ 0	$ 245,000	$ 2,235,000	$ 0
School Bonds, Series 2008	3,000,000	2.5 to 4.5	12-17-08	6-1-24	2,520,000	0	170,000	0	2,350,000
School Refunding Bonds, Series 2009	15,205,000	2 to 3.75	6-15-09	3-1-21	12,560,000	0	1,230,000	0	11,330,000
School Refunding Bonds, Series 2011	3,495,000	1.35	12-28-11	3-1-16	3,495,000	0	835,000	0	2,660,000
School Refunding Bonds, Series 2013	2,220,000	1.23 to 2	6-7-13	6-1-21	0	2,220,000	0	0	2,220,000
Total Payable through Education Debt Service Fund					$ 21,055,000	$ 2,220,000	$ 2,480,000	$ 2,235,000	$ 18,560,000
Total Bonds Payable					$ 30,413,360	$ 4,030,000	$ 3,791,399	$ 4,045,000	$ 26,606,961

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	$ 567,215	$ 46,326	$ 613,541
2015	75,724	33,485	109,209
2016	79,338	29,870	109,208
2017	83,242	25,966	109,208
2018	87,301	21,908	109,209
2019	91,542	17,666	109,208
2020	95,964	13,245	109,209
2021	100,644	8,564	109,208
2022	98,033	3,667	101,700
2023	18,232	889	19,121
Total	$ 1,297,235	$ 201,586	$ 1,498,821

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2014	$ 350,238	$ 40,170	$ 390,408
2015	302,541	28,571	331,112
2016	197,186	21,170	218,356
2017	181,486	16,027	197,513
2018	133,240	10,736	143,976
2019	67,959	5,814	73,773
2020	71,226	2,547	73,773
Total	$ 1,303,876	$ 125,035	$ 1,428,911

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	$ 3,934,158	$ 848,842	$ 4,783,000
2015	3,454,948	750,526	4,205,474
2016	3,565,771	660,575	4,226,346
2017	2,351,628	565,262	2,916,890
2018	2,427,520	490,900	2,918,420
2019	2,523,449	409,408	2,932,857
2020	2,594,416	322,497	2,916,913
2021	2,665,423	228,837	2,894,260
2022	801,472	130,333	931,805
2023	812,564	97,351	909,915
2024	288,701	61,844	350,545
2025	29,885	48,960	78,845
2026	31,118	47,727	78,845

(Continued)

Exhibit J-2

Franklin County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Bonds (Cont.) Principal	Interest	Total
2027	$ 32,401	$ 46,444	$ 78,845
2028	33,738	45,107	78,845
2029	35,130	43,716	78,846
2030	36,579	42,266	78,845
2031	38,088	40,757	78,845
2032	39,659	39,186	78,845
2033	41,295	37,550	78,845
2034	42,998	35,847	78,845
2035	44,772	34,073	78,845
2036	46,619	32,227	78,846
2037	48,542	30,304	78,846
2038	50,544	28,301	78,845
2039	52,629	26,216	78,845
2040	54,800	24,045	78,845
2041	57,060	21,785	78,845
2042	59,414	19,431	78,845
2043	61,865	16,980	78,845
2044	64,417	14,428	78,845
2045	67,074	11,771	78,845
2046	69,841	9,004	78,845
2047	72,722	6,123	78,845
2048	75,721	3,124	78,845
Total	$ 26,606,961	$ 5,271,747	$ 31,878,708

Exhibit J-3

Franklin County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2013

From Fund	To Fund	Purpose	Amount
General	General Debt Service	Debt payments	$ 281,330
Courthouse and Jail Maintenance	"	"	170,000
Highway/Public Works	"	"	200,000
"	General	Reimbursement	3,803
Public Library	"	"	2,000
Solid Waste/Sanitation	"	"	3,803
General	Highway/Public Works	"	16,667
Total Transfers			$ 677,603

Exhibit J-4

Franklin County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Franklin County School Department
For the Year Ended June 30, 2013

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, *TCA*	$ 75,048	$ 50,000	Western Surety Company
Superintendent of Highways	Section 8-24-102, *TCA*	71,475	100,000	"
Director of Schools	State Board of Education and Franklin County Board of Education	113,315 (1)	50,000	"
Finance Director	County Commission	60,960	50,000	"
Trustee	Section 8-24-102, *TCA*	64,977	1,558,000	Auto-Owners Mutual Insurance Company
Assessor of Property:				
Phillip Hayes (7-1-12 through 8-31-12)	Section 8-24-102, *TCA*	10,829	50,000	RLI Insurance Company
Bruce Spencer (9-1-12 through 6-30-13)	Section 8-24-102, *TCA*	54,148	50,000	"
County Clerk	Section 8-24-102, *TCA*	64,977	50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, *TCA*	64,977	50,000	"
Clerk and Master	Section 8-24-102, *TCA*	64,977	50,000	"
Register of Deeds	Section 8-24-102, *TCA*	64,977	25,000	Western Surety Company
Sheriff	Section 8-24-102, *TCA*	71,475 (2)	25,000	RLI Insurance Company
Other Bonds:				
Public Employee Dishonesty			150,000	Tennessee Risk Management Trust

(1) Does not include a chief executive officer training supplement of $1,000.
(2) Does not include a law enforcement training supplement of $600.

Exhibit J-5

Franklin County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2013

		Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Highway / Public Works
Local Taxes							
County Property Taxes							
Current Property Tax	$ 7,760,077	$ 0	$ 265,440	$ 894,472	$ 338,384	$ 0	$ 353,644
Trustee's Collections - Prior Year	149,720	0	5,506	23,948	10,898	0	7,342
Trustee's Collections - Bankruptcy	3,828	0	88	611	278	0	196
Circuit/Clerk & Master Collections - Prior Years	171,671	0	5,914	20,649	7,712	0	7,841
Interest and Penalty	34,143	0	1,199	4,767	2,048	0	1,642
Payments in-Lieu-of Taxes - T.V.A.	3,560	0	124	595	292	0	164
Payments in-Lieu-of Taxes - Local Utilities	34,869	0	1,213	0	0	0	1,611
Payments in-Lieu-of Taxes - Other	54,126	0	1,856	125	60	0	2,460
County Local Option Taxes							
Local Option Sales Tax	0	0	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	97,313	0	0
Litigation Tax - General	128,643	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	172,967	0	0	0	0	0
Business Tax	320,228	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	44,717
Statutory Local Taxes							
Bank Excise Tax	21,899	0	753	3,589	1,723	0	995
Wholesale Beer Tax	201,495	0	0	0	0	0	0
Interstate Telecommunications Tax	2,067	0	0	0	0	0	0
Other Statutory Local Taxes	830	0	0	0	0	0	0
Total Local Taxes	$ 8,887,156	$ 172,967	$ 282,093	$ 948,756	$ 458,708	$ 0	$ 420,612
Licenses and Permits							
Licenses							
Cable TV Franchise	$ 36,153	$ 0	$ 1,264	$ 6,102	$ 3,029	$ 0	$ 1,673
Permits							
Beer Permits	4,564	0	0	0	0	0	0
Building Permits	20,294	0	0	0	20,000	0	0
Other Permits	6,810	0	0	0	0	0	0
Total Licenses and Permits	$ 67,821	$ 0	$ 1,264	$ 6,102	$ 23,029	$ 0	$ 1,673
Fines, Forfeitures, and Penalties							
Circuit Court							
Fines	$ 6,796	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Officers Costs	17,730	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	7,083	0

(Continued)

Exhibit J-5

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

		Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)							
Circuit Court (Cont.)							
Drug Court Fees	$ 1,526	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Jail Fees	10,514	0	0	0	0	0	0
DUI Treatment Fines	3,356	0	0	0	0	0	0
Data Entry Fee - Circuit Court	3,173	0	0	0	0	0	0
Courtroom Security Fee	151	0	0	0	0	0	0
General Sessions Court							
Fines	29,639	0	0	0	0	0	0
Officers Costs	44,136	0	0	0	0	0	0
Game and Fish Fines	853	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	5,312	0
Drug Court Fees	6,923	0	0	0	0	0	0
Jail Fees	24,243	0	0	0	0	0	0
DUI Treatment Fines	12,180	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	11,572	0	0	0	0	0	0
Courtroom Security Fee	1,377	0	0	0	0	0	0
Juvenile Court							
Fines	979	0	0	0	0	0	0
Officers Costs	3,015	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	2,213	0	0	0	0	0	0
Courtroom Security Fee	8	0	0	0	0	0	0
Chancery Court							
Officers Costs	914	0	0	0	0	0	0
Data Entry Fee - Chancery Court	456	0	0	0	0	0	0
Other Courts - In-county							
Drug Court Fees	400	0	0	0	0	0	0
Other Fines, Forfeitures, and Penalties							
Proceeds from Confiscated Property	0	0	0	0	0	29,295	0
Other Fines, Forfeitures, and Penalties	6,091	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	$ 188,245	$ 0	$ 0	$ 0	$ 0	$ 41,690	$ 0
Charges for Current Services							
General Service Charges							
Transfer Waste Stations Collection Charge	$ 0	$ 0	$ 0	$ 10,000	$ 0	$ 0	$ 0
Tipping Fees	0	0	0	13,483	0	0	0
Other General Service Charges	26,538	0	18,580	0	0	50	398

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds					
		Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Highway / Public Works
Charges for Current Services (Cont.)							
Fees							
Copy Fees	$ 1	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Greenbelt Late Application Fee	50	0	0	0	0	0	0
Telephone Commissions	23,588	0	0	0	0	0	0
Vending Machine Collections	150	0	0	0	0	0	0
Data Processing Fee - Register	13,948	0	0	0	0	0	0
Probation Fees	184,669	0	0	0	0	0	0
Data Processing Fee - Sheriff	3,867	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	4,050	0	0	0	0	0	0
Data Processing Fee - County Clerk	2,690	0	0	0	0	0	0
Total Charges for Current Services	$ 259,551	$ 0	$ 18,580	$ 23,483	$ 0	$ 50	$ 398
Other Local Revenues							
Recurring Items							
Investment Income	$ 0	$ 0	$ 1,266	$ 115,953	$ 0	$ 0	$ 0
Lease/Rentals	32,920	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0	1,128
Sale of Maps	4,200	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	149,267	0	0	0
Miscellaneous Refunds	17,616	0	167	30,605	0	249	2,306
Nonrecurring Items							
Sale of Equipment	3,988	0	0	0	0	0	5,660
Sale of Property	0	0	0	0	0	5,626	0
Contributions and Gifts	2,380	0	0	0	0	0	0
Other Local Revenues							
Other Local Revenues	57,359	0	2,080	0	0	0	200
Total Other Local Revenues	$ 118,463	$ 0	$ 3,513	$ 295,825	$ 0	$ 5,875	$ 9,294
Fees Received from County Officials							
Fees in-Lieu-of Salary							
County Clerk	$ 322,464	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	188,461	0	0	0	0	0	0
General Sessions Court Clerk	248,153	0	0	0	0	0	0
Clerk and Master	119,470	0	0	0	0	0	0
Juvenile Court Clerk	44,629	0	0	0	0	0	0
Register	174,194	0	0	0	0	0	0
Sheriff	17,920	0	0	0	0	0	0

(Continued)

Exhibit J-5

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

		Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Highway / Public Works
Fees Received from County Officials (Cont.)							
Fees in-Lieu-of Salary (Cont.)							
Trustee	$ 648,580	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Fees Received from County Officials	$ 1,763,871	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
State of Tennessee							
General Government Grants							
Juvenile Services Program	$ 9,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Airport Maintenance Program	16,551	0	0	0	0	0	0
Solid Waste Grants	0	0	0	23,116	0	0	0
Other General Government Grants	3,778	0	0	0	0	0	0
Public Safety Grants							
Law Enforcement Training Programs	25,200	0	0	0	0	0	0
Health and Welfare Grants							
Health Department Programs	104,711	0	0	0	0	0	0
Other Health and Welfare Grants	105	0	0	0	0	0	0
Public Works Grants							
Litter Program	31,510	0	0	0	0	0	0
Tennessee Industrial Infrastructure Program	72,323	0	0	0	0	0	0
Other State Revenues							
Income Tax	220,526	0	0	0	0	0	0
Beer Tax	18,586	0	0	0	0	0	0
Alcoholic Beverage Tax	71,742	0	0	0	0	0	0
Mixed Drink Tax	6,520	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	1,059,196	0	0	0	0	0	0
Contracted Prisoner Boarding	961,949	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	1,878,602
Petroleum Special Tax	0	0	0	0	0	0	29,621
Registrar's Salary Supplement	15,164	0	0	0	0	0	0
Other State Grants	0	0	1,050	0	0	0	0
Total State of Tennessee	$ 2,616,861	$ 0	$ 1,050	$ 23,116	$ 0	$ 0	$ 1,908,223
Federal Government							
Federal Through State							
Community Development	$ 293,022	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Civil Defense Reimbursement	36,350	0	0	0	0	0	0
Disaster Relief	8,655	0	0	0	0	0	0
Homeland Security Grants	154,683	0	0	0	0	0	0

(Continued)

Exhibit J-5

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

		Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Highway / Public Works
Federal Government (Cont.)							
Federal Through State (Cont.)							
Law Enforcement Grants	$ 0	$ 0	$ 0	$ 0	$ 0	$ 9,245	$ 0
Other Federal through State	22,405	0	0	0	0	0	0
Direct Federal Revenue							
Other Direct Federal Revenue	608,810	0	0	0	0	0	0
Total Federal Government	$ 1,123,925	$ 0	$ 0	$ 0	$ 0	$ 9,245	$ 0
Other Governments and Citizens Groups							
Other Governments							
Contributions	$ 311,608	$ 0	$ 29,250	$ 0	$ 0	$ 0	$ 0
Citizens Groups							
Donations	58,686	0	2,633	0	0	1,700	0
Other							
Other	151,146	0	0	0	0	0	0
Total Other Governments and Citizens Groups	$ 521,440	$ 0	$ 31,883	$ 0	$ 0	$ 1,700	$ 0
Total	$ 15,547,333	$ 172,967	$ 338,383	$ 1,297,282	$ 481,737	$ 58,560	$ 2,340,200

(Continued)

Exhibit J-5

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

	Debt Service Funds		
	General Debt Service	Education Debt Service	Total
Local Taxes			
County Property Taxes			
Current Property Tax	$ 884,508	$ 1,771,400	$ 12,267,925
Trustee's Collections - Prior Year	18,355	28,837	244,606
Trustee's Collections - Bankruptcy	491	1,023	6,515
Circuit/Clerk & Master Collections - Prior Years	19,643	38,143	271,573
Interest and Penalty	4,105	7,314	55,218
Payments in-Lieu-of Taxes - T.V.A.	410	798	5,943
Payments in-Lieu-of Taxes - Local Utilities	4,039	7,769	49,501
Payments in-Lieu-of Taxes - Other	6,172	585,127	649,926
County Local Option Taxes			
Local Option Sales Tax	0	552,648	552,648
Hotel/Motel Tax	0	0	97,313
Litigation Tax - General	91,945	0	220,588
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	172,967
Business Tax	0	0	320,228
Mineral Severance Tax	0	0	44,717
Statutory Local Taxes			
Bank Excise Tax	2,494	5,001	36,454
Wholesale Beer Tax	0	0	201,495
Interstate Telecommunications Tax	0	0	2,067
Other Statutory Local Taxes	0	0	830
Total Local Taxes	$ 1,032,162	$ 2,998,060	$ 15,200,514
Licenses and Permits			
Licenses			
Cable TV Franchise	$ 4,190	$ 8,033	$ 60,444
Permits			
Beer Permits	0	0	4,564
Building Permits	0	0	40,294
Other Permits	0	0	6,810
Total Licenses and Permits	$ 4,190	$ 8,033	$ 112,112
Fines, Forfeitures, and Penalties			
Circuit Court			
Fines	$ 0	$ 0	$ 6,796
Officers Costs	0	0	17,730
Drug Control Fines	0	0	7,083

(Continued)

Exhibit J-5

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

	Debt Service Funds		
	General Debt Service	Education Debt Service	Total
Fines, Forfeitures, and Penalties (Cont.)			
Circuit Court (Cont.)			
Drug Court Fees	$ 0	$ 0	$ 1,526
Jail Fees	0	0	10,514
DUI Treatment Fines	0	0	3,356
Data Entry Fee - Circuit Court	0	0	3,173
Courtroom Security Fee	0	0	151
General Sessions Court			
Fines	0	0	29,639
Officers Costs	0	0	44,136
Game and Fish Fines	0	0	853
Drug Control Fines	0	0	5,312
Drug Court Fees	0	0	6,923
Jail Fees	0	0	24,243
DUI Treatment Fines	0	0	12,180
Data Entry Fee - General Sessions Court	0	0	11,572
Courtroom Security Fee	0	0	1,377
Juvenile Court			
Fines	0	0	979
Officers Costs	0	0	3,015
Data Entry Fee - Juvenile Court	0	0	2,213
Courtroom Security Fee	0	0	8
Chancery Court			
Officers Costs	0	0	914
Data Entry Fee - Chancery Court	0	0	456
Other Courts - In-county			
Drug Court Fees	0	0	400
Other Fines, Forfeitures, and Penalties			
Proceeds from Confiscated Property	0	0	29,295
Other Fines, Forfeitures, and Penalties	0	0	6,091
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 229,935
Charges for Current Services			
General Service Charges			
Transfer Waste Stations Collection Charge	$ 0	$ 0	$ 10,000
Tipping Fees	0	0	13,483
Other General Service Charges	0	0	45,566

(Continued)

Exhibit J-5

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

	Debt Service Funds		
	General Debt Service	Education Debt Service	Total
Charges for Current Services (Cont.)			
Fees			
Copy Fees	$ 0	$ 0	$ 1
Greenbelt Late Application Fee	0	0	50
Telephone Commissions	0	0	23,588
Vending Machine Collections	0	0	150
Data Processing Fee - Register	0	0	13,948
Probation Fees	0	0	184,669
Data Processing Fee - Sheriff	0	0	3,867
Sexual Offender Registration Fees - Sheriff	0	0	4,050
Data Processing Fee - County Clerk	0	0	2,690
Total Charges for Current Services	$ 0	$ 0	$ 302,062
Other Local Revenues			
Recurring Items			
Investment Income	$ 0	$ 0	$ 117,219
Lease/Rentals	0	0	32,920
Sale of Materials and Supplies	0	0	1,128
Sale of Maps	0	0	4,200
Sale of Recycled Materials	0	0	149,267
Miscellaneous Refunds	0	0	50,943
Nonrecurring Items			
Sale of Equipment	0	0	9,648
Sale of Property	0	0	5,626
Contributions and Gifts	0	0	2,380
Other Local Revenues			
Other Local Revenues	0	0	59,639
Total Other Local Revenues	$ 0	$ 0	$ 432,970
Fees Received from County Officials			
Fees in-Lieu-of Salary			
County Clerk	$ 0	$ 0	$ 322,464
Circuit Court Clerk	0	0	188,461
General Sessions Court Clerk	0	0	248,153
Clerk and Master	0	0	119,470
Juvenile Court Clerk	0	0	44,629
Register	0	0	174,194
Sheriff	0	0	17,920

(Continued)

Exhibit J-5

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

	Debt Service Funds		
	General Debt Service	Education Debt Service	Total
Fees Received from County Officials (Cont.)			
Fees in-Lieu-of Salary (Cont.)			
Trustee	$ 0	$ 0	$ 648,580
Total Fees Received from County Officials	$ 0	$ 0	$ 1,763,871
State of Tennessee			
General Government Grants			
Juvenile Services Program	$ 0	$ 0	$ 9,000
Airport Maintenance Program	0	0	16,551
Solid Waste Grants	0	0	23,116
Other General Government Grants	0	0	3,778
Public Safety Grants			
Law Enforcement Training Programs	0	0	25,200
Health and Welfare Grants			
Health Department Programs	0	0	104,711
Other Health and Welfare Grants	0	0	105
Public Works Grants			
Litter Program	0	0	31,510
Tennessee Industrial Infrastructure Program	0	0	72,323
Other State Revenues			
Income Tax	0	0	220,526
Beer Tax	0	0	18,586
Alcoholic Beverage Tax	0	0	71,742
Mixed Drink Tax	0	0	6,520
State Revenue Sharing - T.V.A.	0	0	1,059,196
Contracted Prisoner Boarding	0	0	961,949
Gasoline and Motor Fuel Tax	0	0	1,878,602
Petroleum Special Tax	0	0	29,621
Registrar's Salary Supplement	0	0	15,164
Other State Grants	0	0	1,050
Total State of Tennessee	$ 0	$ 0	$ 4,549,250
Federal Government			
Federal Through State			
Community Development	$ 0	$ 0	$ 293,022
Civil Defense Reimbursement	0	0	36,350
Disaster Relief	0	0	8,655
Homeland Security Grants	0	0	154,683

(Continued)

Exhibit J-5

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

	Debt Service Funds		
	General Debt Service	Education Debt Service	Total
Federal Government (Cont.)			
Federal Through State (Cont.)			
Law Enforcement Grants	$ 0	$ 0	$ 9,245
Other Federal through State	0	0	22,405
Direct Federal Revenue			
Other Direct Federal Revenue	0	0	608,810
Total Federal Government	$ 0	$ 0	$ 1,133,170
Other Governments and Citizens Groups			
Other Governments			
Contributions	$ 0	$ 738,573	$ 1,079,431
Citizens Groups			
Donations	0	0	63,019
Other			
Other	0	0	151,146
Total Other Governments and Citizens Groups	$ 0	$ 738,573	$ 1,293,596
Total	$ 1,036,352	$ 3,744,666	$ 25,017,480

Exhibit J-6

Franklin County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2013

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Total
Local Taxes				
County Property Taxes				
Current Property Tax	$ 9,121,386	$ 0	$ 0	$ 9,121,386
Trustee's Collections - Prior Year	200,214	0	0	200,214
Trustee's Collections - Bankruptcy	5,105	0	0	5,105
Circuit/Clerk & Master Collections - Prior Years	204,417	0	0	204,417
Interest and Penalty	43,712	0	0	43,712
Payments in-Lieu-of Taxes - T.V.A.	4,271	0	0	4,271
Payments in-Lieu-of Taxes - Local Utilities	39,082	0	0	39,082
Payments in-Lieu-of Taxes - Other	63,616	0	0	63,616
County Local Option Taxes				
Local Option Sales Tax	3,930,600	0	0	3,930,600
Statutory Local Taxes				
Bank Excise Tax	25,743	0	0	25,743
Interstate Telecommunications Tax	3,341	0	0	3,341
Total Local Taxes	$ 13,641,487	$ 0	$ 0	$ 13,641,487
Licenses and Permits				
Licenses				
Marriage Licenses	$ 2,926	$ 0	$ 0	$ 2,926
Cable TV Franchise	43,765	0	0	43,765
Total Licenses and Permits	$ 46,691	$ 0	$ 0	$ 46,691
Charges for Current Services				
Education Charges				
Tuition - Other	$ 257,564	$ 0	$ 0	$ 257,564
Lunch Payments - Children	0	0	586,673	586,673
Lunch Payments - Adults	0	0	59,294	59,294
Income from Breakfast	0	0	62,116	62,116
A la carte Sales	0	0	477,630	477,630
Total Charges for Current Services	$ 257,564	$ 0	$ 1,185,713	$ 1,443,277
Other Local Revenues				
Recurring Items				
Investment Income	$ 0	$ 0	$ 5,518	$ 5,518
Lease/Rentals	12,204	0	0	12,204
Refund of Telecommunication and Internet Fees (E-Rate)	59,080	0	0	59,080
Miscellaneous Refunds	124,859	0	2	124,861
Nonrecurring Items				
Sale of Equipment	5,091	0	0	5,091
Contributions and Gifts	68,020	0	0	68,020
Other Local Revenues				
Other Local Revenues	228,043	0	0	228,043
Total Other Local Revenues	$ 497,297	$ 0	$ 5,520	$ 502,817
State of Tennessee				
General Government Grants				
On-Behalf Contributions for OPEB	$ 171,188	$ 0	$ 0	$ 171,188
State Education Funds				
Basic Education Program	25,757,371	0	0	25,757,371
Early Childhood Education	1,128,786	0	0	1,128,786
School Food Service	0	0	32,080	32,080
Driver Education	1,789	0	0	1,789
Other State Education Funds	532,964	0	0	532,964
Career Ladder Program	206,015	0	0	206,015
Career Ladder - Extended Contract	57,400	0	0	57,400

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Total
State of Tennessee (Cont.)				
Other State Revenues				
State Revenue Sharing - T.V.A.	$ 50,000	$ 0	$ 0	$ 50,000
Other State Grants	150,792	0	0	150,792
Other State Revenues	1,000	0	0	1,000
Total State of Tennessee	$ 28,057,305	$ 0	$ 32,080	$ 28,089,385
Federal Government				
Federal Through State				
USDA School Lunch Program	$ 0	$ 0	$ 1,491,158	$ 1,491,158
USDA - Commodities	0	0	173,996	173,996
Breakfast	0	0	494,391	494,391
USDA - Other	0	0	13,614	13,614
Adult Education State Grant Program	103,305	0	0	103,305
Vocational Education - Basic Grants to States	0	90,994	0	90,994
Title I Grants to Local Education Agencies	0	1,183,759	0	1,183,759
Special Education - Grants to States	172,469	1,310,363	0	1,482,832
Special Education Preschool Grants	0	46,686	0	46,686
Rural Education	0	98,456	0	98,456
Eisenhower Professional Development State Grants	0	193,478	0	193,478
Job Training Partnership Act	53,023	0	0	53,023
Race-to-the-Top - ARRA	0	190,623	0	190,623
Direct Federal Revenue				
ROTC Reimbursement	36,796	0	0	36,796
Other Direct Federal Revenue	631,754	0	0	631,754
Total Federal Government	$ 997,347	$ 3,114,359	$ 2,173,159	$ 6,284,865
Total	$ 43,497,691	$ 3,114,359	$ 3,396,472	$ 50,008,522

Exhibit J-7

Franklin County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2013

General Fund				
General Government				
County Commission				
Board and Committee Members Fees	$	71,340		
Social Security		3,704		
Employer Medicare		1,034		
Audit Services		12,316		
Dues and Memberships		12,510		
Legal Services		13,205		
Legal Notices, Recording, and Court Costs		3,758		
Maintenance Agreements		1,702		
Travel		1,603		
Office Supplies		6,242		
Refunds		2,865		
In Service/Staff Development		920		
Tax Relief Program		103,535		
Other Charges		108,905		
Total County Commission			$	343,639
Beer Board				
Legal Notices, Recording, and Court Costs	$	291		
Travel		202		
Total Beer Board				493
County Mayor/Executive				
County Official/Administrative Officer	$	75,048		
Assistant(s)		31,560		
Social Security		6,483		
State Retirement		14,178		
Life Insurance		94		
Medical Insurance		13,963		
Disability Insurance		844		
Unemployment Compensation		133		
Employer Medicare		1,516		
Other Fringe Benefits		200		
Communication		616		
Dues and Memberships		1,800		
Maintenance Agreements		2,750		
Postal Charges		316		
Travel		3,710		
Office Supplies		1,336		
Premiums on Corporate Surety Bonds		175		
In Service/Staff Development		625		
Other Charges		810		
Total County Mayor/Executive				156,157
County Attorney				
Dues and Memberships	$	100		
Legal Services		8,400		
Total County Attorney				8,500
Election Commission				
County Official/Administrative Officer	$	58,480		

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
General Government (Cont.)		
Election Commission (Cont.)		
Deputy(ies)	$ 26,312	
Educational Incentive - Official/Admin Officer	1,000	
Longevity Pay	660	
Overtime Pay	3,636	
Other Salaries and Wages	14,366	
Election Commission	1,100	
Election Workers	48,447	
Social Security	7,193	
State Retirement	11,749	
Life Insurance	94	
Medical Insurance	12,417	
Disability Insurance	691	
Unemployment Compensation	592	
Employer Medicare	1,682	
Other Fringe Benefits	500	
Communication	1,078	
Data Processing Services	61,313	
Dues and Memberships	275	
Legal Notices, Recording, and Court Costs	9,049	
Maintenance Agreements	1,900	
Maintenance and Repair Services - Equipment	380	
Postal Charges	6,261	
Printing, Stationery, and Forms	4,986	
Travel	1,546	
Other Contracted Services	5,500	
Data Processing Supplies	390	
Office Supplies	2,896	
Other Supplies and Materials	917	
In Service/Staff Development	950	
Total Election Commission		$ 286,360
Register of Deeds		
County Official/Administrative Officer	$ 64,977	
Deputy(ies)	112,946	
Educational Incentive - Other County Employees	4,000	
Longevity Pay	3,300	
Social Security	11,018	
State Retirement	24,592	
Life Insurance	234	
Medical Insurance	31,556	
Disability Insurance	1,466	
Unemployment Compensation	432	
Employer Medicare	2,577	
Other Fringe Benefits	800	
Communication	338	
Data Processing Services	18,050	
Dues and Memberships	697	
Maintenance and Repair Services - Office Equipment	1,246	
Postal Charges	2,566	
Travel	1,453	

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
General Government (Cont.)				
Register of Deeds (Cont.)				
Other Contracted Services	$	4,218		
Office Supplies		10,150		
Premiums on Corporate Surety Bonds		159		
In Service/Staff Development		798		
Furniture and Fixtures		5,065		
Total Register of Deeds			$	302,638
Planning				
Supervisor/Director	$	53,726		
Deputy(ies)		33,560		
Educational Incentive - Official/Admin Officer		1,000		
Educational Incentive - Other County Employees		1,000		
Longevity Pay		1,440		
Overtime Pay		1,586		
Social Security		5,643		
State Retirement		12,256		
Life Insurance		94		
Medical Insurance		12,867		
Disability Insurance		715		
Unemployment Compensation		216		
Employer Medicare		1,320		
Other Fringe Benefits		400		
Communication		766		
Dues and Memberships		340		
Legal Notices, Recording, and Court Costs		1,647		
Maintenance Agreements		1,100		
Maintenance and Repair Services - Office Equipment		450		
Maintenance and Repair Services - Vehicles		3,005		
Postal Charges		1,000		
Travel		761		
Gasoline		1,700		
Office Supplies		1,794		
In Service/Staff Development		445		
Total Planning				138,831
County Buildings				
Assistant(s)	$	60,148		
Supervisor/Director		28,001		
Custodial Personnel		46,581		
Maintenance Personnel		15,788		
Part-time Personnel		2,085		
Longevity Pay		3,000		
Overtime Pay		3,377		
Other Salaries and Wages		104		
Social Security		9,331		
State Retirement		19,178		
Life Insurance		296		
Medical Insurance		41,492		
Disability Insurance		1,149		
Unemployment Compensation		679		

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
General Government (Cont.)		
County Buildings (Cont.)		
Employer Medicare	$ 2,182	
Other Fringe Benefits	1,200	
Communication	67,681	
Engineering Services	2,166	
Maintenance Agreements	15,261	
Maintenance and Repair Services - Buildings	59,157	
Maintenance and Repair Services - Equipment	23,907	
Maintenance and Repair Services - Vehicles	2,956	
Pest Control	7,251	
Disposal Fees	32,056	
Other Contracted Services	119,611	
Custodial Supplies	17,995	
Gasoline	2,450	
Uniforms	5,308	
Utilities	211,708	
Other Supplies and Materials	406	
Other Charges	1,036	
Principal on Capital Leases	101,909	
Interest on Capital Leases	18,780	
Other Capital Outlay	8,186	
Total County Buildings		$ 932,415
Other General Administration		
Communication	$ 1,904	
Maintenance Agreements	958	
Other Contracted Services	195	
Data Processing Equipment	7,314	
Total Other General Administration		10,371
Finance		
Property Assessor's Office		
County Official/Administrative Officer	$ 64,977	
Deputy(ies)	133,310	
Educational Incentive - Other County Employees	6,000	
Longevity Pay	4,860	
Other Salaries and Wages	50,835	
Board and Committee Members Fees	3,530	
Social Security	15,935	
State Retirement	28,802	
Life Insurance	324	
Medical Insurance	44,942	
Disability Insurance	1,731	
Unemployment Compensation	864	
Employer Medicare	3,727	
Other Fringe Benefits	1,200	
Contracts with Government Agencies	19,722	
Contracts with Private Agencies	18,255	
Legal Notices, Recording, and Court Costs	379	
Maintenance Agreements	6,400	
Maintenance and Repair Services - Vehicles	1,783	

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Finance (Cont.)				
Property Assessor's Office (Cont.)				
Postal Charges	$	4,136		
Travel		135		
Other Contracted Services		4,868		
Gasoline		3,962		
Office Supplies		5,125		
Premiums on Corporate Surety Bonds		760		
In Service/Staff Development		462		
Other Charges		16		
Office Equipment		592		
Total Property Assessor's Office			$	427,632
County Trustee's Office				
County Official/Administrative Officer	$	64,977		
Deputy(ies)		109,388		
Educational Incentive - Other County Employees		4,000		
Longevity Pay		3,240		
Other Salaries and Wages		888		
Social Security		10,486		
State Retirement		24,231		
Life Insurance		234		
Medical Insurance		31,252		
Disability Insurance		1,429		
Unemployment Compensation		443		
Employer Medicare		2,452		
Other Fringe Benefits		800		
Data Processing Services		11,584		
Dues and Memberships		697		
Maintenance Agreements		415		
Postal Charges		9,465		
Travel		1,632		
Other Contracted Services		6,327		
Office Supplies		3,634		
In Service/Staff Development		350		
Total County Trustee's Office				287,924
County Clerk's Office				
County Official/Administrative Officer	$	64,977		
Deputy(ies)		245,914		
Part-time Personnel		15,025		
Educational Incentive - Other County Employees		5,000		
Longevity Pay		5,100		
Overtime Pay		110		
Social Security		20,235		
State Retirement		42,874		
Life Insurance		421		
Medical Insurance		56,048		
Disability Insurance		2,564		
Unemployment Compensation		1,038		
Employer Medicare		4,732		
Other Fringe Benefits		1,700		

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Finance (Cont.)				
County Clerk's Office (Cont.)				
Communication	$	252		
Data Processing Services		18,409		
Dues and Memberships		686		
Maintenance Agreements		4,552		
Postal Charges		8,000		
Travel		1,572		
Other Contracted Services		150		
Office Supplies		8,357		
Premiums on Corporate Surety Bonds		166		
In Service/Staff Development		760		
Data Processing Equipment		2,200		
Total County Clerk's Office			$	510,842
Other Finance				
Assistant(s)	$	26,510		
Supervisor/Director		60,960		
Deputy(ies)		50,800		
Accountants/Bookkeepers		250,390		
Educational Incentive - Official/Admin Officer		1,000		
Educational Incentive - Other County Employees		4,000		
Longevity Pay		7,320		
Social Security		23,673		
State Retirement		51,643		
Life Insurance		513		
Medical Insurance		60,802		
Disability Insurance		3,119		
Unemployment Compensation		1,221		
Employer Medicare		5,536		
Other Fringe Benefits		2,200		
Communication		2,276		
Data Processing Services		44,109		
Dues and Memberships		595		
Maintenance Agreements		6,620		
Postal Charges		7,422		
Travel		3,377		
Other Contracted Services		1,076		
Office Supplies		13,790		
Premiums on Corporate Surety Bonds		730		
In Service/Staff Development		1,450		
Other Charges		301		
Total Other Finance				631,433
Administration of Justice				
Circuit Court				
County Official/Administrative Officer	$	64,977		
Deputy(ies)		463,048		
Part-time Personnel		41,067		
Educational Incentive - Other County Employees		1,000		
Longevity Pay		6,720		
Overtime Pay		2,154		

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
Circuit Court (Cont.)				
Jury and Witness Expense	$	6,541		
Social Security		34,870		
State Retirement		68,034		
Life Insurance		679		
Medical Insurance		80,502		
Disability Insurance		4,212		
Unemployment Compensation		2,076		
Employer Medicare		8,155		
Other Fringe Benefits		3,600		
Communication		701		
Data Processing Services		12,856		
Dues and Memberships		612		
Legal Notices, Recording, and Court Costs		410		
Maintenance Agreements		9,227		
Postal Charges		9,481		
Travel		863		
Library Books/Media		987		
Office Supplies		13,523		
Premiums on Corporate Surety Bonds		244		
In Service/Staff Development		779		
Other Charges		414		
Data Processing Equipment		13,914		
Furniture and Fixtures		835		
Total Circuit Court			$	852,481
General Sessions Court				
Judge(s)	$	143,114		
Deputy(ies)		70,533		
Educational Incentive - Other County Employees		1,000		
Longevity Pay		1,260		
Social Security		11,323		
State Retirement		28,596		
Life Insurance		124		
Medical Insurance		19,013		
Disability Insurance		1,623		
Unemployment Compensation		216		
Employer Medicare		3,072		
Other Fringe Benefits		400		
Communication		895		
Maintenance and Repair Services - Equipment		2,179		
Postal Charges		176		
Travel		921		
Library Books/Media		207		
Office Supplies		1,157		
In Service/Staff Development		215		
Total General Sessions Court				286,024
Drug Court				
Supervisor/Director	$	40,612		
Social Security		2,502		

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
Drug Court (Cont.)				
State Retirement	$	5,395		
Life Insurance		47		
Medical Insurance		6,487		
Disability Insurance		333		
Unemployment Compensation		108		
Employer Medicare		585		
Other Fringe Benefits		200		
Communication		1,651		
Total Drug Court			$	57,920
Chancery Court				
County Official/Administrative Officer	$	64,977		
Deputy(ies)		57,212		
Longevity Pay		2,040		
Social Security		7,524		
State Retirement		16,063		
Life Insurance		136		
Medical Insurance		18,626		
Disability Insurance		883		
Unemployment Compensation		350		
Employer Medicare		1,760		
Other Fringe Benefits		600		
Communication		26		
Data Processing Services		9,897		
Dues and Memberships		522		
Maintenance Agreements		1,515		
Postal Charges		1,000		
Travel		622		
Other Contracted Services		129		
Library Books/Media		634		
Office Supplies		1,284		
Premiums on Corporate Surety Bonds		131		
Total Chancery Court				185,931
Juvenile Court				
Assistant(s)	$	44,429		
Deputy(ies)		38,709		
Longevity Pay		1,320		
Social Security		5,129		
State Retirement		11,218		
Life Insurance		94		
Medical Insurance		12,517		
Disability Insurance		523		
Unemployment Compensation		216		
Employer Medicare		1,199		
Other Fringe Benefits		400		
Communication		692		
Dues and Memberships		70		
Travel		2,236		
Library Books/Media		371		

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
Juvenile Court (Cont.)				
Office Supplies	$	290		
In Service/Staff Development		280		
Other Charges		48		
Total Juvenile Court			$	119,741
Judicial Commissioners				
County Official/Administrative Officer	$	66,545		
Part-time Personnel		15,088		
Longevity Pay		1,260		
Social Security		5,056		
State Retirement		8,769		
Life Insurance		113		
Medical Insurance		13,389		
Disability Insurance		558		
Unemployment Compensation		531		
Employer Medicare		1,183		
Other Fringe Benefits		800		
Dues and Memberships		375		
Travel		2,500		
In Service/Staff Development		360		
Total Judicial Commissioners				116,527
Other Administration of Justice				
Other Contracted Services	$	16,650		
Total Other Administration of Justice				16,650
Probation Services				
Supervisor/Director	$	42,474		
Part-time Personnel		9,102		
Other Salaries and Wages		22,428		
Social Security		4,482		
State Retirement		8,628		
Life Insurance		94		
Medical Insurance		13,038		
Disability Insurance		576		
Unemployment Compensation		326		
Employer Medicare		1,048		
Other Fringe Benefits		460		
Communication		13		
Office Supplies		1,863		
Total Probation Services				104,532
Public Safety				
Sheriff's Department				
County Official/Administrative Officer	$	71,475		
Assistant(s)		59,129		
Supervisor/Director		51,244		
Deputy(ies)		563,991		
Investigator(s)		231,184		
Captain(s)		97,969		

(Continued)

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Sergeant(s)	$ 152,113	
Accountants/Bookkeepers	54,026	
Instructional Computer Personnel	36,858	
Salary Supplements	29,200	
Guards	192,469	
Part-time Personnel	35,523	
School Resource Officer	207,077	
Longevity Pay	19,980	
Overtime Pay	65,881	
Other Salaries and Wages	24,165	
Social Security	114,172	
State Retirement	212,861	
Life Insurance	1,809	
Medical Insurance	238,471	
Disability Insurance	11,191	
Unemployment Compensation	6,495	
Employer Medicare	26,832	
Other Fringe Benefits	9,000	
Communication	27,926	
Contracts with Private Agencies	15,782	
Dues and Memberships	2,515	
Maintenance Agreements	22,272	
Maintenance and Repair Services - Equipment	1,444	
Maintenance and Repair Services - Vehicles	107,375	
Medical and Dental Services	465	
Postal Charges	1,063	
Travel	6,484	
Diesel Fuel	3,839	
Gasoline	189,159	
Law Enforcement Supplies	14,830	
Office Supplies	8,007	
Propane Gas	1,641	
Tires and Tubes	18,257	
Uniforms	11,855	
Other Supplies and Materials	704	
Building and Contents Insurance	30,425	
Liability Insurance	51,489	
Premiums on Corporate Surety Bonds	456	
Vehicle and Equipment Insurance	35,106	
In Service/Staff Development	5,704	
Constitutional Officers' Operating Expenses	261	
Other Charges	26,688	
Principal on Capital Leases	6,366	
Communication Equipment	215	
Data Processing Equipment	26,431	
Law Enforcement Equipment	14,743	
Motor Vehicles	140,121	
Other Capital Outlay	16,212	
Total Sheriff's Department		$ 3,300,950

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Administration of the Sexual Offender Registry		
Guards	$ 15,401	
Social Security	967	
Unemployment Compensation	187	
Employer Medicare	226	
Other Fringe Benefits	200	
Remittance of Revenue Collected	600	
Total Administration of the Sexual Offender Registry		$ 17,581
Jail		
Assistant(s)	$ 48,984	
Deputy(ies)	20,190	
Medical Personnel	75,107	
Salary Supplements	3,000	
Guards	437,687	
Clerical Personnel	28,185	
Cafeteria Personnel	44,056	
Part-time Personnel	46,447	
Longevity Pay	6,420	
Overtime Pay	17,108	
Other Salaries and Wages	12,849	
Social Security	44,428	
State Retirement	78,788	
Life Insurance	979	
Medical Insurance	141,755	
Disability Insurance	4,914	
Unemployment Compensation	3,694	
Employer Medicare	10,404	
Other Fringe Benefits	5,600	
Maintenance Agreements	10,330	
Maintenance and Repair Services - Buildings	23,973	
Maintenance and Repair Services - Equipment	18,426	
Medical and Dental Services	18,186	
Pest Control	1,500	
Transportation - Other than Students	2,650	
Travel	1,683	
Disposal Fees	3,928	
Custodial Supplies	43,530	
Food Supplies	224,387	
Law Enforcement Supplies	552	
Prisoners Clothing	12,159	
Uniforms	3,315	
Utilities	130,537	
Other Supplies and Materials	4,323	
Medical Claims	291,197	
In Service/Staff Development	635	
Other Charges	5,739	
Principal on Notes	8,449	
Interest on Notes	469	
Principal on Capital Leases	9,461	
Building Improvements	1,000	

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Public Safety (Cont.)				
Jail (Cont.)				
Data Processing Equipment	$	110		
Other Equipment		1,967		
Total Jail			$	1,849,101
Correctional Incentive Program Improvements				
Other Salaries and Wages	$	352,879		
Social Security		21,442		
Unemployment Compensation		1,405		
Employer Medicare		5,117		
Travel		9,032		
Other Contracted Services		177,237		
Other Supplies and Materials		6,687		
Other Equipment		6,648		
Total Correctional Incentive Program Improvements				580,447
Juvenile Services				
Contracts with Private Agencies	$	15,400		
Other Contracted Services		6,002		
Total Juvenile Services				21,402
Civil Defense				
Assistant(s)	$	25,324		
Supervisor/Director		44,386		
Longevity Pay		1,320		
Overtime Pay		10,922		
Social Security		5,019		
State Retirement		10,887		
Life Insurance		94		
Medical Insurance		6,209		
Disability Insurance		573		
Unemployment Compensation		216		
Employer Medicare		1,174		
Other Fringe Benefits		400		
Communication		4,461		
Dues and Memberships		150		
Maintenance and Repair Services - Buildings		1,455		
Maintenance and Repair Services - Equipment		609		
Postal Charges		92		
Travel		1,172		
Other Contracted Services		4,100		
Diesel Fuel		1,572		
Gasoline		2,881		
Office Supplies		2,495		
Other Supplies and Materials		2,277		
In Service/Staff Development		500		
Other Charges		2,178		
Other Equipment		5,000		
Total Civil Defense				135,466

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Rescue Squad		
Dues and Memberships	$ 326	
Diesel Fuel	516	
Gasoline	563	
Other Supplies and Materials	1,275	
In Service/Staff Development	1,400	
Other Charges	17	
Other Equipment	38,836	
Total Rescue Squad		$ 42,933
Other Emergency Management		
Assistant(s)	$ 30,851	
Supervisor/Director	40,612	
Dispatchers/Radio Operators	360,186	
Longevity Pay	3,900	
Overtime Pay	18,374	
Other Salaries and Wages	14,717	
Social Security	28,203	
State Retirement	52,657	
Life Insurance	647	
Medical Insurance	92,488	
Disability Insurance	2,840	
Unemployment Compensation	2,069	
Employer Medicare	6,596	
Other Fringe Benefits	3,200	
Communication	37,926	
Contracts with Private Agencies	78,940	
Maintenance and Repair Services - Vehicles	79	
Postal Charges	150	
Travel	8,875	
Gasoline	1,678	
Office Supplies	6,024	
Uniforms	1,514	
Other Supplies and Materials	2,660	
In Service/Staff Development	2,755	
Other Charges	148	
Communication Equipment	1,067	
Data Processing Equipment	140	
Other Equipment	2,579	
Total Other Emergency Management		801,875
County Coroner/Medical Examiner		
Other Contracted Services	$ 6,195	
Medical Claims	28,125	
Total County Coroner/Medical Examiner		34,320
Public Safety Grant Programs		
Overtime Pay	$ 6,557	
Other Fringe Benefits	1,366	
In Service/Staff Development	645	
Communication Equipment	10,479	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Public Safety Grant Programs (Cont.)		
Other Equipment	$ 6,548	
Other Capital Outlay	145,748	
Total Public Safety Grant Programs		$ 171,343
Public Health and Welfare		
Local Health Center		
Communication	$ 1,296	
Dues and Memberships	200	
Janitorial Services	8,420	
Maintenance and Repair Services - Buildings	812	
Disposal Fees	2,110	
Other Contracted Services	1,630	
Custodial Supplies	2,652	
Office Supplies	554	
Utilities	14,200	
Building and Contents Insurance	2,957	
Liability Insurance	472	
Other Charges	148	
Total Local Health Center		35,451
Rabies and Animal Control		
Assistant(s)	$ 73,447	
Supervisor/Director	11,650	
Longevity Pay	300	
Overtime Pay	1,191	
Other Salaries and Wages	159	
Social Security	5,321	
State Retirement	11,547	
Life Insurance	136	
Medical Insurance	12,549	
Disability Insurance	608	
Unemployment Compensation	342	
Employer Medicare	1,244	
Other Fringe Benefits	600	
Communication	1,487	
Dues and Memberships	150	
Licenses	102	
Maintenance and Repair Services - Buildings	978	
Maintenance and Repair Services - Vehicles	3,194	
Travel	386	
Other Contracted Services	55,294	
Animal Food and Supplies	2,184	
Diesel Fuel	3,168	
Drugs and Medical Supplies	1,357	
Gasoline	6,303	
Office Supplies	825	
Uniforms	75	
Other Supplies and Materials	2,321	
Refunds	75	
In Service/Staff Development	360	
Other Equipment	1,137	
Total Rabies and Animal Control		198,490

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Public Health and Welfare (Cont.)				
Other Local Health Services				
Secretary(ies)	$	20,586		
Longevity Pay		420		
Overtime Pay		255		
Other Salaries and Wages		61,864		
Social Security		4,795		
State Retirement		5,980		
Life Insurance		109		
Medical Insurance		11,895		
Disability Insurance		376		
Unemployment Compensation		582		
Employer Medicare		1,122		
Other Fringe Benefits		500		
Travel		11,965		
In Service/Staff Development		90		
Total Other Local Health Services			$	120,539
Appropriation to State				
Contracts with Government Agencies	$	30,646		
Total Appropriation to State				30,646
General Welfare Assistance				
Other Contracted Services	$	17,775		
Total General Welfare Assistance				17,775
Waste Pickup				
Laborers	$	51,163		
Longevity Pay		300		
Overtime Pay		4,024		
Social Security		3,243		
State Retirement		7,254		
Life Insurance		55		
Medical Insurance		11,554		
Disability Insurance		234		
Unemployment Compensation		216		
Employer Medicare		767		
Other Fringe Benefits		400		
Contracts with Other Public Agencies		13,875		
Other Supplies and Materials		1,767		
In Service/Staff Development		725		
Principal on Notes		5,000		
Total Waste Pickup				100,577
Other Public Health and Welfare				
Other Charges	$	169		
Total Other Public Health and Welfare				169
Social, Cultural, and Recreational Services				
Senior Citizens Assistance				
Maintenance and Repair Services - Buildings	$	2,185		
Other Contracted Services		22,050		

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Social, Cultural, and Recreational Services (Cont.)		
Senior Citizens Assistance (Cont.)		
Custodial Supplies	$ 2,028	
Gasoline	99,152	
Total Senior Citizens Assistance		$ 125,415
Parks and Fair Boards		
Supervisor/Director	$ 7,412	
Other Salaries and Wages	9,773	
Social Security	1,078	
Unemployment Compensation	227	
Employer Medicare	252	
Other Fringe Benefits	200	
Communication	435	
Maintenance Agreements	180	
Maintenance and Repair Services - Buildings	370	
Other Supplies and Materials	1,839	
Other Charges	205	
Total Parks and Fair Boards		21,971
Agriculture and Natural Resources		
Agriculture Extension Service		
Other Salaries and Wages	$ 55,321	
Social Security	360	
Unemployment Compensation	70	
Employer Medicare	84	
Other Fringe Benefits	8,922	
Communication	1,928	
Other Contracted Services	558	
Other Supplies and Materials	40	
Total Agriculture Extension Service		67,283
Soil Conservation		
Secretary to Board	$ 23,171	
Longevity Pay	300	
Other Salaries and Wages	25,418	
Social Security	2,866	
State Retirement	6,516	
Life Insurance	94	
Medical Insurance	13,038	
Disability Insurance	398	
Unemployment Compensation	216	
Employer Medicare	670	
Other Fringe Benefits	400	
Dues and Memberships	50	
Travel	2,080	
Premiums on Corporate Surety Bonds	527	
In Service/Staff Development	29	
Other Charges	418	
Other Equipment	753	
Total Soil Conservation		76,944

(Continued)

Exhibit J-7

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

General Fund (Cont.)			
Other Operations			
Industrial Development			
Dues and Memberships	$ 2,800		
Maintenance Agreements	1,813		
Maintenance and Repair Services - Buildings	1,643		
Travel	1,655		
Other Contracted Services	38,060		
Gasoline	830		
Premiums on Corporate Surety Bonds	140		
In Service/Staff Development	500		
Total Industrial Development		$ 47,441	
Other Economic and Community Development			
Contracts with Government Agencies	$ 104,628		
Other Contracted Services	385,323		
Other Charges	22		
Total Other Economic and Community Development		489,973	
Veterans' Services			
Supervisor/Director	$ 15,381		
Social Security	960		
Unemployment Compensation	111		
Employer Medicare	224		
Other Fringe Benefits	100		
Contracts with Government Agencies	399		
Postal Charges	90		
Travel	825		
Office Supplies	274		
Total Veterans' Services		18,364	
Other Charges			
Other Fringe Benefits	$ 6,196		
Medical and Dental Services	3,210		
Building and Contents Insurance	44,403		
Liability Insurance	53,062		
Medical Claims	25,371		
Trustee's Commission	187,060		
Vehicle and Equipment Insurance	53,534		
Workers' Compensation Insurance	131,562		
Other Charges	4,746		
Total Other Charges		509,144	
Capital Projects			
Highway and Street Capital Projects			
Highway Equipment	$ 53,000		
Total Highway and Street Capital Projects		53,000	
Total General Fund			$ 14,645,641

(Continued)

Exhibit J-7

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

Courthouse and Jail Maintenance Fund			
Other Operations			
Other Charges			
Trustee's Commission	$ 1,731		
Total Other Charges		$ 1,731	
Total Courthouse and Jail Maintenance Fund			$ 1,731
Public Library Fund			
Social, Cultural, and Recreational Services			
Libraries			
Assistant(s)	$ 45,978		
Supervisor/Director	40,613		
Librarians	23,171		
Longevity Pay	1,320		
Other Salaries and Wages	23,113		
Social Security	8,162		
State Retirement	11,825		
Life Insurance	174		
Medical Insurance	25,005		
Disability Insurance	919		
Unemployment Compensation	698		
Employer Medicare	1,909		
Other Fringe Benefits	1,060		
Communication	2,100		
Dues and Memberships	195		
Maintenance and Repair Services - Buildings	10,874		
Maintenance and Repair Services - Office Equipment	1,684		
Travel	1,128		
Other Contracted Services	536		
Library Books/Media	15,101		
Office Supplies	1,172		
Periodicals	870		
Other Supplies and Materials	1,995		
Other Charges	915		
Data Processing Equipment	645		
Other Capital Outlay	22,000		
Total Libraries		$ 243,162	
Other Operations			
Other Charges			
Pest Control	$ 600		
Utilities	17,089		
Building and Contents Insurance	2,906		
Liability Insurance	995		
Trustee's Commission	5,767		
Workers' Compensation Insurance	2,664		
Total Other Charges		30,021	
Total Public Library Fund			273,183

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund		
Public Health and Welfare		
Sanitation Education/Information		
Advertising	$ 515	
Other Supplies and Materials	75	
Total Sanitation Education/Information		$ 590
Convenience Centers		
Laborers	$ 165,171	
Social Security	10,355	
Unemployment Compensation	1,939	
Employer Medicare	2,422	
Other Fringe Benefits	2,000	
Communication	7,493	
Maintenance and Repair Services - Buildings	7,090	
Maintenance and Repair Services - Equipment	19,385	
Utilities	11,802	
Other Supplies and Materials	4,170	
Total Convenience Centers		231,827
Transfer Stations		
Supervisor/Director	$ 53,830	
Deputy(ies)	33,592	
Foremen	30,604	
Mechanic(s)	32,722	
Equipment Operators - Light	87,922	
Truck Drivers	23,182	
Laborers	50,299	
Educational Incentive - Official/Admin Officer	1,000	
Educational Incentive - Other County Employees	1,000	
Longevity Pay	5,820	
Overtime Pay	2,344	
Social Security	18,958	
State Retirement	39,538	
Life Insurance	491	
Medical Insurance	64,086	
Disability Insurance	2,325	
Unemployment Compensation	1,403	
Employer Medicare	4,434	
Other Fringe Benefits	2,250	
Communication	1,469	
Contracts with Government Agencies	368,959	
Contracts with Private Agencies	80,247	
Dues and Memberships	289	
Maintenance and Repair Services - Equipment	15,911	
Maintenance and Repair Services - Vehicles	11,820	
Pest Control	319	
Postal Charges	273	
Diesel Fuel	36,235	
Gasoline	4,747	
Lubricants	1,377	
Office Supplies	2,344	
Tires and Tubes	10,494	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)			
Public Health and Welfare (Cont.)			
Transfer Stations (Cont.)			
Uniforms	$ 1,635		
Utilities	7,929		
Vehicle Parts	4,962		
Other Supplies and Materials	17,488		
Other Charges	121		
Solid Waste Equipment	6,500		
Total Transfer Stations		$ 1,028,919	
Postclosure Care Costs			
Contracts with Private Agencies	$ 6,300		
Total Postclosure Care Costs		6,300	
Other Operations			
Other Charges			
Medical and Dental Services	$ 460		
Building and Contents Insurance	12,872		
Liability Insurance	15,018		
Medical Claims	9,448		
Trustee's Commission	20,228		
Vehicle and Equipment Insurance	15,018		
Workers' Compensation Insurance	8,053		
Other Self-Insured Claims	1,000		
Other Charges	209		
Total Other Charges		82,306	
Total Solid Waste/Sanitation Fund			$ 1,349,942
Local Purpose Tax Fund			
Public Safety			
Fire Prevention and Control			
Contracts with Government Agencies	$ 2,000		
Other Contracted Services	523,000		
Other Supplies and Materials	75		
Trustee's Commission	8,395		
In Service/Staff Development	181		
Other Charges	548		
Total Fire Prevention and Control		$ 534,199	
Total Local Purpose Tax Fund			534,199
Drug Control Fund			
Public Safety			
Drug Enforcement			
Confidential Drug Enforcement Payments	$ 15,000		
Travel	1,166		
Other Contracted Services	3,038		
Animal Food and Supplies	1,757		
Instructional Supplies and Materials	6,612		
Law Enforcement Supplies	438		
Other Supplies and Materials	3,407		

(Continued)

Exhibit J-7

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

Drug Control Fund (Cont.)			
Public Safety (Cont.)			
Drug Enforcement (Cont.)			
In Service/Staff Development	$ 600		
Other Charges	2,594		
Law Enforcement Equipment	12,146		
Other Equipment	9,245		
Total Drug Enforcement		$ 56,003	
Other Operations			
Other Charges			
Trustee's Commission	$ 485		
Total Other Charges		485	
Total Drug Control Fund			$ 56,488
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 71,475		
Assistant(s)	100,249		
Longevity Pay	3,210		
Overtime Pay	325		
Other Salaries and Wages	1,694		
Board and Committee Members Fees	18,240		
Social Security	12,238		
State Retirement	23,307		
Life Insurance	172		
Medical Insurance	27,973		
Dental Insurance	971		
Disability Insurance	1,479		
Unemployment Compensation	2,151		
Employer Medicare	2,862		
Other Fringe Benefits	579		
Dues and Memberships	4,383		
Legal Services	65		
Legal Notices, Recording, and Court Costs	83		
Maintenance and Repair Services - Office Equipment	1,825		
Postal Charges	100		
Travel	2,887		
Other Contracted Services	300		
Office Supplies	1,728		
In Service/Staff Development	1,414		
Other Charges	1,030		
Total Administration		$ 280,740	
Highway and Bridge Maintenance			
Foremen	$ 30,401		
Mechanic(s)	27,986		
Equipment Operators - Heavy	112,317		
Equipment Operators - Light	106,866		
Truck Drivers	77,927		
Laborers	12,530		

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)				
Highways (Cont.)				
Highway and Bridge Maintenance (Cont.)				
Longevity Pay	$	10,380		
Overtime Pay		7,021		
Social Security		23,979		
State Retirement		49,146		
Life Insurance		710		
Medical Insurance		104,901		
Dental Insurance		3,507		
Disability Insurance		3,227		
Employer Medicare		5,608		
Other Fringe Benefits		2,659		
Other Contracted Services		2,350		
Concrete		15		
Crushed Stone		1,746		
General Construction Materials		310		
Other Road Supplies		30,612		
Pipe		5,391		
Road Signs		32,216		
Other Supplies and Materials		3,529		
Total Highway and Bridge Maintenance			$	655,334
Operation and Maintenance of Equipment				
Foremen	$	16,936		
Overtime Pay		885		
Other Salaries and Wages		27,477		
Social Security		2,829		
State Retirement		4,099		
Life Insurance		62		
Medical Insurance		11,273		
Dental Insurance		386		
Disability Insurance		233		
Employer Medicare		662		
Other Fringe Benefits		312		
Maintenance and Repair Services - Buildings		2,145		
Maintenance and Repair Services - Equipment		4,942		
Diesel Fuel		90,108		
Equipment and Machinery Parts		63,691		
Garage Supplies		16,023		
Gasoline		33,532		
Lubricants		8,658		
Small Tools		195		
Tires and Tubes		30,855		
Other Supplies and Materials		13		
Total Operation and Maintenance of Equipment				315,316
Quarry Operations				
Foremen	$	30,401		
Equipment Operators - Light		40,156		
Longevity Pay		1,740		
Overtime Pay		10		
Other Salaries and Wages		2,964		

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)				
Highways (Cont.)				
Quarry Operations (Cont.)				
Social Security	$	4,622		
State Retirement		9,975		
Life Insurance		98		
Medical Insurance		19,147		
Dental Insurance		645		
Disability Insurance		489		
Employer Medicare		1,081		
Other Fringe Benefits		425		
Communication		828		
Engineering Services		4,200		
Explosive and Drilling Services		19,356		
Operating Lease Payments		8,400		
Maintenance and Repair Services - Equipment		11,026		
Diesel Fuel		15,742		
Electricity		38,530		
Equipment and Machinery Parts		18,616		
Garage Supplies		9,983		
Lubricants		479		
Tires and Tubes		110		
Water and Sewer		1,048		
Other Supplies and Materials		524		
Total Quarry Operations			$	240,595
Other Charges				
Communication	$	6,141		
Medical and Dental Services		960		
Pest Control		300		
Disposal Fees		3,648		
Permits		2,804		
Uniforms		10,832		
Utilities		13,412		
Building and Contents Insurance		23,404		
Liability Insurance		27,305		
Medical Claims		7,385		
Premiums on Corporate Surety Bonds		772		
Trustee's Commission		26,887		
Vehicle and Equipment Insurance		27,305		
Workers' Compensation Insurance		14,268		
Other Self-Insured Claims		389		
Other Charges		664		
Total Other Charges				166,476
Capital Outlay				
Building Improvements	$	14,009		
Communication Equipment		7,592		
Highway Construction		309,690		
Motor Vehicles		14,000		
Other Equipment		24,380		
Other Construction		2,687		
Other Capital Outlay		240		
Total Capital Outlay				372,598

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)			
Principal on Debt			
Highways and Streets			
Principal on Notes	$ 11,308		
Principal on Capital Leases	37,099		
Total Highways and Streets		$ 48,407	
Interest on Debt			
Highways and Streets			
Interest on Notes	$ 7,814		
Interest on Capital Leases	4,045		
Total Highways and Streets		11,859	
Total Highway/Public Works Fund			$ 2,091,325
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 1,311,399		
Principal on Notes	57,542		
Total General Government		$ 1,368,941	
Interest on Debt			
General Government			
Interest on Bonds	$ 371,413		
Interest on Notes	32,545		
Total General Government		403,958	
Other Debt Service			
General Government			
Trustee's Commission	$ 19,472		
Other Debt Issuance Charges	8,685		
Other Debt Service	1,372		
Total General Government		29,529	
Highways and Streets			
Other Debt Issuance Charges	$ 2,373		
Total Highways and Streets		2,373	
Total General Debt Service Fund			1,804,801
Education Debt Service Fund			
Principal on Debt			
Education			
Principal on Bonds	$ 2,480,000		
Principal on Capital Leases	199,393		
Total Education		$ 2,679,393	
Interest on Debt			
Education			
Interest on Bonds	$ 685,948		
Interest on Capital Leases	29,180		
Total Education		715,128	

(Continued)

Exhibit J-7

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

Education Debt Service Fund (Cont.)			
Other Debt Service			
Education			
Trustee's Commission	$ 47,572		
Other Debt Issuance Charges	17,586		
Other Debt Service	658		
Total Education		$ 65,816	
Total Education Debt Service Fund			$ 3,460,337
Total Governmental Funds - Primary Government			$ 24,217,647

Exhibit J-8

Franklin County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2013

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 12,356,982	
Career Ladder Program	121,596	
Career Ladder Extended Contracts	52,567	
Homebound Teachers	28,927	
Educational Assistants	541,160	
Other Salaries and Wages	79,892	
Certified Substitute Teachers	139,551	
Non-certified Substitute Teachers	133,164	
Social Security	787,448	
State Retirement	1,191,045	
Medical Insurance	2,156,019	
Disability Insurance	4,154	
Unemployment Compensation	6,057	
Employer Medicare	188,010	
Tuition	310,286	
Other Contracted Services	134,015	
Instructional Supplies and Materials	521,769	
Textbooks	373,851	
Other Supplies and Materials	2,589	
Other Charges	4,348	
Regular Instruction Equipment	172,469	
Total Regular Instruction Program		$ 19,305,899
Alternative Instruction Program		
Teachers	$ 166,423	
Career Ladder Program	1,000	
Certified Substitute Teachers	60	
Non-certified Substitute Teachers	60	
Social Security	9,792	
State Retirement	14,363	
Medical Insurance	21,939	
Employer Medicare	2,372	
Other Contracted Services	1,415	
Total Alternative Instruction Program		217,424
Special Education Program		
Teachers	$ 2,190,140	
Career Ladder Program	18,999	
Homebound Teachers	39,552	
Educational Assistants	344,038	
Certified Substitute Teachers	35,501	
Non-certified Substitute Teachers	35,350	
Social Security	155,851	
State Retirement	243,904	
Medical Insurance	433,223	
Disability Insurance	2,246	
Unemployment Compensation	3,107	
Employer Medicare	36,622	
Contracts with Private Agencies	176,878	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Instruction (Cont.)				
Special Education Program (Cont.)				
Maintenance and Repair Services - Equipment	$	10,750		
Other Contracted Services		350		
Instructional Supplies and Materials		8,786		
Special Education Equipment		4,563		
Total Special Education Program			$	3,739,860
Vocational Education Program				
Teachers	$	894,471		
Career Ladder Program		3,975		
Certified Substitute Teachers		11,068		
Non-certified Substitute Teachers		14,320		
Social Security		53,955		
State Retirement		79,827		
Medical Insurance		161,147		
Employer Medicare		12,767		
Instructional Supplies and Materials		35,516		
Other Charges		801		
Vocational Instruction Equipment		38,913		
Total Vocational Education Program				1,306,760
Student Body Education Program				
Other Salaries and Wages	$	24,366		
Social Security		990		
State Retirement		445		
Employer Medicare		290		
Other Contracted Services		90,885		
Other Supplies and Materials		2,488		
Other Charges		2,376		
Total Student Body Education Program				121,840
Adult Education Program				
Teachers	$	6,570		
Social Security		325		
State Retirement		288		
Employer Medicare		95		
Total Adult Education Program				7,278
Support Services				
Attendance				
Clerical Personnel	$	93,749		
Other Salaries and Wages		38,283		
Non-certified Substitute Teachers		275		
Social Security		7,852		
State Retirement		17,453		
Medical Insurance		20,115		
Disability Insurance		1,068		
Employer Medicare		1,836		
Travel		520		
Other Contracted Services		14,969		

(Continued)

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Attendance (Cont.)				
Other Supplies and Materials	$	160		
In Service/Staff Development		998		
Attendance Equipment		255		
Total Attendance			$	197,533
Health Services				
Medical Personnel	$	281,464		
Non-certified Substitute Teachers		1,946		
Social Security		16,292		
State Retirement		37,209		
Medical Insurance		45,099		
Disability Insurance		2,073		
Employer Medicare		3,812		
Other Supplies and Materials		952		
In Service/Staff Development		123		
Total Health Services				388,970
Other Student Support				
Career Ladder Program	$	7,000		
Guidance Personnel		639,057		
Social Workers		49,727		
Assessment Personnel		9,178		
Secretary(ies)		64,830		
School Resource Officer		138,553		
Other Salaries and Wages		41,746		
Non-certified Substitute Teachers		140		
Social Security		48,521		
State Retirement		77,081		
Medical Insurance		114,279		
Disability Insurance		912		
Employer Medicare		11,343		
Evaluation and Testing		19,710		
Travel		1,587		
Other Contracted Services		1,154		
In Service/Staff Development		669		
Total Other Student Support				1,225,487
Regular Instruction Program				
Supervisor/Director	$	125,226		
Career Ladder Program		9,000		
Librarians		569,840		
Clerical Personnel		16,245		
Educational Assistants		46,034		
Other Salaries and Wages		48,385		
Certified Substitute Teachers		150		
Non-certified Substitute Teachers		2,325		
Social Security		45,621		
State Retirement		70,717		
Medical Insurance		96,865		

(Continued)

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Regular Instruction Program (Cont.)				
Disability Insurance	$	427		
Employer Medicare		11,388		
Travel		12,627		
Other Contracted Services		20,187		
Library Books/Media		13,975		
Other Supplies and Materials		8,606		
In Service/Staff Development		54,735		
Other Charges		4,472		
Total Regular Instruction Program			$	1,156,825
Special Education Program				
Supervisor/Director	$	75,776		
Career Ladder Program		1,000		
Clerical Personnel		87,573		
Other Salaries and Wages		35,143		
Social Security		12,173		
State Retirement		18,389		
Medical Insurance		21,080		
Disability Insurance		703		
Employer Medicare		2,847		
Travel		20,147		
Other Supplies and Materials		52,986		
In Service/Staff Development		31,511		
Other Charges		1,303		
Total Special Education Program				360,631
Vocational Education Program				
Secretary(ies)	$	35,338		
Social Security		2,164		
State Retirement		4,764		
Medical Insurance		5,901		
Disability Insurance		307		
Employer Medicare		509		
Maintenance and Repair Services - Equipment		1,055		
Travel		2,546		
Other Contracted Services		5,273		
In Service/Staff Development		4,709		
Other Charges		1,782		
Total Vocational Education Program				64,348
Adult Programs				
Supervisor/Director	$	59,289		
Other Salaries and Wages		26,712		
Social Security		5,330		
State Retirement		8,794		
Medical Insurance		10,834		
Disability Insurance		210		
Employer Medicare		1,246		
In Service/Staff Development		1,873		
Other Charges		2,500		
Total Adult Programs				116,788

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Other Programs		
On-Behalf Payments to OPEB	$ 171,188	
Total Other Programs		$ 171,188
Board of Education		
Secretary to Board	$ 737	
Board and Committee Members Fees	31,200	
Social Security	1,496	
State Retirement	97	
Employer Medicare	463	
Other Fringe Benefits	147,921	
Audit Services	18,000	
Dues and Memberships	19,785	
Legal Services	6,820	
Other Contracted Services	7,830	
Other Supplies and Materials	2,700	
Liability Insurance	165,910	
Premiums on Corporate Surety Bonds	175	
Trustee's Commission	298,511	
Workers' Compensation Insurance	323,968	
In Service/Staff Development	7,881	
Criminal Investigation of Applicants - TBI	5,844	
Other Charges	3,013	
Total Board of Education		1,042,351
Director of Schools		
County Official/Administrative Officer	$ 113,315	
Assistant(s)	80,265	
Career Ladder Program	1,000	
Clerical Personnel	25,330	
Social Security	13,208	
State Retirement	20,440	
Medical Insurance	19,122	
Disability Insurance	971	
Employer Medicare	3,116	
Communication	55,693	
Dues and Memberships	2,351	
Maintenance and Repair Services - Equipment	1,252	
Postal Charges	7,319	
Travel	844	
Office Supplies	7,460	
Other Supplies and Materials	250	
In Service/Staff Development	2,827	
Other Charges	1,713	
Administration Equipment	1,278	
Total Director of Schools		357,754
Office of the Principal		
Principals	$ 752,508	
Career Ladder Program	20,000	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Office of the Principal (Cont.)				
Assistant Principals	$	510,465		
Secretary(ies)		354,461		
Other Salaries and Wages		46,122		
Certified Substitute Teachers		1,470		
Non-certified Substitute Teachers		1,430		
Social Security		100,603		
State Retirement		166,833		
Medical Insurance		248,364		
Disability Insurance		3,178		
Employer Medicare		23,548		
Other Supplies and Materials		3,037		
Total Office of the Principal			$	2,232,019
Human Services/Personnel				
Clerical Personnel	$	69,222		
Social Security		4,292		
State Retirement		9,145		
Medical Insurance		11,858		
Disability Insurance		556		
Employer Medicare		1,004		
Other Contracted Services		3,358		
In Service/Staff Development		1,420		
Administration Equipment		415		
Total Human Services/Personnel				101,270
Operation of Plant				
Guards	$	25,584		
Custodial Personnel		850,700		
Other Salaries and Wages		101,790		
Non-certified Substitute Teachers		24,856		
Social Security		60,463		
State Retirement		119,625		
Medical Insurance		190,528		
Disability Insurance		7,110		
Unemployment Compensation		269		
Employer Medicare		14,145		
Disposal Fees		47,290		
Other Contracted Services		184,800		
Custodial Supplies		173,954		
Electricity		1,199,479		
Gasoline		862		
Natural Gas		107,540		
Water and Sewer		123,792		
Other Supplies and Materials		6,650		
Boiler Insurance		10,607		
Building and Contents Insurance		196,121		
In Service/Staff Development		2,103		
Other Charges		528		
Plant Operation Equipment		7,638		
Total Operation of Plant				3,456,434

(Continued)

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Maintenance of Plant				
Supervisor/Director	$	62,484		
Maintenance Personnel		462,879		
Other Salaries and Wages		9,337		
Social Security		31,311		
State Retirement		67,071		
Medical Insurance		77,603		
Disability Insurance		4,078		
Employer Medicare		7,321		
Communication		703		
Laundry Service		7,539		
Maintenance and Repair Services - Buildings		377,677		
Maintenance and Repair Services - Equipment		6,224		
Maintenance and Repair Services - Vehicles		16,062		
Other Contracted Services		44,262		
Gasoline		26,510		
Other Supplies and Materials		751		
Maintenance Equipment		3,800		
Total Maintenance of Plant			$	1,205,612
Transportation				
Supervisor/Director	$	61,395		
Bus Drivers		176,980		
Other Salaries and Wages		31,963		
Non-certified Substitute Teachers		15,646		
Social Security		16,959		
State Retirement		32,753		
Medical Insurance		56,314		
Disability Insurance		1,323		
Employer Medicare		4,019		
Communication		1,763		
Contracts with Vehicle Owners		1,483,905		
Maintenance and Repair Services - Vehicles		110,915		
Travel		20		
Other Contracted Services		15,453		
Gasoline		67,889		
Tires and Tubes		20,008		
Other Supplies and Materials		621		
Vehicle and Equipment Insurance		21,600		
In Service/Staff Development		1,298		
Other Charges		880		
Transportation Equipment		87,300		
Total Transportation				2,209,004
Central and Other				
Supervisor/Director	$	85,347		
Clerical Personnel		36,067		
Other Salaries and Wages		223,752		
Social Security		20,017		
State Retirement		45,599		

(Continued)

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Central and Other (Cont.)				
Medical Insurance	$	42,532		
Disability Insurance		2,673		
Employer Medicare		4,613		
Data Processing Services		11,561		
Travel		3,106		
Other Contracted Services		1,512		
Other Supplies and Materials		7,688		
In Service/Staff Development		8,187		
Other Equipment		58,932		
Total Central and Other			$	551,586
Operation of Non-Instructional Services				
Community Services				
Supervisor/Director	$	119,559		
Teachers		52,507		
Other Salaries and Wages		300,048		
Non-certified Substitute Teachers		230		
Social Security		28,756		
State Retirement		42,229		
Medical Insurance		29,875		
Disability Insurance		1,260		
Employer Medicare		6,726		
Communication		417		
Contributions		1,858		
Travel		29,814		
Other Contracted Services		42,162		
Food Supplies		1,959		
Other Supplies and Materials		76,475		
Indirect Cost		236		
In Service/Staff Development		9,884		
Other Charges		89,798		
Other Equipment		499,814		
Total Community Services				1,333,607
Early Childhood Education				
Supervisor/Director	$	34,971		
Teachers		535,701		
Educational Assistants		326,701		
Other Salaries and Wages		15,932		
Non-certified Substitute Teachers		1,912		
Social Security		53,335		
State Retirement		95,971		
Medical Insurance		190,293		
Disability Insurance		2,520		
Employer Medicare		12,473		
Travel		620		
Other Contracted Services		4,250		
Other Supplies and Materials		43,869		
In Service/Staff Development		14,617		

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Early Childhood Education (Cont.)			
Other Charges	$ 309		
Other Equipment	19,127		
Total Early Childhood Education		$ 1,352,601	
Capital Outlay			
Regular Capital Outlay			
Architects	$ 1,900		
Engineering Services	7,684		
Building Construction	138,175		
Other Capital Outlay	465,227		
Total Regular Capital Outlay		612,986	
Principal on Debt			
Education			
Debt Service Contribution to Primary Government	$ 199,393		
Total Education		199,393	
Interest on Debt			
Education			
Debt Service Contribution to Primary Government	$ 29,180		
Total Education		29,180	
Other Debt Service			
Education			
Debt Service Contribution to Primary Government	$ 510,000		
Total Education		510,000	
Total General Purpose School Fund			$ 43,574,628
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 860,965		
Educational Assistants	80,465		
Certified Substitute Teachers	390		
Non-certified Substitute Teachers	26,520		
Social Security	55,321		
State Retirement	84,346		
Medical Insurance	154,584		
Employer Medicare	13,412		
Other Fringe Benefits	614		
Instructional Supplies and Materials	66,298		
Regular Instruction Equipment	105,197		
Total Regular Instruction Program		$ 1,448,112	
Special Education Program			
Teachers	$ 111,444		
Educational Assistants	362,916		
Non-certified Substitute Teachers	174		

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)				
Instruction (Cont.)				
Special Education Program (Cont.)				
Social Security	$	27,032		
State Retirement		57,738		
Medical Insurance		132,525		
Employer Medicare		6,322		
Other Fringe Benefits		2,729		
Contracts with Private Agencies		2,790		
Instructional Supplies and Materials		1,893		
Other Supplies and Materials		31,273		
Special Education Equipment		32,149		
Total Special Education Program			$	768,985
Vocational Education Program				
Clerical Personnel	$	2,014		
Social Security		125		
Employer Medicare		29		
Instructional Supplies and Materials		5,000		
Other Supplies and Materials		20,640		
Vocational Instruction Equipment		45,283		
Total Vocational Education Program				73,091
Support Services				
Health Services				
Medical Personnel	$	140,866		
Social Security		8,527		
State Retirement		18,622		
Medical Insurance		16,124		
Employer Medicare		1,994		
Other Fringe Benefits		901		
Total Health Services				187,034
Other Student Support				
Travel	$	10,500		
Other Contracted Services		2,854		
Other Supplies and Materials		583		
Other Charges		11,735		
Total Other Student Support				25,672
Regular Instruction Program				
Supervisor/Director	$	56,079		
Other Salaries and Wages		37,012		
Social Security		5,451		
State Retirement		8,267		
Medical Insurance		7,555		
Employer Medicare		1,275		
Communication		22,132		
Consultants		154		
Maintenance and Repair Services - Equipment		1,764		
Travel		227		
Other Contracted Services		39,900		

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Regular Instruction Program (Cont.)			
Library Books/Media	$ 1,040		
Other Supplies and Materials	1,821		
In Service/Staff Development	27,966		
Total Regular Instruction Program		$ 210,643	
Special Education Program			
Psychological Personnel	$ 154,981		
Social Security	9,445		
State Retirement	13,762		
Medical Insurance	24,843		
Employer Medicare	2,209		
Other Supplies and Materials	1,071		
In Service/Staff Development	5,000		
Total Special Education Program		211,311	
Vocational Education Program			
Clerical Personnel	$ 4,226		
Social Security	262		
Employer Medicare	61		
Total Vocational Education Program		4,549	
Transportation			
Other Salaries and Wages	$ 115,830		
Social Security	6,943		
State Retirement	15,313		
Medical Insurance	32,915		
Employer Medicare	1,624		
Other Fringe Benefits	1,111		
Total Transportation		173,736	
Total School Federal Projects Fund			$ 3,103,133
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 63,550		
Clerical Personnel	28,787		
Cafeteria Personnel	828,207		
Other Salaries and Wages	20,728		
In-Service Training	500		
Social Security	55,636		
State Retirement	103,748		
Medical Insurance	189,652		
Disability Insurance	5,928		
Unemployment Compensation	687		
Employer Medicare	13,083		
Communication	3,039		
Maintenance and Repair Services - Equipment	3,465		
Travel	5,224		

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Other Contracted Services	$ 16,529		
Food Supplies	1,447,683		
Office Supplies	2,071		
USDA - Commodities	173,996		
Other Supplies and Materials	37,504		
In Service/Staff Development	8,288		
Other Charges	4,889		
Food Service Equipment	17,815		
Total Food Service		$ 3,031,009	
Total Central Cafeteria Fund			$ 3,031,009
Total Governmental Funds - Franklin County School Department			$ 49,708,770

Exhibit J-9

Franklin County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2013

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 3,247,172
Total Cash Receipts	$ 3,247,172
Cash Disbursements	
Remittance of Revenues Collected	$ 3,214,700
Trustee's Commission	32,472
Total Cash Disbursements	$ 3,247,172
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2012	0
Cash Balance, June 30, 2013	$ 0

SINGLE AUDIT SECTION

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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Franklin County's basic financial statements, and have issued our report thereon dated October 9, 2013. Our report includes a reference to other auditors who audited the financial statements of the Franklin County Emergency Communications District, as described in our report on Franklin County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency: 2013-003.

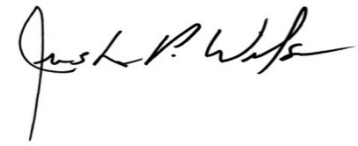
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2013-001, 2013-002, and 2013-004.

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 9, 2013

JPW/sb

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

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Franklin County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Franklin County's major federal programs for the year ended June 30, 2013. Franklin County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Franklin County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan

and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Franklin County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide legal determination of Franklin County's compliance.

Opinion on Each Major Federal Program

In our opinion, Franklin County's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Franklin County's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Franklin County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Franklin County's internal control over compliance.

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

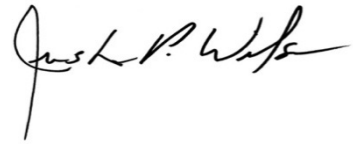
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Franklin County's basic financial statements. We issued our report thereon dated October 9, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 9, 2013

JPW/sb

Franklin County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2013

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	$ 173,996 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	494,391
National School Lunch Program	10.555	N/A	1,491,158 (3)
Fresh Fruit and Vegetable Program	10.582	(2)	13,614
Total U.S. Department of Agriculture			$ 2,173,159
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Developing Agency:			
Home Investment Partnerships Program	14.239	(2)	$ 293,022
Total U.S. Department of Housing and Urban Development			$ 293,022
U.S. Department of Justice:			
Direct Program:			
Second Chance Act Prisoner Reentry Initiative	16.812	N/A	$ 580,485
Total U.S. Department of Justice			$ 580,485
U.S. Department of Labor:			
Passed-through Workforce Solutions:			
WIA Youth Activities	17.259	(2)	$ 53,023
Total U.S. Department of Labor			$ 53,023
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(2)	$ 22,405
Total U.S. Department of Transportation			$ 22,405
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	$ 103,305
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,188,595
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,475,273
Special Education - Preschool Grants	84.173	N/A	38,261
Career and Technical Education - Basic Grants to States	84.048	N/A	90,994
Improving Teacher Quality State Grants	84.367	(2)	192,966
State Fiscal Stabilization Funds (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	191,060
Education Jobs Fund	84.410	(2)	98,453
Total U.S. Department of Education			$ 3,378,907
U.S. Department of Health and Human Services:			
Direct Programs:			
Drug-free Communities Support Program Grants	93.276	(2)	$ 131,940
Affordable Care Act (ACA) Grants for School-Based Health Center Capital Expenditures	93.501	(2)	499,814
Passed-through State Department of Mental Health and Developmental Disabilities:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(4)	211,156
Total U.S. Department of Health and Human Services			$ 842,910

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
Executive Office of the President:			
Passed-through Laurel County Fiscal Court:			
High Intensity Drug Trafficking Areas Program	95.001	(2)	$ 9,245
Total Executive Office of the President			$ 9,245
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	$ 8,655
Emergency Management Performance Grants	97.042	(2)	36,350
Homeland Security Grant Program	97.067	(2)	154,683
Total U.S. Department of Homeland Security			$ 199,688
Total Expenditures of Federal Awards			$ 7,552,844

		Contract Number	
State Grants			
Early Childhood Education - State Department of Education	N/A	(2)	$ 1,128,786
Arts Program Categorical Grant - State Arts Commission	N/A	(2)	1,000
Student Tickets Subsidy Grant - State Arts Commission	N/A	(2)	845
Agricultural Growth Initiative Grant - State Department of Agriculture	N/A	(2)	149,947
Safe and Supportive Schools Climate Grant - State Department of Education	N/A	(2)	41,315
Star Student Management System - State Department of Education	N/A	(2)	21,281
Family Resource Center - State Department of Education	N/A	(2)	29,612
Safe Schools - State Department of Education	N/A	(2)	29,100
Coordinated School Health - State Department of Education	N/A	(2)	124,968
Juvenile Services Program - State Department of Children's Services	N/A	(2)	9,000
Airport Maintenance Program - State Department of Transportation	N/A	(2)	16,551
Direct Grants to Local Government Archives Program - State Library and Archives	N/A	(2)	2,345
Fair Merit Award - State Department of Agriculture	N/A	(2)	1,433
FastTrack Industrial Development Program - State Department of Economic and Community Development	N/A	(2)	72,323
Litter Program - State Department of Transportation	N/A	(2)	31,510
Rural Local Health Services - State Department of Health	N/A	(2)	104,711
Library Technology Grant - State Library and Archives	N/A	(2)	1,940
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	25,562
Total State Grants			$ 1,792,229

SUBRECIPIENTS

Program Title	Federal CFDA Number	Amount Provided to Subrecipient	Subrecipient
Second Chance Act Prisoner Reentry Initiative	16.812	$ 580,485	Franklin County Community Re-entry Program

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

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Total for CFDA No. 10.555 is $1,665,154.
(4) GG-13-389198: $70,242; GG-13-389912: $70,245; GG-13-39201: $70,669.

Franklin County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2013

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Franklin County, Tennessee, for the year ended June 30, 2012, which have not been corrected.

OFFICE OF DIRECTOR OF SCHOOLS

Finding Number	Page Number	Subject
12.03	182	The Extended School Program did not deposit some collections within three days of receipt

OFFICES OF COUNTY CLERK

Finding Number	Page Number	Subject
12.06	183	Duties were not segregated adequately

FRANKLIN COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Franklin County is unmodified.

2. The audit of the financial statements of Franklin County disclosed a significant deficiency in internal control. This deficiency was not considered to be a material weakness.

3. The audit disclosed no instances of noncompliance that are material to the financial statements of Franklin County.

4. The audit disclosed no significant deficiencies in internal control over major programs.

5. An unmodified opinion was issued on compliance for major programs.

6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.

7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Second Chance Act Prisoner Reentry Initiative (CFDA No. 16.812), Title I Grants to Local Educational Agencies (CFDA No. 84.010), State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395), and the Affordable Care Act (ACA) Grants for School-Based Health Center Capital Expenditures (CFDA No. 93.501) were determined to be major programs.

8. A $300,000 threshold was used to distinguish between Type A and Type B federal programs.

9. Franklin County did not 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; however, management did not provide responses for inclusion in this report.

OFFICE OF FINANCE DEPARTMENT

FINDING 2013-001 **EXPENDITURES EXCEEDED APPROPRIATIONS IN ONE MAJOR CATEGORY OF THE GENERAL DEBT SERVICE FUND**
(Noncompliance Under *Government Auditing Standards*)

General Debt Service Fund expenditures exceeded appropriations approved by the County Commission in the Interest on Debt - General Government major appropriation category (the legal level of control) by $42,055. Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies." This deficiency exists because management failed to budget the proper amounts for the principal and interest requirements on a bond.

RECOMMENDATION

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

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2013-002 **THE EXTENDED SCHOOL PROGRAM DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION**
(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that Extended School Program funds were deposited with the county trustee within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected the month of November to examine receipts and deposits at seven schools. The program office did not deposit some funds with the county trustee within three days of collection in 15 of 32 deposits made during this month. This deficiency exists because management failed to correct the finding noted in the prior-year audit report. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

RECOMMENDATION

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

OFFICE OF COUNTY CLERK

FINDING 2013-003 **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

RECOMMENDATION

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

OFFICE OF SHERIFF

FINDING 2013-004 **THE OFFICE DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION**
(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that funds were deposited to the bank account within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected the months of August and September to examine receipts and deposits. The office did not deposit some funds to the bank account within three days of collection in four of eight deposits made during these months. This deficiency exists due to a lack of management oversight. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

RECOMMENDATION

All funds should be deposited within three days of collection as required by state statute.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal programs.

FRANKLIN COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2013

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