

**ANNUAL FINANCIAL REPORT**  
**FRANKLIN COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2017**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT  
FRANKLIN COUNTY, TENNESSEE  
FOR THE YEAR ENDED JUNE 30, 2017**

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

***DIVISION OF LOCAL GOVERNMENT AUDIT  
JAMES R. ARNETTE  
Director***

***STEVE REEDER, CPA, CGFM, CFE  
Audit Manager***

***MICHAEL FORD, CPA, CGFM  
Auditor 4***

***DEVAN McDOWELL, CFE  
JENI PALADENI, CISA  
State Auditors***

**This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)**

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## FRANKLIN COUNTY, TENNESSEE

### TABLE OF CONTENTS

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	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
Franklin County Officials		8-9
<u>FINANCIAL SECTION</u>		10
Independent Auditor's Report		11-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Position	A	16-17
Statement of Activities	B	18-19
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	20-23
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	24
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	25-28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	29
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	30-32
Solid Waste/Sanitation Fund	C-6	33
Highway/Public Works Fund	C-7	34
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	35
Index and Notes to the Financial Statements		36-88
REQUIRED SUPPLEMENTARY INFORMATION:		89
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-1	90
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-2	91
Schedule of Contributions Based on Participation in the Teacher Pension Plan of TCRS – Discretely Presented Franklin County School Department	E-3	92
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Franklin County School Department	E-4	93

	Exhibit	Page(s)
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Pension Plan of TCRS – Discretely Presented Franklin County School Department	E-5	94
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Franklin County School Department	E-6	95
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Franklin County School Department	E-7	96
Notes to the Required Supplementary Information		97
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		98
Nonmajor Governmental Funds:		99
Combining Balance Sheet	F-1	100-103
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	104-105
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Courthouse and Jail Maintenance Fund	F-3	106
Public Library Fund	F-4	107
Local Purpose Tax Fund	F-5	108
Drug Control Fund	F-6	109
Major Governmental Funds:		110
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G-1	111
Education Debt Service Fund	G-2	112
Fiduciary Funds:		113
Combining Statement of Fiduciary Assets and Liabilities	H-1	114
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	115
Component Unit:		
Discretely Presented Franklin County School Department:		116
Statement of Activities	I-1	117
Balance Sheet – Governmental Funds	I-2	118-119
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	120
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	121
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	122
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-6	123-124
School Federal Projects Fund	I-7	125
Central Cafeteria Fund	I-8	126

	Exhibit	Page(s)
Miscellaneous Schedules:		127
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds	J-1	128-129
Schedule of Long-term Debt Requirements by Year	J-2	130-131
Schedule of Transfers	J-3	132
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Franklin County School Department	J-4	133
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	134-147
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Franklin County School Department	J-6	148-151
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	152-178
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Franklin County School Department	J-8	179-190
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	J-9	191
 <u>SINGLE AUDIT SECTION</u>		 192
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		193-194
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance		
Expenditures of Federal Awards Required by Uniform Guidance		195-197
Schedule of Expenditures of Federal Awards and State Grants		198-200
Summary Schedule of Prior-year Findings		201
Schedule of Findings and Questioned Costs		202-204
Management's Corrective Action Plan		205

# ***Summary of Audit Findings***

Annual Financial Report  
Franklin County, Tennessee  
For the Year Ended June 30, 2017

## ***Scope***

We have audited the basic financial statements of Franklin County as of and for the year ended June 30, 2017.

## ***Results***

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

Our audit resulted in no findings.

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# INTRODUCTORY SECTION

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# Franklin County Officials

## June 30, 2017

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### **Officials**

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

### **Board of County Commissioners**

Eddie Clark, Chairman	Johnny Hughes
Stanley Bean	Lisa Mason
Don Cofer	Iris Rudder
David Eldridge	Dale Schultz
Barbara Finney	Gene Snead
Angie Fuller	Helen Stapleton
Douglas Goodman	Charles Stines
Sam Hiles	Dave Van Buskirk

### **Highway Commission**

Chuck Tipps, Chairman	Wade Hill
Bobby Clark	Joe McBee

### **Board of Education**

Clei Jo Walker, Chairman	Linda Jones
Chris Guess	Sara Liechty
Gary Hanger	Adam Tucker
Christine Hopkins	Lance Williams



## Franklin County Officials (Cont.)

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### **Financial Management Committee**

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

David Eldridge  
Barbara Finney  
Johnny Hughes

### **Audit Committee**

Gene Seaton, Chairman  
Jackie Axt  
Margaret Lynch

Glen Glasner  
Ron Schlagheck

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## FINANCIAL SECTION

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
JAMES K. FRANKLIN STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
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, 2017, 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 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, 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, Tennessee, as of June 30, 2017, and the respective changes in financial position and the respective budgetary comparison for the General, Solid Waste/Sanitation, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefit plans on pages 90-97 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 General Debt Service and Education Debt Service funds, 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also 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 General Debt Service and Education Debt Service funds, combining and individual fund financial statements of the Franklin County School Department (a discretely presented component unit), miscellaneous schedules, and schedule of expenditures of federal awards 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. In our opinion the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and Education Debt Service funds, combining and individual fund financial statements of the Franklin County School Department (a discretely presented component unit), miscellaneous schedules, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

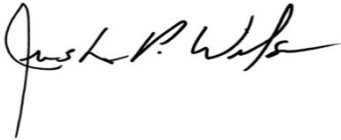
The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2017, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance

and the results of that testing, and not to provide an opinion on the effectiveness of Franklin County's 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,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent initial "J" and "W".

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 9, 2017

JPW/yu

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Franklin County, Tennessee  
Statement of Net Position  
June 30, 2017

	<u>Primary Governmental Activities</u>	<u>Component Unit Franklin County School Department</u>
<u>ASSETS</u>		
Cash	\$ 3,141	\$ 1,634
Equity in Pooled Cash and Investments	25,599,854	11,010,331
Accounts Receivable	85,915	33,456
Due from Component Units	204,027	0
Due from Other Governments	1,273,171	979,809
Property Taxes Receivable	14,581,537	9,935,583
Allowance for Uncollectible Property Taxes	(495,961)	(335,857)
Prepaid Items	26,679	16,036
Net Pension Asset - Teacher Retirement Plan	0	35,050
Capital Assets:		
Assets Not Depreciated:		
Land	28,307,050	5,440,572
Construction in Progress	598,455	44,503
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	12,104,679	31,405,532
Other Capital Assets	12,747,695	2,910,826
Infrastructure	3,128,518	0
Total Assets	<u>\$ 98,164,760</u>	<u>\$ 61,477,475</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 300,605	\$ 0
Pension Changes in Experience	0	145,084
Pension Changes in Investment Earnings	767,757	4,382,425
Pension Other Deferrals	0	98,562
Pension Contributions After Measurement Date	1,181,965	2,711,687
Total Deferred Outflows of Resources	<u>\$ 2,250,327</u>	<u>\$ 7,337,758</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 87,954	\$ 119,935
Accrued Payroll	206,552	143,910
Payroll Deductions Payable	2,196	0
Due to Primary Government	0	204,027
Due to State of Tennessee	2,913	0
Due to Litigants, Heirs and Others	496	0
Accrued Interest Payable	94,025	0
Noncurrent Liabilities:		
Due Within One Year	3,802,333	188,844
Due in More Than One Year	24,731,215	9,713,460
Total Liabilities	<u>\$ 28,927,684</u>	<u>\$ 10,370,176</u>

(Continued)



Exhibit A

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

	<u>Primary Governmental Activities</u>	<u>Component Units Franklin County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 13,625,735	\$ 9,302,763
Pension Changes in Experience	553,150	4,525,100
Pension Other Deferrals	0	128,850
Total Deferred Inflows of Resources	<u>\$ 14,178,885</u>	<u>\$ 13,956,713</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 40,233,235	\$ 39,801,433
Restricted for:		
General Government	26,679	0
Public Safety	124,995	0
Public Health and Welfare	526,002	0
Social, Cultural, and Recreational Services	195,920	0
Highways/Public Works	2,662,281	0
Debt Service	5,800,162	0
Capital Projects	9,690,804	0
Education	0	3,594,491
Pensions	0	35,050
Unrestricted	<u>(1,951,560)</u>	<u>1,057,370</u>
Total Net Position	<u>\$ 57,308,518</u>	<u>\$ 44,488,344</u>

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

Exhibit B

Franklin County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Unit	
					Primary Government Total Governmental Activities	Franklin County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 4,381,052	\$ 459,700	\$ 124,736	\$ 183,113	\$ (3,613,503)	\$ 0
Finance	1,777,493	1,100,893	0	0	(676,600)	0
Administration of Justice	1,644,261	1,139,552	9,000	0	(495,709)	0
Public Safety	6,928,382	964,688	429,548	0	(5,534,146)	0
Public Health and Welfare	2,283,647	245,829	240,066	50,401	(1,747,351)	0
Social, Cultural, and Recreational Services	484,800	24,120	52,270	0	(408,410)	0
Agriculture and Natural Resources	145,123	0	0	0	(145,123)	0
Highways/Public Works	3,356,447	15,842	2,095,587	1,692,032	447,014	0
Education	0	0	0	11,904	11,904	0
Interest on Long-term Debt	644,311	0	0	0	(644,311)	0
<b>Total Primary Government</b>	<b>\$ 21,645,516</b>	<b>\$ 3,950,624</b>	<b>\$ 2,951,207</b>	<b>\$ 1,937,450</b>	<b>\$ (12,806,235)</b>	<b>\$ 0</b>
Component Unit:						
Franklin County School Department	\$ 50,140,179	\$ 1,198,906	\$ 6,759,976	\$ 0	\$ 0	\$ (42,181,297)
<b>Total Component Unit</b>	<b>\$ 50,140,179</b>	<b>\$ 1,198,906</b>	<b>\$ 6,759,976</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (42,181,297)</b>

(Continued)

Exhibit B

Franklin County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Unit	
					Primary Government Total Governmental Activities	Franklin County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 11,415,789	\$ 9,815,036	
Property Taxes Levied for Debt Service				2,959,311	0	
Local Option Sales Taxes				827,335	4,616,733	
Hotel/Motel Tax				274,820	0	
Litigation Tax - General				240,352	0	
Litigation Tax - Jail, Workhouse, or Courthouse				181,699	0	
Mixed Drink Tax				39,716	155,302	
Business Tax				417,345	0	
Mineral Severance Tax				60,538	0	
Wholesale Beer Tax				259,600	0	
Other Local Taxes				2,765	3,697	
Grants and Contributions Not Restricted to Specific Programs				2,108,617	28,019,864	
Unrestricted Investment Earnings				66,523	14,903	
Miscellaneous				34,729	78,308	
Sale of Assets/Equipment				22,712	7,343	
Total General Revenues				<u>\$ 18,911,851</u>	<u>\$ 42,711,186</u>	
Change in Net Position				\$ 6,105,616	\$ 529,889	
Net Position, July 1, 2016				<u>51,202,902</u>	<u>43,958,455</u>	
Net Position, June 30, 2017				<u>\$ 57,308,518</u>	<u>\$ 44,488,344</u>	

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, 2017

	Major Funds					
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Education Debt Service	Other Capital Projects
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	6,749,523	698,316	1,833,676	2,346,632	2,994,821	9,685,485
Accounts Receivable	34,444	5	1	18,504	2	0
Due from Other Governments	750,733	436	379,441	896	140,647	0
Due from Other Funds	73,231	1,378	0	0	0	5,319
Property Taxes Receivable	8,651,782	1,656,136	600,116	1,973,041	1,022,779	0
Allowance for Uncollectible Property Taxes	(291,932)	(58,448)	(20,269)	(66,640)	(34,545)	0
Prepaid Items	26,679	0	0	0	0	0
<b>Total Assets</b>	<b>\$ 15,994,460</b>	<b>\$ 2,297,823</b>	<b>\$ 2,792,965</b>	<b>\$ 4,272,433</b>	<b>\$ 4,123,704</b>	<b>\$ 9,690,804</b>
<u>LIABILITIES</u>						
Accounts Payable	\$ 77,470	\$ 1,948	\$ 8,207	\$ 0	\$ 0	\$ 0
Accrued Payroll	172,293	13,164	17,575	0	0	0
Payroll Deductions Payable	2,163	0	33	0	0	0
Due to Other Funds	6,697	26	0	69,834	0	0
Due to State of Tennessee	2,106	680	0	0	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>\$ 260,729</b>	<b>\$ 15,818</b>	<b>\$ 25,815</b>	<b>\$ 69,834</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 8,105,402	\$ 1,528,818	\$ 562,042	\$ 1,847,863	\$ 957,890	\$ 0
Deferred Delinquent Property Taxes	233,749	63,268	16,356	53,776	27,876	0
Other Deferred/Unavailable Revenue	294,700	0	192,468	0	68,000	0
<b>Total Deferred Inflows of Resources</b>	<b>\$ 8,633,851</b>	<b>\$ 1,592,086</b>	<b>\$ 770,866</b>	<b>\$ 1,901,639</b>	<b>\$ 1,053,766</b>	<b>\$ 0</b>

(Continued)

Exhibit C-1

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

	Major Funds					
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Education Debt Service	Other Capital Projects
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 26,679	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:						
Restricted for Public Safety	0	0	0	0	0	0
Restricted for Public Health and Welfare	0	526,002	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	0	0
Restricted for Highways/Public Works	0	0	1,903,150	0	0	0
Restricted for Debt Service	0	0	0	2,300,960	3,069,938	0
Restricted for Capital Projects	0	0	0	0	0	9,690,804
Committed:						
Committed for Public Health and Welfare	0	78,605	0	0	0	0
Committed for Social, Cultural, and Recreational Services	0	0	0	0	0	0
Committed for Other Purposes	4,000,000	0	0	0	0	0
Assigned:						
Assigned for General Government	296,327	0	0	0	0	0
Assigned for Finance	20,443	0	0	0	0	0
Assigned for Administration of Justice	1,144	0	0	0	0	0
Assigned for Public Safety	95,374	0	0	0	0	0
Assigned for Public Health and Welfare	11,172	85,312	0	0	0	0
Assigned for Social, Cultural, and Recreational Services	974	0	0	0	0	0
Assigned for Other Operations	463,153	0	0	0	0	0
Assigned for Highways/Public Works	0	0	93,134	0	0	0
Assigned for Capital Projects	187,423	0	0	0	0	0
Unassigned	1,997,191	0	0	0	0	0
Total Fund Balances	\$ 7,099,880	\$ 689,919	\$ 1,996,284	\$ 2,300,960	\$ 3,069,938	\$ 9,690,804
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,994,460	\$ 2,297,823	\$ 2,792,965	\$ 4,272,433	\$ 4,123,704	\$ 9,690,804

(Continued)

Exhibit C-1

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

	<u>Nonmajor Funds</u>		<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$ 3,141	\$		3,141
Equity in Pooled Cash and Investments	1,291,401			25,599,854
Accounts Receivable	32,959			85,915
Due from Other Governments	1,018			1,273,171
Due from Other Funds	0			79,928
Property Taxes Receivable	677,683			14,581,537
Allowance for Uncollectible Property Taxes	(24,127)			(495,961)
Prepaid Items	0			26,679
	<hr/>			<hr/>
Total Assets	\$ 1,982,075	\$		41,154,264
<u>LIABILITIES</u>				
Accounts Payable	\$ 329	\$		87,954
Accrued Payroll	3,520			206,552
Payroll Deductions Payable	0			2,196
Due to Other Funds	3,371			79,928
Due to State of Tennessee	127			2,913
Due to Litigants, Heirs, and Others	496			496
Total Liabilities	<hr/>	<hr/>		<hr/>
	\$ 7,843	\$		380,039
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 623,720	\$		13,625,735
Deferred Delinquent Property Taxes	27,408			422,433
Other Deferred/Unavailable Revenue	0			555,168
Total Deferred Inflows of Resources	<hr/>	<hr/>		<hr/>
	\$ 651,128	\$		14,603,336

(Continued)

Exhibit C-1

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

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	Other	Govern- mental Funds	
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items	\$	0	\$ 26,679
Restricted:			
Restricted for Public Safety	124,995		124,995
Restricted for Public Health and Welfare	0		526,002
Restricted for Social, Cultural, and Recreational Services	195,920		195,920
Restricted for Highways/Public Works	720,707		2,623,857
Restricted for Debt Service	70,157		5,441,055
Restricted for Capital Projects	0		9,690,804
Committed:			
Committed for Public Health and Welfare	0		78,605
Committed for Social, Cultural, and Recreational Services	31,894		31,894
Committed for Other Purposes	0		4,000,000
Assigned:			
Assigned for General Government	0		296,327
Assigned for Finance	0		20,443
Assigned for Administration of Justice	0		1,144
Assigned for Public Safety	154,181		249,555
Assigned for Public Health and Welfare	0		96,484
Assigned for Social, Cultural, and Recreational Services	25,250		26,224
Assigned for Other Operations	0		463,153
Assigned for Highways/Public Works	0		93,134
Assigned for Capital Projects	0		187,423
Unassigned	0		1,997,191
Total Fund Balances	<u>\$</u>	<u>1,323,104</u>	<u>\$ 26,170,889</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$</u>	<u>1,982,075</u>	<u>\$ 41,154,264</u>

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, 2017

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)		\$ 26,170,889
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Add: land	\$ 28,307,050	
Add: construction in progress	598,455	
Add: buildings and improvements net of accumulated depreciation	12,104,679	
Add: infrastructure net of accumulated depreciation	12,747,695	
Add: other capital assets net of accumulated depreciation	<u>3,128,518</u>	56,886,397
(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	\$ (2,891,131)	
Less: capital leases payable	(254,536)	
Less: bonds payable	(20,970,000)	
Add: debt to be contributed by the School Department	204,027	
Less: compensated absences payable	(693,542)	
Less: landfill closure/postclosure care costs	(312,681)	
Less: accrued interest on bonds, notes, and capital leases	(94,025)	
Less: unamortized premium on debt	(1,617,784)	
Less: other postemployment benefits liability	(1,538,000)	
Less: net pension liability - agent plan	(255,874)	
Add: deferred amount on refunding	<u>300,605</u>	(28,122,941)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 1,949,722	
Less: deferred inflows of resources related to pensions	<u>(553,150)</u>	1,396,572
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>977,601</u>
Net position of governmental activities (Exhibit A)		<u>\$ 57,308,518</u>

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



Exhibit C-3

Franklin County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2017

	Major Funds					
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Education Debt Service	Other Capital Projects -
<u>Revenues</u>						
Local Taxes	\$ 9,500,021	\$ 1,622,074	\$ 659,196	\$ 2,061,626	\$ 2,481,606	\$ 0
Licenses and Permits	88,358	13,187	3,405	11,216	5,811	0
Fines, Forfeitures, and Penalties	215,748	0	0	0	0	0
Charges for Current Services	391,393	47,482	15,842	0	0	0
Other Local Revenues	149,439	270,908	8,550	0	0	0
Fees Received From County Officials	1,973,030	0	0	0	0	0
State of Tennessee	2,471,821	22,992	3,780,619	0	0	0
Federal Government	430,483	0	0	0	0	0
Other Governments and Citizens Groups	223,457	0	0	0	163,085	0
<b>Total Revenues</b>	<b>\$ 15,443,750</b>	<b>\$ 1,976,643</b>	<b>\$ 4,467,612</b>	<b>\$ 2,072,842</b>	<b>\$ 2,650,502</b>	<b>\$ 0</b>
<u>Expenditures</u>						
Current:						
General Government	\$ 3,201,690	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	2,006,853	0	0	0	0	0
Administration of Justice	1,912,427	0	0	0	0	0
Public Safety	7,027,429	0	0	0	0	0
Public Health and Welfare	620,090	1,580,064	0	0	0	0
Social, Cultural, and Recreational Services	86,860	0	0	0	0	0
Agriculture and Natural Resources	151,691	0	0	0	0	0
Other Operations	1,154,641	90,232	0	0	0	0
Highways	0	0	3,892,067	0	0	0
Debt Service:						
Principal on Debt	0	0	13,689	1,035,331	2,011,181	0
Interest on Debt	0	0	5,432	335,322	367,874	0
Other Debt Service	0	0	0	94,530	49,115	97,424

(Continued)

Exhibit C-3

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

	Major Funds					
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Education Debt Service	Other Capital Projects -
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 354,095	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 16,515,776	\$ 1,670,296	\$ 3,911,188	\$ 1,465,183	\$ 2,428,170	\$ 97,424
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,072,026)	\$ 306,347	\$ 556,424	\$ 607,659	\$ 222,332	\$ (97,424)
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,190,000
Refunding Debt Issued	0	0	0	4,160,000	1,265,000	0
Premiums on Debt Sold	0	0	0	448,779	206,648	912,743
Proceeds from Sale of Capital Assets	2,250	0	42,575	0	0	0
Transfers In	415,121	0	0	145,000	0	1,000,000
Transfers Out	(1,000,000)	(43,803)	(53,803)	0	0	(314,515)
Payments to Refunded Debt Escrow Agent	0	0	0	(4,554,443)	(1,457,876)	0
Total Other Financing Sources (Uses)	\$ (582,629)	\$ (43,803)	\$ (11,228)	\$ 199,336	\$ 13,772	\$ 9,788,228
Net Change in Fund Balances	\$ (1,654,655)	\$ 262,544	\$ 545,196	\$ 806,995	\$ 236,104	\$ 9,690,804
Fund Balance, July 1, 2016	8,754,535	427,375	1,451,088	1,493,965	2,833,834	0
Fund Balance, June 30, 2017	\$ 7,099,880	\$ 689,919	\$ 1,996,284	\$ 2,300,960	\$ 3,069,938	\$ 9,690,804

(Continued)

Exhibit C-3

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

	Nonmajor Funds <u>Other</u>	Total Governmental Funds
<hr/>		
<u>Revenues</u>		
Local Taxes	\$ 1,127,869	\$ 17,452,392
Licenses and Permits	25,695	147,672
Fines, Forfeitures, and Penalties	13,417	229,165
Charges for Current Services	28,803	483,520
Other Local Revenues	3,360	432,257
Fees Received From County Officials	0	1,973,030
State of Tennessee	0	6,275,432
Federal Government	1,679	432,162
Other Governments and Citizens Groups	31,644	418,186
Total Revenues	<u>\$ 1,232,467</u>	<u>\$ 27,843,816</u>
<u>Expenditures</u>		
Current:		
General Government	\$ 37	\$ 3,201,727
Finance	0	2,006,853
Administration of Justice	0	1,912,427
Public Safety	775,704	7,803,133
Public Health and Welfare	0	2,200,154
Social, Cultural, and Recreational Services	355,567	442,427
Agriculture and Natural Resources	0	151,691
Other Operations	39,188	1,284,061
Highways	0	3,892,067
Debt Service:		
Principal on Debt	0	3,060,201
Interest on Debt	0	708,628
Other Debt Service	0	241,069

(Continued)

Exhibit C-3

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

	Nonmajor Funds <u>Other</u>	Total Governmental Funds
<hr/>		
<u>Expenditures (Cont.)</u>		
Capital Projects	\$ 440,113	\$ 794,208
Total Expenditures	<u>\$ 1,610,609</u>	<u>\$ 27,698,646</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (378,142)</u>	<u>\$ 145,170</u>
<u>Other Financing Sources (Uses)</u>		
Bonds Issued	\$ 0	\$ 8,190,000
Refunding Debt Issued	0	5,425,000
Premiums on Debt Sold	0	1,568,170
Proceeds from Sale of Capital Assets	0	44,825
Transfers In	0	1,560,121
Transfers Out	(148,000)	(1,560,121)
Payments to Refunded Debt Escrow Agent	0	(6,012,319)
Total Other Financing Sources (Uses)	<u>\$ (148,000)</u>	<u>\$ 9,215,676</u>
Net Change in Fund Balances	\$ (526,142)	\$ 9,360,846
Fund Balance, July 1, 2016	1,849,246	16,810,043
Fund Balance, June 30, 2017	<u>\$ 1,323,104</u>	<u>\$ 26,170,889</u>

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, 2017

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)		\$ 9,360,846
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 3,269,248	
Less: current-year depreciation expense	<u>(2,050,827)</u>	1,218,421
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.</p>		
Less: book value of capital assets disposed		(35,861)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2017	\$ 977,601	
Less: deferred delinquent property taxes and other deferred June 30, 2016	<u>(926,582)</u>	51,019
<p>(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:</p>		
Add: principal payments on notes	\$ 576,389	
Add: principal payments on capital leases	199,374	
Add: principal payments on bonds	2,332,631	
Add: bonds refunded	5,964,443	
Less: note, bond, other loan, or capitalized lease proceeds	(13,615,000)	
Less: change in premium on debt issuance	(1,555,261)	
Less: change in deferred amount on refunding debt	(7,499)	
Less: contributions from the School Department for capital leases	<u>(151,181)</u>	(6,256,104)
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in accrued interest payable	\$ 64,317	
Change in net pension liability/asset	(419,518)	
Change in deferred outflows related to pensions	171,992	
Change in deferred inflows related to pensions	964,011	
Change in compensated absences payable	19,887	
Change in other postemployment benefits liability	962,628	
Change in landfill closure/postclosure care costs	<u>3,978</u>	1,767,295
Change in net position of governmental activities (Exhibit B)		<u>\$ 6,105,616</u>

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

Exhibit C-5

Franklin County, Tennessee  
 Statement of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 General Fund  
 For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 9,500,021	\$ 0	\$ 0	\$ 9,500,021	\$ 9,321,090	\$ 9,515,920	\$ (15,899)
Licenses and Permits	88,358	0	0	88,358	76,250	139,145	(50,787)
Fines, Forfeitures, and Penalties	215,748	0	0	215,748	194,225	222,085	(6,337)
Charges for Current Services	391,393	0	0	391,393	311,250	385,434	5,959
Other Local Revenues	149,439	0	0	149,439	113,050	147,270	2,169
Fees Received From County Officials	1,973,030	0	0	1,973,030	1,884,000	1,946,000	27,030
State of Tennessee	2,471,821	0	0	2,471,821	2,724,634	2,714,629	(242,808)
Federal Government	430,483	0	0	430,483	701,058	471,795	(41,312)
Other Governments and Citizens Groups	223,457	0	0	223,457	258,700	216,497	6,960
<b>Total Revenues</b>	<b>\$ 15,443,750</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 15,443,750</b>	<b>\$ 15,584,257</b>	<b>\$ 15,758,775</b>	<b>\$ (315,025)</b>
<b>Expenditures</b>							
<b>General Government</b>							
County Commission	\$ 423,954	\$ (7,446)	\$ 6,339	\$ 422,847	\$ 304,980	\$ 445,728	\$ 22,881
Beer Board	269	0	0	269	1,300	1,300	1,031
County Mayor/Executive	179,425	(830)	501	179,096	188,111	185,924	6,828
County Attorney	9,600	0	0	9,600	10,225	10,225	625
Election Commission	274,797	(54)	979	275,722	271,381	285,551	9,829
Register of Deeds	323,331	(1,130)	5,723	327,924	335,789	334,289	6,365
Planning	150,940	(2,065)	420	149,295	153,591	156,177	6,882
County Buildings	1,805,526	(352,706)	167,820	1,620,640	1,432,501	1,764,673	144,033
Other General Administration	33,848	(650)	540	33,738	34,000	35,500	1,762
<b>Finance</b>							
Property Assessor's Office	455,921	(465)	15,693	471,149	568,826	497,010	25,861
County Trustee's Office	325,996	(6,027)	0	319,969	323,923	327,318	7,349
County Clerk's Office	571,442	(247)	0	571,195	575,941	579,379	8,184
Other Finance	653,494	(1,231)	4,751	657,014	684,709	668,364	11,350
<b>Administration of Justice</b>							
Circuit Court	938,447	(459)	894	938,882	949,162	946,583	7,701
General Sessions Court	299,678	(297)	250	299,631	306,314	305,147	5,516

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice (Cont.)</u>							
Drug Court	\$ 62,899	\$ 0	\$ 0	\$ 62,899	\$ 61,854	\$ 64,402	\$ 1,503
Chancery Court	202,300	0	0	202,300	223,793	211,133	8,833
Juvenile Court	130,384	(351)	0	130,033	133,908	132,270	2,237
Judicial Commissioners	139,211	0	0	139,211	134,132	148,023	8,812
Other Administration of Justice	9,659	0	0	9,659	18,000	18,000	8,341
Probation Services	129,849	0	0	129,849	133,017	132,067	2,218
<u>Public Safety</u>							
Sheriff's Department	3,703,028	(29,519)	51,695	3,725,204	3,635,407	3,789,119	63,915
Administration of the Sexual Offender Registry	13,847	0	200	14,047	21,992	17,837	3,790
Jail	2,011,350	(13,400)	32,188	2,030,138	1,926,909	2,161,912	131,774
Correctional Incentive Program Improvements	244,116	0	0	244,116	598,520	251,161	7,045
Juvenile Services	41,369	(500)	500	41,369	37,250	42,250	881
Civil Defense	113,086	(905)	2,150	114,331	152,659	124,636	10,305
Rescue Squad	65,324	(1,627)	2,328	66,025	30,000	68,785	2,760
Other Emergency Management	791,199	(773)	1,648	792,074	900,576	811,838	19,764
County Coroner/Medical Examiner	29,940	(2,500)	4,665	32,105	36,100	36,100	3,995
Public Safety Grants Program	14,170	0	0	14,170	30,500	31,500	17,330
<u>Public Health and Welfare</u>							
Local Health Center	32,443	(9,143)	546	23,846	34,831	30,381	6,535
Rabies and Animal Control	244,750	(1,488)	908	244,170	263,533	253,347	9,177
Other Local Health Services	146,656	0	0	146,656	166,175	154,114	7,458
Appropriation to State	29,946	0	0	29,946	30,646	29,946	0
General Welfare Assistance	17,775	0	0	17,775	17,775	17,775	0
Waste Pickup	93,944	(8,161)	8,356	94,139	102,573	95,640	1,501
Other Waste Collection	37,010	(595)	1,362	37,777	49,752	39,218	1,441
Other Public Health and Welfare	17,566	(480)	0	17,086	34,706	31,320	14,234
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	45,536	(6,149)	89	39,476	96,950	40,808	1,332
Parks and Fair Boards	41,324	(720)	885	41,489	54,259	55,385	13,896

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	\$ 73,669	\$ (300)	\$ 0	\$ 73,369	\$ 104,808	\$ 100,108	\$ 26,739
Soil Conservation	78,022	0	0	78,022	77,260	83,043	5,021
<u>Other Operations</u>							
Industrial Development	54,564	(653)	55	53,966	173,161	84,297	30,331
Other Economic and Community Development	328,849	0	0	328,849	147,156	375,536	46,687
Veterans' Services	69,824	0	180	70,004	69,015	72,581	2,577
Other Charges	701,404	(5,078)	449	696,775	938,150	799,091	102,316
<u>Capital Projects</u>							
Other General Government Projects	352,885	(7,100)	55,051	400,836	437,502	576,650	175,814
Highway and Street Capital Projects	1,210	(133,582)	132,372	0	0	0	0
Total Expenditures	\$ 16,515,776	\$ (596,631)	\$ 499,537	\$ 16,418,682	\$ 17,013,622	\$ 17,423,441	\$ 1,004,759
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (1,072,026)	\$ 596,631	\$ (499,537)	\$ (974,932)	\$ (1,429,365)	\$ (1,664,666)	\$ 689,734
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 2,250	\$ 0	\$ 0	\$ 2,250	\$ 0	\$ 900	\$ 1,350
Transfers In	415,121	0	0	415,121	100,606	415,121	0
Highway and Street Capital Projects	0	0	0	0	(15,000)	0	0
Transfers Out	(1,000,000)	0	0	(1,000,000)	0	(1,000,000)	0
Total Other Financing Sources	\$ (582,629)	\$ 0	\$ 0	\$ (582,629)	\$ 85,606	\$ (583,979)	\$ 1,350
Net Change in Fund Balance	\$ (1,654,655)	\$ 596,631	\$ (499,537)	\$ (1,557,561)	\$ (1,343,759)	\$ (2,248,645)	\$ 691,084
Fund Balance, July 1, 2016	8,754,535	(596,631)	0	8,157,904	2,832,955	2,832,955	5,324,949
Fund Balance, June 30, 2017	\$ 7,099,880	\$ 0	\$ (499,537)	\$ 6,600,343	\$ 1,489,196	\$ 584,310	\$ 6,016,033

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



Exhibit C-6

Franklin County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,622,074	\$ 0	\$ 0	\$ 1,622,074	\$ 1,567,297	\$ 1,612,450	\$ 9,624
Licenses and Permits	13,187	0	0	13,187	12,800	13,200	(13)
Charges for Current Services	47,482	0	0	47,482	61,000	51,000	(3,518)
Other Local Revenues	270,908	0	0	270,908	227,000	259,250	11,658
State of Tennessee	22,992	0	0	22,992	30,000	30,000	(7,008)
Total Revenues	<u>\$ 1,976,643</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,976,643</u>	<u>\$ 1,898,097</u>	<u>\$ 1,965,900</u>	<u>\$ 10,743</u>
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 1,636	\$ 0	\$ 450	\$ 2,086	\$ 1,900	\$ 2,100	\$ 14
Convenience Centers	313,781	0	689	314,470	313,914	326,811	12,341
Transfer Stations	1,256,656	(59,658)	80,336	1,277,334	1,370,069	1,345,863	68,529
Postclosure Care Costs	7,991	0	3,750	11,741	10,000	15,498	3,757
<u>Other Operations</u>							
Other Charges	90,232	(57)	87	90,262	106,900	97,900	7,638
Total Expenditures	<u>\$ 1,670,296</u>	<u>\$ (59,715)</u>	<u>\$ 85,312</u>	<u>\$ 1,695,893</u>	<u>\$ 1,802,783</u>	<u>\$ 1,788,172</u>	<u>\$ 92,279</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 306,347</u>	<u>\$ 59,715</u>	<u>\$ (85,312)</u>	<u>\$ 280,750</u>	<u>\$ 95,314</u>	<u>\$ 177,728</u>	<u>\$ 103,022</u>
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (43,803)	\$ 0	\$ 0	\$ (43,803)	\$ (43,803)	\$ (43,803)	\$ 0
Total Other Financing Sources	<u>\$ (43,803)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (43,803)</u>	<u>\$ (43,803)</u>	<u>\$ (43,803)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 262,544	\$ 59,715	\$ (85,312)	\$ 236,947	\$ 51,511	\$ 133,925	\$ 103,022
Fund Balance, July 1, 2016	427,375	(59,715)	0	367,660	530,914	140,930	226,730
Fund Balance, June 30, 2017	<u>\$ 689,919</u>	<u>\$ 0</u>	<u>\$ (85,312)</u>	<u>\$ 604,607</u>	<u>\$ 582,425</u>	<u>\$ 274,855</u>	<u>\$ 329,752</u>

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

Exhibit C-7

Franklin County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 659,196	\$ 0	\$ 0	\$ 659,196	\$ 643,238	\$ 676,384	\$ (17,188)
Licenses and Permits	3,405	0	0	3,405	3,200	3,200	205
Charges for Current Services	15,842	0	0	15,842	550	20,550	(4,708)
Other Local Revenues	8,550	0	0	8,550	22,200	12,200	(3,650)
State of Tennessee	3,780,619	0	0	3,780,619	3,220,795	3,750,372	30,247
Total Revenues	\$ 4,467,612	\$ 0	\$ 0	\$ 4,467,612	\$ 3,889,983	\$ 4,462,706	\$ 4,906
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 387,768	\$ (3,284)	\$ 1,295	\$ 385,779	\$ 348,702	\$ 415,983	\$ 30,204
Highway and Bridge Maintenance	829,578	(9,129)	6,673	827,122	983,783	917,783	90,661
Operation and Maintenance of Equipment	337,262	(23,526)	20,155	333,891	354,290	374,290	40,399
Quarry Operations	234,866	0	742	235,608	340,483	298,483	62,875
Other Charges	183,583	(561)	152	183,174	240,012	215,661	32,487
Capital Outlay	1,919,010	(991,544)	64,117	991,583	875,500	1,200,456	208,873
<u>Principal on Debt</u>							
Highways and Streets	13,689	0	0	13,689	13,690	13,690	1
<u>Interest on Debt</u>							
Highways and Streets	5,432	0	0	5,432	5,435	5,435	3
Total Expenditures	\$ 3,911,188	\$ (1,028,044)	\$ 93,134	\$ 2,976,278	\$ 3,161,895	\$ 3,441,781	\$ 465,503
Excess (Deficiency) of Revenues Over Expenditures	\$ 556,424	\$ 1,028,044	\$ (93,134)	\$ 1,491,334	\$ 728,088	\$ 1,020,925	\$ 470,409
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 42,575	\$ 0	\$ 0	\$ 42,575	\$ 0	\$ 42,575	\$ 0
Transfers In	0	0	0	0	15,000	0	0
Transfers Out	(53,803)	0	0	(53,803)	(53,803)	(53,803)	0
Total Other Financing Sources	\$ (11,228)	\$ 0	\$ 0	\$ (11,228)	\$ (38,803)	\$ (11,228)	\$ 0
Net Change in Fund Balance	\$ 545,196	\$ 1,028,044	\$ (93,134)	\$ 1,480,106	\$ 689,285	\$ 1,009,697	\$ 470,409
Fund Balance, July 1, 2016	1,451,088	(1,028,044)	0	423,044	297,880	297,880	125,164
Fund Balance, June 30, 2017	\$ 1,996,284	\$ 0	\$ (93,134)	\$ 1,903,150	\$ 987,165	\$ 1,307,577	\$ 595,573

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, 2017

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,111,135
Due from Other Governments	<u>681,892</u>
Total Assets	<u>\$ 1,793,027</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 681,892
Due to Litigants, Heirs, and Others	<u>1,111,135</u>
Total Liabilities	<u>\$ 1,793,027</u>

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

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**FRANKLIN COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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Note	Page(s)
<b>I. Summary of Significant Accounting Policies</b>	
A. Reporting Entity	38
B. Government-wide and Fund Financial Statements	39
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	40
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	42
2. Receivables and Payables	43
3. Prepaid Items	43
4. Capital Assets	44
5. Deferred Outflows/Inflows of Resources	44
6. Compensated Absences	45
7. Long-term Obligations	46
8. Net Position and Fund Balance	47
9. Minimum Fund Balance Policy	48
E. Pension Plans	49
<b>II. Reconciliation of Government-wide and Fund Financial Statements</b>	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	49
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	50
<b>III. Stewardship, Compliance, and Accountability</b>	
Budgetary Information	50
<b>IV. Detailed Notes on All Funds</b>	
A. Deposits and Investments	51
B. Capital Assets	53
C. Construction Commitments	56
D. Interfund Receivables, Payables, and Transfers	56
E. Capital Leases	57
F. Long-term Obligations	59
G. On-Behalf Payments	64
H. Short-term Debt	64

(Continued)

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**FRANKLIN COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements (Cont.)**

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<b>Note</b>	<b>Page(s)</b>
<b>V. Other Information</b>	
A. Risk Management	65
B. Accounting Changes	66
C. Contingent Liabilities	67
D. Landfill Postclosure Care Costs	67
E. Joint Ventures	67
F. Retirement Commitments	68
G. Other Postemployment Benefits (OPEB)	85
H. Office of Central Accounting, Budgeting, and Purchasing	88
I. Purchasing Law	88
J. Subsequent Events	88

**FRANKLIN COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**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 financial statements of the Franklin County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their omission did not affect the independent auditor's opinion thereon. 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 financial statements of the Franklin County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Franklin County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Franklin County School Department are included in this report as listed in the table of contents. 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

**Related Organization** – The Franklin County Health and Educational Facilities Board is a related organization of Franklin County. The Franklin County Commission appoints the board members, but the county’s accountability for the organization does not extend beyond making the appointments.

**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, 2017.

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.

**Solid Waste/Sanitation Fund** – This special revenue fund accounts for transactions relating to the disposal of Franklin County’s solid waste. Local taxes and general service charges are the foundational revenues of this fund.

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

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

**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.

**Other Capital Projects Fund** - The Other Capital Projects Fund is used to account for improvements, renovations, equipping of county buildings and facilities.

Additionally, Franklin County reports the following fund type:

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes

received from the state to be forwarded to the various cities in the county. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

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

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

**1. Deposits and Investments**

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Franklin County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the Solid Waste/Sanitation Fund. Franklin County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments

in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. 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 three percent of total taxes levied.

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

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

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

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

**3. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the

government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. Prepaids are offset in the nonspendable fund balance account in governmental funds.

**4. Capital Assets**

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

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

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

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

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

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

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that

qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for pension changes in experience, pension changes in investment earnings, pension changes in proportionate share of contributions, employer contributions made to the pension plan after the measurement date, and the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. 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 items are from the following sources: current and delinquent property taxes, pension changes in experience, pension changes in proportionate share of contributions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**6. Compensated Absences**

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

<u>Years of Service</u>	<u>Hours</u>
One	40
Two through Eight	80
Nine and Over	120

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

<u>Years of Service</u>	<u>Days</u>
One	5
Two through Nine	10
Ten and Over	15

In the general government, earned but unused vacation leave will be paid to the employee upon retirement, resignation, or termination. On each employee's anniversary date, all accumulated unused vacation leave will be converted to sick leave. In the Highway Department, employees are required to take at least five days of vacation per fiscal year. Any accumulated unused vacation leave is paid to the employee on June 30 of each year. All vacation leave is accrued when incurred in the government-wide statements for the general county government. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

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

## **7. Long-term Obligations**

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

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

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

**8. Net Position and Fund Balance**

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2017, Franklin County has \$8,824,027 in outstanding debt for capital purposes for the discretely presented Franklin County School Department. This debt is a liability of Franklin County; however, the capital assets acquired are reported in the financial statements of the School Department. Therefore, Franklin County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

**9. Minimum Fund Balance Policy**

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

**Primary Government**

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

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



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

**Discretely Presented Franklin County School Department**

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

**E. Pension Plans**

**Primary Government**

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

**Discretely Presented Franklin County School Department**

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

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

**Primary Government**

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

### **Discretely Presented Franklin County School Department**

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

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

##### **Primary Government**

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

### **Discretely Presented Franklin County School Department**

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

### **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **Budgetary Information**

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

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

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

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

At June 30, 2017, Franklin County and the Franklin County School Department reported the following significant encumbrances:

Funds	Description	Amount
Primary Government		
Major Funds:		
General	Engineering and Road Construction	\$ 132,372
"	Heating and Air System Upgrade	16,976
"	Gasoline and Diesel	17,164
"	Airport Maintenance Projects	103,796
Solid Waste/Sanitation	Garbage Hauling	43,778
"	Consulting Services	23,644
Highway/Public Works	Guardrail Repair	9,000
"	Road Projects	14,040
"	Engineering Services	23,007
"	Fuel	15,156
Nonmajor Funds:		
Public Library	Heating and Air System Upgrade	12,500
"	Painting	9,292
Local Purpose Tax	Annual Fire Service	32,000
School Department		
Major Fund:		
General Purpose School	Textbooks	39,238
"	Custodial and Maintenance Supplies	33,853
"	Consulting Services	10,100
"	Classroom/Office Remodel	40,376
"	Hardware	238,339
"	Internet Service	9,788
"	Testing Fees	12,490
Central Cafeteria	Cooler	51,010

#### IV. DETAILED NOTES ON ALL FUNDS

##### A. Deposits and Investments

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

## Deposits

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

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

## Investments

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

**Investment Balances.** As of June 30, 2017, Franklin County had the following investments carried at amortized cost using a Stable Net Asset 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	Amortized Cost
State Treasurer's Investment Pool	3 to 80	N/A	\$ 58,919

**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, 2017, 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, 2017, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 28,300,836	\$ 6,214	\$ 0	\$ 28,307,050
Construction in Progress	216,090	531,092	(148,727)	598,455
Total Capital Assets Not Depreciated	<u>\$ 28,516,926</u>	<u>\$ 537,306</u>	<u>\$ (148,727)</u>	<u>\$ 28,905,505</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 19,662,764	\$ 461,629	\$ 0	\$ 20,124,393
Infrastructure	42,635,027	1,994,368	0	44,629,395
Other Capital Assets	10,542,896	424,672	(463,289)	10,504,279
Total Capital Assets Depreciated	<u>\$ 72,840,687</u>	<u>\$ 2,880,669</u>	<u>\$ (463,289)</u>	<u>\$ 75,258,067</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 7,541,363	\$ 478,351	\$ 0	\$ 8,019,714
Infrastructure	30,818,915	1,062,785	0	31,881,700
Other Capital Assets	7,293,498	509,691	(427,428)	7,375,761
Total Accumulated Depreciation	<u>\$ 45,653,776</u>	<u>\$ 2,050,827</u>	<u>\$ (427,428)</u>	<u>\$ 47,277,175</u>
Total Capital Assets Depreciated, Net	<u>\$ 27,186,911</u>	<u>\$ 829,842</u>	<u>\$ (35,861)</u>	<u>\$ 27,980,892</u>
Governmental Activities Capital Assets, Net	<u>\$ 55,703,837</u>	<u>\$ 1,367,148</u>	<u>\$ (184,588)</u>	<u>\$ 56,886,397</u>

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

**Governmental Activities:**

General Government	\$ 286,608
Finance	6,977
Administration of Justice	11,358
Public Safety	383,935
Public Health and Welfare	128,851
Social, Cultural, and Recreational Services	25,923
Agriculture and Natural Resources	10,388
Highways/Public Works	<u>1,196,787</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,050,827</u></u>

**Discretely Presented Franklin County School Department**

**Governmental Activities:**

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 5,446,786	\$ 0	\$ (6,214)	\$ 5,440,572
Construction in Progress	179,935	44,503	(179,935)	44,503
Total Capital Assets Not Depreciated	<u>\$ 5,626,721</u>	<u>\$ 44,503</u>	<u>\$ (186,149)</u>	<u>\$ 5,485,075</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 60,105,955	\$ 205,845	\$ 0	\$ 60,311,800
Other Capital Assets	9,418,362	413,656	(119,911)	9,712,107
Total Capital Assets Depreciated	<u>\$ 69,524,317</u>	<u>\$ 619,501</u>	<u>\$ (119,911)</u>	<u>\$ 70,023,907</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 27,606,530	\$ 1,299,738	\$ 0	\$ 28,906,268
Other Capital Assets	6,168,405	727,662	(94,786)	6,801,281
Total Accumulated Depreciation	<u>\$ 33,774,935</u>	<u>\$ 2,027,400</u>	<u>\$ (94,786)</u>	<u>\$ 35,707,549</u>
Total Capital Assets Depreciated, Net	<u>\$ 35,749,382</u>	<u>\$ (1,407,899)</u>	<u>\$ (25,125)</u>	<u>\$ 34,316,358</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 41,376,103</u></u>	<u><u>\$ (1,363,396)</u></u>	<u><u>\$ (211,274)</u></u>	<u><u>\$ 39,801,433</u></u>

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

**Governmental Activities:**

Instruction	\$ 1,573,217
Support Services	299,033
Operation of Non-instructional Services	<u>155,150</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,027,400</u>

**C. Construction Commitments**

**Primary Government**

At June 30, 2017, the county had uncompleted construction contracts of approximately \$103,796 for airport renovation projects, and approximately \$132,372 for road construction projects. Funding has been received for these future expenditures.

At June 30, 2017, the Highway Department had an uncompleted construction contract of approximately \$14,040 for road construction projects. Funding has been received for these future expenditures.

**Discretely Presented Franklin County School Department**

At June 30, 2017, the School Department had an uncompleted construction contract of approximately \$40,376 for classrooms and office renovations. Funding has been received for these future expenditures.

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2017, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Solid Waste/Sanitation	\$ 26
"	General Debt Service	69,834
"	Nonmajor governmental	3,371
Solid Waste/Sanitation	General	1,378
Other Capital Projects	"	5,319
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	455



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

**Due to/from Primary Government and Component Unit:**

Receivable Fund	Payable Fund	Amount
	Component Unit:	
Primary Government:	School Department:	
Governmental Activities	Governmental Activities	\$ 204,027

The Due to Primary Government consists of the balance of capital leases issued by the county for the School Department. The School Department has agreed to contribute the funds annually to the county’s General Debt Service Fund to retire this lease. This long-term obligation is reflected in the governmental activities on the Statement of Net Position.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2017, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In			Purpose
	General Fund	General Debt Service	Other Capital Projects	
General Fund	\$ 0	\$ 0	\$ 1,000,000	Technical School Construction
Solid Waste/Sanitation	43,803	0	0	Reimbursement
Highway/Public Works	53,803	0	0	"
Other Capital Projects	314,515	0	0	"
Nonmajor governmental funds	3,000	0	0	"
"	0	145,000	0	Debt Payment
<b>Total</b>	<b>\$ 415,121</b>	<b>\$ 145,000</b>	<b>\$ 1,000,000</b>	

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

**E. Capital Leases**

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

The assets acquired through capital leases are as follows:

**Primary Government**

Asset	Governmental Activities
Machinery and Equipment	\$ 308,473
Less: Accumulated Depreciation	<u>(88,262)</u>
Total Book Value	<u><u>\$ 220,211</u></u>

**Discretely Presented Franklin County School Department**

Asset	Governmental Activities
Machinery and Equipment	\$ 581,879
Less: Accumulated Depreciation	<u>(183,292)</u>
Total Book Value	<u><u>\$ 398,587</u></u>

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2017, were as follows:

Year Ending June 30	Governmental Funds
2018	\$ 126,088
2019	73,773
2020	<u>73,772</u>
Total Minimum Lease Payments	\$ <u>273,633</u>
Less: Amount Representing Interest	<u>(19,097)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 254,536</u></u>

**F. Long-term Obligations**

**Primary Government**

**General Obligation Bonds and Notes**

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 21 years for bonds and 12 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Bonds will be retired from the General Debt Service and Education Debt Service funds and notes will be retired from the Highway/Public Works and General Debt Service funds.

General obligation bonds, notes, and capital leases outstanding as of June 30, 2017, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-17
General Obligation Bonds	2 to 5 %	6-1-38	\$ 11,190,000	\$ 8,390,000
General Obligation Bonds - Refunding	1.23 to 5	6-1-38	22,850,000	12,580,000
Capital Outlay Notes	2.33 to 4.875	2-1-23	4,449,666	2,891,131
Capital Leases	4.75 to 5	4-1-20	890,352	254,536

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2017, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 2,405,000	\$ 770,967	\$ 3,175,967
2019	2,890,000	732,344	3,622,344
2020	2,985,000	620,293	3,605,293
2021	3,080,000	500,631	3,580,631
2022	1,245,000	375,056	1,620,056
2023-2027	4,115,000	1,090,680	5,205,680
2028-2032	3,785,000	411,030	4,196,030
2033-2037	380,000	49,135	429,135
2038	85,000	2,657	87,657
<b>Total</b>	<b>\$ 20,970,000</b>	<b>\$ 4,552,793</b>	<b>\$ 25,522,793</b>

Year Ending June 30	Notes		
	Principal	Interest	Total
2018	\$ 580,448	\$ 77,872	\$ 658,320
2019	584,689	62,090	646,779
2020	589,111	46,128	635,239
2021	592,761	29,908	622,669
2022	525,890	13,494	539,384
2023	18,232	889	19,121
<b>Total</b>	<b>\$ 2,891,131</b>	<b>\$ 230,381</b>	<b>\$ 3,121,512</b>

There is \$2,300,960 available in the General Debt Service Fund and \$3,069,938 available in the Education Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$511, based on the 2010 federal census. Total debt per capita, including bonds, notes, capital leases, and unamortized debt premiums, totaled \$627, based on the 2010 federal census.

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

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-17</u>
<u>Capital Leases</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficient Lighting (Excel)	\$ 204,027
Total	<u>\$ 204,027</u>

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2017, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>	<u>Capital Leases</u>
Balance, July 1, 2016	\$ 15,652,074	\$ 3,467,520	\$ 453,910
Additions	13,615,000	0	0
Reductions	<u>(8,297,074)</u>	<u>(576,389)</u>	<u>(199,374)</u>
Balance, June 30, 2017	<u>\$ 20,970,000</u>	<u>\$ 2,891,131</u>	<u>\$ 254,536</u>
Balance Due Within One Year	<u>\$ 2,405,000</u>	<u>\$ 580,448</u>	<u>\$ 115,352</u>
	<u>Landfill Postclosure Care Costs</u>	<u>Other Postemployment Benefits</u>	<u>Compensated Absences</u>
Balance, July 1, 2016	\$ 316,659	\$ 2,500,628	\$ 713,429
Additions	4,013	178,624	607,721
Reductions	<u>(7,991)</u>	<u>(1,141,252)</u>	<u>(627,608)</u>
Balance, June 30, 2017	<u>\$ 312,681</u>	<u>\$ 1,538,000</u>	<u>\$ 693,542</u>
Balance Due Within One Year	<u>\$ 7,991</u>	<u>\$ 0</u>	<u>\$ 693,542</u>

	Net Pension Liability - Agent Plan*
Balance, July 1, 2016	\$ (163,644)
Additions	2,052,358
Reductions	(1,632,840)
	<hr/>
Balance, June 30, 2017	\$ 255,874
	<hr/> <hr/>

\*At July 1, 2016, the agent plan had a net pension asset.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 26,915,764
Less: Balance Due Within One Year	(3,802,333)
Add: Unamortized Premium on Debt	1,617,784
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 24,731,215
	<hr/> <hr/>

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 27, 2017, Franklin County advance refunded a general obligation bond issues with a separate general obligation bond issue. The county issued \$1,265,000 of general obligation refunding 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 seven years will be reduced by \$137,568, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$128,627 was obtained.

Current Refunding

Also on June 27, 2017, Franklin County paid off several general obligation bond issues with a separate general obligation bond issue. The county issued \$4,160,000 of general obligation refunding bonds to provide resources to contribute to the retirement of \$4,554,443 of debt on these general obligation bond issues. As a result, these general obligation bond issues' liability has

been removed from the county's long-term debt. As a result of the current refunding, total debt service payments over the next 31 years will be reduced by \$893,430, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$523,947 was obtained.

**Discretely Presented Franklin County School Department**

**Changes in Long-term Obligations**

Long-term obligations activity for the discretely presented Franklin County School Department for the year ended June 30, 2017, was as follows:

Governmental Activities:

	Compensated Absences	Other Post- employment Benefits
Balance, July 1, 2016	\$ 192,794	\$ 5,762,736
Additions	169,426	975,133
Reductions	(173,376)	(597,055)
	<hr/>	<hr/>
Balance, June 30, 2017	\$ 188,844	\$ 6,140,814
	<hr/>	<hr/>
Balance Due Within One Year	\$ 188,844	\$ 0
	<hr/>	<hr/>
	Net Pension Liability - Agent Plan*	Net Pension Liability - Cost-sharing Plan
Balance, July 1, 2016	\$ (135,632)	\$ 215,363
Additions	1,653,137	4,909,501
Reductions	(1,311,679)	(1,758,044)
	<hr/>	<hr/>
Balance, June 30, 2017	\$ 205,826	\$ 3,366,820
	<hr/>	<hr/>
Balance Due Within One Year	\$ 0	\$ 0
	<hr/>	<hr/>

\*At July 1, 2016, the agent plan had a net pension asset.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 9,902,304
Less: Balance Due Within One Year	<u>(188,844)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 9,713,460</u>

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

**G. On-Behalf Payments**

**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, 2017, were \$131,050 and \$51,950, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**H. Short-term Debt**

**Discretely Presented Franklin County School Department**

Franklin County issued revenue anticipation notes totaling \$100,000 from the General Purpose School Fund in advance of revenue collections and deposited the proceeds in the School Federal Projects Fund. These notes were necessary because funds were not available to meet obligations coming due before grant reimbursement collections. Short-term debt activity for the year ended June 30, 2017, was as follows:

	Balance			Balance
	7-1-16	Issued	Paid	6-30-17
Revenue Anticipation Note	\$ 0	\$ 100,000	\$ (100,000)	\$ 0



## V. OTHER INFORMATION

### A. Risk Management

Franklin County and the discretely presented Franklin County School Department participate in 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. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; Statement No. 77, *Tax Abatement Disclosures*; Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; Statement No. 80, *Blending Requirements for Certain Component Units*; and Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*, became effective for the year ended June 30, 2017.

GASB Statement No. 74, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose external financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 43 and No. 57. It also includes requirements for defined contribution OPEB plans that replace the requirements in Statements No. 25, No. 43, and No. 50. The scope of this statement includes OPEB plans, both defined benefit and defined contribution, administered through trusts meeting the necessary criteria as well as reporting assets accumulated through OPEB plans that are not administered through trusts that meet the specified criteria.

GASB Statement No. 77, establishes reporting requirements for tax abatements. This standard requires the disclosure of information about the nature and magnitude of tax abatement agreements entered into by state and local governments that reduce the government's tax revenues.

GASB Statement No. 78, amends Statement No. 68 to exclude certain pensions provided to employees of state or local governments through a cost-sharing multiple-employer pension plans that are not state or local plans and meet specific other criteria. This statement establishes recognition, measurement, and reporting requirements criteria for these plans.

GASB Statement No. 80, amends the blending requirements of paragraph 53 of Statement No. 14. This standard adds additional blending criterion, which requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

GASB Statement No. 82 amends Statements No. 67, No. 68, and No. 73. This standard establishes covered payroll as the payroll on which contributions to a pension plan are based in the Required Supplementary Information. In addition, this standard clarifies that employer paid member contributions should be considered plan member contributions for purposes of applying Statement No. 67, and employee contributions for the purposes of applying Statement No. 68. This standard further states that an employer's expense and expenditures for employer paid member contributions should be recognized in the period for which the contribution is assessed and classified in the same manner that the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

**C. Contingent Liabilities**

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

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

**D. 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 \$312,681 reported as landfill postclosure care liability at June 30, 2017, represents amounts based on what it would cost to perform all postclosure care in 2017. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**E. Joint Ventures**

The Interlocal Solid Waste Authority is jointly operated by the counties of Franklin and Lincoln and the municipality of Tullahoma for the purpose of developing a solid waste regional plan. 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, 2017.

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, 2017.

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

**F. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Franklin County and non-certified employees of the discretely presented Franklin County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 55.42 percent, the non-certified employees of the discretely presented School Department comprised 44.58 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the

plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2016, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	333
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	386
Active Employees	511
 Total	 <u><u>1,230</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. Franklin County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2017, the employer contribution for Franklin

County was \$2,056,558 based on a rate of 14.79 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Franklin County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Net Pension Liability (Asset)**

Franklin County's net pension liability (asset) was measured as of June 30, 2016, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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

### Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2015	\$ 39,457,139	\$ 39,756,415	\$ (299,276)
Changes for the year:			
Service Cost	\$ 1,016,893	\$ 0	\$ 1,016,893
Interest	2,978,769	0	2,978,769
Differences Between Expected and Actual Experience	(352,407)	0	(352,407)
Contributions-Employer	0	1,863,363	(1,863,363)
Contributions-Employees	0	0	0
Net Investment Income	0	1,057,642	(1,057,642)
Benefit Payments, Including Refunds of Employee Contributions	(1,514,230)	(1,514,230)	0
Administrative Expense	0	(38,726)	38,726
Other Changes	0	0	0
Net Changes	\$ 2,129,025	\$ 1,368,049	\$ 760,976
Balance, June 30, 2016	\$ 41,586,164	\$ 41,124,464	\$ 461,700

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	55.42%	\$ 23,047,052	\$ 22,791,178	\$ 255,874
School Department	44.58%	18,539,112	18,333,286	205,826
Total		\$ 41,586,164	\$ 41,124,464	\$ 461,700

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



Franklin County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 5,838,953	\$ 461,700	\$ (4,045,065)

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

*Pension Expense.* For the year ended June 30, 2017, Franklin County recognized pension expense of \$820,035.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, Franklin County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 998,106
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,385,343	0
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	2,056,558	N/A
Total	\$ 3,441,901	\$ 998,106

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2016,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,949,722	\$ 553,150
School Department	<u>1,492,179</u>	<u>444,956</u>
Total	<u>\$ 3,441,901</u>	<u>\$ 998,106</u>

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

Year Ending June 30	Amount
2018	\$ (220,982)
2019	(220,982)
2020	512,540
2021	316,665
2022	0
Thereafter	0

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

**Discretely Presented Franklin County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Franklin County and non-certified employees of the discretely presented Franklin County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 55.42 percent and the non-certified employees of the discretely presented School Department comprise 44.58 percent of the plan based on contribution data.

## **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

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

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be

adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2017, to the Teacher Retirement Plan were \$80,127, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities (Assets).* At June 30, 2017, the Franklin County School Department reported an asset of \$35,050 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Franklin County School Department's proportion of the net pension asset was based on the Franklin County School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Franklin County School Department's proportion was .336686 percent. The revised proportion measured at June 30, 2015, was .305093 percent.

*Pension Expense.* For the year ended June 30, 2017, the Franklin County School Department recognized pension expense of \$29,271.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, the Franklin County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,396	\$ 4,041
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,739	0
Changes in Proportion of Net Pension Liability (Asset)	0	886
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	<u>80,127</u>	<u>0</u>
Total	<u>\$ 89,262</u>	<u>\$ 4,927</u>

The Franklin County School Department's employer contributions of \$80,127, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2018	\$ 1,345
2019	1,345
2020	1,345
2021	1,071
2022	(158)
Thereafter	(740)

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

*Actuarial Assumptions.* The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 16,551	\$ (35,050)	\$ (73,070)

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

**Teacher Legacy Pension Plan**

**General Information About the Pension Plan**

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

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living



adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Franklin County School Department for the year ended June 30, 2017, to the Teacher Legacy Pension Plan were \$1,756,967, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liability (Assets).* At June 30, 2017, the Franklin County School Department reported a liability of \$3,366,820 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Franklin County School Department's proportion of the net pension liability (asset) was based on the Franklin County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Franklin County School Department's proportion was .538739 percent. The proportion measured at June 30, 2015, was .525744 percent.

*Pension Expense.* For the year ended June 30, 2017, the Franklin County School Department recognized pension expense of \$384,499.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, the Franklin County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 141,688	\$ 4,076,103
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,759,100	0
Changes in Proportion and Differences Between LEA's Contributions and Proportionate Share of Contributions	98,562	127,964
Changes in Proportion of Net Pension Liability (Asset)		
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	<u>1,756,967</u>	<u>N/A</u>
Total	<u>\$ 5,756,317</u>	<u>\$ 4,204,067</u>

The Franklin County School Department's employer contributions of \$1,756,967 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
	<u>Amount</u>
2018	\$ (642,265)
2019	(642,265)
2020	1,160,972
2021	164,748
2022	(245,907)
Thereafter	0

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

*Actuarial Assumptions.* The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability    \$ 18,487,786    \$ 3,366,820    \$ (9,158,707)

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

**2. Deferred Compensation**

Teachers hired after July 1, 2014, by the discretely presented Franklin County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the Franklin County School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the Franklin County School Department contributed \$100,158 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

**G. Other Postemployment Benefits (OPEB)**

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The School Department retirees' contributions vary depending on the insurance options they select, ranging from \$0 to \$1,006 per month for their insurance. The county and Highway Department retirees' contributions vary depending on the insurance options they select, ranging from \$384 to \$556 per month for their insurance. During the year ended June 30, 2017, the county and the School Department contributed \$38,825 and \$597,055, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 976,000	\$ 179,000
Interest on the NOPEBO	216,103	93,774
Adjustment to the ARC	(216,970)	(94,150)
Annual OPEB cost	\$ 975,133	\$ 178,624
Amount of contribution	(597,055)	(38,825)
Adjustment to align ARC with AAL	0	(1,102,427)
Increase/decrease in NOPEBO	\$ 378,078	\$ (962,628)
Net OPEB obligation, 7-1-16	5,762,736	2,500,628
Net OPEB obligation, 6-30-17	\$ 6,140,814	\$ 1,538,000

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-15	Local Education Group	\$ 1,035,952	48 %	\$ 5,342,026
6-30-16	"	943,195	55	5,762,736
6-30-17	"	975,133	61	6,140,814
6-30-15	Local Government Group	156,291	17	2,353,915
6-30-16	"	172,645	15	2,500,628
6-30-17	"	178,624	22	1,538,000

#### Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-15	7-1-15
Actuarial accrued liability (AAL)	\$ 8,695,000	\$ 1,538,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 8,695,000	\$ 1,538,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 24,101,812	\$ 8,354,048
UAAL as a % of covered payroll	36%	18%

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, 2015, actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of six percent in fiscal year 2017, and then be reduced by decrements to an ultimate rate of 4.645 percent by fiscal year 2050. 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 35-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

**H. 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.

**I. 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 \$25,000 for the Office of County Mayor, the discretely presented School Department, and the Office of Highway Superintendent are required to be competitively bid.

**J. Subsequent Events**

Director of Schools Dr. Amie Lonas resigned June 30, 2017, and was succeeded by Stanley Bean effective July 1, 2017.

Clerk and Master Brenda Clark resigned June 30, 2017, and was succeeded by Tappy Bailey effective July 1, 2017.

On July 3, 2017, 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.



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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

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

	2014	2015	2016
<b>Total Pension Liability (Asset)</b>			
Service Cost	\$ 934,637	\$ 986,760	\$ 1,016,893
Interest	2,724,212	2,849,313	2,978,769
Changes in Benefit Terms	0	0	0
Differences Between Actual and Expected Experience	(714,099)	(717,567)	(352,407)
Changes in Assumptions	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(1,326,831)	(1,330,894)	(1,514,230)
Net Change in Total Pension Liability (Asset)	\$ 1,617,919	\$ 1,787,612	\$ 2,129,025
Total Pension Liability (Asset), Beginning	36,051,608	37,669,527	39,457,139
Total Pension Liability (Asset), Ending (a)	\$ 37,669,527	\$ 39,457,139	\$ 41,586,164
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 1,756,198	\$ 1,782,002	\$ 1,863,363
Contributions - Employee	0	0	0
Net Investment Income	5,394,799	1,180,304	1,057,642
Benefit Payments, Including Refunds of Employee Contributions	(1,326,831)	(1,330,894)	(1,514,230)
Administrative Expense	(19,389)	(25,333)	(38,726)
Net Change in Plan Fiduciary Net Position	\$ 5,804,777	\$ 1,606,079	\$ 1,368,049
Plan Fiduciary Net Position, Beginning	32,345,559	38,150,336	39,756,415
Plan Fiduciary Net Position, Ending (b)	\$ 38,150,336	\$ 39,756,415	\$ 41,124,464
Net Pension Liability (Asset), Ending (a - b)	\$ (480,809)	\$ (299,276)	\$ 461,700
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.28%	100.76%	98.89%
Covered Payroll	\$ 13,284,415	\$ 13,520,502	\$ 14,184,250
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(3.62)%	(2.21)%	3.26%

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

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

Exhibit E-2

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

	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 1,756,198	\$ 1,782,002	\$ 1,863,363	\$ 2,056,558
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(1,756,198)</u>	<u>(1,782,002)</u>	<u>(1,863,363)</u>	<u>(2,056,558)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 13,284,415	\$ 13,520,502	\$ 14,184,250	\$ 13,901,406
Contributions as a Percentage of Covered Payroll	13.22%	13.18%	13.14%	14.79%

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

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

Exhibit E-3

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

	2015	2016	2017
Contractually Required Contribution	\$ 25,890	\$ 59,257	\$ 80,127
Less Contributions in Relation to the Contractually Required Contribution	(25,890)	(59,257)	(80,127)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 647,261	\$ 1,481,438	\$ 2,003,170
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%

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

Exhibit E-4

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

	2014	2015	2016	2017
Contractually Required Contribution	\$ 1,861,081	\$ 1,779,184	\$ 1,758,044	\$ 1,756,967
Less Contributions in Relation to the Contractually Required Contribution	(1,861,081)	(1,779,184)	(1,758,044)	(1,756,967)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 20,958,110	\$ 19,681,280	\$ 19,447,359	\$ 19,431,263
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%

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

Exhibit E-5

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

	<u>2016</u>	<u>2017</u>
School Department's Proportion of the Net Pension Liability (Asset)	0.305093%	0.336686%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (12,532)	\$ (35,050)
Covered Payroll	\$ 647,261	\$ 1,481,438
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%

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

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

Exhibit E-6

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>
School Department's Proportion of the Net Pension Liability (Asset)	0.533966%	0.525744%	0.538739%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (86,767)	\$ 215,363	\$ 3,366,820
Covered Payroll	\$ 20,958,110	\$ 19,681,280	\$ 19,447,359
School Department's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%

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

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

Exhibit E-7

Franklin County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Franklin County School Department  
June 30, 2017

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-11	\$ 0	\$ 2,669	\$ 2,669	0 %	\$ 6,525	41 %
"	7-1-13	0	1,331	1,331	0	6,581	20
"	7-1-15	0	1,538	1,538	0	8,354	18
<u>DISCRETELY PRESENTED FRANKLIN COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-11	0	11,604	11,604	0	22,852	51
"	7-1-13	0	9,095	9,095	0	19,627	46
"	7-1-15	0	8,695	8,695	0	24,102	36



**FRANKLIN COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2017**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for 2017 were calculated based on the July 1, 2015, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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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.

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

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

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

## Capital Projects Fund

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

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Exhibit F-1

Franklin County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Public Library	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,141	\$ 3,141
Equity in Pooled Cash and Investments	70,157	253,422	221,500	25,615	0	570,694
Accounts Receivable	0	1,732	30,997	0	230	32,959
Due from Other Governments	0	885	133	0	0	1,018
Property Taxes Receivable	0	296,781	380,902	0	0	677,683
Allowance for Uncollectible Property Taxes	0	(10,031)	(14,096)	0	0	(24,127)
<b>Total Assets</b>	<b>\$ 70,157</b>	<b>\$ 542,789</b>	<b>\$ 619,436</b>	<b>\$ 25,615</b>	<b>\$ 3,371</b>	<b>\$ 1,261,368</b>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 49	\$ 0	\$ 280	\$ 0	\$ 329
Accrued Payroll	0	3,520	0	0	0	3,520
Due to Other Funds	0	0	0	0	3,371	3,371
Due to State of Tennessee	0	127	0	0	0	127
Due to Litigants, Heirs, and Others	0	0	0	496	0	496
<b>Total Liabilities</b>	<b>\$ 0</b>	<b>\$ 3,696</b>	<b>\$ 0</b>	<b>\$ 776</b>	<b>\$ 3,371</b>	<b>\$ 7,843</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 277,890	\$ 345,830	\$ 0	\$ 0	\$ 623,720
Deferred Delinquent Property Taxes	0	8,139	19,269	0	0	27,408
<b>Total Deferred Inflows of Resources</b>	<b>\$ 0</b>	<b>\$ 286,029</b>	<b>\$ 365,099</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 651,128</b>

(Continued)

Exhibit F-1

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

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Public Library	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 100,756	\$ 24,239	\$ 0	\$ 124,995
Restricted for Social, Cultural, and Recreational Services	0	195,920	0	0	0	195,920
Restricted for Highways/Public Works	0	0	0	0	0	0
Restricted for Debt Service	70,157	0	0	0	0	70,157
Committed:						
Committed for Social, Cultural, and Recreational Services	0	31,894	0	0	0	31,894
Assigned:						
Assigned for Public Safety	0	0	153,581	600	0	154,181
Assigned for Social, Cultural, and Recreational Services	0	25,250	0	0	0	25,250
Total Fund Balances	\$ 70,157	\$ 253,064	\$ 254,337	\$ 24,839	\$ 0	\$ 602,397
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 70,157	\$ 542,789	\$ 619,436	\$ 25,615	\$ 3,371	\$ 1,261,368

(Continued)

Exhibit F-1

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

	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>		
Cash	\$ 0	\$ 3,141
Equity in Pooled Cash and Investments	720,707	1,291,401
Accounts Receivable	0	32,959
Due from Other Governments	0	1,018
Property Taxes Receivable	0	677,683
Allowance for Uncollectible Property Taxes	0	(24,127)
	<hr/>	<hr/>
Total Assets	\$ 720,707	\$ 1,982,075
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 329
Accrued Payroll	0	3,520
Due to Other Funds	0	3,371
Due to State of Tennessee	0	127
Due to Litigants, Heirs, and Others	0	496
Total Liabilities	<hr/>	<hr/>
	\$ 0	\$ 7,843
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 0	\$ 623,720
Deferred Delinquent Property Taxes	0	27,408
Total Deferred Inflows of Resources	<hr/>	<hr/>
	\$ 0	\$ 651,128

(Continued)

Exhibit F-1

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

FUND BALANCES

Restricted:

    Restricted for Public Safety

    Restricted for Social, Cultural, and Recreational Services

    Restricted for Highways/Public Works

    Restricted for Debt Service

Committed:

    Committed for Social, Cultural, and Recreational Services

Assigned:

    Assigned for Public Safety

    Assigned for Social, Cultural, and Recreational Services

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Capital</u>	<u>Total</u>
<u>Projects Fund</u>	<u>Nonmajor</u>
<u>Highway</u>	<u>Governmental</u>
<u>Capital</u>	<u>Funds</u>
<u>Projects</u>	<u>Funds</u>
\$ 0	\$ 124,995
0	195,920
720,707	720,707
0	70,157
0	31,894
0	154,181
0	25,250
<u>\$ 720,707</u>	<u>\$ 1,323,104</u>
<u>\$ 720,707</u>	<u>\$ 1,982,075</u>

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, 2017

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Public Library	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	
<u>Revenues</u>						
Local Taxes	\$ 181,699	\$ 296,210	\$ 649,960	\$ 0	\$ 0	\$ 1,127,869
Licenses and Permits	0	1,681	24,014	0	0	25,695
Fines, Forfeitures, and Penalties	0	0	0	13,417	0	13,417
Charges for Current Services	0	14,587	0	14,179	37	28,803
Other Local Revenues	0	2,397	765	0	0	3,162
Federal Government	0	1,464	0	215	0	1,679
Other Governments and Citizens Groups	0	30,144	0	1,500	0	31,644
<b>Total Revenues</b>	<b>\$ 181,699</b>	<b>\$ 346,483</b>	<b>\$ 674,739</b>	<b>\$ 29,311</b>	<b>\$ 37</b>	<b>\$ 1,232,269</b>
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37	\$ 37
Public Safety	0	0	733,202	42,502	0	775,704
Social, Cultural, and Recreational Services	0	355,567	0	0	0	355,567
Other Operations	1,839	37,054	0	293	0	39,186
Capital Projects	0	1,615	0	0	0	1,615
<b>Total Expenditures</b>	<b>\$ 1,839</b>	<b>\$ 394,236</b>	<b>\$ 733,202</b>	<b>\$ 42,795</b>	<b>\$ 37</b>	<b>\$ 1,172,109</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 179,860	\$ (47,753)	\$ (58,463)	\$ (13,484)	\$ 0	\$ 60,160
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (145,000)	\$ (3,000)	\$ 0	\$ 0	\$ 0	\$ (148,000)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (145,000)</b>	<b>\$ (3,000)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (148,000)</b>
Net Change in Fund Balances	\$ 34,860	\$ (50,753)	\$ (58,463)	\$ (13,484)	\$ 0	\$ (87,840)
Fund Balance, July 1, 2016	35,297	303,817	312,800	38,323	0	690,237
<b>Fund Balance, June 30, 2017</b>	<b>\$ 70,157</b>	<b>\$ 253,064</b>	<b>\$ 254,337</b>	<b>\$ 24,839</b>	<b>\$ 0</b>	<b>\$ 602,397</b>

(Continued)



Exhibit F-2

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

	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Revenues</u>		
Local Taxes	\$ 0	\$ 1,127,869
Licenses and Permits	0	25,695
Fines, Forfeitures, and Penalties	0	13,417
Charges for Current Services	0	28,803
Other Local Revenues	198	3,360
Federal Government	0	1,679
Other Governments and Citizens Groups	0	31,644
Total Revenues	<u>\$ 198</u>	<u>\$ 1,232,467</u>
<u>Expenditures</u>		
Current:		
General Government	\$ 0	\$ 37
Public Safety	0	775,704
Social, Cultural, and Recreational Services	0	355,567
Other Operations	2	39,188
Capital Projects	438,498	440,113
Total Expenditures	<u>\$ 438,500</u>	<u>\$ 1,610,609</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (438,302)</u>	<u>\$ (378,142)</u>
<u>Other Financing Sources (Uses)</u>		
Transfers Out	\$ 0	\$ (148,000)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (148,000)</u>
Net Change in Fund Balances	\$ (438,302)	\$ (526,142)
Fund Balance, July 1, 2016	<u>1,159,009</u>	<u>1,849,246</u>
Fund Balance, June 30, 2017	<u>\$ 720,707</u>	<u>\$ 1,323,104</u>

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 181,699	\$ 148,000	\$ 176,500	\$ 5,199
Total Revenues	\$ 181,699	\$ 148,000	\$ 176,500	\$ 5,199
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 1,839	\$ 1,600	\$ 2,000	\$ 161
Total Expenditures	\$ 1,839	\$ 1,600	\$ 2,000	\$ 161
Excess (Deficiency) of Revenues Over Expenditures	\$ 179,860	\$ 146,400	\$ 174,500	\$ 5,360
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (145,000)	\$ (145,000)	\$ (145,000)	\$ 0
Total Other Financing Sources	\$ (145,000)	\$ (145,000)	\$ (145,000)	\$ 0
Net Change in Fund Balance	\$ 34,860	\$ 1,400	\$ 29,500	\$ 5,360
Fund Balance, July 1, 2016	35,297	30,634	30,634	4,663
Fund Balance, June 30, 2017	\$ 70,157	\$ 32,034	\$ 60,134	\$ 10,023

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 296,210	\$ 0	\$ 0	\$ 296,210	\$ 298,248	\$ 297,968	\$ (1,758)
Licenses and Permits	1,681	0	0	1,681	1,650	1,650	31
Charges for Current Services	14,587	0	0	14,587	17,000	17,000	(2,413)
Other Local Revenues	2,397	0	0	2,397	19,050	3,303	(906)
Federal Government	1,464	0	0	1,464	2,200	5,480	(4,016)
Other Governments and Citizens Groups	30,144	0	0	30,144	30,750	30,750	(606)
<b>Total Revenues</b>	<b>\$ 346,483</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 346,483</b>	<b>\$ 368,898</b>	<b>\$ 356,151</b>	<b>\$ (9,668)</b>
<u>Expenditures</u>							
<u>Social, Cultural, and Recreational Services</u>							
Libraries	\$ 355,567	\$ (21,378)	\$ 3,458	\$ 337,647	\$ 364,084	\$ 367,754	\$ 30,107
<u>Other Operations</u>							
Other Charges	37,054	0	0	37,054	38,060	43,059	6,005
<u>Capital Projects</u>							
Social, Cultural, and Recreation Projects	1,615	0	21,792	23,407	38,000	30,000	6,593
<b>Total Expenditures</b>	<b>\$ 394,236</b>	<b>\$ (21,378)</b>	<b>\$ 25,250</b>	<b>\$ 398,108</b>	<b>\$ 440,144</b>	<b>\$ 440,813</b>	<b>\$ 42,705</b>
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (47,753)	\$ 21,378	\$ (25,250)	\$ (51,625)	\$ (71,246)	\$ (84,662)	\$ 33,037
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (3,000)	\$ 0	\$ 0	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ 0
<b>Total Other Financing Sources</b>	<b>\$ (3,000)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (3,000)</b>	<b>\$ (3,000)</b>	<b>\$ (3,000)</b>	<b>\$ 0</b>
Net Change in Fund Balance							
Fund Balance, July 1, 2016	\$ (50,753)	\$ 21,378	\$ (25,250)	\$ (54,625)	\$ (74,246)	\$ (87,662)	\$ 33,037
	303,817	(21,378)	0	282,439	289,175	253,915	28,524
<b>Fund Balance, June 30, 2017</b>	<b>\$ 253,064</b>	<b>\$ 0</b>	<b>\$ (25,250)</b>	<b>\$ 227,814</b>	<b>\$ 214,929</b>	<b>\$ 166,253</b>	<b>\$ 61,561</b>

Exhibit F-5

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 649,960	\$ 0	\$ 0	\$ 649,960	\$ 601,143	\$ 645,213	\$ 4,747
Licenses and Permits	24,014	0	0	24,014	23,850	24,150	(136)
Other Local Revenues	765	0	0	765	0	8,265	(7,500)
Total Revenues	\$ 674,739	\$ 0	\$ 0	\$ 674,739	\$ 624,993	\$ 677,628	\$ (2,889)
<u>Expenditures</u>							
<u>Public Safety</u>							
Fire Prevention and Control	\$ 733,202	\$ (30,000)	\$ 36,400	\$ 739,602	\$ 749,050	\$ 768,315	\$ 28,713
Total Expenditures	\$ 733,202	\$ (30,000)	\$ 36,400	\$ 739,602	\$ 749,050	\$ 768,315	\$ 28,713
Excess (Deficiency) of Revenues Over Expenditures	\$ (58,463)	\$ 30,000	\$ (36,400)	\$ (64,863)	\$ (124,057)	\$ (90,687)	\$ 25,824
Net Change in Fund Balance	\$ (58,463)	\$ 30,000	\$ (36,400)	\$ (64,863)	\$ (124,057)	\$ (90,687)	\$ 25,824
Fund Balance, July 1, 2016	312,800	(30,000)	0	282,800	281,938	281,938	862
Fund Balance, June 30, 2017	\$ 254,337	\$ 0	\$ (36,400)	\$ 217,937	\$ 157,881	\$ 191,251	\$ 26,686

Exhibit F-6

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 13,417	\$ 0	\$ 0	\$ 13,417	\$ 50,000	\$ 50,000	\$ (36,583)
Charges for Current Services	14,179	0	0	14,179	50	14,179	0
Other Local Revenues	0	0	0	0	7,700	7,700	(7,700)
Federal Government	215	0	0	215	30,000	5,086	(4,871)
Other Governments and Citizens Groups	1,500	0	0	1,500	1,500	1,750	(250)
Total Revenues	\$ 29,311	\$ 0	\$ 0	\$ 29,311	\$ 89,250	\$ 78,715	\$ (49,404)
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 42,502	\$ (6,017)	\$ 600	\$ 37,085	\$ 92,950	\$ 68,286	\$ 31,201
<u>Other Operations</u>							
Other Charges	293	0	0	293	700	700	407
Total Expenditures	\$ 42,795	\$ (6,017)	\$ 600	\$ 37,378	\$ 93,650	\$ 68,986	\$ 31,608
Excess (Deficiency) of Revenues Over Expenditures	\$ (13,484)	\$ 6,017	\$ (600)	\$ (8,067)	\$ (4,400)	\$ 9,729	\$ (17,796)
Net Change in Fund Balance	\$ (13,484)	\$ 6,017	\$ (600)	\$ (8,067)	\$ (4,400)	\$ 9,729	\$ (17,796)
Fund Balance, July 1, 2016	38,323	(6,017)	0	32,306	39,989	39,989	(7,683)
Fund Balance, June 30, 2017	\$ 24,839	\$ 0	\$ (600)	\$ 24,239	\$ 35,589	\$ 49,718	\$ (25,479)

# Major Governmental Funds

## Debt Service Funds

---

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

---

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

Education Debt Service Fund – The Education Debt Service Fund is used to account for the retirement of bonds, other loans, and most notes issued for the construction and renovations of the county's schools.

Exhibit G-1

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,061,626	\$ 2,013,807	\$ 2,066,486	\$ (4,860)
Licenses and Permits	11,216	10,000	11,230	(14)
<b>Total Revenues</b>	<b>\$ 2,072,842</b>	<b>\$ 2,023,807</b>	<b>\$ 2,077,716</b>	<b>\$ (4,874)</b>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,035,331	\$ 1,054,334	\$ 1,035,331	\$ 0
<u>Interest on Debt</u>				
General Government	335,322	297,453	335,338	16
<u>Other Debt Service</u>				
General Government	94,530	47,500	111,988	17,458
<b>Total Expenditures</b>	<b>\$ 1,465,183</b>	<b>\$ 1,399,287</b>	<b>\$ 1,482,657</b>	<b>\$ 17,474</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 607,659	\$ 624,520	\$ 595,059	\$ 12,600
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 4,160,000	\$ 0	\$ 4,160,000	\$ 0
Premiums on Debt Sold	448,779	0	448,779	0
Transfers In	145,000	145,000	145,000	0
Payments to Refunded Debt Escrow Agent	(4,554,443)	0	(4,554,443)	0
<b>Total Other Financing Sources</b>	<b>\$ 199,336</b>	<b>\$ 145,000</b>	<b>\$ 199,336</b>	<b>\$ 0</b>
Net Change in Fund Balance	\$ 806,995	\$ 769,520	\$ 794,395	\$ 12,600
Fund Balance, July 1, 2016	1,493,965	1,478,384	1,478,384	15,581
<b>Fund Balance, June 30, 2017</b>	<b>\$ 2,300,960</b>	<b>\$ 2,247,904</b>	<b>\$ 2,272,779</b>	<b>\$ 28,181</b>

Exhibit G-2

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,481,606	\$ 2,413,192	\$ 2,502,062	\$ (20,456)
Licenses and Permits	5,811	8,500	6,000	(189)
Other Governments and Citizens Groups	163,085	0	163,085	0
Total Revenues	<u>\$ 2,650,502</u>	<u>\$ 2,421,692</u>	<u>\$ 2,671,147</u>	<u>\$ (20,645)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 2,011,181	\$ 1,860,000	\$ 2,011,181	\$ 0
<u>Interest on Debt</u>				
Education	367,874	355,970	367,874	0
<u>Other Debt Service</u>				
Education	49,115	49,250	63,022	13,907
Total Expenditures	<u>\$ 2,428,170</u>	<u>\$ 2,265,220</u>	<u>\$ 2,442,077</u>	<u>\$ 13,907</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 222,332</u>	<u>\$ 156,472</u>	<u>\$ 229,070</u>	<u>\$ (6,738)</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 1,265,000	\$ 0	\$ 1,265,000	\$ 0
Premiums on Debt Sold	206,648	0	206,648	0
Payments to Refunded Debt Escrow Agent	(1,457,876)	0	(1,457,876)	0
Total Other Financing Sources	<u>\$ 13,772</u>	<u>\$ 0</u>	<u>\$ 13,772</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 236,104	\$ 156,472	\$ 242,842	\$ (6,738)
Fund Balance, July 1, 2016	<u>2,833,834</u>	<u>2,895,848</u>	<u>2,895,848</u>	<u>(62,014)</u>
Fund Balance, June 30, 2017	<u>\$ 3,069,938</u>	<u>\$ 3,052,320</u>	<u>\$ 3,138,690</u>	<u>\$ (68,752)</u>



# Fiduciary Funds

---

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

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

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

Exhibit H-1

Franklin County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2017

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,111,135	\$ 1,111,135
Due from Other Governments	681,892	0	681,892
Total Assets	\$ 681,892	\$ 1,111,135	\$ 1,793,027
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 681,892	\$ 0	\$ 681,892
Due to Litigants, Heirs, and Others	0	1,111,135	1,111,135
Total Liabilities	\$ 681,892	\$ 1,111,135	\$ 1,793,027

Exhibit H-2

Franklin County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,752,348	\$ 3,752,348	\$ 0
Due from Other Governments	630,129	681,892	630,129	681,892
Total Assets	\$ 630,129	\$ 4,434,240	\$ 4,382,477	\$ 681,892
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 630,129	\$ 4,434,240	\$ 4,382,477	\$ 681,892
Total Liabilities	\$ 630,129	\$ 4,434,240	\$ 4,382,477	\$ 681,892
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,443,290	\$ 7,349,722	\$ 7,681,877	\$ 1,111,135
Total Assets	\$ 1,443,290	\$ 7,349,722	\$ 7,681,877	\$ 1,111,135
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,443,290	\$ 7,349,722	\$ 7,681,877	\$ 1,111,135
Total Liabilities	\$ 1,443,290	\$ 7,349,722	\$ 7,681,877	\$ 1,111,135
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,443,290	\$ 7,349,722	\$ 7,681,877	\$ 1,111,135
Equity in Pooled Cash and Investments	0	3,752,348	3,752,348	0
Due from Other Governments	630,129	681,892	630,129	681,892
Total Assets	\$ 2,073,419	\$ 11,783,962	\$ 12,064,354	\$ 1,793,027
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 630,129	\$ 4,434,240	\$ 4,382,477	\$ 681,892
Due to Litigants, Heirs, and Others	1,443,290	7,349,722	7,681,877	1,111,135
Total Liabilities	\$ 2,073,419	\$ 11,783,962	\$ 12,064,354	\$ 1,793,027

# Franklin County School Department

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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.

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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, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 28,717,275	\$ 0	\$ 3,173,105	\$ (25,544,170)
Support Services	16,286,810	16,676	596,720	(15,673,414)
Operation of Non-instructional Services	5,124,190	1,182,230	2,990,151	(951,809)
Interest on Long-term Debt	11,904	0	0	(11,904)
Total Governmental Activities	<u>\$ 50,140,179</u>	<u>\$ 1,198,906</u>	<u>\$ 6,759,976</u>	<u>\$ (42,181,297)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 9,815,036
Local Option Sales Taxes				4,616,733
Mixed Drink Tax				155,302
Other Local Taxes				3,697
Grants and Contributions Not Restricted to Specific Programs				28,019,864
Unrestricted Investment Earnings				14,903
Miscellaneous				78,308
Sale of Equipment				7,343
Total General Revenues				<u>\$ 42,711,186</u>
Change in Net Position				\$ 529,889
Net Position, July 1, 2016				<u>43,958,455</u>
Net Position, June 30, 2017				<u>\$ 44,488,344</u>

Exhibit I-2

Franklin County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Franklin County School Department  
June 30, 2017

	<u>Major Funds</u>		<u>Nonmajor Fund</u>	<u>Total Governmental Funds</u>
	<u>General Purpose School</u>	<u>Central Cafeteria</u>	<u>School Federal Projects</u>	
<u>ASSETS</u>				
Cash	\$ 0	\$ 1,634	\$ 0	\$ 1,634
Equity in Pooled Cash and Investments	7,913,958	3,086,609	9,764	11,010,331
Accounts Receivable	31,758	1,698	0	33,456
Due from Other Governments	951,708	20,885	7,216	979,809
Due from Other Funds	0	0	455	455
Property Taxes Receivable	9,935,583	0	0	9,935,583
Allowance for Uncollectible Property Taxes	(335,857)	0	0	(335,857)
Prepaid Items	13,323	2,713	0	16,036
Total Assets	<u>\$ 18,510,473</u>	<u>\$ 3,113,539</u>	<u>\$ 17,435</u>	<u>\$ 21,641,447</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 118,182	\$ 47	\$ 1,706	\$ 119,935
Accrued Payroll	135,305	2,029	6,576	143,910
Due to Other Funds	455	0	0	455
Total Liabilities	<u>\$ 253,942</u>	<u>\$ 2,076</u>	<u>\$ 8,282</u>	<u>\$ 264,300</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 9,302,763	\$ 0	\$ 0	\$ 9,302,763
Deferred Delinquent Property Taxes	272,807	0	0	272,807
Other Deferred/Unavailable Revenue	385,000	0	0	385,000
Total Deferred Inflows of Resources	<u>\$ 9,960,570</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,960,570</u>

(Continued)

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor Fund</u>	<u>Total Governmental Funds</u>
	<u>General Purpose School</u>	<u>Central Cafeteria</u>	<u>School Federal Projects</u>	
<u>FUND BALANCES</u>				
Nonspendable:				
Prepaid Items	\$ 13,323	\$ 2,713	\$ 0	\$ 16,036
Restricted:				
Restricted for Education	520,715	3,057,740	0	3,578,455
Committed:				
Committed for Education	1,879,411	0	8,135	1,887,546
Assigned:				
Assigned for Education	500,684	51,010	1,018	552,712
Unassigned	5,381,828	0	0	5,381,828
Total Fund Balances	<u>\$ 8,295,961</u>	<u>\$ 3,111,463</u>	<u>\$ 9,153</u>	<u>\$ 11,416,577</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,510,473</u>	<u>\$ 3,113,539</u>	<u>\$ 17,435</u>	<u>\$ 21,641,447</u>

Exhibit I-3

Franklin County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
Discretely Presented Franklin County School Department  
June 30, 2017

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)		\$ 11,416,577
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 5,440,572	
Add: construction in progress	224,438	
Add: buildings and improvements net of accumulated depreciation	31,225,597	
Add: other capital assets net of accumulated depreciation	<u>2,910,826</u>	39,801,433
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on primary government debt for capital leases	\$ (204,027)	
Less: compensated absences payable	(188,844)	
Less: other postemployment benefits liability	(6,140,814)	
Less: net pension liability - agent plan	(205,826)	
Less: net pension liability - cost-sharing plan	<u>(3,366,820)</u>	(10,106,331)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 7,337,758	
Less: deferred inflows of resources related to pensions	<u>(4,653,950)</u>	2,683,808
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension assets - cost-sharing plan		35,050
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>657,807</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 44,488,344</u></u>



Exhibit I-4

Franklin County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Franklin County School Department  
For the Year Ended June 30, 2017

	Major Funds		Nonmajor	Total
	General Purpose School	Central Cafeteria	Fund School Federal Projects	
<u>Revenues</u>				
Local Taxes	\$ 14,684,430	\$ 0	\$ 0	\$ 14,684,430
Licenses and Permits	59,658	0	0	59,658
Charges for Current Services	218,371	968,331	0	1,186,702
Other Local Revenues	400,418	32,980	0	433,398
State of Tennessee	28,542,675	29,310	0	28,571,985
Federal Government	282,714	2,349,042	3,066,588	5,698,344
<b>Total Revenues</b>	<b>\$ 44,188,266</b>	<b>\$ 3,379,663</b>	<b>\$ 3,066,588</b>	<b>\$ 50,634,517</b>
<u>Expenditures</u>				
Current:				
Instruction	\$ 25,941,952	\$ 0	\$ 2,014,713	\$ 27,956,665
Support Services	15,809,863	0	1,062,726	16,872,589
Operation of Non-Instructional Services	1,868,131	3,108,379	0	4,976,510
Capital Outlay	314,696	0	0	314,696
Debt Service:				
Principal on Debt	151,181	0	0	151,181
Interest on Debt	11,904	0	0	11,904
<b>Total Expenditures</b>	<b>\$ 44,097,727</b>	<b>\$ 3,108,379</b>	<b>\$ 3,077,439</b>	<b>\$ 50,283,545</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 90,539	\$ 271,284	\$ (10,851)	\$ 350,972
Net Change in Fund Balances	\$ 90,539	\$ 271,284	\$ (10,851)	\$ 350,972
Fund Balance, July 1, 2016	8,205,422	2,840,179	20,004	11,065,605
Fund Balance, June 30, 2017	\$ 8,295,961	\$ 3,111,463	\$ 9,153	\$ 11,416,577

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, 2017

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)		\$	350,972
(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	\$	484,069	
Less: current-year depreciation expense		<u>(2,027,400)</u>	(1,543,331)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position			
Less: book value of capital assets disposed			(31,339)
(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, 2017	\$	657,807	
Less: deferred delinquent property taxes and other deferred June 30, 2016		<u>(621,021)</u>	36,786
(4) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provide current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Add: principal contributions on leases to primary government			151,181
(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	\$	3,950	
Change in other postemployment benefits liability		(378,078)	
Change in net pension liability - agent plan		(341,458)	
Change in net pension liability - teacher legacy plan		(3,151,457)	
Change in net pension asset - teacher retirement plan		22,518	
Change in deferred outflows related to pensions		11,226	
Change in deferred inflows related to pensions		<u>5,398,919</u>	<u>1,565,620</u>
Change in net position of governmental activities (Exhibit B)		\$	<u>529,889</u>

Exhibit I-6

Franklin County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Franklin County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 14,684,430	\$ 0	\$ 0	\$ 14,684,430	\$ 14,164,880	\$ 14,276,547	\$ 407,883
Licenses and Permits	59,658	0	0	59,658	51,046	51,046	8,612
Charges for Current Services	218,371	0	0	218,371	265,397	270,397	(52,026)
Other Local Revenues	400,418	0	0	400,418	296,645	396,416	4,002
State of Tennessee	28,542,675	0	0	28,542,675	28,358,118	28,655,742	(113,067)
Federal Government	282,714	0	0	282,714	71,000	362,722	(80,008)
<b>Total Revenues</b>	<b>\$ 44,188,266</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 44,188,266</b>	<b>\$ 43,207,086</b>	<b>\$ 44,012,870</b>	<b>\$ 175,396</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 20,475,157	\$ (549,800)	\$ 280,868	\$ 20,206,225	\$ 21,068,182	\$ 20,664,288	\$ 458,063
Alternative Instruction Program	258,383	0	0	258,383	202,117	268,337	9,954
Special Education Program	3,865,186	(9,624)	125	3,855,687	3,765,170	3,893,394	37,707
Career and Technical Education Program	1,148,574	(4,049)	6,915	1,151,440	1,254,251	1,254,251	102,811
Student Body Education Program	194,652	(6,565)	5,045	193,132	151,824	201,074	7,942
<u>Support Services</u>							
Attendance	195,852	(599)	0	195,253	198,754	198,754	3,501
Health Services	672,012	0	7,370	679,382	539,654	679,542	160
Other Student Support	1,479,626	(12,644)	13,267	1,480,249	1,511,311	1,532,493	52,244
Regular Instruction Program	1,199,073	0	12,349	1,211,422	1,176,021	1,237,127	25,705
Special Education Program	140,229	(3,357)	200	137,072	291,036	146,363	9,291
Career and Technical Education Program	45,137	(859)	350	44,628	69,812	69,812	25,184
Technology	789,545	0	36,098	825,643	0	862,630	36,987
Other Programs	183,000	0	0	183,000	0	183,000	0
Board of Education	1,136,495	(6,694)	1,224	1,131,025	1,136,867	1,168,331	37,306
Director of Schools	303,457	(4,447)	538	299,548	513,516	528,086	228,538
Office of the Principal	2,239,625	0	0	2,239,625	2,296,931	2,272,431	32,806
Fiscal Services	11,561	0	0	11,561	0	11,561	0
Human Services/Personnel	225,132	(75)	1,404	226,461	234,267	234,267	7,806

(Continued)

Exhibit I-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 3,321,184	\$ (4,160)	\$ 27,152	\$ 3,344,176	\$ 3,547,364	\$ 3,547,364	\$ 203,188
Maintenance of Plant	1,286,026	(98,526)	21,849	1,209,349	1,371,868	1,371,868	162,519
Transportation	2,492,995	(215,223)	8,586	2,286,358	2,399,602	2,400,712	114,354
Central and Other	88,914	(3,160)	0	85,754	654,248	90,262	4,508
<u>Operation of Non-Instructional Services</u>							
Community Services	533,607	0	0	533,607	495,333	725,528	191,921
Early Childhood Education	1,334,524	(1,774)	9,468	1,342,218	1,374,365	1,353,450	11,232
<u>Capital Outlay</u>							
Regular Capital Outlay	314,696	(212,282)	67,876	170,290	110,000	353,778	183,488
<u>Principal on Debt</u>							
Education	151,181	0	0	151,181	133,293	151,182	1
<u>Interest on Debt</u>							
Education	11,904	0	0	11,904	11,905	11,905	1
Total Expenditures	\$ 44,097,727	\$ (1,133,838)	\$ 500,684	\$ 43,464,573	\$ 44,507,691	\$ 45,411,790	\$ 1,947,217
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 90,539	\$ 1,133,838	\$ (500,684)	\$ 723,693	\$ (1,300,605)	\$ (1,398,920)	\$ 2,122,613
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 0	\$ 0
Transfers Out	0	0	0	0	(103,420)	0	0
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ (3,420)	\$ 0	\$ 0
Net Change in Fund Balance							
Fund Balance, July 1, 2016	\$ 8,205,422	(1,133,838)	0	7,071,584	6,587,039	6,587,039	484,545
Fund Balance, June 30, 2017	\$ 8,295,961	\$ 0	\$ (500,684)	\$ 7,795,277	\$ 5,283,014	\$ 5,188,119	\$ 2,607,158

Exhibit I-7

Franklin County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 Discretely Presented Franklin County School Department  
 School Federal Projects Fund  
 For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<b>Revenues</b>						
Federal Government	\$ 3,066,588	\$ 0	\$ 3,066,588	\$ 3,185,491	\$ 3,551,877	\$ (485,289)
<b>Total Revenues</b>	<b>\$ 3,066,588</b>	<b>\$ 0</b>	<b>\$ 3,066,588</b>	<b>\$ 3,185,491</b>	<b>\$ 3,551,877</b>	<b>\$ (485,289)</b>
<b>Expenditures</b>						
<b>Instruction</b>						
Regular Instruction Program	\$ 1,248,817	\$ 855	\$ 1,249,672	\$ 1,207,680	\$ 1,378,456	\$ 128,784
Special Education Program	692,292	0	692,292	719,437	796,159	103,867
Career and Technical Education Program	73,604	0	73,604	73,740	73,605	1
<b>Support Services</b>						
Health Services	84,643	0	84,643	214,000	90,967	6,324
Other Student Support	45,903	0	45,903	177,102	196,791	150,888
Regular Instruction Program	358,411	163	358,574	299,934	410,146	51,572
Special Education Program	384,531	0	384,531	266,098	401,671	17,140
Transportation	189,238	0	189,238	227,500	204,080	14,842
<b>Total Expenditures</b>	<b>\$ 3,077,439</b>	<b>\$ 1,018</b>	<b>\$ 3,078,457</b>	<b>\$ 3,185,491</b>	<b>\$ 3,551,875</b>	<b>\$ 473,418</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (10,851)	\$ (1,018)	\$ (11,869)	\$ 0	\$ 2	\$ (11,871)
Net Change in Fund Balance	\$ (10,851)	\$ (1,018)	\$ (11,869)	\$ 0	\$ 2	\$ (11,871)
Fund Balance, July 1, 2016	20,004	0	20,004	0	0	20,004
Fund Balance, June 30, 2017	\$ 9,153	\$ (1,018)	\$ 8,135	\$ 0	\$ 2	\$ 8,133

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  
Central Cafeteria Fund  
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 968,331	\$ 0	\$ 968,331	\$ 1,035,779	\$ 1,035,779	\$ (67,448)
Other Local Revenues	32,980	0	32,980	8,700	26,700	6,280
State of Tennessee	29,310	0	29,310	32,754	32,754	(3,444)
Federal Government	2,349,042	0	2,349,042	2,291,703	2,291,703	57,339
Total Revenues	<u>\$ 3,379,663</u>	<u>\$ 0</u>	<u>\$ 3,379,663</u>	<u>\$ 3,368,936</u>	<u>\$ 3,386,936</u>	<u>\$ (7,273)</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 3,108,379	\$ 51,010	\$ 3,159,389	\$ 3,565,835	\$ 3,654,835	\$ 495,446
Total Expenditures	<u>\$ 3,108,379</u>	<u>\$ 51,010</u>	<u>\$ 3,159,389</u>	<u>\$ 3,565,835</u>	<u>\$ 3,654,835</u>	<u>\$ 495,446</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 271,284	\$ (51,010)	\$ 220,274	\$ (196,899)	\$ (267,899)	\$ 488,173
Net Change in Fund Balance	\$ 271,284	\$ (51,010)	\$ 220,274	\$ (196,899)	\$ (267,899)	\$ 488,173
Fund Balance, July 1, 2016	2,840,179	0	2,840,179	2,592,457	2,592,457	247,722
Fund Balance, June 30, 2017	<u>\$ 3,111,463</u>	<u>\$ (51,010)</u>	<u>\$ 3,060,453</u>	<u>\$ 2,395,558</u>	<u>\$ 2,324,558</u>	<u>\$ 735,895</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Franklin County, Tennessee  
 Schedule of Changes in Long-term Notes, Capital Leases, and Bonds  
 For the Year Ended June 30, 2017

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-16	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-17
<b>NOTES PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
Industrial Development Board - Land	\$ 822,666	4.75 %	5-28-10	5-27-22	\$ 463,832	\$ 0	\$ 69,553	\$ 0	\$ 394,279
Solid Waste/Highway Equipment	450,000	2.63	1-9-14	1-9-21	321,420	0	64,290	0	257,130
Highway and Road Improvements	2,000,000	2.33	1-6-15	4-1-22	1,714,000	0	286,000	0	1,428,000
Highway Capital Road Projects	1,000,000	2.33	5-11-15	4-1-22	857,142	0	142,857	0	714,285
Total Payable through General Debt Service Fund					<u>\$ 3,356,394</u>	<u>\$ 0</u>	<u>\$ 562,700</u>	<u>\$ 0</u>	<u>\$ 2,793,694</u>
<u>Payable through Highway/Public Works Fund</u>									
Quarry Land	177,000	4.875	11-10-11	2-1-23	\$ 111,126	\$ 0	\$ 13,689	\$ 0	\$ 97,437
Total Payable through Highway/Public Works Fund					<u>\$ 111,126</u>	<u>\$ 0</u>	<u>\$ 13,689</u>	<u>\$ 0</u>	<u>\$ 97,437</u>
Total Notes Payable					<u>\$ 3,467,520</u>	<u>\$ 0</u>	<u>\$ 576,389</u>	<u>\$ 0</u>	<u>\$ 2,891,131</u>
<b>CAPITAL LEASES</b>									
<u>Payable through General Fund</u>									
Energy Efficiency Lighting System	308,473	4.75	1-3-11	1-3-18	\$ 98,702	\$ 0	\$ 48,193	\$ 0	\$ 50,509
Total Payable through General Fund					<u>\$ 98,702</u>	<u>\$ 0</u>	<u>\$ 48,193</u>	<u>\$ 0</u>	<u>\$ 50,509</u>
<u>Contributions Due by the School Department from the General Purpose School Fund to the Education Debt Service Fund</u>									
Energy Efficient Lighting (State 1)	500,000	0	9-1-10	9-1-16	\$ 89,312	\$ 0	\$ 89,312	\$ 0	\$ 0
Energy Efficient Lighting (Excel)	581,879	5	10-1-10	4-1-20	265,896	0	61,869	0	204,027
Total Contributions Due by the School Department from the General Purpose School Fund to the Education Debt Service Fund					<u>\$ 355,208</u>	<u>\$ 0</u>	<u>\$ 151,181</u>	<u>\$ 0</u>	<u>\$ 204,027</u>
Total Capital Leases					<u>\$ 453,910</u>	<u>\$ 0</u>	<u>\$ 199,374</u>	<u>\$ 0</u>	<u>\$ 254,536</u>

(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 7-1-16	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-17
<b>BONDS PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
Industrial Revenue	\$ 378,000	5	% 11-18-1978	1-1-17	\$ 20,000	\$ 0	\$ 20,000	\$ 0	\$ 0
General Obligation Series 2007	6,000,000	4.19	8-15-07	6-27-17	3,620,000	0	450,000	3,170,000	0
General Obligation Judicial Center, Series 2010	1,500,000	4.13	5-21-10	6-27-17	1,387,074	0	2,631	1,384,443	0
Refunding Bonds, Series 2017	4,160,000	2 to 5	6-27-17	6-1-38	0	4,160,000	0	0	4,160,000
General Obligation Improvements, Series 2017	8,190,000	2 to 5	6-27-17	6-1-38	0	8,190,000	0	0	8,190,000
Total Payable through General Debt Service Fund					<u>\$ 5,027,074</u>	<u>\$ 12,350,000</u>	<u>\$ 472,631</u>	<u>\$ 4,554,443</u>	<u>\$ 12,350,000</u>
<u>Payable through Education Debt Service Fund</u>									
School Bonds, Series 2008	3,000,000	2.5 to 4.5	12-17-08	6-1-18	\$ 1,805,000	\$ 0	\$ 195,000	\$ 1,410,000	\$ 200,000
School Refunding Bonds, Series 2009	15,205,000	2 to 3.75	6-15-09	3-1-21	7,415,000	0	1,390,000	0	6,025,000
School Refunding Bonds, Series 2014	2,220,000	1.23 to 2	6-7-13	6-1-21	1,405,000	0	275,000	0	1,130,000
School Refunding Bonds, Series 2017	1,265,000	2 to 5	6-27-17	6-1-38	0	1,265,000	0	0	1,265,000
Total Payable through Education Debt Service Fund					<u>\$ 10,625,000</u>	<u>\$ 1,265,000</u>	<u>\$ 1,860,000</u>	<u>\$ 1,410,000</u>	<u>\$ 8,620,000</u>
Total Bonds Payable					<u>\$ 15,652,074</u>	<u>\$ 13,615,000</u>	<u>\$ 2,332,631</u>	<u>\$ 5,964,443</u>	<u>\$ 20,970,000</u>

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2018	\$ 580,448	\$ 77,872	\$ 658,320
2019	584,689	62,090	646,779
2020	589,111	46,128	635,239
2021	592,761	29,908	622,669
2022	525,890	13,494	539,384
2023	18,232	889	19,121
Total	\$ 2,891,131	\$ 230,381	\$ 3,121,512

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2018	\$ 115,352	\$ 10,736	\$ 126,088
2019	67,959	5,814	73,773
2020	71,225	2,547	73,772
Total	\$ 254,536	\$ 19,097	\$ 273,633

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 2,405,000	\$ 770,967	\$ 3,175,967
2019	2,890,000	732,344	3,622,344
2020	2,985,000	620,293	3,605,293
2021	3,080,000	500,631	3,580,631
2022	1,245,000	375,056	1,620,056
2023	1,285,000	312,806	1,597,806
2024	845,000	248,556	1,093,556
2025	630,000	206,306	836,306
2026	665,000	174,806	839,806

(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	\$ 690,000	\$ 148,206	\$ 838,206
2028	720,000	120,606	840,606
2029	730,000	106,206	836,206
2030	755,000	84,306	839,306
2031	780,000	61,656	841,656
2032	800,000	38,256	838,256
2033	70,000	14,257	84,257
2034	75,000	12,157	87,157
2035	75,000	9,907	84,907
2036	80,000	7,657	87,657
2037	80,000	5,157	85,157
2038	85,000	2,657	87,657
Total	\$ 20,970,000	\$ 4,552,793	\$ 25,522,793

Exhibit J-3

Franklin County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2017

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Courthouse and Jail Maintenance	General Debt Service	Debt payments	\$ 145,000
Public Library	General	Reimbursement	3,000
Solid Waste/Sanitation	"	"	43,803
Highway/Public Works	"	"	53,803
Other Capital Projects	"	"	314,515
General	Other Capital Projects	Technical School	<u>1,000,000</u>
Total Transfers			<u>\$ 1,560,121</u>

Exhibit J-4

Franklin County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Franklin County School Department  
For the Year Ended June 30, 2017

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 82,801	\$ 100,000	Western Surety Company
Superintendent of Highways	Section 8-24-102, <i>TCA</i> and County Commission	78,859 (1)	100,000	"
Director of Schools	State Board of Education and Franklin County Board of Education	117,359 (2)	100,000	"
Finance Director	County Commission	67,200 (3)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	71,690	1,636,276	Auto-Owners Mutual Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	71,690	50,000	RLI Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	71,690	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	71,690	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> and County Commission	71,690 (4)	50,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	71,690	100,000	Western Surety Company
Sheriff	Section 8-24-102, <i>TCA</i>	78,859 (5)	100,000	RLI Insurance Company
Other Bonds:				
Public Employee Dishonesty			400,000	Tennessee Risk Management Trust

- (1) Does not include longevity of \$1,200 and unused vacation pay of \$3,034.
- (2) Does not include a chief executive officer training supplement of \$1,000.
- (3) Does not include an education incentive of \$950 and longevity of \$1,200.
- (4) Does not include longevity of \$1,200.
- (5) Does not include a law enforcement training supplement of \$600.

Exhibit J-5

Franklin County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2017

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 8,108,364	\$ 0	\$ 277,991	\$ 1,518,089	\$ 355,114	\$ 0
Trustee's Collections - Prior Year	252,965	0	8,808	57,615	8,035	0
Trustee's Collections - Bankruptcy	2,608	0	88	428	207	0
Circuit Clerk/Clerk and Master Collections - Prior Years	120,048	0	4,166	21,021	4,771	0
Interest and Penalty	34,930	0	1,211	7,306	1,651	0
Payments in-Lieu-of Taxes - T.V.A.	3,466	0	118	930	283	0
Payments in-Lieu-of Taxes - Local Utilities	33,132	0	1,136	0	0	0
Payments in-Lieu-of Taxes - Other	18,845	0	646	633	193	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	274,820	0
Litigation Tax - General	146,385	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	181,699	0	0	0	0
Business Tax	417,345	0	0	0	0	0
Mixed Drink Tax	39,716	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	59,852	0	2,046	16,052	4,886	0
Wholesale Beer Tax	259,600	0	0	0	0	0
Interstate Telecommunications Tax	2,257	0	0	0	0	0
Other Statutory Local Taxes	508	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 9,500,021</b>	<b>\$ 181,699</b>	<b>\$ 296,210</b>	<b>\$ 1,622,074</b>	<b>\$ 649,960</b>	<b>\$ 0</b>

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 49,168	\$ 0	\$ 1,681	\$ 13,187	\$ 4,014	\$ 0
<u>Permits</u>						
Beer Permits	3,355	0	0	0	0	0
Building Permits	35,295	0	0	0	20,000	0
Other Permits	540	0	0	0	0	0
Total Licenses and Permits	\$ 88,358	\$ 0	\$ 1,681	\$ 13,187	\$ 24,014	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 7,219	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	28,371	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	3,412
Drug Court Fees	2,123	0	0	0	0	0
Jail Fees	11,551	0	0	0	0	0
DUI Treatment Fines	1,674	0	0	0	0	0
Data Entry Fee - Circuit Court	3,362	0	0	0	0	0
Courtroom Security Fee	124	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	17,340	0	0	0	0	0
Fines for Littering	142	0	0	0	0	0
Officers Costs	71,678	0	0	0	0	0
Game and Fish Fines	1,645	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	5,587
Drug Court Fees	8,544	0	0	0	0	0
Jail Fees	23,799	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
DUI Treatment Fines	\$ 8,888	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - General Sessions Court	12,974	0	0	0	0	0
Courtroom Security Fee	1,444	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	586	0	0	0	0	0
Officers Costs	4,621	0	0	0	0	0
Data Entry Fee - Juvenile Court	2,108	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	768	0	0	0	0	0
Data Entry Fee - Chancery Court	2,182	0	0	0	0	0
<u>Other Courts - In-county</u>						
Drug Court Fees	2,780	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	4,418
Other Fines, Forfeitures, and Penalties	1,825	0	0	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 215,748</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 13,417</b>
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Transfer Waste Stations Collection Charge	\$ 0	\$ 0	\$ 0	10,000	\$ 0	\$ 0
Tipping Fees	0	0	0	28,307	0	0
Solid Waste Disposal Fee	0	0	0	9,175	0	0
Other General Service Charges	65,265	0	14,587	0	0	14,179
<u>Fees</u>						
Copy Fees	7	0	0	0	0	0

(Continued)



Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Greenbelt Late Application Fee	\$ 50	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Telephone Commissions	63,292	0	0	0	0	0
Vending Machine Collections	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	15,384	0	0	0	0	0
Probation Fees	234,000	0	0	0	0	0
Data Processing Fee - Sheriff	4,529	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	6,150	0	0	0	0	0
Data Processing Fee - County Clerk	2,716	0	0	0	0	0
Total Charges for Current Services	\$ 391,393	\$ 0	\$ 14,587	\$ 47,482	\$ 0	\$ 14,179
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 642	\$ 65,683	\$ 0	\$ 0
Lease/Rentals	21,672	0	0	0	0	0
Commissary Sales	10,704	0	0	0	0	0
Sale of Recycled Materials	0	0	0	197,597	0	0
Miscellaneous Refunds	19,097	0	162	6,378	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	12,912	0	0	1,250	0	0
Sale of Property	1,074	0	0	0	0	0
Contributions and Gifts	2,930	0	0	0	765	0
<u>Other Local Revenues</u>						
Other Local Revenues	81,050	0	1,593	0	0	0
Total Other Local Revenues	\$ 149,439	\$ 0	\$ 2,397	\$ 270,908	\$ 765	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 364,073	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	235,514	0	0	0	0	0
General Sessions Court Clerk	282,199	0	0	0	0	0
Clerk and Master	120,855	0	0	0	0	0
Juvenile Court Clerk	41,167	0	0	0	0	0
Register	198,514	0	0	0	0	0
Sheriff	21,564	0	0	0	0	0
Trustee	709,144	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,973,030	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	0	0	22,992	0	0
Other General Government Grants	1,693	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	22,200	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	145,554	0	0	0	0	0
Other Health and Welfare Grants	10,000	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0
Litter Program	24,621	0	0	0	0	0
Tennessee Industrial Infrastructure Program	183,113	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 143,990	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Beer Tax	18,415	0	0	0	0	0
Vehicle Certificate of Title Fees	8,992	0	0	0	0	0
Alcoholic Beverage Tax	65,983	0	0	0	0	0
State Revenue Sharing - T.V.A.	1,063,088	0	0	0	0	0
Contracted Prisoner Boarding	705,870	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	51,326	0	0	0	0	0
Other State Revenues	2,812	0	0	0	0	0
Total State of Tennessee	\$ 2,471,821	\$ 0	\$ 0	\$ 22,992	\$ 0	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 38,850	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	122,475	0	1,464	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	269,158	0	0	0	0	215
Total Federal Government	\$ 430,483	\$ 0	\$ 1,464	\$ 0	\$ 0	\$ 215
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 106,705	\$ 0	\$ 29,250	\$ 0	\$ 0	\$ 1,250

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>Other Governments and Citizens Groups (Cont.)</u>						
<u>Citizens Groups</u>						
Donations	\$ 39,370	\$ 0	\$ 894	\$ 0	\$ 0	250
<u>Other</u>						
Other	77,382	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 223,457</u>	<u>\$ 0</u>	<u>\$ 30,144</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>1,500</u>
Total	<u>\$ 15,443,750</u>	<u>\$ 181,699</u>	<u>\$ 346,483</u>	<u>\$ 1,976,643</u>	<u>\$ 674,739</u>	<u>\$ 29,311</u>

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Funds		Capital Projects Fund	Total
	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	Highway Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 562,248	\$ 1,848,538	\$ 958,239	\$ 0	\$ 13,628,583
Trustee's Collections - Prior Year	0	17,701	58,197	30,168	0	433,489
Trustee's Collections - Bankruptcy	0	145	323	513	0	4,312
Circuit Clerk/Clerk and Master Collections - Prior Years	0	8,153	26,404	15,265	0	199,828
Interest and Penalty	0	2,421	7,899	4,251	0	59,669
Payments in-Lieu-of Taxes - T.V.A.	0	240	791	410	0	6,238
Payments in-Lieu-of Taxes - Local Utilities	0	2,298	7,556	3,916	0	48,038
Payments in-Lieu-of Taxes - Other	0	1,307	4,298	632,435	0	658,357
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	829,335	0	829,335
Hotel/Motel Tax	0	0	0	0	0	274,820
Litigation Tax - General	0	0	93,967	0	0	240,352
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	181,699
Business Tax	0	0	0	0	0	417,345
Mixed Drink Tax	0	0	0	0	0	39,716
Mineral Severance Tax	0	60,538	0	0	0	60,538
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	4,145	13,653	7,074	0	107,708
Wholesale Beer Tax	0	0	0	0	0	259,600
Interstate Telecommunications Tax	0	0	0	0	0	2,257
Other Statutory Local Taxes	0	0	0	0	0	508
Total Local Taxes	\$ 0	\$ 659,196	\$ 2,061,626	\$ 2,481,606	\$ 0	\$ 17,452,392

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Funds		Capital Projects Fund	Total
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	Highway Capital Projects	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 3,405	\$ 11,216	\$ 5,811	\$ 0	\$ 88,482
<u>Permits</u>						
Beer Permits	0	0	0	0	0	3,355
Building Permits	0	0	0	0	0	55,295
Other Permits	0	0	0	0	0	540
Total Licenses and Permits	\$ 0	\$ 3,405	\$ 11,216	\$ 5,811	\$ 0	\$ 147,672
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,219
Officers Costs	0	0	0	0	0	28,371
Drug Control Fines	0	0	0	0	0	3,412
Drug Court Fees	0	0	0	0	0	2,123
Jail Fees	0	0	0	0	0	11,551
DUI Treatment Fines	0	0	0	0	0	1,674
Data Entry Fee - Circuit Court	0	0	0	0	0	3,362
Courtroom Security Fee	0	0	0	0	0	124
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	17,340
Fines for Littering	0	0	0	0	0	142
Officers Costs	0	0	0	0	0	71,678
Game and Fish Fines	0	0	0	0	0	1,645
Drug Control Fines	0	0	0	0	0	5,587
Drug Court Fees	0	0	0	0	0	8,544
Jail Fees	0	0	0	0	0	23,799

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Funds		Capital Projects Fund	Total
	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	Highway Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
DUI Treatment Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	8,888
Data Entry Fee - General Sessions Court	0	0	0	0	0	12,974
Courtroom Security Fee	0	0	0	0	0	1,444
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	586
Officers Costs	0	0	0	0	0	4,621
Data Entry Fee - Juvenile Court	0	0	0	0	0	2,108
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	768
Data Entry Fee - Chancery Court	0	0	0	0	0	2,182
<u>Other Courts - In-county</u>						
Drug Court Fees	0	0	0	0	0	2,780
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	4,418
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	1,825
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	229,165
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Transfer Waste Stations Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,000
Tipping Fees	0	0	0	0	0	28,307
Solid Waste Disposal Fee	0	0	0	0	0	9,175
Other General Service Charges	0	15,777	0	0	0	109,808
<u>Fees</u>						
Copy Fees	0	0	0	0	0	7

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		<u>Capital</u>	
	<u>Constitu -</u>	<u>Highway /</u>	<u>General</u>	<u>Education</u>	<u>Projects Fund</u>	
	<u>Officers -</u>	<u>Public</u>	<u>Debt</u>	<u>Debt</u>	<u>Highway</u>	
	<u>Fees</u>	<u>Works</u>	<u>Service</u>	<u>Service</u>	<u>Capital</u>	<u>Total</u>
					<u>Projects</u>	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Greenbelt Late Application Fee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	50
Telephone Commissions	0	0	0	0	0	63,292
Vending Machine Collections	0	65	0	0	0	65
Constitutional Officers' Fees and Commissions	37	0	0	0	0	37
Data Processing Fee - Register	0	0	0	0	0	15,384
Probation Fees	0	0	0	0	0	234,000
Data Processing Fee - Sheriff	0	0	0	0	0	4,529
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	6,150
Data Processing Fee - County Clerk	0	0	0	0	0	2,716
<b>Total Charges for Current Services</b>	<b>\$ 37</b>	<b>\$ 15,842</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>483,520</b>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	198	\$ 66,523
Lease/Rentals	0	0	0	0	0	21,672
Commissary Sales	0	0	0	0	0	10,704
Sale of Recycled Materials	0	0	0	0	0	197,597
Miscellaneous Refunds	0	0	0	0	0	25,637
<u>Nonrecurring Items</u>						
Sale of Equipment	0	8,550	0	0	0	22,712
Sale of Property	0	0	0	0	0	1,074
Contributions and Gifts	0	0	0	0	0	3,695
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	82,643
<b>Total Other Local Revenues</b>	<b>\$ 0</b>	<b>\$ 8,550</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>198</b>	<b>\$ 432,257</b>

(Continued)



Exhibit J-5

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

	Special Revenue Funds		Debt Service Funds		Capital	Total
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	Projects Fund Highway Capital Projects	
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	364,073
Circuit Court Clerk	0	0	0	0	0	235,514
General Sessions Court Clerk	0	0	0	0	0	282,199
Clerk and Master	0	0	0	0	0	120,855
Juvenile Court Clerk	0	0	0	0	0	41,167
Register	0	0	0	0	0	198,514
Sheriff	0	0	0	0	0	21,564
Trustee	0	0	0	0	0	709,144
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,973,030
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,000
Solid Waste Grants	0	0	0	0	0	22,992
Other General Government Grants	0	0	0	0	0	1,693
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	22,200
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	145,554
Other Health and Welfare Grants	0	0	0	0	0	10,000
<u>Public Works Grants</u>						
Bridge Program	0	362,933	0	0	0	362,933
State Aid Program	0	1,329,099	0	0	0	1,329,099
Litter Program	0	0	0	0	0	24,621
Tennessee Industrial Infrastructure Program	0	0	0	0	0	183,113

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		<u>Capital</u>	
	<u>Constitu -</u>	<u>Highway /</u>	<u>General</u>	<u>Education</u>	<u>Projects Fund</u>	
	<u>Officers -</u>	<u>Public</u>	<u>Debt</u>	<u>Debt</u>	<u>Highway</u>	
	<u>Fees</u>	<u>Works</u>	<u>Service</u>	<u>Service</u>	<u>Capital</u>	<u>Total</u>
					<u>Projects</u>	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	143,990
Beer Tax	0	0	0	0	0	18,415
Vehicle Certificate of Title Fees	0	0	0	0	0	8,992
Alcoholic Beverage Tax	0	0	0	0	0	65,983
State Revenue Sharing - T.V.A.	0	0	0	0	0	1,063,088
Contracted Prisoner Boarding	0	0	0	0	0	705,870
Gasoline and Motor Fuel Tax	0	2,058,966	0	0	0	2,058,966
Petroleum Special Tax	0	29,621	0	0	0	29,621
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	51,326
Other State Revenues	0	0	0	0	0	2,812
Total State of Tennessee	\$ 0	\$ 3,780,619	\$ 0	\$ 0	\$ 0	6,275,432
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	38,850
Other Federal through State	0	0	0	0	0	123,939
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	0	0	0	0	0	269,373
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	432,162
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 163,085	\$ 0	300,290

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		<u>Capital</u>	
	<u>Constitu -</u>	<u>Highway /</u>	<u>General</u>	<u>Education</u>	<u>Projects Fund</u>	
	<u>Officers -</u>	<u>Public</u>	<u>Debt</u>	<u>Debt</u>	<u>Highway</u>	
	<u>Fees</u>	<u>Works</u>	<u>Service</u>	<u>Service</u>	<u>Capital</u>	<u>Total</u>
					<u>Projects</u>	
<u>Other Governments and Citizens Groups (Cont.)</u>						
<u>Citizens Groups</u>						
Donations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	40,514
<u>Other</u>						
Other	0	0	0	0	0	77,382
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 163,085</u>	<u>\$ 0</u>	<u>418,186</u>
Total	<u>\$ 37</u>	<u>\$ 4,467,612</u>	<u>\$ 2,072,842</u>	<u>\$ 2,650,502</u>	<u>\$ 198</u>	<u>\$ 27,843,816</u>

Exhibit J-6

Franklin County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Franklin County School Department  
For the Year Ended June 30, 2017

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 9,326,164	\$ 0	\$ 0	\$ 9,326,164
Trustee's Collections - Prior Year	275,232	0	0	275,232
Trustee's Collections - Bankruptcy	3,012	0	0	3,012
Circuit Clerk/Clerk and Master Collections - Prior Years	138,225	0	0	138,225
Interest and Penalty	40,617	0	0	40,617
Payments in-Lieu-of Taxes - T.V.A.	3,978	0	0	3,978
Payments in-Lieu-of Taxes - Local Utilities	38,020	0	0	38,020
Payments in-Lieu-of Taxes - Other	19,761	0	0	19,761
<u>County Local Option Taxes</u>				
Local Option Sales Tax	4,611,733	0	0	4,611,733
Mixed Drink Tax	155,302	0	0	155,302
<u>Statutory Local Taxes</u>				
Bank Excise Tax	68,689	0	0	68,689
Interstate Telecommunications Tax	3,697	0	0	3,697
Total Local Taxes	<u>\$ 14,684,430</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,684,430</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 3,202	\$ 0	\$ 0	\$ 3,202
Cable TV Franchise	56,456	0	0	56,456
Total Licenses and Permits	<u>\$ 59,658</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 59,658</u>

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other	\$ 213,899	\$ 0	\$ 0	\$ 213,899
Lunch Payments - Children	0	0	534,852	534,852
Lunch Payments - Adults	0	0	43,298	43,298
A la Carte Sales	0	0	390,181	390,181
School Based Health Services - FFS	4,434	0	0	4,434
TBI Criminal Background Fee	38	0	0	38
Total Charges for Current Services	<u>\$ 218,371</u>	<u>\$ 0</u>	<u>\$ 968,331</u>	<u>\$ 1,186,702</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 4,503	\$ 0	\$ 10,400	\$ 14,903
Lease/Rentals	12,204	0	0	12,204
E-Rate Funding	44,637	0	0	44,637
Miscellaneous Refunds	27,812	0	5,859	33,671
<u>Nonrecurring Items</u>				
Sale of Equipment	8,578	0	0	8,578
Contributions and Gifts	95,465	0	0	95,465
<u>Other Local Revenues</u>				
Other Local Revenues	207,219	0	16,721	223,940
Total Other Local Revenues	<u>\$ 400,418</u>	<u>\$ 0</u>	<u>\$ 32,980</u>	<u>\$ 433,398</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 183,000	\$ 0	\$ 0	\$ 183,000

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds</u>				
Basic Education Program	\$ 26,646,549	\$ 0	\$ 0	\$ 26,646,549
Early Childhood Education	1,133,209	0	0	1,133,209
School Food Service	0	0	29,310	29,310
Other State Education Funds	367,984	0	0	367,984
Career Ladder Program	161,433	0	0	161,433
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	50,000	0	0	50,000
Other State Grants	500	0	0	500
Total State of Tennessee	\$ 28,542,675	\$ 0	\$ 29,310	\$ 28,571,985
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,493,800	\$ 1,493,800
USDA - Commodities	0	0	256,245	256,245
Breakfast	0	0	573,764	573,764
USDA - Other	0	0	25,233	25,233
Vocational Education - Basic Grants to States	0	98,240	0	98,240
Title I Grants to Local Education Agencies	0	1,255,745	0	1,255,745
Special Education - Grants to States	37,485	1,272,014	0	1,309,499
Special Education Preschool Grants	0	68,685	0	68,685
English Language Acquisition Grants	0	31,197	0	31,197
Rural Education	0	73,259	0	73,259
Eisenhower Professional Development State Grants	0	248,009	0	248,009
Other Federal through State	118,618	19,439	0	138,057

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Federal Government (Cont.)</u>				
<u>Direct Federal Revenue</u>				
Other Direct Federal Revenue	\$ 126,611	\$ 0	\$ 0	\$ 126,611
Total Federal Government	\$ 282,714	\$ 3,066,588	\$ 2,349,042	\$ 5,698,344
Total	\$ 44,188,266	\$ 3,066,588	\$ 3,379,663	\$ 50,634,517

Exhibit J-7

Franklin County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2017

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	68,925	
Social Security		4,020	
Pensions		332	
Medical Insurance		338	
Unemployment Compensation		7	
Employer Medicare		997	
Audit Services		14,779	
Dues and Memberships		11,952	
Legal Services		9,257	
Legal Notices, Recording, and Court Costs		4,094	
Maintenance Agreements		2,242	
Travel		2,313	
Office Supplies		6,221	
Premiums on Corporate Surety Bonds		139	
Refunds		139,367	
In Service/Staff Development		950	
Tax Relief Program		89,762	
Other Charges		68,259	
Total County Commission	\$		423,954

Beer Board

Legal Notices, Recording, and Court Costs	\$	178	
Travel		91	
Total Beer Board			269

County Mayor/Executive

County Official/Administrative Officer	\$	82,801	
Assistant(s)		34,162	
Other Salaries and Wages		12,095	
Social Security		7,925	
Pensions		17,192	
Life Insurance		133	
Medical Insurance		13,498	
Unemployment Compensation		139	
Employer Medicare		1,854	
Other Fringe Benefits		400	
Communication		26	
Dues and Memberships		1,800	
Maintenance Agreements		2,358	
Postal Charges		145	
Travel		175	
Gasoline		1,847	
Office Supplies		1,337	
Premiums on Corporate Surety Bonds		100	
In Service/Staff Development		125	
Other Charges		1,313	
Total County Mayor/Executive			179,425

(Continued)



Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

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

Election Commission

County Official/Administrative Officer	\$ 64,521	
Deputy(ies)	33,790	
Educational Incentive - Official/Admin Officer	950	
Longevity Pay	900	
Overtime Pay	5,775	
Other Salaries and Wages	15,987	
Election Commission	2,640	
Election Workers	42,144	
Social Security	10,107	
Pensions	14,382	
Life Insurance	94	
Medical Insurance	13,291	
Unemployment Compensation	754	
Employer Medicare	2,364	
Other Fringe Benefits	500	
Communication	981	
Data Processing Services	16,800	
Dues and Memberships	225	
Legal Notices, Recording, and Court Costs	5,709	
Maintenance Agreements	1,785	
Maintenance and Repair Services - Equipment	715	
Postal Charges	3,680	
Printing, Stationery, and Forms	3,664	
Travel	1,542	
Other Contracted Services	8,905	
Data Processing Supplies	509	
Office Supplies	3,955	
Other Supplies and Materials	2,064	
In Service/Staff Development	1,564	
Voting Machines	14,500	
Total Election Commission		274,797

Register of Deeds

County Official/Administrative Officer	\$ 71,690
Deputy(ies)	127,391
Educational Incentive - Other County Employees	2,850
Longevity Pay	3,420
Social Security	11,779
Pensions	28,861
Life Insurance	234
Medical Insurance	33,227
Unemployment Compensation	320
Employer Medicare	2,755

(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 Fringe Benefits	\$	800	
Communication		522	
Data Processing Services		14,467	
Dues and Memberships		714	
Maintenance Agreements		441	
Maintenance and Repair Services - Office Equipment		3,168	
Postal Charges		2,000	
Travel		2,982	
Other Contracted Services		8,500	
Office Supplies		6,435	
In Service/Staff Development		775	
Total Register of Deeds			\$ 323,331

Planning

Supervisor/Director	\$	60,434	
Deputy(ies)		37,702	
Educational Incentive - Official/Admin Officer		950	
Educational Incentive - Other County Employees		950	
Longevity Pay		1,500	
Overtime Pay		1,534	
Social Security		6,283	
Pensions		14,486	
Life Insurance		94	
Medical Insurance		13,291	
Unemployment Compensation		160	
Employer Medicare		1,470	
Other Fringe Benefits		400	
Communication		751	
Dues and Memberships		25	
Legal Notices, Recording, and Court Costs		1,476	
Maintenance Agreements		1,100	
Maintenance and Repair Services - Office Equipment		980	
Maintenance and Repair Services - Vehicles		695	
Postal Charges		400	
Gasoline		892	
Office Supplies		2,743	
In Service/Staff Development		800	
Other Capital Outlay		1,824	
Total Planning			150,940

County Buildings

Supervisor/Director	\$	32,617	
Custodial Personnel		133,017	
Maintenance Personnel		32,761	
Part-time Personnel		1,890	
Longevity Pay		2,340	
Other Salaries and Wages		201	

(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.)

Social Security	\$	11,848	
Pensions		26,085	
Life Insurance		359	
Medical Insurance		48,737	
Unemployment Compensation		685	
Employer Medicare		2,771	
Other Fringe Benefits		1,800	
Communication		69,241	
Engineering Services		150,000	
Maintenance Agreements		24,837	
Maintenance and Repair Services - Buildings		18,921	
Maintenance and Repair Services - Equipment		14,061	
Maintenance and Repair Services - Vehicles		597	
Pest Control		7,878	
Disposal Fees		6,407	
Other Contracted Services		63,187	
Custodial Supplies		21,873	
Gasoline		1,962	
Uniforms		1,930	
Utilities		405,010	
Other Supplies and Materials		948	
Other Charges		4,286	
Principal on Capital Leases		48,193	
Interest on Capital Leases		4,123	
Building Improvements		566,235	
Maintenance Equipment		473	
Other Capital Outlay		100,253	
Total County Buildings			\$ 1,805,526

Other General Administration

Communication	\$	702	
Maintenance Agreements		9,578	
Other Contracted Services		6,942	
Data Processing Equipment		16,626	
Total Other General Administration			33,848

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	71,690	
Deputy(ies)		192,397	
Part-time Personnel		4,510	
Educational Incentive - Other County Employees		1,900	
Longevity Pay		1,740	
Board and Committee Members Fees		3,785	
Social Security		16,269	
Pensions		33,112	
Life Insurance		328	

(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.)

Medical Insurance	\$	46,518	
Unemployment Compensation		768	
Employer Medicare		3,870	
Other Fringe Benefits		1,200	
Contracts with Government Agencies		19,851	
Contracts with Private Agencies		27,114	
Dues and Memberships		1,800	
Legal Notices, Recording, and Court Costs		376	
Maintenance Agreements		9,883	
Maintenance and Repair Services - Vehicles		123	
Postal Charges		11,031	
Travel		386	
Gasoline		863	
Office Supplies		3,161	
Premiums on Corporate Surety Bonds		200	
In Service/Staff Development		465	
Other Charges		685	
Office Equipment		1,896	
Total Property Assessor's Office	\$		455,921

County Trustee's Office

County Official/Administrative Officer	\$	71,690	
Deputy(ies)		126,807	
Educational Incentive - Other County Employees		3,800	
Longevity Pay		4,200	
Other Salaries and Wages		697	
Social Security		12,454	
Pensions		27,382	
Life Insurance		234	
Medical Insurance		34,042	
Unemployment Compensation		406	
Employer Medicare		2,913	
Other Fringe Benefits		800	
Data Processing Services		14,921	
Dues and Memberships		834	
Maintenance Agreements		1,190	
Postal Charges		10,548	
Travel		1,952	
Other Contracted Services		5,279	
Office Supplies		4,457	
In Service/Staff Development		1,390	
Total County Trustee's Office			325,996

County Clerk's Office

County Official/Administrative Officer	\$	71,690
Deputy(ies)		269,501
Part-time Personnel		27,740

(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.)

Educational Incentive - Other County Employees	\$	6,450	
Longevity Pay		5,820	
Social Security		22,572	
Pensions		47,642	
Life Insurance		417	
Medical Insurance		59,715	
Unemployment Compensation		845	
Employer Medicare		5,368	
Other Fringe Benefits		1,850	
Communication		753	
Data Processing Services		22,992	
Dues and Memberships		753	
Maintenance Agreements		2,568	
Postal Charges		7,510	
Travel		3,089	
Other Contracted Services		495	
Office Supplies		6,485	
Premiums on Corporate Surety Bonds		50	
In Service/Staff Development		1,525	
Data Processing Equipment		4,828	
Other Equipment		784	
Total County Clerk's Office			\$ 571,442

Other Finance

Supervisor/Director	\$	67,200
Deputy(ies)		57,099
Accountants/Bookkeepers		293,033
Educational Incentive - Official/Admin Officer		950
Educational Incentive - Other County Employees		4,750
Longevity Pay		7,200
Social Security		24,952
Pensions		60,513
Life Insurance		452
Medical Insurance		59,453
Unemployment Compensation		792
Employer Medicare		5,835
Other Fringe Benefits		2,000
Communication		3,091
Data Processing Services		30,911
Dues and Memberships		549
Maintenance Agreements		10,188
Postal Charges		4,108
Travel		4,078
Other Contracted Services		429
Office Supplies		10,266
Premiums on Corporate Surety Bonds		50
In Service/Staff Development		2,760

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Other Finance (Cont.)

Other Charges	\$ 1,447	
Data Processing Equipment	1,388	
Total Other Finance	\$ 653,494	

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 71,690	
Deputy(ies)	526,855	
Part-time Personnel	12,091	
Educational Incentive - Other County Employees	3,800	
Longevity Pay	8,280	
Overtime Pay	2,024	
Jury and Witness Expense	10,067	
Social Security	37,249	
Pensions	86,163	
Life Insurance	702	
Medical Insurance	90,284	
Unemployment Compensation	1,252	
Employer Medicare	8,711	
Other Fringe Benefits	3,100	
Communication	858	
Data Processing Services	23,725	
Dues and Memberships	679	
Legal Notices, Recording, and Court Costs	439	
Maintenance Agreements	8,592	
Postal Charges	10,000	
Travel	1,884	
Remittance of Revenue Collected	4,963	
Other Contracted Services	2,395	
Library Books/Media	1,325	
Office Supplies	12,072	
Premiums on Corporate Surety Bonds	100	
In Service/Staff Development	1,180	
Other Charges	28	
Data Processing Equipment	6,550	
Furniture and Fixtures	1,389	
Total Circuit Court	938,447	

General Sessions Court

County Official/Administrative Officer	\$ 150,788
Deputy(ies)	77,600
Social Security	12,078
Pensions	30,656
Life Insurance	144
Medical Insurance	19,936
Unemployment Compensation	193
Employer Medicare	3,267

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Other Fringe Benefits	\$	400	
Communication		953	
Maintenance and Repair Services - Equipment		1,082	
Travel		844	
Library Books/Media		377	
Office Supplies		650	
In Service/Staff Development		300	
Office Equipment		410	
Total General Sessions Court			\$ 299,678

Drug Court

Supervisor/Director	\$	45,502	
Longevity Pay		420	
Social Security		2,266	
Pensions		6,457	
Life Insurance		47	
Medical Insurance		6,645	
Unemployment Compensation		80	
Employer Medicare		530	
Other Fringe Benefits		200	
Communication		752	
Total Drug Court			62,899

Chancery Court

County Official/Administrative Officer	\$	71,690	
Deputy(ies)		57,984	
Part-time Personnel		2,170	
Longevity Pay		1,200	
Social Security		8,050	
Pensions		16,943	
Life Insurance		121	
Medical Insurance		17,717	
Unemployment Compensation		262	
Employer Medicare		1,883	
Other Fringe Benefits		400	
Communication		26	
Data Processing Services		15,955	
Dues and Memberships		679	
Maintenance Agreements		2,629	
Postal Charges		700	
Travel		631	
Other Contracted Services		129	
Library Books/Media		720	
Office Supplies		2,411	
Total Chancery Court			202,300

(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

Assistant(s)	\$	47,731	
Deputy(ies)		42,591	
Longevity Pay		1,800	
Social Security		5,321	
Pensions		12,953	
Life Insurance		94	
Medical Insurance		13,291	
Unemployment Compensation		160	
Employer Medicare		1,244	
Other Fringe Benefits		400	
Communication		760	
Dues and Memberships		70	
Travel		1,944	
Library Books/Media		734	
Office Supplies		590	
Other Supplies and Materials		421	
In Service/Staff Development		280	
Total Juvenile Court			\$ 130,384

Judicial Commissioners

County Official/Administrative Officer	\$	70,961	
Part-time Personnel		13,760	
Longevity Pay		1,740	
Overtime Pay		11,236	
Social Security		5,823	
Pensions		11,790	
Life Insurance		117	
Medical Insurance		19,936	
Unemployment Compensation		392	
Employer Medicare		1,362	
Other Fringe Benefits		800	
Dues and Memberships		450	
Maintenance Agreements		111	
Office Supplies		733	
Total Judicial Commissioners			139,211

Other Administration of Justice

Other Contracted Services	\$	9,659	
Total Other Administration of Justice			9,659

Probation Services

Supervisor/Director	\$	45,456	
Part-time Personnel		17,312	
Longevity Pay		780	
Other Salaries and Wages		30,299	
Social Security		5,699	
Pensions		9,483	

(Continued)



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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Life Insurance	\$	90	
Medical Insurance		13,291	
Unemployment Compensation		286	
Employer Medicare		1,333	
Other Fringe Benefits		500	
Communication		13	
Drugs and Medical Supplies		2,440	
Office Supplies		1,737	
Data Processing Equipment		1,130	
Total Probation Services			\$ 129,849

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	78,859
Assistant(s)		62,133
Supervisor/Director		46,821
Deputy(ies)		621,896
Investigator(s)		265,878
Captain(s)		110,260
Sergeant(s)		190,442
Accountants/Bookkeepers		68,595
Instructional Computer Personnel		41,255
Salary Supplements		30,200
Guards		242,340
Part-time Personnel		27,773
School Resource Officer		440,208
Longevity Pay		24,300
Overtime Pay		71,110
Other Salaries and Wages		40,575
Social Security		139,804
Pensions		298,088
Life Insurance		2,149
Medical Insurance		263,778
Unemployment Compensation		4,748
Employer Medicare		33,342
Other Fringe Benefits		10,700
Communication		37,096
Contracts with Private Agencies		13,092
Dues and Memberships		2,797
Maintenance Agreements		21,067
Maintenance and Repair Services - Equipment		1,500
Maintenance and Repair Services - Vehicles		118,861
Medical and Dental Services		400
Postal Charges		1,082
Travel		11,098
Diesel Fuel		5,343
Gasoline		134,549

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Law Enforcement Supplies	\$	16,289	
Office Supplies		10,403	
Propane Gas		310	
Tires and Tubes		11,946	
Uniforms		17,235	
Other Supplies and Materials		1,687	
In Service/Staff Development		17,403	
Constitutional Officers' Operating Expenses		800	
Other Charges		26,950	
Data Processing Equipment		24,443	
Law Enforcement Equipment		10,179	
Motor Vehicles		102,524	
Other Capital Outlay		720	
Total Sheriff's Department			\$ 3,703,028

Administration of the Sexual Offender Registry

Guards	\$	11,175	
Social Security		705	
Unemployment Compensation		102	
Employer Medicare		165	
Other Fringe Benefits		200	
Remittance of Revenue Collected		1,500	
Total Administration of the Sexual Offender Registry			13,847

Jail

Assistant(s)	\$	55,805	
Deputy(ies)		40,010	
Medical Personnel		82,786	
Salary Supplements		4,000	
Guards		538,627	
Cafeteria Personnel		47,173	
Maintenance Personnel		35,733	
Part-time Personnel		63,179	
Longevity Pay		5,400	
Overtime Pay		43,094	
Other Salaries and Wages		22,441	
Social Security		56,941	
Pensions		106,952	
Life Insurance		1,099	
Medical Insurance		148,471	
Unemployment Compensation		2,983	
Employer Medicare		13,317	
Other Fringe Benefits		5,750	
Maintenance Agreements		22,345	
Maintenance and Repair Services - Buildings		29,216	
Maintenance and Repair Services - Equipment		14,611	
Medical and Dental Services		18,000	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Pest Control	\$	1,375	
Transportation - Other than Students		10,626	
Travel		1,935	
Disposal Fees		2,659	
Custodial Supplies		43,253	
Food Supplies		236,481	
Law Enforcement Supplies		678	
Prisoners Clothing		13,013	
Uniforms		2,288	
Other Supplies and Materials		2,408	
Medical Claims		314,937	
In Service/Staff Development		1,440	
Other Charges		8,958	
Building Improvements		7,904	
Data Processing Equipment		2,077	
Other Equipment		3,385	
Total Jail			\$ 2,011,350

Correctional Incentive Program Improvements

Contracts with Private Agencies	\$	195,000	
Travel		3,579	
Other Contracted Services		1,800	
Other Supplies and Materials		2,321	
Other Charges		41,416	
Total Correctional Incentive Program Improvements			244,116

Juvenile Services

Contracts with Private Agencies	\$	35,525	
Other Contracted Services		5,844	
Total Juvenile Services			41,369

Civil Defense

Assistant(s)	\$	10,661	
Supervisor/Director		49,748	
Deputy(ies)		7,235	
Longevity Pay		720	
Social Security		3,902	
Pensions		6,190	
Life Insurance		70	
Medical Insurance		10,510	
Unemployment Compensation		182	
Employer Medicare		912	
Other Fringe Benefits		200	
Communication		3,025	
Dues and Memberships		55	
Maintenance and Repair Services - Buildings		1,505	
Maintenance and Repair Services - Equipment		1,454	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Maintenance and Repair Services - Vehicles	\$	979	
Travel		66	
Other Contracted Services		5,036	
Diesel Fuel		855	
Gasoline		2,172	
Office Supplies		658	
Other Supplies and Materials		1,537	
In Service/Staff Development		441	
Other Charges		751	
Other Equipment		4,222	
Total Civil Defense	\$		113,086

Rescue Squad

Dues and Memberships	\$	350	
Diesel Fuel		150	
Gasoline		466	
Other Supplies and Materials		578	
Other Equipment		43,840	
Other Capital Outlay		19,940	
Total Rescue Squad			65,324

Other Emergency Management

Assistant(s)	\$	37,769	
Supervisor/Director		46,111	
Dispatchers/Radio Operators		411,647	
Longevity Pay		3,120	
Overtime Pay		21,547	
Other Salaries and Wages		17,762	
Social Security		32,572	
Pensions		67,150	
Life Insurance		722	
Medical Insurance		85,287	
Unemployment Compensation		1,683	
Employer Medicare		7,618	
Other Fringe Benefits		3,000	
Communication		21,673	
Contracts with Private Agencies		3,770	
Maintenance and Repair Services - Equipment		5,577	
Maintenance and Repair Services - Vehicles		1,327	
Postal Charges		130	
Travel		4,719	
Gasoline		715	
Office Supplies		5,621	
Uniforms		994	
In Service/Staff Development		5,024	
Other Charges		670	
Communication Equipment		1,540	
Other Equipment		3,451	
Total Other Emergency Management			791,199

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Other Contracted Services	\$	6,000	
Medical Claims		23,940	
Total County Coroner/Medical Examiner			\$ 29,940

Public Safety Grants Program

Overtime Pay	\$	6,159	
Other Fringe Benefits		1,430	
Other Equipment		6,581	
Total Public Safety Grants Program			14,170

Public Health and Welfare

Local Health Center

Communication	\$	1,303	
Dues and Memberships		200	
Maintenance and Repair Services - Buildings		10,453	
Disposal Fees		1,667	
Custodial Supplies		2,346	
Office Supplies		796	
Utilities		11,285	
Building and Contents Insurance		3,105	
Liability Insurance		496	
Other Charges		792	
Total Local Health Center			32,443

Rabies and Animal Control

Assistant(s)	\$	87,382	
Supervisor/Director		12,726	
Overtime Pay		2,378	
Other Salaries and Wages		333	
Social Security		6,277	
Pensions		14,211	
Life Insurance		140	
Medical Insurance		14,370	
Unemployment Compensation		253	
Employer Medicare		1,468	
Other Fringe Benefits		400	
Communication		1,416	
Licenses		100	
Maintenance and Repair Services - Buildings		1,005	
Maintenance and Repair Services - Vehicles		1,517	
Postal Charges		99	
Travel		1,563	
Other Contracted Services		60,492	
Animal Food and Supplies		1,404	
Diesel Fuel		917	
Drugs and Medical Supplies		987	
Gasoline		4,468	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Office Supplies	\$	625	
Uniforms		1,097	
Other Supplies and Materials		2,957	
Refunds		25	
In Service/Staff Development		1,189	
Motor Vehicles		22,953	
Other Equipment		1,998	
Total Rabies and Animal Control			\$ 244,750

Other Local Health Services

Secretary(ies)	\$	24,489	
Other Salaries and Wages		70,686	
Social Security		5,804	
Pensions		11,414	
Life Insurance		140	
Medical Insurance		13,291	
Unemployment Compensation		356	
Employer Medicare		1,357	
Other Fringe Benefits		800	
Travel		14,375	
Other Contracted Services		3,944	
Total Other Local Health Services			146,656

Appropriation to State

Contracts with Government Agencies	\$	29,946	
Total Appropriation to State			29,946

General Welfare Assistance

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

Waste Pickup

Laborers	\$	54,920	
Overtime Pay		1,873	
Other Salaries and Wages		1,110	
Social Security		3,579	
Pensions		8,162	
Life Insurance		90	
Medical Insurance		7,290	
Unemployment Compensation		154	
Employer Medicare		837	
Other Fringe Benefits		400	
Contracts with Other Public Agencies		7,511	
Disposal Fees		315	
Other Supplies and Materials		7,703	
Total Waste Pickup			93,944

(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 Waste Collection

Laborers	\$	27,758	
Overtime Pay		1,869	
Other Salaries and Wages		308	
Social Security		1,868	
Pensions		3,706	
Life Insurance		47	
Unemployment Compensation		80	
Employer Medicare		437	
Other Fringe Benefits		200	
Disposal Fees		595	
Other Charges		142	
Total Other Waste Collection			\$ 37,010

Other Public Health and Welfare

Other Charges	\$	17,566	
Total Other Public Health and Welfare			17,566

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Maintenance and Repair Services - Buildings	\$	276	
Other Contracted Services		22,050	
Custodial Supplies		3,809	
Gasoline		19,401	
Total Senior Citizens Assistance			45,536

Parks and Fair Boards

Supervisor/Director	\$	11,280	
Other Salaries and Wages		11,875	
Social Security		861	
Pensions		540	
Medical Insurance		299	
Unemployment Compensation		136	
Employer Medicare		336	
Other Fringe Benefits		100	
Communication		471	
Maintenance Agreements		359	
Maintenance and Repair Services - Buildings		9,738	
Other Contracted Services		648	
Other Supplies and Materials		4,681	
Total Parks and Fair Boards			41,324

Agriculture and Natural Resources

Agricultural Extension Service

Other Salaries and Wages	\$	56,548	
Social Security		360	
Unemployment Compensation		59	
Employer Medicare		84	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Other Fringe Benefits	\$	9,253	
Communication		4,001	
Travel		2,800	
Other Contracted Services		264	
Other Charges		300	
Total Agricultural Extension Service			\$ 73,669

Soil Conservation

Secretary to Board	\$	25,973	
Other Salaries and Wages		25,393	
Social Security		3,138	
Pensions		5,969	
Life Insurance		94	
Medical Insurance		11,586	
Unemployment Compensation		230	
Employer Medicare		734	
Other Fringe Benefits		400	
Dues and Memberships		275	
Travel		2,314	
In Service/Staff Development		1,775	
Other Charges		141	
Total Soil Conservation			78,022

Other Operations

Industrial Development

Assistant(s)	\$	18,189	
Other Salaries and Wages		9,341	
Social Security		1,713	
Pensions		1,308	
Medical Insurance		190	
Unemployment Compensation		116	
Employer Medicare		401	
Other Fringe Benefits		100	
Communication		596	
Dues and Memberships		5,000	
Maintenance Agreements		3,671	
Maintenance and Repair Services - Buildings		3,754	
Pest Control		900	
Postal Charges		245	
Travel		171	
Disposal Fees		1,027	
Other Contracted Services		3,575	
Office Supplies		1,230	
Premiums on Corporate Surety Bonds		200	
Other Charges		2,837	
Total Industrial Development			54,564

(Continued)



Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development

Contracts with Government Agencies	\$	107,536	
Other Contracted Services		221,313	
Total Other Economic and Community Development			\$ 328,849

Veterans' Services

Assistant(s)	\$	28,418	
Supervisor/Director		20,431	
Social Security		1,759	
Pensions		4,007	
Life Insurance		47	
Medical Insurance		4,940	
Unemployment Compensation		160	
Employer Medicare		709	
Other Fringe Benefits		300	
Contracts with Private Agencies		798	
Maintenance Agreements		1,838	
Transportation - Other than Students		670	
Travel		1,711	
Office Supplies		1,141	
Other Charges		2,895	
Total Veterans' Services			69,824

Other Charges

Other Fringe Benefits	\$	19,849	
Medical and Dental Services		3,046	
Other Contracted Services		5,000	
Building and Contents Insurance		78,159	
Liability Insurance		111,666	
Medical Claims		33,856	
Trustee's Commission		200,261	
Vehicle and Equipment Insurance		94,385	
Workers' Compensation Insurance		138,790	
Other Charges		16,392	
Total Other Charges			701,404

Capital Projects

Other General Government Projects

Solid Waste Equipment	\$	127,973	
Other Equipment		10,723	
Other Capital Outlay		214,189	
Total Other General Government Projects			352,885

Highway and Street Capital Projects

Other Capital Outlay	\$	1,210	
Total Highway and Street Capital Projects			1,210

Total General Fund \$ 16,515,776

(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	\$ 1,839	
Total Other Charges		\$ 1,839

Total Courthouse and Jail Maintenance Fund \$ 1,839

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Assistant(s)	\$ 85,221	
Supervisor/Director	45,888	
Education Media Personnel	30,048	
Part-time Personnel	31,310	
Longevity Pay	840	
Social Security	11,816	
Pensions	20,590	
Life Insurance	230	
Medical Insurance	28,874	
Unemployment Compensation	763	
Employer Medicare	2,763	
Other Fringe Benefits	1,275	
Communication	2,955	
Dues and Memberships	75	
Maintenance and Repair Services - Buildings	18,643	
Maintenance and Repair Services - Office Equipment	5,433	
Travel	2,106	
Other Contracted Services	8,981	
Custodial Supplies	571	
Library Books/Media	27,367	
Office Supplies	1,482	
Periodicals	942	
Other Supplies and Materials	4,307	
In Service/Staff Development	375	
Other Charges	5,517	
Data Processing Equipment	2,778	
Office Equipment	1,072	
Other Capital Outlay	13,345	
Total Libraries		\$ 355,567

Other Operations

Other Charges

Pest Control	\$ 600	
Disposal Fees	1,626	
Utilities	21,331	
Building and Contents Insurance	3,153	
Liability Insurance	1,079	
Trustee's Commission	6,019	
Workers' Compensation Insurance	3,246	
Total Other Charges		37,054

(Continued)

Exhibit J-7

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

Public Library Fund (Cont.)

Capital Projects

Social, Cultural, and Recreation Projects

Building Improvements	\$ 1,615	
Total Social, Cultural, and Recreation Projects		\$ 1,615

Total Public Library Fund \$ 394,236

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Advertising	\$ 1,636	
Total Sanitation Education/Information		\$ 1,636

Convenience Centers

Laborers	\$ 197,632	
Social Security	12,329	
Unemployment Compensation	1,419	
Employer Medicare	2,895	
Other Fringe Benefits	2,050	
Communication	10,413	
Maintenance and Repair Services - Buildings	6,846	
Maintenance and Repair Services - Equipment	16,697	
Other Contracted Services	4,200	
Utilities	12,444	
Other Supplies and Materials	4,039	
Other Charges	562	
Solid Waste Equipment	23,894	
Other Capital Outlay	18,361	
Total Convenience Centers		313,781

Transfer Stations

Supervisor/Director	\$ 59,497	
Deputy(ies)	34,051	
Foremen	39,421	
Equipment Operators - Light	66,203	
Truck Drivers	187,876	
Laborers	26,644	
Part-time Personnel	13,236	
Longevity Pay	1,560	
Overtime Pay	2,090	
Other Salaries and Wages	19	
Social Security	26,023	
Pensions	55,224	
Life Insurance	554	
Medical Insurance	64,498	
Unemployment Compensation	1,226	
Employer Medicare	6,086	
Other Fringe Benefits	2,575	
Communication	1,390	

(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.)

Contracts with Government Agencies	\$	466,381	
Contracts with Private Agencies		63,455	
Dues and Memberships		200	
Maintenance and Repair Services - Buildings		1,795	
Maintenance and Repair Services - Equipment		13,201	
Maintenance and Repair Services - Vehicles		7,612	
Pest Control		825	
Postal Charges		156	
Travel		1,801	
Permits		75	
Diesel Fuel		25,356	
Equipment and Machinery Parts		18,389	
Garage Supplies		6,096	
Gasoline		3,047	
Lubricants		3,102	
Office Supplies		3,454	
Tires and Tubes		8,398	
Uniforms		2,285	
Utilities		9,847	
Vehicle Parts		7,906	
Other Supplies and Materials		14,494	
In Service/Staff Development		1,295	
Other Charges		2,563	
Solid Waste Equipment		6,750	
Total Transfer Stations			\$ 1,256,656

Postclosure Care Costs

Contracts with Private Agencies	\$	7,991	
Total Postclosure Care Costs			7,991

Other Operations

Other Charges

Medical and Dental Services	\$	493	
Building and Contents Insurance		13,967	
Liability Insurance		16,295	
Medical Claims		1,511	
Trustee's Commission		33,377	
Vehicle and Equipment Insurance		16,295	
Workers' Compensation Insurance		8,115	
Other Charges		179	
Total Other Charges			90,232

Total Solid Waste/Sanitation Fund \$ 1,670,296

(Continued)

Exhibit J-7

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

Local Purpose Tax Fund

Public Safety

Fire Prevention and Control

Contracts with Government Agencies	\$	2,000	
Other Contracted Services		718,467	
Trustee's Commission		10,384	
Other Charges		2,351	
Total Fire Prevention and Control			\$ 733,202

Total Local Purpose Tax Fund \$ 733,202

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	10,000	
Other Contracted Services		4,816	
Animal Food and Supplies		742	
Instructional Supplies and Materials		10,147	
In Service/Staff Development		2,000	
Other Charges		8,680	
Law Enforcement Equipment		6,117	
Total Drug Enforcement			\$ 42,502

Other Operations

Other Charges

Trustee's Commission	\$	293	
Total Other Charges			293

Total Drug Control Fund 42,795

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	37	
Total Register of Deeds			\$ 37

Total Constitutional Officers - Fees Fund 37

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	78,859	
Assistant(s)		184,441	
Longevity Pay		3,600	
Overtime Pay		1,361	
Other Salaries and Wages		5,619	
Board and Committee Members Fees		21,600	
Social Security		17,979	
Pensions		27,229	
Life Insurance		176	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Medical Insurance	\$	24,687	
Dental Insurance		982	
Employer Medicare		4,237	
Other Fringe Benefits		600	
Dues and Memberships		2,314	
Legal Services		1,700	
Legal Notices, Recording, and Court Costs		200	
Maintenance and Repair Services - Office Equipment		1,339	
Postal Charges		94	
Travel		2,541	
Other Contracted Services		4,432	
Office Supplies		1,122	
In Service/Staff Development		1,660	
Other Charges		996	
Total Administration			\$ 387,768

Highway and Bridge Maintenance

Foremen	\$	40,980	
Mechanic(s)		36,687	
Equipment Operators - Heavy		156,288	
Equipment Operators - Light		108,548	
Truck Drivers		187,944	
Longevity Pay		10,320	
Overtime Pay		8,252	
Other Salaries and Wages		4,747	
Social Security		33,161	
Pensions		68,615	
Life Insurance		690	
Medical Insurance		96,563	
Dental Insurance		3,836	
Employer Medicare		7,755	
Other Fringe Benefits		3,896	
Other Contracted Services		1,300	
Crushed Stone		9,031	
General Construction Materials		83	
Other Road Materials		14,320	
Pipe		6,707	
Propane Gas		552	
Road Signs		28,188	
Small Tools		736	
Other Supplies and Materials		379	
Total Highway and Bridge Maintenance			829,578

Operation and Maintenance of Equipment

Foremen	\$	40,257	
Social Security		2,448	
Pensions		5,664	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Life Insurance	\$	47	
Medical Insurance		6,645	
Dental Insurance		264	
Employer Medicare		573	
Other Fringe Benefits		402	
Maintenance and Repair Services - Buildings		6,765	
Maintenance and Repair Services - Equipment		53,859	
Diesel Fuel		66,345	
Equipment and Machinery Parts		85,073	
Garage Supplies		21,144	
Gasoline		14,772	
Lubricants		10,314	
Small Tools		6,061	
Tires and Tubes		16,515	
Other Supplies and Materials		114	
Total Operation and Maintenance of Equipment			\$ 337,262

Quarry Operations

Foremen	\$	35,664	
Equipment Operators - Light		40,968	
Longevity Pay		2,160	
Other Salaries and Wages		16,714	
Social Security		5,751	
Pensions		13,427	
Life Insurance		94	
Medical Insurance		17,219	
Dental Insurance		693	
Employer Medicare		1,345	
Other Fringe Benefits		562	
Communication		1,022	
Operating Lease Payments		9,600	
Maintenance and Repair Services - Equipment		22,157	
Diesel Fuel		5,898	
Electricity		48,341	
Equipment and Machinery Parts		7,652	
Garage Supplies		2,131	
Lubricants		1,752	
Water and Sewer		1,212	
Other Supplies and Materials		504	
Total Quarry Operations			234,866

Other Charges

Other Fringe Benefits	\$	6,089	
Communication		8,840	
Medical and Dental Services		805	
Pest Control		300	
Disposal Fees		4,518	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Permits	\$	3,529	
Uniforms		3,750	
Utilities		14,365	
Building and Contents Insurance		25,395	
Liability Insurance		29,628	
Medical Claims		3,226	
Premiums on Corporate Surety Bonds		100	
Trustee's Commission		33,754	
Vehicle and Equipment Insurance		29,628	
Workers' Compensation Insurance		14,607	
Other Self-insured Claims		599	
Other Charges		4,450	
Total Other Charges			\$ 183,583

Capital Outlay

Bridge Construction	\$	408,313	
Communication Equipment		13,883	
Highway Construction		225,924	
Highway Equipment		44,520	
State Aid Projects		1,223,081	
Other Equipment		947	
Other Construction		653	
Other Capital Outlay		1,689	
Total Capital Outlay			1,919,010

Principal on Debt

Highways and Streets

Principal on Notes	\$	13,689	
Total Highways and Streets			13,689

Interest on Debt

Highways and Streets

Interest on Notes	\$	5,432	
Total Highways and Streets			5,432

Total Highway/Public Works Fund \$ 3,911,188

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	472,631	
Principal on Notes		562,700	
Total General Government			\$ 1,035,331

Interest on Debt

General Government

Interest on Bonds	\$	247,148	
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(Continued)



Exhibit J-7

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

General Government (Cont.)

Interest on Notes	\$ 88,174	
Total General Government		\$ 335,322

Other Debt Service

General Government

Trustee's Commission	\$ 39,934	
Underwriter's Discount	24,288	
Other Debt Issuance Charges	30,058	
Other Debt Service	250	
Total General Government		94,530

Total General Debt Service Fund \$ 1,465,183

Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 1,860,000	
Principal on Capital Leases	151,181	
Total Education		\$ 2,011,181

Interest on Debt

Education

Interest on Bonds	\$ 355,970	
Interest on Capital Leases	11,904	
Total Education		367,874

Other Debt Service

Education

Trustee's Commission	\$ 34,843	
Underwriter's Discount	7,386	
Other Debt Issuance Charges	6,386	
Other Debt Service	500	
Total Education		49,115

Total Education Debt Service Fund 2,428,170

Highway Capital Projects Fund

Other Operations

Other Charges

Trustee's Commission	\$ 2	
Total Other Charges		\$ 2

Capital Projects

Highway and Street Capital Projects

Highway Construction	\$ 438,498	
Total Highway and Street Capital Projects		438,498

Total Highway Capital Projects Fund 438,500

(Continued)

Exhibit J-7

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

<u>Other Capital Projects Fund</u>		
<u>Other Debt Service</u>		
<u>General Government</u>		
Underwriter's Discount	\$ 47,817	
Other Debt Issuance Charges	<u>49,607</u>	
Total General Government		<u>\$ 97,424</u>
Total Other Capital Projects Fund		<u>\$ 97,424</u>
Total Governmental Funds - Primary Government		<u>\$ 27,698,646</u>

Exhibit J-8

Franklin County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Franklin County School Department  
For the Year Ended June 30, 2017

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 12,911,035	
Career Ladder Program	85,003	
Homebound Teachers	93,861	
Educational Assistants	602,964	
Bonus Payments	132,170	
Certified Substitute Teachers	140,559	
Non-certified Substitute Teachers	181,405	
Social Security	809,054	
Pensions	1,271,632	
Medical Insurance	2,197,551	
Unemployment Compensation	14,644	
Employer Medicare	190,964	
Other Fringe Benefits	4,614	
Maintenance and Repair Services - Equipment	24,568	
Tuition	338,744	
Other Contracted Services	73,011	
Instructional Supplies and Materials	378,946	
Textbooks - Bound	470,018	
Software	264,138	
Other Supplies and Materials	1,406	
Other Charges	2,774	
Regular Instruction Equipment	286,096	
Total Regular Instruction Program		\$ 20,475,157

Alternative Instruction Program

Teachers	\$ 101,315	
Career Ladder Program	2,000	
Bonus Payments	2,019	
Other Salaries and Wages	83,805	
Certified Substitute Teachers	455	
Non-certified Substitute Teachers	748	
Social Security	10,965	
Pensions	18,102	
Medical Insurance	34,990	
Employer Medicare	2,564	
Other Fringe Benefits	160	
Other Supplies and Materials	1,004	
Other Charges	256	
Total Alternative Instruction Program		258,383

Special Education Program

Teachers	\$ 1,757,215	
Career Ladder Program	15,000	
Homebound Teachers	36,616	
Educational Assistants	460,400	
Speech Pathologist	443,631	

(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.)

Bonus Payments	\$	24,285	
Certified Substitute Teachers		5,358	
Non-certified Substitute Teachers		22,331	
Social Security		160,097	
Pensions		269,600	
Medical Insurance		475,668	
Unemployment Compensation		3,157	
Employer Medicare		37,532	
Other Fringe Benefits		3,292	
Contracts with Private Agencies		135,165	
Maintenance and Repair Services - Equipment		13,816	
Instructional Supplies and Materials		2,023	
Total Special Education Program			\$ 3,865,186

Career and Technical Education Program

Teachers	\$	803,952	
Career Ladder Program		1,000	
Bonus Payments		10,084	
Certified Substitute Teachers		1,398	
Non-certified Substitute Teachers		16,415	
Social Security		47,767	
Pensions		73,621	
Medical Insurance		142,286	
Employer Medicare		11,229	
Instructional Supplies and Materials		12,283	
Other Charges		1,904	
Vocational Instruction Equipment		26,635	
Total Career and Technical Education Program			1,148,574

Student Body Education Program

Other Salaries and Wages	\$	75,481	
Social Security		2,853	
Pensions		2,496	
Employer Medicare		1,109	
Other Contracted Services		85,826	
Other Supplies and Materials		5,768	
Other Charges		9,934	
Other Equipment		11,185	
Total Student Body Education Program			194,652

Support Services

Attendance

Clerical Personnel	\$	79,313	
Bonus Payments		670	
Other Salaries and Wages		49,736	
Social Security		7,732	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Pensions	\$	18,166	
Medical Insurance		24,204	
Employer Medicare		1,808	
Other Fringe Benefits		1,056	
Travel		369	
Other Contracted Services		10,473	
Other Supplies and Materials		323	
In Service/Staff Development		1,203	
Attendance Equipment		799	
Total Attendance	\$		195,852

Health Services

Supervisor/Director	\$	71,648	
Medical Personnel		386,448	
Non-certified Substitute Teachers		5,757	
Social Security		27,158	
Pensions		59,592	
Medical Insurance		82,542	
Employer Medicare		6,351	
Other Fringe Benefits		2,898	
Postal Charges		329	
Travel		10,388	
Other Contracted Services		400	
Other Supplies and Materials		18,501	
Total Health Services			672,012

Other Student Support

Career Ladder Program	\$	6,000	
Guidance Personnel		723,415	
Social Workers		99,288	
Secretary(ies)		69,234	
Bonus Payments		9,414	
Other Salaries and Wages		144,732	
Certified Substitute Teachers		195	
Non-certified Substitute Teachers		278	
Social Security		60,506	
Pensions		104,270	
Medical Insurance		144,591	
Employer Medicare		14,276	
Other Fringe Benefits		1,707	
Communication		389	
Contracts with Government Agencies		55,080	
Evaluation and Testing		15,706	
Travel		2,843	
Other Supplies and Materials		652	
In Service/Staff Development		13,294	
Other Charges		13,756	
Total Other Student Support			1,479,626

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	130,249	
Career Ladder Program		8,000	
Librarians		624,362	
Clerical Personnel		27,949	
Bonus Payments		8,779	
Other Salaries and Wages		61,512	
Certified Substitute Teachers		618	
Non-certified Substitute Teachers		2,192	
Social Security		48,715	
Pensions		75,025	
Medical Insurance		86,838	
Employer Medicare		10,687	
Other Fringe Benefits		216	
Maintenance and Repair Services - Equipment		1,036	
Travel		8,581	
Library Books/Media		5,266	
Other Supplies and Materials		9,472	
In Service/Staff Development		82,644	
Other Charges		1,660	
Other Equipment		5,272	
Total Regular Instruction Program			\$ 1,199,073

Special Education Program

Career Ladder Program	\$	1,000	
Psychological Personnel		74,599	
Bonus Payments		673	
Social Security		4,467	
Pensions		6,880	
Medical Insurance		8,022	
Employer Medicare		1,045	
Other Fringe Benefits		14	
Maintenance and Repair Services - Equipment		816	
Travel		14,075	
Other Supplies and Materials		5,123	
In Service/Staff Development		6,594	
Other Charges		16,921	
Total Special Education Program			140,229

Career and Technical Education Program

Secretary(ies)	\$	24,521	
Bonus Payments		327	
Social Security		1,504	
Pensions		3,490	
Medical Insurance		2,947	
Employer Medicare		352	
Other Fringe Benefits		195	

(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.)

Career and Technical Education Program (Cont.)

Maintenance and Repair Services - Equipment	\$	854	
Travel		1,426	
Other Contracted Services		3,785	
Other Supplies and Materials		215	
In Service/Staff Development		5,521	
Total Career and Technical Education Program			\$ 45,137

Technology

Supervisor/Director	\$	33,660	
Clerical Personnel		25,964	
Bonus Payments		3,350	
Other Salaries and Wages		273,883	
Social Security		18,765	
Pensions		47,132	
Medical Insurance		48,364	
Employer Medicare		4,389	
Other Fringe Benefits		2,738	
Internet Connectivity		69,052	
Travel		2,484	
Other Contracted Services		113,931	
Software		10,306	
Other Supplies and Materials		101,943	
In Service/Staff Development		8,625	
Other Equipment		24,959	
Total Technology			789,545

Other Programs

On-behalf Payments to OPEB	\$	183,000	
Total Other Programs			183,000

Board of Education

Secretary to Board	\$	713	
Board and Committee Members Fees		31,200	
Social Security		1,011	
Pensions		100	
Employer Medicare		463	
Other Fringe Benefits		115,023	
Audit Services		18,432	
Dues and Memberships		15,820	
Legal Services		36,884	
Other Contracted Services		7,010	
Other Supplies and Materials		2,700	
Liability Insurance		180,129	
Trustee's Commission		310,913	
Workers' Compensation Insurance		400,374	
In Service/Staff Development		7,887	

(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.)

Board of Education (Cont.)

Criminal Investigation of Applicants - TBI	\$	5,500	
Other Charges		2,336	
Total Board of Education			\$ 1,136,495

Director of Schools

County Official/Administrative Officer	\$	117,359	
Career Ladder Program		1,000	
Clerical Personnel		27,902	
Bonus Payments		670	
Social Security		8,455	
Pensions		14,053	
Medical Insurance		16,832	
Employer Medicare		1,996	
Other Fringe Benefits		217	
Communication		66,056	
Dues and Memberships		2,867	
Maintenance and Repair Services - Equipment		10,566	
Postal Charges		969	
Travel		765	
Other Contracted Services		21,144	
Office Supplies		4,996	
In Service/Staff Development		2,751	
Other Charges		4,859	
Total Director of Schools			303,457

Office of the Principal

Principals	\$	790,549	
Career Ladder Program		11,750	
Assistant Principals		479,160	
Secretary(ies)		338,610	
Bonus Payments		11,424	
Other Salaries and Wages		52,028	
Certified Substitute Teachers		65	
Non-certified Substitute Teachers		90	
Social Security		98,698	
Pensions		171,586	
Medical Insurance		256,982	
Employer Medicare		23,084	
Other Fringe Benefits		3,217	
Other Supplies and Materials		1,437	
Other Charges		945	
Total Office of the Principal			2,239,625

Fiscal Services

Data Processing Services	\$	11,561	
Total Fiscal Services			11,561

(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.)

Human Services/Personnel

Supervisor/Director	\$	85,238	
Clerical Personnel		75,627	
Bonus Payments		2,007	
Social Security		9,974	
Pensions		18,545	
Medical Insurance		18,064	
Employer Medicare		2,333	
Other Fringe Benefits		618	
Maintenance and Repair Services - Equipment		5,894	
Internet Connectivity		3	
Travel		350	
Other Contracted Services		3,464	
In Service/Staff Development		3,015	
Total Human Services/Personnel			\$ 225,132

Operation of Plant

Custodial Personnel	\$	872,075	
Bonus Payments		12,160	
Other Salaries and Wages		25,068	
Non-certified Substitute Teachers		1,600	
Social Security		53,535	
Pensions		118,837	
Medical Insurance		170,094	
Unemployment Compensation		1,188	
Employer Medicare		12,673	
Other Fringe Benefits		6,573	
Disposal Fees		41,275	
Custodial Supplies		171,112	
Electricity		1,357,378	
Natural Gas		76,636	
Water and Sewer		127,918	
Boiler Insurance		13,328	
Building and Contents Insurance		242,829	
Plant Operation Equipment		16,905	
Total Operation of Plant			3,321,184

Maintenance of Plant

Supervisor/Director	\$	65,008	
Maintenance Personnel		450,685	
Bonus Payments		6,640	
Other Salaries and Wages		7,553	
Social Security		29,626	
Pensions		70,315	
Medical Insurance		79,463	
Employer Medicare		6,950	
Other Fringe Benefits		3,972	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Communication	\$	337	
Laundry Service		1,442	
Maintenance and Repair Services - Buildings		417,967	
Maintenance and Repair Services - Equipment		14,619	
Maintenance and Repair Services - Vehicles		16,348	
Other Contracted Services		72,774	
Gasoline		19,362	
Other Supplies and Materials		547	
Other Charges		1,418	
Maintenance Equipment		21,000	
Total Maintenance of Plant	\$		1,286,026

Transportation

Supervisor/Director	\$	33,660	
Bus Drivers		216,018	
Bonus Payments		425	
Other Salaries and Wages		55,974	
Non-certified Substitute Teachers		19,756	
Social Security		18,883	
Pensions		44,236	
Medical Insurance		66,482	
Employer Medicare		4,412	
Other Fringe Benefits		2,149	
Communication		1,791	
Contracts with Vehicle Owners		1,515,531	
Maintenance and Repair Services - Vehicles		135,256	
Other Contracted Services		9,612	
Gasoline		38,864	
Tires and Tubes		6,478	
Other Supplies and Materials		898	
Vehicle and Equipment Insurance		20,640	
In Service/Staff Development		518	
Other Charges		1,222	
Transportation Equipment		300,190	
Total Transportation			2,492,995

Central and Other

Other Salaries and Wages	\$	60,479	
Social Security		3,193	
Pensions		6,207	
Medical Insurance		15,033	
Employer Medicare		747	
Other Fringe Benefits		95	
Travel		527	
Other Supplies and Materials		1,240	
Other Equipment		1,393	
Total Central and Other			88,914

(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

Community Services

Supervisor/Director	\$	18,952	
Bonus Payments		108	
Other Salaries and Wages		204,851	
Social Security		12,541	
Pensions		18,806	
Medical Insurance		11,326	
Employer Medicare		3,208	
Other Fringe Benefits		528	
Communication		1,101	
Travel		43,413	
Other Contracted Services		106,769	
Other Supplies and Materials		48,955	
Indirect Cost		5,620	
Other Charges		57,429	
Total Community Services	\$		533,607

Early Childhood Education

Supervisor/Director	\$	23,662	
Teachers		567,189	
Clerical Personnel		9,364	
Educational Assistants		328,288	
Bonus Payments		6,004	
Certified Substitute Teachers		367	
Non-certified Substitute Teachers		3,662	
Social Security		51,602	
Pensions		98,593	
Medical Insurance		204,930	
Employer Medicare		12,420	
Other Fringe Benefits		2,787	
Travel		1,073	
Other Supplies and Materials		18,313	
In Service/Staff Development		5,459	
Other Charges		415	
Regular Instruction Equipment		396	
Total Early Childhood Education			1,334,524

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	2,999	
Other Capital Outlay		311,697	
Total Regular Capital Outlay			314,696

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	151,181	
Total Education			151,181

(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.)

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$ 11,904	
Total Education		\$ 11,904

Total General Purpose School Fund \$ 44,097,727

School Federal Projects Fund

Instruction

Regular Instruction Program

Supervisor/Director	\$ 442	
Teachers	669,518	
Educational Assistants	109,260	
Bonus Payments	5,385	
Other Salaries and Wages	3,147	
Social Security	42,780	
Pensions	69,944	
Medical Insurance	119,095	
Employer Medicare	10,914	
Other Fringe Benefits	707	
Instructional Supplies and Materials	37,280	
Other Charges	100	
Regular Instruction Equipment	180,245	
Total Regular Instruction Program		\$ 1,248,817

Special Education Program

Educational Assistants	\$ 369,346	
Speech Pathologist	14,982	
Certified Substitute Teachers	870	
Social Security	22,618	
Pensions	53,056	
Medical Insurance	118,862	
Employer Medicare	5,290	
Other Fringe Benefits	2,867	
Contracts with Private Agencies	69,053	
Instructional Supplies and Materials	12,143	
Other Supplies and Materials	7,441	
Special Education Equipment	15,764	
Total Special Education Program		692,292

Career and Technical Education Program

Other Supplies and Materials	\$ 3,434	
Vocational Instruction Equipment	70,170	
Total Career and Technical Education Program		73,604

Support Services

Health Services

Medical Personnel	\$ 64,346	
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(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Social Security	\$	3,909	
Pensions		8,955	
Medical Insurance		5,723	
Employer Medicare		1,249	
Other Fringe Benefits		461	
Total Health Services			\$ 84,643

Other Student Support

Travel	\$	19,098	
Other Supplies and Materials		17,921	
In Service/Staff Development		7,441	
Other Charges		273	
Other Equipment		1,170	
Total Other Student Support			45,903

Regular Instruction Program

Supervisor/Director	\$	36,737	
Bonus Payments		2,932	
Other Salaries and Wages		212,022	
Social Security		15,036	
Pensions		22,793	
Medical Insurance		31,860	
Employer Medicare		3,516	
Food Supplies		234	
Library Books/Media		7,771	
In Service/Staff Development		21,385	
Other Equipment		4,125	
Total Regular Instruction Program			358,411

Special Education Program

Supervisor/Director	\$	79,526	
Clerical Personnel		104,337	
Bonus Payments		3,350	
Other Salaries and Wages		45,265	
Social Security		14,074	
Pensions		26,310	
Medical Insurance		30,152	
Employer Medicare		3,291	
Other Fringe Benefits		866	
Other Contracted Services		6,366	
Other Supplies and Materials		28,991	
In Service/Staff Development		42,003	
Total Special Education Program			384,531

Transportation

Other Salaries and Wages	\$	125,211	
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(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Social Security	\$	7,391	
Pensions		17,530	
Medical Insurance		36,347	
Employer Medicare		1,728	
Other Fringe Benefits		1,031	
Total Transportation			<u>\$ 189,238</u>

Total School Federal Projects Fund \$ 3,077,439

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	62,424	
Clerical Personnel		31,174	
Cafeteria Personnel		868,610	
Bonus Payments		1,072	
Other Salaries and Wages		17,327	
Social Security		57,082	
Pensions		113,876	
Medical Insurance		195,905	
Employer Medicare		13,601	
Other Fringe Benefits		6,132	
Communication		3,718	
Maintenance and Repair Services - Equipment		767	
Travel		3,068	
Disposal Fees		27,357	
Other Contracted Services		11,446	
Food Supplies		1,353,815	
Office Supplies		2,995	
USDA - Commodities		256,245	
Other Supplies and Materials		29,800	
In Service/Staff Development		11,322	
Other Charges		3,037	
Food Service Equipment		37,606	
Total Food Service			<u>\$ 3,108,379</u>

Total Central Cafeteria Fund 3,108,379

Total Governmental Funds - Franklin County School Department \$ 50,283,545

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, 2017

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,752,348
Total Cash Receipts	<u>\$ 3,752,348</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,714,825
Trustee's Commission	37,523
Total Cash Disbursements	<u>\$ 3,752,348</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2016	<u>0</u>
 Cash Balance, June 30, 2017	 <u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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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 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***

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, 2017, 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, 2017.

**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. 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.

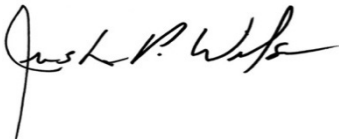
### **Compliance and Other Matters**

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 result 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, 2017

JPW/yu



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

**Independent Auditor's Report on Compliance for Each Major Program and on  
Internal Control Over Compliance and on the Schedule of Expenditures of  
Federal Awards Required by the Uniform Guidance**

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

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited Franklin County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Franklin County's major federal programs for the year ended June 30, 2017. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether

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

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

### ***Opinion on Each Major Federal Program***

In our opinion, Franklin County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

### **Report on Internal Control Over Compliance**

Management of Franklin County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Franklin County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.

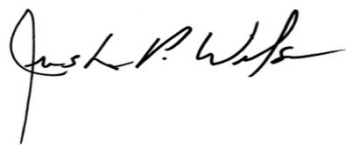
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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, 2017, 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, 2017, 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 the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 9, 2017

JPW/yu

Franklin County, Tennessee, and the Franklin County School Department  
 Schedule of Expenditures of Federal Awards and State Grants (1) (2)  
 For the Year Ended June 30, 2017

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 Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	\$ 573,764
National School Lunch Program	10.555	N/A	1,519,033 (5)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 256,245 (5)
Total U.S. Department of Agriculture			<u>\$ 2,349,042</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	\$ 2,365 (6)
Total U.S. Department of Defense			<u>\$ 2,365</u>
U.S. Department of Justice:			
Direct Programs:			
Second Chance Act Reentry Initiative	16.812	N/A	\$ 244,116
Equitable Sharing Program	16.922	N/A	215
Total U.S. Department of Justice			<u>\$ 244,331</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(3)	\$ 87,472
Alcohol Open Container Requirements	20.607	(3)	19,503
Total U.S. Department of Transportation			<u>\$ 106,975</u>
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	N/A	\$ 1,464
Total Institute of Museum and Library Services:			<u>\$ 1,464</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,255,745
Special Education Cluster (4):			
Special Education - Grants to States	84.027	N/A	1,319,503
Special Education - Preschool Grants	84.173	N/A	68,685
Career and Technical Education - Basic Grants to States	84.048	N/A	98,240
Rural Education	84.358	N/A	73,259
English Language Acquisition State Grants	84.365	N/A	31,197
Improving Teacher Quality State Grants	84.367	N/A	256,009
Total U.S. Department of Education			<u>\$ 3,102,638</u>
U. S. Elections Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	N/A	\$ 14,500
Total U. S. Elections Assistance Commission			<u>\$ 14,500</u>
U.S. Department of Health and Human Services:			
Direct Program:			
Drug-free Communities Support Program Grants	93.276	(3)	\$ 126,611
Passed-through State Department of Education:			
Child Care and Developmental Block Grant	93.575	(3)	20,286
Passed-through State Department of Mental Health and Substance Abuse Services:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(7)	110,618
Total U.S. Department of Health and Human Services			<u>\$ 257,515</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Executive Office of the President: Passed through Laurel County, Kentucky, Fiscal Court: High Intensity Drug Trafficking Areas Program	95.001	(3)	15,265
Total U.S. Department of Executive Office of the President			<u>\$ 15,265</u>
U.S. Department of Homeland Security: Passed-through State Department of Military: Emergency Management Performance Grants	97.042	(3)	38,850
Total U.S. Department of Homeland Security			<u>\$ 38,850</u>
Total Expenditures of Federal Awards			<u>\$ 6,132,945</u>
		Contract Number	
<u>State Grants</u>			
Early Childhood Education - State Department of Education	N/A	(3)	\$ 1,133,209
ACT Explore/Plan Testing - State Department of Education	N/A	(3)	
Family Resource Center - State Department of Education	N/A	(3)	29,611
Safe Schools - State Department of Education	N/A	(3)	28,080
Coordinated School Health - State Department of Education	N/A	(3)	125,000
Lifeline Peer Project - State Department of Mental Health and Substance Abuse Services	N/A	(3)	119,979
Student Tickets Subsidy Grant - State Arts Commission	N/A	(3)	500
School to Work Program - State Department of Human Services	N/A	(3)	65,314
Juvenile Services Program - State Department of Children's Services	N/A	(3)	9,000
Agriculture Growth Initiative - State Department of Agriculture	N/A	(3)	925
Fair Merit Award - State Department of Agriculture	N/A	(3)	1,693
FastTrack Industrial Development Program - State Department of Economic and Community Development	N/A	(3)	183,113
Litter Program - State Department of Transportation	N/A	Z-17-LIT-026	24,621
Rural Local Health Services - State Department of Health	N/A	(3)	145,554
Access to Healthy and Active Built Environments - State Department of Health	N/A	(3)	10,000
Waste Reduction Grant - State Department of Environment and Conservation	N/A	(3)	50,401
Waste Tire Grant - State Department of Environment and Conservation	N/A	(3)	22,992
Total State Grants			<u>\$ 1,949,992</u>

SUBRECIPIENTS

Program Title	Federal CFDA Number	Amount Provided to Subrecipient	Subrecipient
Second Chance Act Reentry Initiative	16.812	\$244,116	Middle Tennessee Rural Reentry
English Language Acquisition State Grants	84.365	6,034	Coffee County, Tennessee
English Language Acquisition State Grants	84.365	1,857	Fayetteville City, Tennessee
English Language Acquisition State Grants	84.365	2,421	Giles County, Tennessee
English Language Acquisition State Grants	84.365	4,872	Lawrence County, Tennessee
English Language Acquisition State Grants	84.365	3,944	Lincoln County, Tennessee
English Language Acquisition State Grants	84.365	5,106	Tulahoma City, Tennessee

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

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) Franklin County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$2,349,042; Special Education Cluster total \$1,388,188.
- (5) Total for CFDA No. 10.555 is \$1,775,278.
- (6) During the year ended June 30, 2017, Franklin County received excess military equipment from the U.S. Department of Military valued at \$2,365.
- (7) DGA 45 372 2015-2016 007: \$43,635. Pass-through Entity Identifying Number not available; \$66,983.



Franklin County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2017

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Franklin County, Tennessee, for the year ended June 30, 2017.

***Prior-year Financial Statement Findings***

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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**OFFICE OF FINANCE DEPARTMENT**

2016	203	2016-001	Highway/Public Works Fund Appropriations Exceeded Estimated Available Funding	N/A	Corrected
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**OFFICE OF DIRECTOR OF SCHOOLS**

2016	203	2016-002	A Cash Shortage of \$507 Existed in the Extended School Program at Clark Memorial Elementary School as of June 20, 2016	N/A	Corrected
2016	205	2016-003	Deficiencies were Noted in the Maintenance of Accounting Records for the Extended School Program	N/A	Corrected
2016	206	2016-004	The Director of Schools had not formally documented internal controls	N/A	Corrected

**OFFICE OF SHERIFF**

2016	207	2016-005	Official Prenumbered Receipts were not Issued for some Collections	N/A	Corrected
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***Prior-year Federal Awards Findings***

There were no prior-year federal award findings to report.

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**FRANKLIN COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2017**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

1. Our report on the financial statements of Franklin County is unmodified.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NO**
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* CFDA Numbers: 10.553 and 10.555 Nutrition Cluster: School Breakfast Program and National School Lunch Program
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

There were no findings and recommendations, as a result of our audit of the financial statements of Franklin County, Tennessee, for the year ended June 30, 2017.

### **PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs related to federal awards for the year ended June 30, 2017.

**Franklin County, Tennessee**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2017**

The audit of Franklin County did not report any findings and recommendations. Therefore, no management responses are required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).