

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

**FOR THE YEAR ENDED JUNE 30, 2018**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT  
FRANKLIN COUNTY, TENNESSEE  
FOR THE YEAR ENDED JUNE 30, 2018**

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

***DIVISION OF LOCAL GOVERNMENT AUDIT  
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Director***

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JENI PALADENI, CISA  
State Auditors***

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

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# ***Summary of Audit Findings***

Annual Financial Report  
Franklin County, Tennessee  
For the Year Ended June 30, 2018

## ***Scope***

We have audited the basic financial statements of Franklin County as of and for the year ended June 30, 2018.

## ***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, 2018

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**Officials**

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

**Board of County Commissioners**

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

**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  
Stanley Bean, 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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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

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, 2018, 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 County, Tennessee, as of June 30, 2018, 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.

### ***Change in Accounting Principle***

As described in Note V.B., Franklin County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Emphasis of Matter***

We draw attention to Note I.D.10. to the financial statements, which describes restatements increasing the beginning net position of the Governmental Activities of the Primary Government by \$156,502 and decreasing the beginning net position of the Governmental Activities of the Discretely Presented Franklin County School Department by \$2,527,254, on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension

liability, and schedules of county and school total OPEB liabilities and related ratios of on pages 99-107 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 and the other information such as the introductory section 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 also 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 not a required part of the basic financial statements.

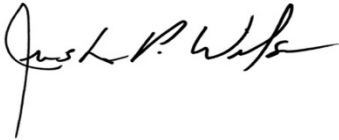
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and Education Debt Service funds, combining and individual fund financial statements of the Franklin County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2018, 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,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 30, 2018

JPW/kp

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Franklin County, Tennessee  
Statement of Net Position  
June 30, 2018

	Primary Government Governmental Activities	Component Unit Franklin County School Department
<u>ASSETS</u>		
Cash	\$ 3,031	\$ 1,634
Equity in Pooled Cash and Investments	29,530,294	10,533,068
Accounts Receivable	81,750	71,433
Due from Component Units	139,184	0
Due from Other Governments	1,507,648	2,272,525
Property Taxes Receivable	15,253,594	10,350,064
Allowance for Uncollectible Property Taxes	(449,587)	(302,159)
Prepaid Items	265	7,843
Net Pension Asset - Agent Plan	413,120	305,725
Net Pension Asset - Teacher Retirement Plan	0	80,604
Net Pension Asset - Teacher Legacy Retirement Plan	0	179,290
Capital Assets:		
Assets Not Depreciated:		
Land	27,979,223	5,439,259
Construction in Progress	5,399,521	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	11,820,796	30,146,647
Other Capital Assets	5,478,948	2,820,578
Infrastructure	13,183,963	0
Total Assets	<u>\$ 110,341,750</u>	<u>\$ 61,906,511</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 84,738	\$ 173,623
Pension Changes in Investment Earnings	0	27,215
Pension Changes in Assumptions	530,180	1,917,918
Pension Other Deferrals	0	130,915
Pension Contributions After Measurement Date	1,247,476	2,774,355
OPEB Contributions After Measurement Date	61,090	305,350
Total Deferred Outflows of Resources	<u>\$ 1,923,484</u>	<u>\$ 5,329,376</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 106,689	\$ 121,728
Accrued Payroll	184,196	119,345
Payroll Deductions Payable	3,537	0
Contracts Payable	631,897	0
Retainage Payable	28,714	0
Accrued Interest Payable	140,328	0
Due to Primary Government	0	139,184
Due to State of Tennessee	24,378	0
Due to Other Taxing Units	1,941	0
Capital Outlay Notes Payable	6,186	0
Due to Litigants, Heirs and Others	13,490	0
Noncurrent Liabilities:		
Due Within One Year	3,935,060	193,606
Due in More Than One Year	29,102,215	9,049,801
Total Liabilities	<u>\$ 34,178,631</u>	<u>\$ 9,623,664</u>



Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Units Franklin County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 14,317,059	\$ 9,738,191
Pension Changes in Experience	368,550	3,980,303
Pension Changes in Investment Earnings	10,084	11,799
Pension Other Deferrals	0	96,786
OPEB Change in Assumptions	66,830	370,274
Total Deferred Inflows of Resources	<u>\$ 14,762,523</u>	<u>\$ 14,197,353</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 40,374,493	\$ 38,406,484
Restricted for:		
General Government	115	0
Public Safety	239,506	0
Public Health and Welfare	753,063	0
Social, Cultural, and Recreational Services	176,701	0
Highways/Public Works	1,591,701	0
Debt Service	6,612,248	0
Capital Projects	1,499,256	0
Education	0	3,289,274
Pensions	413,120	565,619
Unrestricted	<u>11,663,877</u>	<u>1,153,493</u>
Total Net Position	<u>\$ 63,324,080</u>	<u>\$ 43,414,870</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, 2018

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	\$ 4,836,626	\$ 401,633	\$ 387,606	\$ 538,872	\$ (3,508,515)	\$ 0
Finance	1,860,040	1,144,954	11,561	0	(703,525)	0
Administration of Justice	1,922,193	1,138,733	9,000	0	(774,460)	0
Public Safety	8,040,095	958,080	522,571	669,994	(5,889,450)	0
Public Health and Welfare	2,337,504	293,210	247,970	108,230	(1,688,094)	0
Social, Cultural, and Recreational Services	478,227	59,439	34,207	0	(384,581)	0
Agriculture and Natural Resources	154,629	0	1,990	0	(152,639)	0
Highways/Public Works	3,208,551	17,157	2,535,784	38,667	(616,943)	0
Education	0	0	0	8,930	8,930	0
Interest on Long-term Debt	1,032,881	0	0	0	(1,032,881)	0
<b>Total Primary Government</b>	<b>\$ 23,870,746</b>	<b>\$ 4,013,206</b>	<b>\$ 3,750,689</b>	<b>\$ 1,364,693</b>	<b>\$ (14,742,158)</b>	<b>\$ 0</b>
Component Unit:						
Franklin County School Department	\$ 50,061,196	\$ 1,207,928	\$ 6,854,517	\$ 448,019	\$ 0	\$ (41,550,732)
<b>Total Component Unit</b>	<b>\$ 50,061,196</b>	<b>\$ 1,207,928</b>	<b>\$ 6,854,517</b>	<b>\$ 448,019</b>	<b>\$ 0</b>	<b>\$ (41,550,732)</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					\$ 12,211,001	\$ 10,511,847
Property Taxes Levied for Debt Service					3,155,168	0
Local Option Sales Taxes					869,192	4,731,190
Hotel/Motel Tax					293,936	0
Litigation Tax - General					252,724	0
Litigation Tax - Jail, Workhouse, or Courthouse					183,843	0
Mixed Drink Tax					22,057	26,444
Business Tax					454,840	0
Mineral Severance Tax					63,679	0
Wholesale Beer Tax					213,315	0
Other Local Taxes					62,306	0
Grants and Contributions Not Restricted to Specific Programs					2,320,645	27,516,644
Unrestricted Investment Earnings					312,429	21,888
Miscellaneous					158,675	147,547
Sale of Assets/Equipment					27,408	48,952
<b>Total General Revenues</b>					<b>\$ 20,601,218</b>	<b>\$ 43,004,512</b>
Change in Net Position					\$ 5,859,060	\$ 1,453,780
Restatement for OPEB - See Note I.D.10.					156,502	(2,527,254)
Net Position, July 1, 2017					57,308,518	44,488,344
<b>Net Position, June 30, 2018</b>					<b>\$ 63,324,080</b>	<b>\$ 43,414,870</b>

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, 2018

	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	5,733,302	924,254	1,981,667	2,985,416	3,436,267	13,504,450
Accounts Receivable	20,305	8	79	18,169	2	20,609
Due from Other Governments	722,353	108,230	460,590	252	171,254	44,681
Due from Other Funds	3,394	607	931	0	0	0
Property Taxes Receivable	9,049,596	1,730,501	626,341	2,059,257	1,067,472	0
Allowance for Uncollectible Property Taxes	(264,193)	(53,423)	(18,285)	(60,118)	(31,164)	0
Prepaid Items	115	150	0	0	0	0
Total Assets	<u>\$ 15,264,872</u>	<u>\$ 2,710,327</u>	<u>\$ 3,051,323</u>	<u>\$ 5,002,976</u>	<u>\$ 4,643,831</u>	<u>\$ 13,569,740</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 71,139	\$ 1,716	\$ 33,757	\$ 0	\$ 0	0
Accrued Payroll	147,766	13,899	18,849	0	0	0
Payroll Deductions Payable	3,525	0	12	0	0	0
Contracts Payable	0	0	0	0	0	631,897
Retainage Payable	0	0	0	0	0	28,714
Accrued Interest Payable	0	0	0	1,321	0	0
Due to Other Funds	665	0	0	0	0	0
Due to State of Tennessee	23,708	579	0	0	0	0
Due to Other Taxing Units	1,941	0	0	0	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	0	0
Capital Outlay Notes Payable	0	0	0	6,186	0	0
Total Liabilities	<u>\$ 248,744</u>	<u>\$ 16,194</u>	<u>\$ 52,618</u>	<u>\$ 7,507</u>	<u>\$ 0</u>	<u>\$ 660,611</u>

(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>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 8,514,605	\$ 1,604,581	\$ 589,313	\$ 1,937,518	\$ 1,004,365	\$ 0
Deferred Delinquent Property Taxes	259,930	69,587	17,990	59,148	30,661	0
Other Deferred/Unavailable Revenue	295,800	0	216,468	0	75,000	0
Total Deferred Inflows of Resources	\$ 9,070,335	\$ 1,674,168	\$ 823,771	\$ 1,996,666	\$ 1,110,026	\$ 0
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 115	\$ 150	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:						
Restricted for Public Safety	0	0	0	0	0	0
Restricted for Public Health and Welfare	0	752,913	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	0	0
Restricted for Highways/Public Works	0	0	1,678,790	0	0	0
Restricted for Debt Service	0	0	0	2,998,803	3,533,805	0
Restricted for Capital Projects	0	0	0	0	0	1,499,256
Committed:						
Committed for Public Health and Welfare	0	147,353	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	734,014	0	0	0	0	0
Assigned for Finance	38,289	0	0	0	0	0
Assigned for Administration of Justice	1,603	0	0	0	0	0
Assigned for Public Safety	43,409	0	0	0	0	0
Assigned for Public Health and Welfare	6,651	119,549	0	0	0	0

(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 (Cont.)</u>						
Assigned (Cont.):						
Assigned for Social, Cultural, and Recreational Services	\$ 308	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Assigned for Agriculture and Natural Resources	201	0	0	0	0	0
Assigned for Other Operations	640,711	0	119,694	0	0	0
Assigned for Highways/Public Works	0	0	76,450	0	0	0
Assigned for Capital Outlay	0	0	300,000	0	0	0
Assigned for Capital Projects	161,731	0	0	0	0	11,409,873
Unassigned	318,761	0	0	0	0	0
Total Fund Balances	<u>\$ 5,945,793</u>	<u>\$ 1,019,965</u>	<u>\$ 2,174,934</u>	<u>\$ 2,998,803</u>	<u>\$ 3,533,805</u>	<u>\$ 12,909,129</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,264,872</u>	<u>\$ 2,710,327</u>	<u>\$ 3,051,323</u>	<u>\$ 5,002,976</u>	<u>\$ 4,643,831</u>	<u>\$ 13,569,740</u>

(Continued)

Exhibit C-1

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

	Nonmajor Funds		Other Govern- mental Funds		Total Governmental Funds
<u>ASSETS</u>					
Cash	\$	3,031	\$	3,031	
Equity in Pooled Cash and Investments		964,065		29,529,421	
Accounts Receivable		22,578		81,750	
Due from Other Governments		288		1,507,648	
Due from Other Funds		0		4,932	
Property Taxes Receivable		720,427		15,253,594	
Allowance for Uncollectible Property Taxes		(22,404)		(449,587)	
Prepaid Items		0		265	
		0		265	
Total Assets	\$	1,687,985	\$	45,931,054	
<u>LIABILITIES</u>					
Accounts Payable	\$	77	\$	106,689	
Accrued Payroll		3,682		184,196	
Payroll Deductions Payable		0		3,537	
Contracts Payable		0		631,897	
Retainage Payable		0		28,714	
Accrued Interest Payable		0		1,321	
Due to Other Funds		3,394		4,059	
Due to State of Tennessee		91		24,378	
Due to Other Taxing Units		0		1,941	
Due to Litigants, Heirs, and Others		13,490		13,490	
Capital Outlay Notes Payable		0		6,186	
Total Liabilities	\$	20,734	\$	1,006,408	

(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>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$	666,677	\$	14,317,059
Deferred Delinquent Property Taxes		30,089		467,405
Other Deferred/Unavailable Revenue		0		587,268
Total Deferred Inflows of Resources	<u>\$</u>	<u>696,766</u>	<u>\$</u>	<u>15,371,732</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Prepaid Items	\$	0	\$	265
Restricted:				
Restricted for Public Safety		239,506		239,506
Restricted for Public Health and Welfare		0		752,913
Restricted for Social, Cultural, and Recreational Services		176,701		176,701
Restricted for Highways/Public Works		151,317		1,830,107
Restricted for Debt Service		52,185		6,584,793
Restricted for Capital Projects		0		1,499,256
Committed:				
Committed for Public Health and Welfare		0		147,353
Committed for Social, Cultural, and Recreational Services		24,196		24,196
Committed for Other Purposes		0		4,000,000
Assigned:				
Assigned for General Government		0		734,014
Assigned for Finance		0		38,289
Assigned for Administration of Justice		0		1,603
Assigned for Public Safety		316,187		359,596
Assigned for Public Health and Welfare		0		126,200

(Continued)



Exhibit C-1

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

FUND BALANCES (Cont.)

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	Other	Govern- mental Funds	Funds
Assigned (Cont.):			
Assigned for Social, Cultural, and Recreational Services	\$ 10,393		\$ 10,701
Assigned for Agriculture and Natural Resources	0		201
Assigned for Other Operations	0		760,405
Assigned for Highways/Public Works	0		76,450
Assigned for Capital Outlay	0		300,000
Assigned for Capital Projects	0		11,571,604
Unassigned	0		318,761
Total Fund Balances	<u>\$ 970,485</u>		<u>\$ 29,552,914</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,687,985</u>		<u>\$ 45,931,054</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, 2018

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)		\$ 29,552,914
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 27,979,223	
Add: construction in progress	5,399,521	
Add: buildings and improvements net of accumulated depreciation	11,820,796	
Add: infrastructure net of accumulated depreciation	13,183,963	
Add: other capital assets net of accumulated depreciation	<u>5,478,948</u>	63,862,451
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (25,765,000)	
Less: notes payable	(2,310,683)	
Less: capital leases payable	(139,184)	
Add: debt to be contributed by the School Department	139,184	
Less: compensated absences payable	(716,133)	
Less: landfill closure/postclosure care costs	(311,917)	
Less: accrued interest on bonds, notes, and capital leases	(139,007)	
Less: unamortized premium on debt	(2,360,741)	
Less: OPEB Obligations	<u>(1,433,617)</u>	(33,037,098)
(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	\$ 1,862,394	
Less: deferred inflows of resources related to pensions	(378,634)	
Add: deferred outflows of resources related to OPEB	61,090	
Less: deferred inflows of resources related to OPEB	<u>(66,830)</u>	1,478,020
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		413,120
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,054,673</u>
Net position of governmental activities (Exhibit A)		<u>\$ 63,324,080</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, 2018

	Major Funds					
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Education Debt Service	Other Capital Projects -
<u>Revenues</u>						
Local Taxes	\$ 10,145,695	\$ 1,743,795	\$ 702,836	\$ 2,195,806	\$ 2,701,323	\$ 0
Licenses and Permits	101,032	13,580	3,507	11,551	5,984	0
Fines, Forfeitures, and Penalties	205,148	0	0	0	0	0
Charges for Current Services	414,620	79,087	17,157	0	0	0
Other Local Revenues	108,683	274,059	19,769	77,766	0	159,565
Fees Received From County Officials	2,047,220	0	0	0	0	0
State of Tennessee	2,560,239	130,018	2,532,784	0	0	0
Federal Government	665,704	0	0	0	0	248,593
Other Governments and Citizens Groups	304,565	0	17,667	0	73,773	669,994
<b>Total Revenues</b>	<b>\$ 16,552,906</b>	<b>\$ 2,240,539</b>	<b>\$ 3,293,720</b>	<b>\$ 2,285,123</b>	<b>\$ 2,781,080</b>	<b>\$ 1,078,152</b>
<u>Expenditures</u>						
Current:						
General Government	\$ 2,806,226	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	2,046,191	0	0	0	0	0
Administration of Justice	2,013,208	0	0	0	0	0
Public Safety	7,720,483	0	0	0	0	0
Public Health and Welfare	599,625	1,761,090	0	0	0	0
Social, Cultural, and Recreational Services	71,146	0	0	0	0	0
Agriculture and Natural Resources	144,584	0	0	0	0	0
Other Operations	1,494,462	100,600	0	0	0	1,390
Highways	0	0	3,083,938	0	0	0
Debt Service:						
Principal on Debt	0	0	14,371	1,066,077	1,969,843	0
Interest on Debt	0	0	4,750	673,687	309,462	0
Other Debt Service	0	0	0	47,516	37,908	54,900

(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	\$ 84,839	\$ 0	\$ 0	\$ 0	\$ 0	6,810,509
Total Expenditures	<u>\$ 16,980,764</u>	<u>\$ 1,861,690</u>	<u>\$ 3,103,059</u>	<u>\$ 1,787,280</u>	<u>\$ 2,317,213</u>	<u>\$ 6,866,799</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (427,858)</u>	<u>\$ 378,849</u>	<u>\$ 190,661</u>	<u>\$ 497,843</u>	<u>\$ 463,867</u>	<u>\$ (5,788,647)</u>
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,200,000
Premiums on Debt Sold	0	0	0	0	0	858,781
Proceeds from Sale of Capital Assets	168,165	0	41,792	0	0	0
Transfers In	105,606	0	0	200,000	0	1,000,000
Transfers Out	(1,000,000)	(48,803)	(53,803)	0	0	0
Discounts on Debt Issued	0	0	0	0	0	(51,809)
Total Other Financing Sources (Uses)	<u>\$ (726,229)</u>	<u>\$ (48,803)</u>	<u>\$ (12,011)</u>	<u>\$ 200,000</u>	<u>\$ 0</u>	<u>\$ 9,006,972</u>
Net Change in Fund Balances	\$ (1,154,087)	\$ 330,046	\$ 178,650	\$ 697,843	\$ 463,867	\$ 3,218,325
Fund Balance, July 1, 2017	<u>7,099,880</u>	<u>689,919</u>	<u>1,996,284</u>	<u>2,300,960</u>	<u>3,069,938</u>	<u>9,690,804</u>
Fund Balance, June 30, 2018	<u>\$ 5,945,793</u>	<u>\$ 1,019,965</u>	<u>\$ 2,174,934</u>	<u>\$ 2,998,803</u>	<u>\$ 3,533,805</u>	<u>\$ 12,909,129</u>

(Continued)

Exhibit C-3

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

	Nonmajor Funds		Total Governmental Funds
	Other	Govern- mental Funds	
<hr/>			
<u>Revenues</u>			
Local Taxes	\$ 1,202,094	\$	18,691,549
Licenses and Permits	25,865		161,519
Fines, Forfeitures, and Penalties	31,886		237,034
Charges for Current Services	46,962		557,826
Other Local Revenues	6,795		646,637
Fees Received From County Officials	0		2,047,220
State of Tennessee	3,698		5,226,739
Federal Government	14,081		928,378
Other Governments and Citizens Groups	30,657		1,096,656
Total Revenues	<u>\$ 1,362,038</u>	<u>\$</u>	<u>29,593,558</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$	2,806,226
Finance	0		2,046,191
Administration of Justice	360		2,013,568
Public Safety	535,341		8,255,824
Public Health and Welfare	0		2,360,715
Social, Cultural, and Recreational Services	346,688		417,834
Agriculture and Natural Resources	0		144,584
Other Operations	38,254		1,634,706
Highways	0		3,083,938
Debt Service:			
Principal on Debt	0		3,050,291
Interest on Debt	0		987,899
Other Debt Service	0		140,324

(Continued)

Exhibit C-3

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		Funds
<hr/>			
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 591,014	\$	7,486,362
Total Expenditures	<u>\$ 1,511,657</u>	<u>\$</u>	<u>34,428,462</u>
 Excess (Deficiency) of Revenues Over Expenditures	 \$ (149,619)	 \$	 (4,834,904)
<u>Other Financing Sources (Uses)</u>			
Bonds Issued	\$ 0	\$	7,200,000
Premiums on Debt Sold	0		858,781
Proceeds from Sale of Capital Assets	0		209,957
Transfers In	0		1,305,606
Transfers Out	(203,000)		(1,305,606)
Discounts on Debt Issued	0		(51,809)
Total Other Financing Sources (Uses)	<u>\$ (203,000)</u>	<u>\$</u>	<u>8,216,929</u>
 Net Change in Fund Balances	 \$ (352,619)	 \$	 3,382,025
Fund Balance, July 1, 2017	<u>1,323,104</u>		<u>26,170,889</u>
 Fund Balance, June 30, 2018	 <u>\$ 970,485</u>	 <u>\$</u>	 <u>29,552,914</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, 2018

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 3,382,025
(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	\$ 9,685,866	
Less: current-year depreciation expense	<u>(2,146,670)</u>	7,539,196
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Less: book value of capital assets disposed		(563,142)
(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, 2018	\$ 1,054,673	
Less: deferred delinquent property taxes and other deferred June 30, 2017	<u>(977,601)</u>	77,072
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (7,200,000)	
Add: principal payments on notes	580,448	
Add: principal payments on capital leases	115,352	
Add: principal payments on bonds	2,405,000	
Less: change in premium on debt issuance	(742,957)	
Less: change in deferred amount on refunding debt	(300,605)	
Less: contributions from the School Department for capital leases	<u>(64,843)</u>	(5,207,605)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ (44,982)	
Change in OPEB Obligation (net of restatement)	7,020	
Change in deferred outflows related to OPEB (net of restatement)	1,951	
Change in deferred inflows related to OPEB	(66,830)	
Change in net pension liability/asset	668,994	
Change in deferred outflows related to pensions	(87,328)	
Change in deferred inflows related to pensions	174,516	
Change in compensated absences payable	(22,591)	
Change in landfill closure/postclosure care costs	<u>764</u>	<u>631,514</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 5,859,060</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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 10,145,695	\$ 0	\$ 0	\$ 10,145,695	\$ 10,266,240	\$ 10,119,205	\$ 26,490
Licenses and Permits	101,032	0	0	101,032	99,700	110,440	(9,408)
Fines, Forfeitures, and Penalties	205,148	0	0	205,148	237,811	214,291	(9,143)
Charges for Current Services	414,620	0	0	414,620	387,330	415,649	(1,029)
Other Local Revenues	108,683	0	0	108,683	120,481	98,666	10,017
Fees Received From County Officials	2,047,220	0	0	2,047,220	1,997,000	2,035,625	11,595
State of Tennessee	2,560,239	0	0	2,560,239	3,136,165	2,732,935	(172,696)
Federal Government	665,704	0	0	665,704	449,916	935,178	(269,474)
Other Governments and Citizens Groups	304,565	0	0	304,565	220,132	307,123	(2,558)
Total Revenues	\$ 16,552,906	\$ 0	\$ 0	\$ 16,552,906	\$ 16,914,775	\$ 16,969,112	\$ (416,206)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 378,156	\$ (6,339)	\$ 212,763	\$ 584,580	\$ 345,310	\$ 608,675	\$ 24,095
Beer Board	45	0	0	45	650	650	605
County Mayor/Executive	196,970	(501)	68	196,537	195,896	198,279	1,742
County Attorney	10,800	0	0	10,800	11,425	11,425	625
Election Commission	224,527	(979)	2,212	225,760	244,060	234,070	8,310
Register of Deeds	334,249	(5,723)	1,066	329,592	351,551	344,401	14,809
Planning	153,544	(420)	1,133	154,257	163,478	160,528	6,271
County Buildings	1,486,138	(167,820)	399,659	1,717,977	1,414,424	1,934,071	216,094
Other General Administration	21,797	(540)	2,901	24,158	34,000	27,260	3,102
<u>Finance</u>							
Property Assessor's Office	474,450	(15,693)	37,129	495,886	573,317	510,252	14,366
County Trustee's Office	325,948	0	0	325,948	338,086	332,936	6,988
County Clerk's Office	576,184	0	0	576,184	585,665	582,665	6,481
Other Finance	669,609	(4,751)	1,160	666,018	681,315	675,095	9,077
<u>Administration of Justice</u>							
Circuit Court	956,292	(894)	760	956,158	976,337	966,717	10,559
General Sessions Court	308,093	(250)	300	308,143	312,142	310,722	2,579

(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 7/1/2017	Add: Encumbrances 6/30/2018	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	\$ 93,661	\$ 0	\$ 0	\$ 93,661	\$ 98,241	\$ 94,441	\$ 780
Chancery Court	219,144	0	0	219,144	230,475	225,075	5,931
Juvenile Court	130,535	0	100	130,635	136,148	134,080	3,445
Judicial Commissioners	158,202	0	444	158,646	149,048	166,843	8,197
Other Administration of Justice	18,842	0	0	18,842	18,000	27,600	8,758
Probation Services	128,439	0	0	128,439	133,910	131,810	3,371
<u>Public Safety</u>							
Sheriff's Department	4,002,514	(51,695)	22,232	3,973,051	3,899,540	4,033,189	60,138
Administration of the Sexual Offender Registry	13,061	(200)	0	12,861	23,505	15,889	3,028
Jail	2,403,616	(32,188)	18,732	2,390,160	2,014,467	2,431,222	41,062
Correctional Incentive Program Improvements	249,300	0	0	249,300	356,983	261,646	12,346
Juvenile Services	9,289	(500)	0	8,789	42,520	42,520	33,731
Civil Defense	129,755	(2,150)	2,369	129,974	159,086	141,602	11,628
Rescue Squad	30,837	(2,328)	25	28,534	30,000	31,580	3,046
Other Emergency Management	816,577	(1,648)	51	814,980	873,916	821,256	6,276
County Coroner/Medical Examiner	34,076	(4,665)	0	29,411	36,100	37,100	7,689
Public Safety Grants Program	31,458	0	0	31,458	48,225	36,940	5,482
<u>Public Health and Welfare</u>							
Local Health Center	24,377	(546)	4,500	28,331	31,025	39,065	10,734
Rabies and Animal Control	260,497	(908)	1,344	260,933	267,852	263,752	2,819
Other Local Health Services	124,135	0	0	124,135	172,502	201,540	77,405
Appropriation to State	25,846	0	0	25,846	30,646	25,846	0
General Welfare Assistance	17,775	0	0	17,775	17,775	17,775	0
Waste Pickup	103,027	(8,356)	0	94,671	100,123	102,023	7,352
Other Waste Collection	38,825	(1,362)	12	37,475	40,987	40,987	3,512
Other Public Health and Welfare	5,143	0	795	5,938	15,000	13,833	7,895
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	26,944	(89)	0	26,855	26,950	26,950	95
Parks and Fair Boards	44,202	(885)	308	43,625	47,803	47,803	4,178

(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 7/1/2017	Add: Encumbrances 6/30/2018	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	\$ 91,469	\$ 0	\$ 201	\$ 91,670	\$ 119,448	\$ 101,448	\$ 9,778
Soil Conservation	53,115	0	0	53,115	88,992	56,692	3,577
<u>Other Operations</u>							
Industrial Development	524,086	(55)	28,824	552,855	409,878	572,255	19,400
Other Economic and Community Development	194,714	0	59,373	254,087	650,470	285,470	31,383
Veterans' Services	69,348	(180)	45	69,213	72,961	79,514	10,301
Other Charges	706,314	(449)	0	705,865	816,177	813,635	107,770
<u>Capital Projects</u>							
Other General Government Projects	81,440	(55,051)	32,758	59,147	140,000	66,195	7,048
Highway and Street Capital Projects	3,399	(132,372)	128,973	0	0	460	460
Total Expenditures	\$ 16,980,764	\$ (499,537)	\$ 960,237	\$ 17,441,464	\$ 17,526,409	\$ 18,285,782	\$ 844,318
Excess (Deficiency) of Revenues Over Expenditures							
	\$ (427,858)	\$ 499,537	\$ (960,237)	\$ (888,558)	\$ (611,634)	\$ (1,316,670)	\$ 428,112
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 168,165	\$ 0	\$ 0	\$ 168,165	\$ 0	\$ 168,165	\$ 0
Transfers In	105,606	0	0	105,606	105,606	105,606	0
Transfers Out	(1,000,000)	0	0	(1,000,000)	0	(1,000,000)	0
Total Other Financing Sources	\$ (726,229)	\$ 0	\$ 0	\$ (726,229)	\$ 105,606	\$ (726,229)	\$ 0
Net Change in Fund Balance							
	\$ (1,154,087)	\$ 499,537	\$ (960,237)	\$ (1,614,787)	\$ (506,028)	\$ (2,042,899)	\$ 428,112
Fund Balance, July 1, 2017	7,099,880	(499,537)	0	6,600,343	6,547,938	6,547,938	52,405
Fund Balance, June 30, 2018	\$ 5,945,793	\$ 0	\$ (960,237)	\$ 4,985,556	\$ 6,041,910	\$ 4,505,039	\$ 480,517

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 1,743,795	\$ 0	\$ 0	\$ 1,743,795	\$ 1,733,640	\$ 1,744,155	\$ (360)
Licenses and Permits	13,580	0	0	13,580	13,250	13,593	(13)
Charges for Current Services	79,087	0	0	79,087	59,000	102,862	(23,775)
Other Local Revenues	274,059	0	0	274,059	224,000	288,500	(14,441)
State of Tennessee	130,018	0	0	130,018	25,000	133,230	(3,212)
<b>Total Revenues</b>	<b>\$ 2,240,539</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,240,539</b>	<b>\$ 2,054,890</b>	<b>\$ 2,282,340</b>	<b>\$ (41,801)</b>
<b>Expenditures</b>							
<b>Public Health and Welfare</b>							
Sanitation Education/Information	\$ 1,191	\$ (450)	\$ 500	\$ 1,241	\$ 2,300	\$ 2,300	\$ 1,059
Convenience Centers	265,450	(689)	51,278	316,039	320,181	320,101	4,062
Transfer Stations	1,488,170	(80,336)	64,000	1,471,834	1,419,120	1,519,285	47,451
Postclosure Care Costs	6,279	(3,750)	3,764	6,293	13,000	13,000	6,707
<b>Other Operations</b>							
Other Charges	100,600	(87)	7	100,520	100,159	102,659	2,139
<b>Total Expenditures</b>	<b>\$ 1,861,690</b>	<b>\$ (85,312)</b>	<b>\$ 119,549</b>	<b>\$ 1,895,927</b>	<b>\$ 1,854,760</b>	<b>\$ 1,957,345</b>	<b>\$ 61,418</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 378,849	\$ 85,312	\$ (119,549)	\$ 344,612	\$ 200,130	\$ 324,995	\$ 19,617
<b>Other Financing Sources (Uses)</b>							
Transfers Out	\$ (48,803)	\$ 0	\$ 0	\$ (48,803)	\$ (48,803)	\$ (48,803)	\$ 0
<b>Total Other Financing Sources</b>	<b>\$ (48,803)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (48,803)</b>	<b>\$ (48,803)</b>	<b>\$ (48,803)</b>	<b>\$ 0</b>
Net Change in Fund Balance	\$ 330,046	\$ 85,312	\$ (119,549)	\$ 295,809	\$ 151,327	\$ 276,192	\$ 19,617
Fund Balance, July 1, 2017	689,919	(85,312)	0	604,607	565,691	565,691	38,916
<b>Fund Balance, June 30, 2018</b>	<b>\$ 1,019,965</b>	<b>\$ 0</b>	<b>\$ (119,549)</b>	<b>\$ 900,416</b>	<b>\$ 717,018</b>	<b>\$ 841,883</b>	<b>\$ 58,533</b>

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 702,836	\$ 0	\$ 0	\$ 702,836	\$ 727,069	\$ 709,845	\$ (7,009)
Licenses and Permits	3,507	0	0	3,507	3,400	3,565	(58)
Charges for Current Services	17,157	0	0	17,157	15,050	15,050	2,107
Other Local Revenues	19,769	0	0	19,769	7,700	19,827	(58)
State of Tennessee	2,532,784	0	0	2,532,784	2,079,622	3,404,200	(871,416)
Other Governments and Citizens Groups	17,667	0	0	17,667	17,379	17,667	0
<b>Total Revenues</b>	<b>\$ 3,293,720</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,293,720</b>	<b>\$ 2,850,220</b>	<b>\$ 4,170,154</b>	<b>\$ (876,434)</b>
<b>Expenditures</b>							
<b>Highways</b>							
Administration	\$ 314,111	\$ (1,295)	\$ 324	\$ 313,140	\$ 347,801	\$ 324,891	\$ 11,751
Highway and Bridge Maintenance	833,649	(6,673)	6,104	833,080	966,726	887,751	54,671
Operation and Maintenance of Equipment	355,223	(20,155)	13,133	348,201	351,502	372,947	24,746
Quarry Operations	271,689	(742)	3,799	274,746	328,253	317,853	43,107
Other Charges	192,172	(152)	191	192,211	234,742	230,318	38,107
Capital Outlay	1,117,094	(64,117)	52,899	1,105,876	1,311,135	1,304,953	199,077
<b>Principal on Debt</b>							
Highways and Streets	14,371	0	0	14,371	14,372	14,371	0
<b>Interest on Debt</b>							
Highways and Streets	4,750	0	0	4,750	4,751	4,752	2
<b>Total Expenditures</b>	<b>\$ 3,103,059</b>	<b>\$ (93,134)</b>	<b>\$ 76,450</b>	<b>\$ 3,086,375</b>	<b>\$ 3,559,282</b>	<b>\$ 3,457,836</b>	<b>\$ 371,461</b>
<b>Excess (Deficiency) of Revenues</b>							
Over Expenditures	\$ 190,661	\$ 93,134	\$ (76,450)	\$ 207,345	\$ (709,062)	\$ 712,318	\$ (504,973)
<b>Other Financing Sources (Uses)</b>							
Proceeds from Sale of Capital Assets	\$ 41,792	\$ 0	\$ 0	\$ 41,792	\$ 15,000	\$ 22,950	\$ 18,842
Transfers Out	(53,803)	0	0	(53,803)	(53,803)	(53,803)	0
<b>Total Other Financing Sources</b>	<b>\$ (12,011)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (12,011)</b>	<b>\$ (38,803)</b>	<b>\$ (30,853)</b>	<b>\$ 18,842</b>

(Continued)

Exhibit C-7

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 178,650	\$ 93,134	\$ (76,450)	\$ 195,334	\$ (747,865)	\$ 681,465	\$ (486,131)
Fund Balance, July 1, 2017	1,996,284	(93,134)	0	1,903,150	1,714,792	1,714,792	188,358
Fund Balance, June 30, 2018	<u>\$ 2,174,934</u>	<u>\$ 0</u>	<u>\$ (76,450)</u>	<u>\$ 2,098,484</u>	<u>\$ 966,927</u>	<u>\$ 2,396,257</u>	<u>\$ (297,773)</u>

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

Exhibit D

Franklin County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2018

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,283,280
Due from Other Governments	<u>658,355</u>
Total Assets	<u>\$ 1,941,635</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 658,355
Due to Litigants, Heirs, and Others	<u>1,283,280</u>
Total Liabilities	<u>\$ 1,941,635</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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**FRANKLIN COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**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, 2018.

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 and General Debt Service Funds. 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 2.5 percent of total taxes levied.

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

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

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

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

Retainage payable in the primary government's Other Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the nonmajor governmental funds.

**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 acquisition 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 assumptions, pension changes in proportionate share of contributions, employer contributions made to the pension plan after the measurement date, and OPEB contributions made after the measurement date reported in the government-wide Statement of Net Position.

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 investment earnings, pension changes in proportionate share of contributions, OPEB changes in assumptions, 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 are 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 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, 2018, Franklin County has \$6,854,184 in outstanding debt for capital purposes for the discretely presented Franklin County School Department. This debt is a liability of Franklin County; however, the capital assets acquired are reported in the financial statements of the School Department. Therefore, Franklin County has

incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

to specific purposes within the General and General Purpose School funds.

**9. Minimum Fund Balance Policy**

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

**Primary Government**

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

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

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

**Discretely Presented Franklin County School Department**

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

**10. Restatements**

In prior years, the government was required to recognize a liability for its other postemployment benefits plans under Governmental Accounting Standards Board (GASB) Statement No. 45. As of July 1, 2017, Franklin County has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Restatements increasing the beginning net position of the Governmental Activities of the Primary Government by \$156,502 and decreasing the beginning net position of the Governmental Activities of the Discretely Presented Franklin County School Department by \$2,527,254 have been recognized to account for the transitional requirements.

**E. Pension Plans**

**Primary Government**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Franklin County's

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

**Discretely Presented Franklin County School Department**

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

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

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

**Primary Government**

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

**Discretely Presented Franklin County School Department**

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

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

**Primary Government**

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental

funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

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

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

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

### **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, 2018, Franklin County and the Franklin County School Department reported the following encumbrances:

<u>Fund</u>	<u>Amount</u>
Primary Government:	
General	\$ 960,237
Solid Waste/Sanitation	119,549
Highway/Public Works	76,450
Nonmajor Governmental	<u>112,808</u>
Total	<u><u>\$ 1,269,044</u></u>
Discretely Presented School Department:	
General Purpose School	\$ 921,350
Central Cafeteria	<u>670,167</u>
Total	<u><u>\$ 1,591,517</u></u>

**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, 2018, 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.

<u>Investment</u>	<u>Weighted Average Maturity (days)</u>	<u>Maturities</u>	<u>Amortized Cost</u>
State Treasurer's Investment Pool	2 to 113	N/A	\$ 16,112,936

**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, 2018, 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, 2018, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 28,307,050	\$ 218,073	\$ (545,900)	\$ 27,979,223
Construction in Progress	598,455	5,399,521	(598,455)	5,399,521
Total Capital Assets Not Depreciated	<u>\$ 28,905,505</u>	<u>\$ 5,617,594</u>	<u>\$ (1,144,355)</u>	<u>\$ 33,378,744</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 20,124,393	\$ 199,604	\$ 0	\$ 20,323,997
Infrastructure	44,629,395	1,481,118	0	46,110,513
Other Capital Assets	10,504,279	2,986,005	(341,884)	13,148,400
Total Capital Assets Depreciated	<u>\$ 75,258,067</u>	<u>\$ 4,666,727</u>	<u>\$ (341,884)</u>	<u>\$ 79,582,910</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 8,019,714	\$ 483,487	\$ 0	\$ 8,503,201
Infrastructure	31,881,700	1,044,850	0	32,926,550
Other Capital Assets	7,375,761	618,333	(324,642)	7,669,452
Total Accumulated Depreciation	<u>\$ 47,277,175</u>	<u>\$ 2,146,670</u>	<u>\$ (324,642)</u>	<u>\$ 49,099,203</u>
Total Capital Assets Depreciated, Net	<u>\$ 27,980,892</u>	<u>\$ 2,520,057</u>	<u>\$ (17,242)</u>	<u>\$ 30,483,707</u>
Governmental Activities Capital Assets, Net	<u>\$ 56,886,397</u>	<u>\$ 8,137,651</u>	<u>\$ (1,161,597)</u>	<u>\$ 63,862,451</u>

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

**Governmental Activities:**

General Government	\$ 300,249
Finance	21,035
Administration of Justice	10,091
Public Safety	387,352
Public Health and Welfare	163,846
Social, Cultural, and Recreational Services	27,331
Agriculture and Natural Resources	10,388
Highways/Public Works	<u>1,226,378</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,146,670</u>

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

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 5,440,572	\$ 0	\$ (1,313)	\$ 5,439,259
Construction in Progress	44,503	0	(44,503)	0
Total Capital Assets Not Depreciated	<u>\$ 5,485,075</u>	<u>\$ 0</u>	<u>\$ (45,816)</u>	<u>\$ 5,439,259</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 60,311,800	\$ 44,503	\$ 0	\$ 60,356,303
Other Capital Assets	9,712,107	570,689	(383,798)	9,898,998
Total Capital Assets Depreciated	<u>\$ 70,023,907</u>	<u>\$ 615,192</u>	<u>\$ (383,798)</u>	<u>\$ 70,255,301</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 28,906,268	\$ 1,303,388	\$ 0	\$ 30,209,656
Other Capital Assets	6,801,281	609,588	(332,449)	7,078,420
Total Accumulated Depreciation	<u>\$ 35,707,549</u>	<u>\$ 1,912,976</u>	<u>\$ (332,449)</u>	<u>\$ 37,288,076</u>
Total Capital Assets Depreciated, Net	<u>\$ 34,316,358</u>	<u>\$ (1,297,784)</u>	<u>\$ (51,349)</u>	<u>\$ 32,967,225</u>
Governmental Activities Capital Assets, Net	<u>\$ 39,801,433</u>	<u>\$ (1,297,784)</u>	<u>\$ (97,165)</u>	<u>\$ 38,406,484</u>

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

**Governmental Activities:**

Instruction	\$ 1,465,565
Support Services	300,697
Operation of Non-instructional Services	<u>146,714</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,912,976</u></u>

**C. Construction Commitments**

**Primary Government**

At June 30, 2018, the county had uncompleted construction contracts of approximately \$9,796,678 for a jail expansion project, and approximately \$1,202,103 for a communication tower construction project. Funding has been received for these future expenditures.

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

The composition of interfund balances as of June 30, 2018, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 3,394
Solid Waste/Sanitation	General	607
Highway/Public Works	General	665
"	Solid Waste/Sanitation	266
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	154,705

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

The receivables in the Solid Waste/Sanitation and Highway/Public Works funds totaling \$607 and \$266 were in transit from the General Fund and the Solid Waste/Sanitation Fund respectively, at June 30, 2018.

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

Receivable Fund	Payable Fund	Amount
Primary Government: Governmental Activities	Component Unit: School Department: Governmental Activities	\$ 139,184

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

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2018, 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	48,803	0	0	Reimbursement
Highway/Public Works	53,803	0	0	"
Nonmajor governmental funds	3,000	0	0	"
"	0	200,000	0	Debt Payment
<b>Total</b>	<b>\$ 105,606</b>	<b>\$ 200,000</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 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:

**Discretely Presented Franklin County School Department**

Asset	Governmental Activities
Machinery and Equipment	\$ 398,587
Less: Accumulated Depreciation	<u>(71,794)</u>
Total Book Value	<u>\$ 326,793</u>

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2018, were as follows:

Year Ending June 30	Governmental Funds
2019	\$ 73,773
2020	<u>73,772</u>
Total Minimum Lease Payments	\$ 147,545
Less: Amount Representing Interest	<u>(8,361)</u>
Present Value of Minimum Lease Payments	<u>\$ 139,184</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, 2018, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-18
General Obligation Bonds	2 to 5 %	6-1-38	\$ 15,390,000	\$ 15,390,000
General Obligation Bonds - Refunding	1.23 to 5	6-1-38	22,850,000	10,375,000
Capital Outlay Notes	2.33 to 4.875	2-1-23	4,449,666	2,310,683
Capital Leases	5	4-1-20	581,879	139,184

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2018, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 2,560,000	\$ 1,036,544	\$ 3,596,544
2020	3,335,000	920,493	4,255,493
2021	3,440,000	782,331	4,222,331
2022	1,625,000	637,506	2,262,506
2023	1,685,000	555,006	2,240,006
2024-2028	5,890,000	1,768,480	7,658,480
2029-2033	6,835,000	602,481	7,437,481
2034-2038	395,000	37,535	432,535
Total	<u>\$ 25,765,000</u>	<u>\$ 6,340,376</u>	<u>\$ 32,105,376</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2019	\$ 584,689	\$ 62,090	\$ 646,779
2020	589,111	46,129	635,240
2021	592,761	29,907	622,668
2022	525,890	13,494	539,384
2023	18,232	889	19,121
Total	<u>\$ 2,310,683</u>	<u>\$ 152,509</u>	<u>\$ 2,463,192</u>

There is \$2,998,803 available in the General Debt Service Fund and \$3,533,805 available in the Education Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$628, based on the 2010 federal census. Total debt per capita, including bonds, notes, capital leases, and unamortized debt premiums, totaled \$745, 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 6-30-18</u>
<u>Capital Leases</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficient Lighting (Excel)	\$ 139,184
Total	<u>\$ 139,184</u>

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2018, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>	<u>Capital Leases</u>
Balance, July 1, 2017	\$ 20,970,000	\$ 2,891,131	\$ 254,536
Additions	7,200,000	0	0
Reductions	(2,405,000)	(580,448)	(115,352)
Balance, June 30, 2018	<u>\$ 25,765,000</u>	<u>\$ 2,310,683</u>	<u>\$ 139,184</u>
Balance Due Within One Year	<u>\$ 2,560,000</u>	<u>\$ 584,689</u>	<u>\$ 67,959</u>
	<u>Landfill Postclosure Care Costs</u>	<u>Other Postemployment Benefits *</u>	<u>Compensated Absences</u>
Balance, July 1, 2017	\$ 312,681	\$ 1,440,637	\$ 693,542
Additions	5,515	118,949	621,359
Reductions	(6,279)	(125,969)	(598,768)
Balance, June 30, 2018	<u>\$ 311,917</u>	<u>\$ 1,433,617</u>	<u>\$ 716,133</u>
Balance Due Within One Year	<u>\$ 6,279</u>	<u>\$ 0</u>	<u>\$ 716,133</u>

	Net Pension Liability - Agent Plan #
Balance, July 1, 2017	\$ 255,874
Additions	(1,191,974)
Reductions	522,980
	<hr/>
Balance, June 30, 2018	\$ (413,120)
	<hr/> <hr/>

\* Restated beginning balance – See Note I.D.10.

# The plan had a net pension asset at June 30, 2018

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 30,676,534
Less: Balance Due Within One Year	(3,935,060)
Add: Unamortized Premium on Debt	2,360,741
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 29,102,215
	<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.

**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, 2018, was as follows:



Governmental Activities:

	Compensated Absences	Other Post- employment Benefits *
Balance, July 1, 2017	\$ 188,844	\$ 8,904,952
Additions	169,497	752,007
Reductions	(164,735)	(607,158)
	<u>193,606</u>	<u>9,049,801</u>
Balance, June 30, 2018	\$ 193,606	\$ 9,049,801
Balance Due Within One Year	<u>\$ 193,606</u>	<u>\$ 0</u>
	Net Pension Liability - Agent Plan #	Net Pension Liability - Cost-sharing Plan #
Balance, July 1, 2017	\$ 205,826	\$ 3,366,820
Additions	(891,572)	(3,562,631)
Reductions	380,021	16,521
	<u>(305,725)</u>	<u>(179,290)</u>
Balance, June 30, 2018	\$ (305,725)	\$ (179,290)
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

\* Restated beginning balance – See Note I.D.10.

# Both plans have net pension assets at June 30, 2018

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 9,243,407
Less: Balance Due Within One Year	<u>(193,606)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 9,049,801</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, 2018, 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, 2018, was as follows:

	Balance			Balance
	7-1-17	Issued	Paid	6-30-18
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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; Statement No. 81, *Irrevocable Split-Interest Agreements*; Statement No. 85, *Omnibus 2017*; and Statement No. 86, *Certain Debt Extinguishment Issues* became effective for the year ended June 30, 2018.

GASB Statement No. 75, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 45 and No. 57. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to

periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

GASB Statement No. 81, establishes accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary.

GASB Statement No. 85, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

GASB Statement No. 86, establishes guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also provides guidance for accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

**C. Contingent Liabilities**

The county is involved in several pending lawsuits. Attorneys for the county and officials with 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 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 \$311,917 reported as landfill postclosure care liability at June 30, 2018, represents amounts based on what it would cost to perform all postclosure care in 2018. 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, 2018.

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, 2018.

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 comprise 57.47 percent, the non-certified employees of the discretely presented School Department comprise 42.53 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, 2017, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	346
Inactive Employees Entitled to But Not Yet Receiving Benefits	400
Active Employees	<u>522</u>
Total	<u><u>1,268</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, 2018, the employer contribution for Franklin County was \$2,176,005 based on a rate of 14 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, 2017, 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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:



Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	5.69	%	31	%
Developed Market				
International Equity	5.29		14	
Emerging Market				
International Equity	6.36		4	
Private Equity and				
Strategic Lending	5.79		20	
U.S. Fixed Income	2.01		20	
Real Estate	4.32		10	
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 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 (Asset) (a)-(b)
Balance, July 1, 2016	\$ 41,586,164	\$ 41,124,464	\$ 461,700
Changes for the Year:			
Service Cost	\$ 1,063,243	\$ 0	\$ 1,063,243
Interest	3,137,383	0	3,137,383
Differences Between Expected and Actual Experience	184,310	0	184,310
Changes in Assumptions	1,153,166	0	1,153,166
Contributions-Employer	0	2,074,079	(2,074,079)
Contributions-Employees	0	0	0
Net Investment Income	0	4,683,164	(4,683,164)
Benefit Payments, Including Refunds of Employee Contributions	(1,635,261)	(1,635,261)	0
Administrative Expense	0	(43,759)	43,759
Other Changes	0	5,163	(5,163)
Net Changes	\$ 3,902,841	\$ 5,083,386	\$ (1,180,545)
Balance, June 30, 2017	\$ 45,489,005	\$ 46,207,850	\$ (718,845)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	57.47%	\$ 26,142,531	\$ 26,555,651	\$ (413,120)
School Department	42.53%	19,346,474	19,652,199	(305,725)
Total		\$ 45,489,005	\$ 46,207,850	\$ (718,845)

*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 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

Franklin County	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability      \$ 5,227,230    \$ (718,845)    \$ (5,688,618)

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

*Pension Expense or Negative Pension Expense.* For the year ended June 30, 2018, Franklin County recognized pension expense of \$869,628.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, 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	\$ 147,448	\$ 641,292
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	17,546
Changes in Assumptions	922,533	0
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	2,176,005	N/A
Total	\$ 3,245,986	\$ 658,838

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2017,” 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	\$ 1,862,394	\$ 378,634
School Department	1,383,592	280,204
Total	<u>\$ 3,245,986</u>	<u>\$ 658,838</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
2019	\$ (270,251)
2020	463,271
2021	267,396
2022	(49,269)
2023	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 57.47 percent and the non-certified employees of the discretely presented School Department comprise 42.53 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 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. 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, 2018, to the Teacher Retirement Plan were \$101,671, which is 4.01 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, 2018, the School Department reported a liability (asset) of (\$80,604) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the 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, 2017, the School Department's proportion was .305505 percent. The proportion as of June 30, 2016, was .336686 percent.

*Pension Expense.* For the year ended June 30, 2018, the School Department recognized pension expense of \$36,714.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the 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
Difference Between Expected and Actual Experience	\$ 2,825	\$ 6,062
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	4,337
Changes in Assumptions	7,081	0
Changes in Porportion of Net Pension Liability (Asset)	3,452	812
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	<u>101,671</u>	<u>N/A</u>
Total	<u>\$ 115,029</u>	<u>\$ 11,211</u>

The School Department's employer contributions of \$101,671, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2019. 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
2019	\$ (231)
2020	(231)
2021	(479)
2022	(1,595)
2023	450
Thereafter	4,234

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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income Real Estate	5.79	20
	2.01	20
	4.32	10
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 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 16,081	\$ (80,604)	\$ (151,522)

*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 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. 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, 2018, to the Teacher Legacy Pension Plan were \$1,744,155, which is 9.08 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, 2018, the School Department reported a liability (asset) of (\$179,290) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability used to

calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the 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, 2017, the School Department's proportion was .547981 percent. The proportion measured at June 30, 2016, was .538739 percent.

*Pension Expense.* For the year ended June 30, 2018, the School Department recognized pension expense of \$16,521.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the 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>                    </u>	<u>                    </u>
Difference Between Expected and Actual Experience	\$ 108,089	\$ 3,701,500
Changes in Assumptions	1,518,484	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	27,216	0
Changes in Proportion Net Pension Liability (Asset)	127,463	95,973
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017	<u>1,744,155</u>	N/A
Total	<u>\$ 3,525,407</u>	<u>\$ 3,797,473</u>

The School Department's employer contributions of \$1,744,155 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2019. 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
2019	\$ (1,268,465)
2020	565,707
2021	(447,607)
2022	(865,856)
2023	0
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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS

investment policy target asset allocation for each major 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	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	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 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%

Net Pension Liability	\$ 16,087,442	\$ (179,290)	\$ (13,624,816)
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*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 School Department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401 (K) plan and is managed by the employee. The defined contribution portion of the plan requires that the School Department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year the School Department contributed \$101,671 and teachers contributed \$126,676 to this deferred compensation pension plan.

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

Franklin County and the discretely presented Franklin County School Department provide OPEB benefits to its retirees under various OPEB plans. These include OPEB provided through state administered public entity risk pools and commercial health insurance plans. For reporting purposes the plans are considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plans are funded on a pay-as-you-go basis and there are no assets

accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

## **OPEB Provided through State Administered Public Entity Risk Pools**

### **Primary Government**

Retirees of Franklin County and the Franklin County Highway Department (Hwy) are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. The primary government's LGPs are combined for presentation purposes.

The county's total OPEB liability for each plan was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs.* The total OPEB liability in the June 30, 2017, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2017, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.56%
Healthcare Cost Trend Rates	LGP - Based on the Getzen Model, with trend starting at 7.5% for the 2018 calendar year, and gradually decreasing over a 33-year period to an ultimate trend rate of 3.53% with .18% added to approximate the effect of the excise tax
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.56 percent, based on the daily rate of Fidelity's 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2017, actuarial valuation of the TCRS.



Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2017, valuations were the same as those employed in the July 1, 2017, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

*Changes in Assumptions.* The discount rate changed from 2.92 percent as of the beginning of the measurement period to 3.56 percent as of the measurement date of June 30, 2017.

#### **Closed Local Government OPEB Plan (Primary Government)**

*Plan Description.* Employees of Franklin County who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

*Benefits Provided.* Franklin County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the LGP, receives the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Franklin County does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

	Franklin County	Hwy Dept	Total
Inactive Employees or Beneficiaries Currently Receiving Benefits	4	0	4
Inactive Employees Entitled to But Not Yet Receiving Benefits	0	0	0
Active Employees	163	17	180
Total	<u>167</u>	<u>17</u>	<u>184</u>

An insurance committee, created in accordance with *TCA 8-27-701*, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2018, the county paid \$58,655 (Franklin County - \$57,757, Highway Dept - \$898) to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Franklin County	Hwy Dept.	Total OPEB Liability
Balance July 1, 2017	\$ 1,165,288	\$ 275,349	\$ 1,440,637
Changes for the Year:			
Service Cost	\$ 67,834	\$ 15,922	\$ 83,756
Interest	35,144	8,505	43,649
Changes in Benefit Terms	0	0	
Difference between Expected and Actuarial Experience	0	0	0
Changes in Assumption and Other Inputs	(62,243)	(13,043)	(75,286)
Benefit Payments	(59,139)	0	(59,139)
Net Changes	<u>\$ (18,404)</u>	<u>\$ 11,384</u>	<u>\$ (7,020)</u>
Balance June 30, 2018	<u>\$ 1,146,884</u>	<u>\$ 286,733</u>	<u>\$ 1,433,617</u>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the county recognized OPEB expense of \$118,949 (Franklin County - \$96,285, Highway Dept - \$22,664). At June 30, 2018, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience (Franklin County \$0, Hwy \$0)	\$ 0	\$ 0
Changes of Assumptions/Inputs (DI - County \$55,550, Hwy \$11,280)	0	66,830
Net Difference Between Projected and Benefits paid after the measurement date (DO - County \$57,757, Hwy \$3,333)	<u>61,090</u>	<u>0</u>
Total	<u>\$ 61,090</u>	<u>\$ 66,830</u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>County</u>	<u>Hwy</u>	<u>Total Amount</u>
2019	\$ (6,693)	\$ (1,763)	\$ (8,456)
2020	(6,693)	(1,763)	(8,456)
2021	(6,693)	(1,763)	(8,456)
2022	(6,693)	(1,763)	(8,456)
2023	(6,693)	(1,763)	(8,456)
Thereafter	(22,085)	(2,465)	(24,550)

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

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the county calculated using the current discount rate as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 2.56%	Current Discount Rate 3.56%	1% Increase 4.56%
County	\$ 1,245,055	\$ 1,146,884	\$ 1,055,257
Hwy	307,252	286,733	266,870
Total OPEB Liability	<u>\$ 1,552,307</u>	<u>\$ 1,433,617</u>	<u>\$ 1,322,127</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the total OPEB liability of the county calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 6 to 3.77%	Current Trend Rate 7 to 4.77%	1% Increase 8 to 5.77%
County	\$ 1,008,646	\$ 1,146,884	\$ 1,312,885
Hwy	254,822	286,733	323,977
Total OPEB Liability	<u>\$ 1,263,468</u>	<u>\$ 1,433,617</u>	<u>\$ 1,636,862</u>

**Closed Local Education (LEP) OPEB Plan (Discretely Presented School Department)**

*Plan Description.* Employees of the Franklin County School Department who were hired prior to July 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

*Benefits Provided.* The Franklin County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of

choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Franklin County School Department does not provide direct subsidies for retirees. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	30
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	649
Total	<u><u>679</u></u>

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the School Department paid \$305,350 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Franklin County School Department 75.95%	State of TN 24.06%	Total OPEB Liability
Balance July 1, 2017	\$ 8,904,952	\$ 2,819,572	\$ 11,724,524
Changes for the Year:			
Service Cost	524,731	166,145	690,876
Interest	271,888	86,088	357,976
Changes in			
Benefit Terms	0	0	0
Difference Between			
Expected and			
Actuarial Experience	0	0	0
Changes in Assumptions			
and Other Inputs	(414,886)	(131,365)	(546,251)
Benefit Payments	(236,884)	(75,004)	(311,888)
Net Changes	\$ 144,849	\$ 45,864	\$ 190,713
Balance June 30, 2018	\$ 9,049,801	\$ 2,865,436	\$ 11,915,237

The Franklin County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Franklin County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department recognized \$238,108 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department retirees.

During the year, the Franklin County School Department's proportionate share of the collective OPEB liability was 75.95% and the State of Tennessee's share was 24.06%.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the School Department recognized OPEB expense of \$990,115, including the state's share of the expense. At June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	370,274
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employee and Nonemployer Contributors As Benefits Came Due	0	0
Benefits Paid After the Measurement Date	<u>305,350</u>	<u>0</u>
Total	<u>\$ 305,350</u>	<u>\$ 370,274</u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	School Department
2019	\$ (44,612)
2020	(44,612)
2021	(44,612)
2022	(44,612)
2023	(44,612)
Thereafter	(147,214)

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

*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.56%	3.56%	4.56%

Proportionate Share of the Collective Total OPEB Liability	\$ 9,702,566	\$ 9,049,801	\$ 8,424,682
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*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rate	1% Increase
	6.5% to 2.71%	7.5% to 3.71%	8.5% to 4.71%

Proportionate Share of the Collective Total OPEB Liability	\$ 8,031,417	\$ 9,049,801	\$ 10,247,925
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#### **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**

Richard Stewart left the Office of County Mayor on August 31, 2018, and was succeeded by David Alexander.

Lydia Curtis Johnson left the Office of Register of Deeds on August 31, 2018, and was succeeded by Denise Marshall.

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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	2017
<b>Total Pension Liability</b>				
Service Cost	\$ 934,637	\$ 986,760	\$ 1,016,893	\$ 1,063,243
Interest	2,724,212	2,849,313	2,978,769	3,137,383
Changes in Benefit Terms	0	0	0	0
Differences Between Actual and Expected Experience	(714,099)	(717,567)	(352,407)	184,310
Changes in Assumptions	0	0	0	1,153,166
Benefit Payments, Including Refunds of Employee Contributions	(1,326,831)	(1,330,894)	(1,514,230)	(1,635,261)
Net Change in Total Pension Liability	\$ 1,617,919	\$ 1,787,612	\$ 2,129,025	\$ 3,902,841
Total Pension Liability, Beginning	36,051,608	37,669,527	39,457,139	41,586,164
Total Pension Liability, Ending (a)	\$ 37,669,527	\$ 39,457,139	\$ 41,586,164	\$ 45,489,005
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 1,756,198	\$ 1,782,002	\$ 1,863,363	\$ 2,074,079
Contributions - Employee	0	0	0	0
Net Investment Income	5,394,799	1,180,304	1,057,642	4,683,164
Benefit Payments, Including Refunds of Employee Contributions	(1,326,831)	(1,330,894)	(1,514,230)	(1,635,261)
Administrative Expense	(19,389)	(25,333)	(38,726)	(43,759)
Other	0	0	0	5,163
Net Change in Plan Fiduciary Net Position	\$ 5,804,777	\$ 1,606,079	\$ 1,368,049	\$ 5,083,386
Plan Fiduciary Net Position, Beginning	32,345,559	38,150,336	39,756,415	41,124,464
Plan Fiduciary Net Position, Ending (b)	\$ 38,150,336	\$ 39,756,415	\$ 41,124,464	\$ 46,207,850
Net Pension Liability (Asset), Ending (a - b)	\$ (480,809)	\$ (299,276)	\$ 461,700	\$ (718,845)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.28%	100.76%	98.89%	101.58%
Covered Payroll	\$ 13,284,415	\$ 13,520,502	\$ 14,184,250	\$ 14,814,839
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(3.62)%	(2.21)%	3.26%	(4.85)%

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	2018
Actuarially Determined Contribution	\$ 1,756,198	\$ 1,782,002	\$ 1,863,363	\$ 2,074,079	\$ 2,176,005
Less Contributions in Relation to the Actuarially Determined Contribution	(1,756,198)	(1,782,002)	(1,863,363)	(2,074,079)	(2,176,005)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 13,284,415	\$ 13,520,502	\$ 14,184,250	\$ 14,814,839	\$ 15,542,859
Contributions as a Percentage of Covered Payroll	13.22%	13.18%	13.14%	14.00%	14.00%

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	2018
Contractually Required Contribution	\$ 25,890	\$ 59,257	\$ 80,206	\$ 101,671
Less Contributions in Relation to the Contractually Required Contribution	<u>(25,890)</u>	<u>(59,257)</u>	<u>(80,206)</u>	<u>(101,671)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 647,261	\$ 1,481,438	\$ 2,005,148	\$ 2,533,521
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.01%

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	2018
Contractually Required Contribution	\$ 1,861,081	\$ 1,779,184	\$ 1,758,044	\$ 1,751,126	\$ 1,744,155
Less Contributions in Relation to the Contractually Required Contribution	(1,861,081)	(1,779,184)	(1,758,044)	(1,751,126)	(1,744,155)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 20,958,110	\$ 19,681,280	\$ 19,447,359	\$ 19,370,899	\$ 19,208,753
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%

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>	<u>2018</u>
School Department's Proportion of the Net Pension Liability (Asset)	0.305093%	0.336686%	0.305505%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (12,532)	\$ (35,050)	\$ (80,604)
Covered Payroll	\$ 647,261	\$ 1,481,438	\$ 2,005,148
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%

\* 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>	<u>2018</u>
School Department's Proportion of the Net Pension Liability (Asset)	0.533966%	0.525744%	0.538739%	0.547981%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (86,767)	\$ 215,363	\$ 3,366,820	\$ (179,290)
Covered Payroll	\$ 20,958,110	\$ 19,681,280	\$ 19,447,359	\$ 19,370,899
School Department's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%

\* 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 Changes in the Total OPEB Liability and Related Ratios - Local Government Plans  
For the Fiscal Year Ended June 30 \*

**Franklin County Plan**

	<u>2017</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 67,834
Interest	35,144
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(62,243)
Benefit Payments	<u>(59,139)</u>
Net Change in Total OPEB Liability	\$ (18,404)
Total OPEB Liability, Beginning	<u>1,165,288</u>
 Total OPEB Liability, Ending	 <u><u>\$ 1,146,884</u></u>
 Covered Employee Payroll	 \$ 8,053,146
Net OPEB Liability as a Percentage of Covered Employee Payroll	14.24%

**Highway Department Plan**

	<u>2017</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 15,922
Interest	8,505
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(13,043)
Benefit Payments	<u>0</u>
Net Change in Total OPEB Liability	\$ 11,384
Total OPEB Liability, Beginning	<u>275,349</u>
 Total OPEB Liability, Ending	 <u><u>\$ 286,733</u></u>
 Covered Employee Payroll	 \$ 857,370
Net OPEB Liability as a Percentage of Covered Employee Payroll	33.44%

Note 1: ten years of data will be presented when available.

Note 2. Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2016	2.92%
2017	3.56%

Exhibit E-8

Franklin County, Tennessee  
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan  
Discretely Presented Franklin County School Department  
For the Fiscal Year Ended June 30 \*

	<u>2017</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 690,876
Interest	357,976
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(546,251)
Benefit Payments	<u>(311,888)</u>
Net Change in Total OPEB Liability	\$ 190,713
Total OPEB Liability, Beginning	<u>11,724,524</u>
Total OPEB Liability, Ending	<u>\$ 11,915,237</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,865,436
Employer Proportionate Share of the Total OPEB Liability	9,049,801
Covered Employee Payroll	\$ 25,921,354
Net OPEB Liability as a Percentage of Covered Employee Payroll	0

Note 1: ten years of data will be presented when available.

Note 2. Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2016	2.92%
2017	3.56%

**FRANKLIN COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2018**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for fiscal year 2017 were calculated based on the June 30, 2016, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
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,
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, 2018

	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	\$ 3,031	\$ 3,031
Equity in Pooled Cash and Investments	52,185	212,883	470,122	77,558	0	812,748
Accounts Receivable	0	1,593	20,622	0	363	22,578
Due from Other Governments	0	288	0	0	0	288
Property Taxes Receivable	0	309,681	410,746	0	0	720,427
Allowance for Uncollectible Property Taxes	0	(9,041)	(13,363)	0	0	(22,404)
Total Assets	<u>\$ 52,185</u>	<u>\$ 515,404</u>	<u>\$ 888,127</u>	<u>\$ 77,558</u>	<u>\$ 3,394</u>	<u>\$ 1,536,668</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 72	\$ 0	\$ 5	\$ 0	\$ 77
Accrued Payroll	0	3,682	0	0	0	3,682
Due to Other Funds	0	0	0	0	3,394	3,394
Due to State of Tennessee	0	91	0	0	0	91
Due to Litigants, Heirs, and Others	0	0	0	13,490	0	13,490
Total Liabilities	<u>\$ 0</u>	<u>\$ 3,845</u>	<u>\$ 0</u>	<u>\$ 13,495</u>	<u>\$ 3,394</u>	<u>\$ 20,734</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 291,374	\$ 375,303	\$ 0	\$ 0	\$ 666,677
Deferred Delinquent Property Taxes	0	8,895	21,194	0	0	30,089
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 300,269</u>	<u>\$ 396,497</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 696,766</u>

(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	\$ 179,558	\$ 59,948	\$ 0	\$ 239,506
Restricted for Social, Cultural, and Recreational Services	0	176,701	0	0	0	176,701
Restricted for Debt Service	52,185	0	0	0	0	52,185
Committed:						
Committed for Social, Cultural, and Recreational Services	0	24,196	0	0	0	24,196
Assigned:						
Assigned for Public Safety	0	0	312,072	4,115	0	316,187
Assigned for Social, Cultural, and Recreational Services	0	10,393	0	0	0	10,393
Total Fund Balances	<u>\$ 52,185</u>	<u>\$ 211,290</u>	<u>\$ 491,630</u>	<u>\$ 64,063</u>	<u>\$ 0</u>	<u>\$ 819,168</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 52,185</u>	<u>\$ 515,404</u>	<u>\$ 888,127</u>	<u>\$ 77,558</u>	<u>\$ 3,394</u>	<u>\$ 1,536,668</u>

(Continued)

Exhibit F-1

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

	Capital Projects Fund	Total Nonmajor Governmental Funds
<u>ASSETS</u>		
Cash	\$ 0	\$ 3,031
Equity in Pooled Cash and Investments	151,317	964,065
Accounts Receivable	0	22,578
Due from Other Governments	0	288
Property Taxes Receivable	0	720,427
Allowance for Uncollectible Property Taxes	0	(22,404)
	0	(22,404)
Total Assets	\$ 151,317	\$ 1,687,985
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 77
Accrued Payroll	0	3,682
Due to Other Funds	0	3,394
Due to State of Tennessee	0	91
Due to Litigants, Heirs, and Others	0	13,490
Total Liabilities	\$ 0	\$ 20,734
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 0	\$ 666,677
Deferred Delinquent Property Taxes	0	30,089
Total Deferred Inflows of Resources	\$ 0	\$ 696,766

(Continued)



Exhibit F-1

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

FUND BALANCES

	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Restricted:		
Restricted for Public Safety	\$ 0	\$ 239,506
Restricted for Social, Cultural, and Recreational Services	0	176,701
Restricted for Highways/Public Works	151,317	151,317
Restricted for Debt Service	0	52,185
Committed:		
Committed for Social, Cultural, and Recreational Services	0	24,196
Assigned:		
Assigned for Public Safety	0	316,187
Assigned for Social, Cultural, and Recreational Services	0	10,393
Total Fund Balances	<u>\$ 151,317</u>	<u>\$ 970,485</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 151,317</u>	<u>\$ 1,687,985</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, 2018

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Public Library	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	
<u>Revenues</u>						
Local Taxes	\$ 183,843	\$ 316,023	\$ 702,228	\$ 0	\$ 0	\$ 1,202,094
Licenses and Permits	0	1,731	24,134	0	0	25,865
Fines, Forfeitures, and Penalties	0	0	0	31,886	0	31,886
Charges for Current Services	0	11,358	0	35,244	360	46,962
Other Local Revenues	0	1,777	0	4,915	0	6,692
State of Tennessee	0	3,698	0	0	0	3,698
Federal Government	0	1,402	0	12,679	0	14,081
Other Governments and Citizens Groups	0	29,107	0	1,550	0	30,657
<b>Total Revenues</b>	<b>\$ 183,843</b>	<b>\$ 365,096</b>	<b>\$ 726,362</b>	<b>\$ 86,274</b>	<b>\$ 360</b>	<b>\$ 1,361,935</b>
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 0	\$ 360	\$ 360
Public Safety	0	0	489,069	46,272	0	535,341
Social, Cultural, and Recreational Services	0	346,688	0	0	0	346,688
Other Operations	1,815	35,660	0	778	0	38,253
Capital Projects	0	21,522	0	0	0	21,522
<b>Total Expenditures</b>	<b>\$ 1,815</b>	<b>\$ 403,870</b>	<b>\$ 489,069</b>	<b>\$ 47,050</b>	<b>\$ 360</b>	<b>\$ 942,164</b>
<b>Excess (Deficiency) of Revenues</b>						
Over Expenditures	\$ 182,028	\$ (38,774)	\$ 237,293	\$ 39,224	\$ 0	\$ 419,771

(Continued)

Exhibit F-2

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

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Public Library	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (200,000)	\$ (3,000)	\$ 0	\$ 0	\$ 0	(203,000)
Total Other Financing Sources (Uses)	\$ (200,000)	\$ (3,000)	\$ 0	\$ 0	\$ 0	(203,000)
Net Change in Fund Balances	\$ (17,972)	\$ (41,774)	\$ 237,293	\$ 39,224	\$ 0	216,771
Fund Balance, July 1, 2017	70,157	253,064	254,337	24,839	0	602,397
Fund Balance, June 30, 2018	\$ 52,185	\$ 211,290	\$ 491,630	\$ 64,063	\$ 0	819,168

(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>
	Highway Capital Projects	
<u>Revenues</u>		
Local Taxes	\$ 0	\$ 1,202,094
Licenses and Permits	0	25,865
Fines, Forfeitures, and Penalties	0	31,886
Charges for Current Services	0	46,962
Other Local Revenues	103	6,795
State of Tennessee	0	3,698
Federal Government	0	14,081
Other Governments and Citizens Groups	0	30,657
Total Revenues	<u>\$ 103</u>	<u>\$ 1,362,038</u>
<u>Expenditures</u>		
Current:		
Administration of Justice	\$ 0	\$ 360
Public Safety	0	535,341
Social, Cultural, and Recreational Services	0	346,688
Other Operations	1	38,254
Capital Projects	569,492	591,014
Total Expenditures	<u>\$ 569,493</u>	<u>\$ 1,511,657</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (569,390)</u>	<u>\$ (149,619)</u>

(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>	Total Nonmajor Governmental Funds
	Highway Capital Projects	
<u>Other Financing Sources (Uses)</u>		
Transfers Out	\$ 0	\$ (203,000)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (203,000)</u>
Net Change in Fund Balances	\$ (569,390)	\$ (352,619)
Fund Balance, July 1, 2017	720,707	1,323,104
Fund Balance, June 30, 2018	<u>\$ 151,317</u>	<u>\$ 970,485</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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 183,843	\$ 180,000	\$ 181,500	\$ 2,343
Total Revenues	\$ 183,843	\$ 180,000	\$ 181,500	\$ 2,343
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 1,815	\$ 2,000	\$ 2,000	\$ 185
Total Expenditures	\$ 1,815	\$ 2,000	\$ 2,000	\$ 185
Excess (Deficiency) of Revenues Over Expenditures	\$ 182,028	\$ 178,000	\$ 179,500	\$ 2,528
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (200,000)	\$ (200,000)	\$ (200,000)	\$ 0
Total Other Financing Sources	\$ (200,000)	\$ (200,000)	\$ (200,000)	\$ 0
Net Change in Fund Balance	\$ (17,972)	\$ (22,000)	\$ (20,500)	\$ 2,528
Fund Balance, July 1, 2017	70,157	68,297	68,297	1,860
Fund Balance, June 30, 2018	\$ 52,185	\$ 46,297	\$ 47,797	\$ 4,388

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 316,023	\$ 0	\$ 0	\$ 316,023	\$ 321,456	\$ 316,153	\$ (130)
Licenses and Permits	1,731	0	0	1,731	2,075	1,775	(44)
Charges for Current Services	11,358	0	0	11,358	17,250	13,250	(1,892)
Other Local Revenues	1,777	0	0	1,777	19,000	2,200	(423)
State of Tennessee	3,698	0	0	3,698	0	3,698	0
Federal Government	1,402	0	0	1,402	1,966	1,403	(1)
Other Governments and Citizens Groups	29,107	0	0	29,107	30,750	29,650	(543)
Total Revenues	\$ 365,096	\$ 0	\$ 0	\$ 365,096	\$ 392,497	\$ 368,129	\$ (3,033)
<u>Expenditures</u>							
<u>Social, Cultural, and Recreational Services</u>							
Libraries	\$ 346,688	\$ (3,458)	\$ 5,836	\$ 349,066	\$ 374,061	\$ 364,053	\$ 14,987
<u>Other Operations</u>							
Other Charges	35,660	0	287	35,947	39,724	39,724	3,777
<u>Capital Projects</u>							
Social, Cultural, and Recreation Projects	21,522	(21,792)	4,270	4,000	20,000	4,000	0
Total Expenditures	\$ 403,870	\$ (25,250)	\$ 10,393	\$ 389,013	\$ 433,785	\$ 407,777	\$ 18,764
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (38,774)	\$ 25,250	\$ (10,393)	\$ (23,917)	\$ (41,288)	\$ (39,648)	\$ 15,731
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (3,000)	\$ 0	\$ 0	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ 0
Total Other Financing Sources	\$ (3,000)	\$ 0	\$ 0	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ 0
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2017	\$ (41,774)	\$ 25,250	\$ (10,393)	\$ (26,917)	\$ (44,288)	\$ (42,648)	\$ 15,731
	253,064	(25,250)	0	227,814	232,764	232,764	(4,950)
Fund Balance, June 30, 2018	\$ 211,290	\$ 0	\$ (10,393)	\$ 200,897	\$ 188,476	\$ 190,116	\$ 10,781

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 702,228	\$ 0	\$ 0	\$ 702,228	\$ 687,787	\$ 711,823	\$ (9,595)
Licenses and Permits	24,134	0	0	24,134	24,000	24,140	(6)
Other Local Revenues	0	0	0	0	7,500	0	0
<b>Total Revenues</b>	<b>\$ 726,362</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 726,362</b>	<b>\$ 719,287</b>	<b>\$ 735,963</b>	<b>\$ (9,601)</b>
<u>Expenditures</u>							
<u>Public Safety</u>							
Fire Prevention and Control	\$ 489,069	\$ (36,400)	\$ 98,300	\$ 550,969	\$ 552,200	\$ 552,200	\$ 1,231
<b>Total Expenditures</b>	<b>\$ 489,069</b>	<b>\$ (36,400)</b>	<b>\$ 98,300</b>	<b>\$ 550,969</b>	<b>\$ 552,200</b>	<b>\$ 552,200</b>	<b>\$ 1,231</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 237,293	\$ 36,400	\$ (98,300)	\$ 175,393	\$ 167,087	\$ 183,763	\$ (8,370)
Net Change in Fund Balance	\$ 237,293	\$ 36,400	\$ (98,300)	\$ 175,393	\$ 167,087	\$ 183,763	\$ (8,370)
Fund Balance, July 1, 2017	254,337	(36,400)	0	217,937	83,941	83,941	133,996
<b>Fund Balance, June 30, 2018</b>	<b>\$ 491,630</b>	<b>\$ 0</b>	<b>\$ (98,300)</b>	<b>\$ 393,330</b>	<b>\$ 251,028</b>	<b>\$ 267,704</b>	<b>\$ 125,626</b>



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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 31,886	\$ 0	\$ 0	\$ 31,886	\$ 46,500	\$ 40,000	\$ (8,114)
Charges for Current Services	35,244	0	0	35,244	5,000	35,250	(6)
Other Local Revenues	4,915	0	0	4,915	5,200	5,115	(200)
Federal Government	12,679	0	0	12,679	15,000	12,679	0
Other Governments and Citizens Groups	1,550	0	0	1,550	3,000	1,550	0
Total Revenues	<u>\$ 86,274</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 86,274</u>	<u>\$ 74,700</u>	<u>\$ 94,594</u>	<u>\$ (8,320)</u>
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 46,272	\$ (600)	\$ 4,115	\$ 49,787	\$ 75,450	\$ 63,775	\$ 13,988
<u>Other Operations</u>							
Other Charges	778	0	0	778	700	850	72
Total Expenditures	<u>\$ 47,050</u>	<u>\$ (600)</u>	<u>\$ 4,115</u>	<u>\$ 50,565</u>	<u>\$ 76,150</u>	<u>\$ 64,625</u>	<u>\$ 14,060</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 39,224	\$ 600	\$ (4,115)	\$ 35,709	\$ (1,450)	\$ 29,969	\$ 5,740
Net Change in Fund Balance	\$ 39,224	\$ 600	\$ (4,115)	\$ 35,709	\$ (1,450)	\$ 29,969	\$ 5,740
Fund Balance, July 1, 2017	24,839	(600)	0	24,239	24,586	24,586	(347)
Fund Balance, June 30, 2018	<u>\$ 64,063</u>	<u>\$ 0</u>	<u>\$ (4,115)</u>	<u>\$ 59,948</u>	<u>\$ 23,136</u>	<u>\$ 54,555</u>	<u>\$ 5,393</u>

# Major Governmental Funds

## Debt Service Funds

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

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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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,195,806	\$ 2,221,455	\$ 2,198,260	\$ (2,454)
Licenses and Permits	11,551	11,500	11,500	51
Other Local Revenues	77,766	0	48,150	29,616
Total Revenues	<u>\$ 2,285,123</u>	<u>\$ 2,232,955</u>	<u>\$ 2,257,910</u>	<u>\$ 27,213</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,066,077	\$ 1,066,077	\$ 1,066,077	\$ 0
<u>Interest on Debt</u>				
General Government	673,687	543,650	673,688	1
<u>Other Debt Service</u>				
General Government	47,516	47,500	47,595	79
Total Expenditures	<u>\$ 1,787,280</u>	<u>\$ 1,657,227</u>	<u>\$ 1,787,360</u>	<u>\$ 80</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 497,843</u>	<u>\$ 575,728</u>	<u>\$ 470,550</u>	<u>\$ 27,293</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0
Total Other Financing Sources	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 697,843	\$ 775,728	\$ 670,550	\$ 27,293
Fund Balance, July 1, 2017	<u>2,300,960</u>	<u>2,338,272</u>	<u>2,338,272</u>	<u>(37,312)</u>
Fund Balance, June 30, 2018	<u>\$ 2,998,803</u>	<u>\$ 3,114,000</u>	<u>\$ 3,008,822</u>	<u>\$ (10,019)</u>

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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,701,323	\$ 2,595,564	\$ 2,687,937	\$ 13,386
Licenses and Permits	5,984	6,000	6,990	(1,006)
Other Governments and Citizens Groups	73,773	0	73,773	0
Total Revenues	<u>\$ 2,781,080</u>	<u>\$ 2,601,564</u>	<u>\$ 2,768,700</u>	<u>\$ 12,380</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,969,843	\$ 1,705,000	\$ 1,969,843	\$ 0
<u>Interest on Debt</u>				
Education	309,462	292,632	309,462	0
<u>Other Debt Service</u>				
Education	37,908	48,750	40,750	2,842
Total Expenditures	<u>\$ 2,317,213</u>	<u>\$ 2,046,382</u>	<u>\$ 2,320,055</u>	<u>\$ 2,842</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 463,867</u>	<u>\$ 555,182</u>	<u>\$ 448,645</u>	<u>\$ 15,222</u>
Net Change in Fund Balance	\$ 463,867	\$ 555,182	\$ 448,645	\$ 15,222
Fund Balance, July 1, 2017	<u>3,069,938</u>	<u>3,076,714</u>	<u>3,076,714</u>	<u>(6,776)</u>
Fund Balance, June 30, 2018	<u>\$ 3,533,805</u>	<u>\$ 3,631,896</u>	<u>\$ 3,525,359</u>	<u>\$ 8,446</u>

# Fiduciary Funds

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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, 2018

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,283,280	\$ 1,283,280
Due from Other Governments	658,355	0	658,355
Total Assets	<u>\$ 658,355</u>	<u>\$ 1,283,280</u>	<u>\$ 1,941,635</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 658,355	\$ 0	\$ 658,355
Due to Litigants, Heirs, and Others	0	1,283,280	1,283,280
Total Liabilities	<u>\$ 658,355</u>	<u>\$ 1,283,280</u>	<u>\$ 1,941,635</u>

Exhibit H-2

Franklin County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,841,067	\$ 3,841,067	\$ 0
Due from Other Governments	681,892	658,355	681,892	658,355
Total Assets	\$ 681,892	\$ 4,499,422	\$ 4,522,959	\$ 658,355
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 681,892	\$ 4,499,422	\$ 4,522,959	\$ 658,355
Total Liabilities	\$ 681,892	\$ 4,499,422	\$ 4,522,959	\$ 658,355
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,111,135	\$ 8,418,627	\$ 8,246,482	\$ 1,283,280
Total Assets	\$ 1,111,135	\$ 8,418,627	\$ 8,246,482	\$ 1,283,280
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,111,135	\$ 8,418,627	\$ 8,246,482	\$ 1,283,280
Total Liabilities	\$ 1,111,135	\$ 8,418,627	\$ 8,246,482	\$ 1,283,280
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,111,135	\$ 8,418,627	\$ 8,246,482	\$ 1,283,280
Equity in Pooled Cash and Investments	0	3,841,067	3,841,067	0
Due from Other Governments	681,892	658,355	681,892	658,355
Total Assets	\$ 1,793,027	\$ 12,918,049	\$ 12,769,441	\$ 1,941,635
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 681,892	\$ 4,499,422	\$ 4,522,959	\$ 658,355
Due to Litigants, Heirs, and Others	1,111,135	8,418,627	8,246,482	1,283,280
Total Liabilities	\$ 1,793,027	\$ 12,918,049	\$ 12,769,441	\$ 1,941,635

# 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, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 28,087,226	\$ 277,006	\$ 4,003,446	\$ 448,019	\$ (23,358,755)
Support Services	16,617,064	45,061	0	0	(16,572,003)
Operation of Non-instructional Services	5,347,976	885,861	2,851,071	0	(1,611,044)
Interest on Long-term Debt	8,930	0	0	0	(8,930)
<b>Total Governmental Activities</b>	<b>\$ 50,061,196</b>	<b>\$ 1,207,928</b>	<b>\$ 6,854,517</b>	<b>\$ 448,019</b>	<b>\$ (41,550,732)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 10,511,847
Local Option Sales Taxes					4,731,190
Mixed Drink Tax					26,444
Grants and Contributions Not Restricted to Specific Programs					27,516,644
Unrestricted Investment Earnings					21,888
Miscellaneous					147,547
Sale of Equipment					48,952
<b>Total General Revenues</b>					<b>\$ 43,004,512</b>
Change in Net Position					\$ 1,453,780
Restatement for OPEB - See Note I.D.10.					(2,527,254)
Net Position, July 1, 2017					44,488,344
Net Position, June 30, 2018					<b>\$ 43,414,870</b>

Exhibit I-2

Franklin County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Franklin County School Department  
June 30, 2018

	<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	7,388,637	3,142,697	1,734	10,533,068
Accounts Receivable	69,346	2,087	0	71,433
Due from Other Governments	2,076,771	29,038	166,716	2,272,525
Due from Other Funds	154,705	0	0	154,705
Property Taxes Receivable	10,350,064	0	0	10,350,064
Allowance for Uncollectible Property Taxes	(302,159)	0	0	(302,159)
Prepaid Items	1,635	6,208	0	7,843
Total Assets	\$ 19,738,999	\$ 3,181,664	\$ 168,450	\$ 23,089,113
<u>LIABILITIES</u>				
Accounts Payable	\$ 121,728	\$ 0	\$ 0	\$ 121,728
Accrued Payroll	113,703	2,056	3,586	119,345
Due to Other Funds	0	0	154,705	154,705
Total Liabilities	\$ 235,431	\$ 2,056	\$ 158,291	\$ 395,778
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 9,738,191	\$ 0	\$ 0	\$ 9,738,191
Deferred Delinquent Property Taxes	297,284	0	0	297,284
Other Deferred/Unavailable Revenue	410,000	0	0	410,000
Total Deferred Inflows of Resources	\$ 10,445,475	\$ 0	\$ 0	\$ 10,445,475

(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	\$ 1,635	\$ 6,208	\$ 0	\$ 7,843
Restricted:				
Restricted for Education	778,039	2,503,233	159	3,281,431
Committed:				
Committed for Education	2,098,369	0	10,000	2,108,369
Assigned:				
Assigned for Education	921,350	670,167	0	1,591,517
Unassigned	5,258,700	0	0	5,258,700
Total Fund Balances	<u>\$ 9,058,093</u>	<u>\$ 3,179,608</u>	<u>\$ 10,159</u>	<u>\$ 12,247,860</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,738,999</u>	<u>\$ 3,181,664</u>	<u>\$ 168,450</u>	<u>\$ 23,089,113</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, 2018

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)		\$ 12,247,860
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 5,439,259	
Add: buildings and improvements net of accumulated depreciation	30,146,647	
Add: other capital assets net of accumulated depreciation	<u>2,820,578</u>	38,406,484
(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	\$ (139,184)	
Less: compensated absences payable	(193,606)	
Less: OPEB Obligation	<u>(9,049,801)</u>	(9,382,591)
(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	\$ 5,024,026	
Less: deferred inflows of resources related to pensions	(4,088,888)	
Add: deferred outflows of resources related to OPEB	305,350	
Less: deferred inflows of resources related to OPEB	<u>(370,274)</u>	870,214
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension assets - agent plan	\$ 305,725	
Add: net pension assets - cost-sharing plans	<u>259,894</u>	565,619
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>707,284</u>
Net position of governmental activities (Exhibit A)		<u>\$ 43,414,870</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, 2018

	Major Funds		Nonmajor	Total
	General Purpose School	Central Cafeteria	Fund School Federal Projects	
<u>Revenues</u>				
Local Taxes	\$ 15,299,046	\$ 0	\$ 0	\$ 15,299,046
Licenses and Permits	60,731	0	0	60,731
Charges for Current Services	279,630	885,861	0	1,165,491
Other Local Revenues	374,419	12,395	0	386,814
State of Tennessee	28,304,225	28,475	0	28,332,700
Federal Government	360,425	2,329,495	3,391,973	6,081,893
<b>Total Revenues</b>	<b>\$ 44,678,476</b>	<b>\$ 3,256,226</b>	<b>\$ 3,391,973</b>	<b>\$ 51,326,675</b>
<u>Expenditures</u>				
Current:				
Instruction	\$ 26,121,144	\$ 0	\$ 2,086,599	\$ 28,207,743
Support Services	15,689,441	0	1,302,564	16,992,005
Operation of Non-Instructional Services	1,998,061	3,188,081	1,804	5,187,946
Capital Outlay	33,925	0	0	33,925
Debt Service:				
Principal on Debt	64,843	0	0	64,843
Interest on Debt	8,930	0	0	8,930
<b>Total Expenditures</b>	<b>\$ 43,916,344</b>	<b>\$ 3,188,081</b>	<b>\$ 3,390,967</b>	<b>\$ 50,495,392</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 762,132	\$ 68,145	\$ 1,006	\$ 831,283
Net Change in Fund Balances	\$ 762,132	\$ 68,145	\$ 1,006	\$ 831,283
Fund Balance, July 1, 2017	8,295,961	3,111,463	9,153	11,416,577
Fund Balance, June 30, 2018	\$ 9,058,093	\$ 3,179,608	\$ 10,159	\$ 12,247,860

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, 2018

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)		\$	831,283
(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	\$	615,192	
Less: current-year depreciation expense		<u>(1,912,976)</u>	(1,297,784)
(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			(97,165)
(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, 2018	\$	707,284	
Less: deferred delinquent property taxes and other deferred June 30, 2017		<u>(657,807)</u>	49,477
(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			64,843
(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	\$	(4,762)	
Change in OPEB Obligation (net of restatement)		(144,849)	
Change in deferred outflows related to OPEB (net of restatement)		68,466	
Change in deferred inflows related to OPEB		(370,274)	
Change in net pension liability - agent plan		511,551	
Change in net pension liability - teacher retirement plans		3,591,664	
Change in deferred outflows related to pensions		(2,313,732)	
Change in deferred inflows related to pensions		<u>565,062</u>	<u>1,903,126</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 1,453,780</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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 15,299,046	\$ 0	\$ 0	\$ 15,299,046	\$ 15,368,760	\$ 15,362,760	\$ (63,714)
Licenses and Permits	60,731	0	0	60,731	52,625	58,625	2,106
Charges for Current Services	279,630	0	0	279,630	284,647	289,647	(10,017)
Other Local Revenues	374,419	0	0	374,419	279,741	418,824	(44,405)
State of Tennessee	28,304,225	0	0	28,304,225	27,739,364	28,331,450	(27,225)
Federal Government	360,425	0	0	360,425	114,356	431,619	(71,194)
<b>Total Revenues</b>	<b>\$ 44,678,476</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 44,678,476</b>	<b>\$ 43,839,493</b>	<b>\$ 44,892,925</b>	<b>\$ (214,449)</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 20,010,185	\$ (280,868)	\$ 480,951	\$ 20,210,268	\$ 21,234,365	\$ 21,091,274	\$ 881,006
Alternative Instruction Program	192,884	0	321	193,205	202,521	205,323	12,118
Special Education Program	3,974,851	(125)	0	3,974,726	4,067,593	4,071,603	96,877
Career and Technical Education Program	1,503,191	(6,915)	288	1,496,564	1,276,629	1,540,748	44,184
Student Body Education Program	440,033	(5,045)	29,246	464,234	428,522	517,808	53,574
<u>Support Services</u>							
Attendance	157,744	0	0	157,744	166,117	166,117	8,373
Health Services	738,962	(7,370)	0	731,592	740,849	740,849	9,257
Other Student Support	1,406,444	(13,267)	0	1,393,177	1,526,032	1,438,748	45,571
Regular Instruction Program	1,278,748	(12,349)	2,387	1,268,786	1,323,824	1,381,552	112,766
Special Education Program	64,303	(200)	0	64,103	114,170	110,160	46,057
Career and Technical Education Program	38,621	(350)	281	38,552	38,211	41,411	2,859
Technology	755,648	(36,098)	22,560	742,110	701,434	784,816	42,706
Other Programs	182,000	0	0	182,000	0	182,000	0
Board of Education	1,101,541	(1,224)	4,735	1,105,052	1,172,165	1,171,843	66,791
Director of Schools	272,176	(538)	1,319	272,957	505,790	533,500	260,543
Office of the Principal	2,389,957	0	0	2,389,957	2,416,948	2,416,948	26,991
Fiscal Services	11,561	0	0	11,561	11,561	11,561	0
Human Services/Personnel	235,767	(1,404)	1,125	235,488	242,391	242,391	6,903

(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 7/1/2017	Add: Encumbrances 6/30/2018	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	\$ 3,409,820	\$ (27,152)	\$ 863	\$ 3,383,531	\$ 3,526,507	\$ 3,540,507	\$ 156,976
Maintenance of Plant	1,250,980	(21,849)	53,709	1,282,840	1,331,476	1,381,485	98,645
Transportation	2,241,115	(8,586)	101,644	2,334,173	2,398,815	2,402,515	68,342
Central and Other	154,054	0	0	154,054	171,701	171,701	17,647
<u>Operation of Non-Instructional Services</u>							
Community Services	725,740	0	0	725,740	498,753	951,264	225,524
Early Childhood Education	1,272,321	(9,468)	5,823	1,268,676	1,284,232	1,269,108	432
<u>Capital Outlay</u>							
Regular Capital Outlay	33,925	(67,876)	216,098	182,147	100,000	410,130	227,983
<u>Principal on Debt</u>							
Education	64,843	0	0	64,843	64,843	64,843	0
<u>Interest on Debt</u>							
Education	8,930	0	0	8,930	8,931	8,931	1
Total Expenditures	\$ 43,916,344	\$ (500,684)	\$ 921,350	\$ 44,337,010	\$ 45,554,380	\$ 46,849,136	\$ 2,512,126
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 762,132	\$ 500,684	\$ (921,350)	\$ 341,466	\$ (1,714,887)	\$ (1,956,211)	\$ 2,297,677
Net Change in Fund Balance							
Fund Balance, July 1, 2017	\$ 8,295,961	(500,684)	0	7,795,277	7,416,618	7,416,618	378,659
Fund Balance, June 30, 2018	\$ 9,058,093	0	(921,350)	8,136,743	5,701,731	5,460,407	2,676,336



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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 3,391,973	\$ 0	\$ 3,391,973	\$ 3,287,334	\$ 3,733,365	\$ (341,392)
Total Revenues	\$ 3,391,973	\$ 0	\$ 3,391,973	\$ 3,287,334	\$ 3,733,365	\$ (341,392)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,296,997	\$ (855)	\$ 1,296,142	\$ 1,243,718	\$ 1,362,626	\$ 66,484
Special Education Program	664,176	0	664,176	694,004	697,474	33,298
Career and Technical Education Program	125,426	0	125,426	122,316	125,426	0
<u>Support Services</u>						
Health Services	70,309	0	70,309	56,978	70,428	119
Other Student Support	55,560	0	55,560	74,364	233,727	178,167
Regular Instruction Program	362,429	(163)	362,266	367,435	396,561	34,295
Special Education Program	552,476	0	552,476	493,810	581,304	28,828
Transportation	261,790	0	261,790	232,754	263,862	2,072
<u>Operation of Non-Instructional Services</u>						
Food Service	1,804	0	1,804	1,958	1,959	155
Total Expenditures	\$ 3,390,967	\$ (1,018)	\$ 3,389,949	\$ 3,287,337	\$ 3,733,367	\$ 343,418
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,006	\$ 1,018	\$ 2,024	\$ (3)	\$ (2)	\$ 2,026
Net Change in Fund Balance	\$ 1,006	\$ 1,018	\$ 2,024	\$ (3)	\$ (2)	\$ 2,026
Fund Balance, July 1, 2017	9,153	(1,018)	8,135	10,438	10,438	(2,303)
Fund Balance, June 30, 2018	\$ 10,159	\$ 0	\$ 10,159	\$ 10,435	\$ 10,436	\$ (277)

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 885,861	\$ 0	\$ 0	\$ 885,861	\$ 1,035,779	\$ 1,035,779	\$ (149,918)
Other Local Revenues	12,395	0	0	12,395	8,700	8,700	3,695
State of Tennessee	28,475	0	0	28,475	32,754	32,754	(4,279)
Federal Government	2,329,495	0	0	2,329,495	2,291,703	2,388,225	(58,730)
<b>Total Revenues</b>	<b>\$ 3,256,226</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,256,226</b>	<b>\$ 3,368,936</b>	<b>\$ 3,465,458</b>	<b>\$ (209,232)</b>
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 3,188,081	\$ (51,010)	\$ 670,167	\$ 3,807,238	\$ 3,565,835	\$ 4,312,357	\$ 505,119
<b>Total Expenditures</b>	<b>\$ 3,188,081</b>	<b>\$ (51,010)</b>	<b>\$ 670,167</b>	<b>\$ 3,807,238</b>	<b>\$ 3,565,835</b>	<b>\$ 4,312,357</b>	<b>\$ 505,119</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 68,145	\$ 51,010	\$ (670,167)	\$ (551,012)	\$ (196,899)	\$ (846,899)	\$ 295,887
Net Change in Fund Balance	\$ 68,145	\$ 51,010	\$ (670,167)	\$ (551,012)	\$ (196,899)	\$ (846,899)	\$ 295,887
Fund Balance, July 1, 2017	3,111,463	(51,010)	0	3,060,453	2,933,494	2,933,494	126,959
<b>Fund Balance, June 30, 2018</b>	<b>\$ 3,179,608</b>	<b>\$ 0</b>	<b>\$ (670,167)</b>	<b>\$ 2,509,441</b>	<b>\$ 2,736,595</b>	<b>\$ 2,086,595</b>	<b>\$ 422,846</b>

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Franklin County, Tennessee  
 Schedule of Changes in Long-term Bonds, Notes, and Capital Leases  
 For the Year Ended June 30, 2018

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-17	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-18
<b>BONDS PAYABLE</b>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Improvements, Series 2017	\$ 8,190,000	2 to 5 %	6-27-17	6-1-38	\$ 8,190,000	\$ 0	\$ 0	\$ 8,190,000
General Obligation Improvements, Series 2017	7,200,000	2.59	12-27-17	6-1-33	0	7,200,000	0	7,200,000
Refunding Bonds, Series 2017	4,160,000	2 to 5	6-27-17	6-1-38	4,160,000	0	500,000	3,660,000
Total Payable through General Debt Service Fund					<u>\$ 12,350,000</u>	<u>\$ 7,200,000</u>	<u>\$ 500,000</u>	<u>\$ 19,050,000</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	\$ 200,000	\$ 0	\$ 200,000	\$ 0
School Refunding Bonds, Series 2009	15,205,000	2 to 3.75	6-15-09	3-1-21	6,025,000	0	1,425,000	4,600,000
School Refunding Bonds, Series 2014	2,220,000	1.23 to 2	6-7-13	6-1-21	1,130,000	0	280,000	850,000
School Refunding Bonds, Series 2017	1,265,000	2 to 5	6-27-17	6-1-38	1,265,000	0	0	1,265,000
Total Payable through Education Debt Service Fund					<u>\$ 8,620,000</u>	<u>\$ 0</u>	<u>\$ 1,905,000</u>	<u>\$ 6,715,000</u>
Total Bonds Payable					<u>\$ 20,970,000</u>	<u>\$ 7,200,000</u>	<u>\$ 2,405,000</u>	<u>\$ 25,765,000</u>
<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	\$ 394,279	\$ 0	\$ 72,930	\$ 321,349
Solid Waste/Highway Equipment	450,000	2.63	1-9-14	1-9-21	257,130	0	64,290	192,840
Highway and Road Improvements	2,000,000	2.33	1-6-15	4-1-22	1,428,000	0	286,000	1,142,000
Highway Capital Road Projects	1,000,000	2.33	5-11-15	4-1-22	714,285	0	142,857	571,428
Total Payable through General Debt Service Fund					<u>\$ 2,793,694</u>	<u>\$ 0</u>	<u>\$ 566,077</u>	<u>\$ 2,227,617</u>
<u>Payable through Highway/Public Works Fund</u>								
Quarry Land	177,000	4.875	11-10-11	2-1-23	\$ 97,437	\$ 0	\$ 14,371	\$ 83,066
Total Payable through Highway/Public Works Fund					<u>\$ 97,437</u>	<u>\$ 0</u>	<u>\$ 14,371</u>	<u>\$ 83,066</u>
Total Notes Payable					<u>\$ 2,891,131</u>	<u>\$ 0</u>	<u>\$ 580,448</u>	<u>\$ 2,310,683</u>

(Continued)

Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-17	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-18
<u>CAPITAL LEASES</u>								
<u>Payable through General Fund</u>								
Energy Efficiency Lighting System	\$ 308,473	4.75 %	1-3-11	1-3-18	\$ 50,509	\$ 0	\$ 50,509	\$ 0
Total Payable through General Fund					<u>\$ 50,509</u>	<u>\$ 0</u>	<u>\$ 50,509</u>	<u>\$ 0</u>
<u>Contributions Due by the School Department from the General Purpose School Fund to the Education Debt Service Fund</u>								
Energy Efficient Lighting (Excel)	581,879	5	10-1-10	4-1-20	\$ 204,027	\$ 0	\$ 64,843	\$ 139,184
Total Contributions Due by the School Department from the General Purpose School Fund to the Education Debt Service Fund					<u>\$ 204,027</u>	<u>\$ 0</u>	<u>\$ 64,843</u>	<u>\$ 139,184</u>
Total Capital Leases					<u>\$ 254,536</u>	<u>\$ 0</u>	<u>\$ 115,352</u>	<u>\$ 139,184</u>

Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 2,560,000	\$ 1,036,544	\$ 3,596,544
2020	3,335,000	920,493	4,255,493
2021	3,440,000	782,331	4,222,331
2022	1,625,000	637,506	2,262,506
2023	1,685,000	555,006	2,240,006
2024	1,265,000	469,506	1,734,506
2025	1,075,000	405,006	1,480,006
2026	1,130,000	350,006	1,480,006
2027	1,180,000	298,656	1,478,656
2028	1,240,000	245,306	1,485,306
2029	1,285,000	209,106	1,494,106
2030	1,320,000	164,606	1,484,606
2031	1,370,000	118,356	1,488,356
2032	1,410,000	76,656	1,486,656
2033	1,450,000	33,757	1,483,757
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	<u>\$ 25,765,000</u>	<u>\$ 6,340,376</u>	<u>\$ 32,105,376</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2019	\$ 584,689	\$ 62,090	\$ 646,779
2020	589,111	46,129	635,240
2021	592,761	29,907	622,668
2022	525,890	13,494	539,384
2023	18,232	889	19,121
Total	<u>\$ 2,310,683</u>	<u>\$ 152,509</u>	<u>\$ 2,463,192</u>

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2019	\$ 67,959	\$ 5,814	\$ 73,773
2020	71,225	2,547	73,772
Total	<u>\$ 139,184</u>	<u>\$ 8,361</u>	<u>\$ 147,545</u>

Exhibit J-3

Franklin County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2018

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Courthouse and Jail Maintenance	General Debt Service	Debt payments	\$ 200,000
Public Library	General	Reimbursement	3,000
Solid Waste/Sanitation	"	"	48,803
Highway/Public Works	"	"	53,803
General	Other Capital Projects	Technical School	<u>1,000,000</u>
Total Transfers			<u>\$ 1,305,606</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, 2018

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 86,941	\$ 100,000	Western Surety Company
Superintendent of Highways	Section 8-24-102, <i>TCA</i> and County Commission	82,802 (1)	100,000	Western Surety Company
Director of Schools	State Board of Education and Franklin County Board of Education	108,372 (2)	(6)	Tennessee Risk Management Trust
Finance Director	County Commission	68,068 (3)	(6)	Tennessee Risk Management Trust
Trustee	Section 8-24-102, <i>TCA</i>	75,274	1,636,276	Auto-Owners Mutual Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	75,274	(6)	Tennessee Risk Management Trust
County Clerk	Section 8-24-102, <i>TCA</i>	75,274	100,000	RLI Insurance Company
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	75,274	100,000	RLI Insurance Company
Clerk and Master	Section 8-24-102, <i>TCA</i> , Chancery Court Judge, and County Commission	75,274 (4)	(6)	Tennessee Risk Management Trust
Register of Deeds	Section 8-24-102, <i>TCA</i>	75,274	100,000	Western Surety Company
Sheriff	Section 8-24-102, <i>TCA</i>	82,802 (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.
- (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 \$766.80 for one week deputy pay, and \$3,095.96 vacation pay out earned before becoming Clerk and Master on July 1, 2017, and special commissioner fees of \$360.
- (5) Does not include a law enforcement training supplement of \$1,200.
- (6) Officials do not have individual bonds. They are covered under the \$400,000 public employee dishonesty policy.



Exhibit J-5

Franklin County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2018

	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	\$ 8,707,038	\$ 0	\$ 297,959	\$ 1,641,012	\$ 384,016	\$ 0
Trustee's Collections - Prior Year	175,320	0	5,999	33,902	7,196	0
Trustee's Collections - Bankruptcy	2,216	0	75	418	163	0
Circuit Clerk/Clerk and Master Collections - Prior Years	185,632	0	6,358	39,506	8,729	0
Interest and Penalty	37,798	0	1,295	7,517	1,662	0
Payments in-Lieu-of Taxes - T.V.A.	3,472	0	118	930	283	0
Payments in-Lieu-of Taxes - Local Utilities	28,599	0	979	0	0	0
Payments in-Lieu-of Taxes - Other	29,260	0	1,000	2,940	895	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	293,936	0
Litigation Tax - General	158,214	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	183,843	0	0	0	0
Business Tax	454,840	0	0	0	0	0
Mixed Drink Tax	22,057	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	65,628	0	2,240	17,570	5,348	0
Wholesale Beer Tax	213,315	0	0	0	0	0
Interstate Telecommunications Tax	61,778	0	0	0	0	0
Other Statutory Local Taxes	528	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 10,145,695</b>	<b>\$ 183,843</b>	<b>\$ 316,023</b>	<b>\$ 1,743,795</b>	<b>\$ 702,228</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	\$ 50,722	\$ 0	\$ 1,731	\$ 13,580	\$ 4,134	\$ 0
<u>Permits</u>						
Beer Permits	3,560	0	0	0	0	0
Building Permits	31,345	0	0	0	20,000	0
Other Permits	15,405	0	0	0	0	0
Total Licenses and Permits	\$ 101,032	\$ 0	\$ 1,731	\$ 13,580	\$ 24,134	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 3,077	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	31,245	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	2,835
Drug Court Fees	1,992	0	0	0	0	0
Jail Fees	8,287	0	0	0	0	0
DUI Treatment Fines	1,432	0	0	0	0	0
Data Entry Fee - Circuit Court	3,357	0	0	0	0	0
Courtroom Security Fee	105	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	13,294	0	0	0	0	0
Fines for Littering	49	0	0	0	0	0
Officers Costs	64,780	0	0	0	0	0
Game and Fish Fines	1,894	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	7,430
Drug Court Fees	9,435	0	0	0	0	0
Jail Fees	21,957	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	\$ 9,768	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Entry Fee - General Sessions Court	13,285	0	0	0	0	0
Courtroom Security Fee	1,369	0	0	0	0	0
Victims Assistance Assessments	84	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	910	0	0	0	0	0
Officers Costs	6,073	0	0	0	0	0
Data Entry Fee - Juvenile Court	2,251	0	0	0	0	0
Courtroom Security Fee	2	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	608	0	0	0	0	0
Data Entry Fee - Chancery Court	3,034	0	0	0	0	0
<u>Other Courts - In-county</u>						
Drug Court Fees	5,445	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	21,621
Other Fines, Forfeitures, and Penalties	1,415	0	0	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 205,148</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>31,886</b>
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 24,300	\$ 0	0
Transfer Waste Stations Collection Charge	0	0	0	11,000	0	0
Tipping Fees	0	0	0	34,311	0	0
Solid Waste Disposal Fee	0	0	0	9,476	0	0
Other General Service Charges	66,692	0	11,358	0	0	35,244

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>Charges for Current Services (Cont.)</u>						
<u>Fees</u>						
Copy Fees	\$ 48	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Telephone Commissions	88,697	0	0	0	0	0
Vending Machine Collections	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	15,678	0	0	0	0	0
Probation Fees	229,102	0	0	0	0	0
Data Processing Fee - Sheriff	3,944	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	7,800	0	0	0	0	0
Data Processing Fee - County Clerk	2,474	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	185	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 414,620</b>	<b>\$ 0</b>	<b>\$ 11,358</b>	<b>\$ 79,087</b>	<b>\$ 0</b>	<b>\$ 35,244</b>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 645	\$ 75,000	\$ 0	\$ 0
Lease/Rentals	30,072	0	0	0	0	0
Commissary Sales	11,542	0	0	0	0	0
Sale of Maps	100	0	0	0	0	0
Sale of Recycled Materials	0	0	0	199,059	0	0
Miscellaneous Refunds	19,322	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	0
Sale of Property	98	0	0	0	0	4,915
Contributions and Gifts	600	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>Other Local Revenues (Cont.)</u>						
<u>Other Local Revenues</u>						
Other Local Revenues	\$ 46,949	\$ 0	\$ 1,132	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 108,683	\$ 0	\$ 1,777	\$ 274,059	\$ 0	\$ 4,915
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 375,264	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	222,931	0	0	0	0	0
General Sessions Court Clerk	292,780	0	0	0	0	0
Clerk and Master	135,302	0	0	0	0	0
Juvenile Court Clerk	44,260	0	0	0	0	0
Register	205,302	0	0	0	0	0
Sheriff	21,426	0	0	0	0	0
Trustee	749,955	0	0	0	0	0
Total Fees Received From County Officials	\$ 2,047,220	\$ 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	21,788	0	0
Other General Government Grants	10,421	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	24,600	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	123,308	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>Public Works Grants</u>						
Bridge Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Litter Program	24,550	0	0	0	0	0
Tennessee Industrial Infrastructure Program	216,430	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	169,411	0	0	0	0	0
Beer Tax	17,839	0	0	0	0	0
Vehicle Certificate of Title Fees	10,194	0	0	0	0	0
Alcoholic Beverage Tax	91,132	0	0	0	0	0
State Revenue Sharing - T.V.A.	1,070,924	0	0	0	0	0
State Revenue Sharing - Telecommunications	8,179	0	0	0	0	0
Contracted Prisoner Boarding	725,964	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	41,218	0	3,698	108,230	0	0
Other State Revenues	1,905	0	0	0	0	0
Total State of Tennessee	\$ 2,560,239	\$ 0	\$ 3,698	\$ 130,018	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 73,849	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	38,850	0	0	0	0	0
Homeland Security Grants	17,707	0	0	0	0	0
Other Federal through State	250,266	0	1,402	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>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Forest Service	\$ 11,049	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Direct Federal Revenue	273,983	0	0	0	0	12,679
Total Federal Government	<u>\$ 665,704</u>	<u>\$ 0</u>	<u>\$ 1,402</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>12,679</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 195,869	\$ 0	\$ 28,750	\$ 0	\$ 0	1,250
<u>Citizens Groups</u>						
Donations	40,405	0	357	0	0	300
<u>Other</u>						
Other	68,291	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 304,565</u>	<u>\$ 0</u>	<u>\$ 29,107</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>1,550</u>
Total	<u>\$ 16,552,906</u>	<u>\$ 183,843</u>	<u>\$ 365,096</u>	<u>\$ 2,240,539</u>	<u>\$ 726,362</u>	<u>\$ 86,274</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 Funds
	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	\$ 602,631	\$ 1,981,307	\$ 1,027,064	\$ 0
Trustee's Collections - Prior Year	0	12,143	39,922	20,694	0
Trustee's Collections - Bankruptcy	0	134	340	377	0
Circuit Clerk/Clerk and Master Collections - Prior Years	0	12,864	42,330	21,933	0
Interest and Penalty	0	2,603	8,490	4,554	0
Payments in-Lieu-of Taxes - T.V.A.	0	240	791	410	0
Payments in-Lieu-of Taxes - Local Utilities	0	1,980	6,510	3,374	0
Payments in-Lieu-of Taxes - Other	0	2,025	6,662	752,982	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	862,192	0
Hotel/Motel Tax	0	0	0	0	0
Litigation Tax - General	0	0	94,510	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	0	0	0	0	0
Mixed Drink Tax	0	0	0	0	0
Mineral Severance Tax	0	63,679	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	4,537	14,944	7,743	0
Wholesale Beer Tax	0	0	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0
Other Statutory Local Taxes	0	0	0	0	0
Total Local Taxes	\$ 0	\$ 702,836	\$ 2,195,806	\$ 2,701,323	\$ 0

(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 Projects Funds</u>
	<u>Constitu -</u>	<u>Highway /</u>	<u>General</u>	<u>Education</u>	<u>Highway</u>
	<u>Officers -</u>	<u>Public</u>	<u>Debt</u>	<u>Debt</u>	<u>Capital</u>
	<u>Fees</u>	<u>Works</u>	<u>Service</u>	<u>Service</u>	<u>Projects</u>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 3,507	\$ 11,551	\$ 5,984	\$ 0
<u>Permits</u>					
Beer Permits	0	0	0	0	0
Building Permits	0	0	0	0	0
Other Permits	0	0	0	0	0
Total Licenses and Permits	\$ 0	\$ 3,507	\$ 11,551	\$ 5,984	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	0	0	0	0	0
Drug Control Fines	0	0	0	0	0
Drug Court Fees	0	0	0	0	0
Jail Fees	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
<u>General Sessions Court</u>					
Fines	0	0	0	0	0
Fines for Littering	0	0	0	0	0
Officers Costs	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0
Drug Control Fines	0	0	0	0	0
Drug Court Fees	0	0	0	0	0
Jail Fees	0	0	0	0	0

(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>Projects</u> <u>Funds</u>
	<u>Constitu -</u> <u>tional</u> <u>Officers -</u> <u>Fees</u>	<u>Highway /</u> <u>Public</u> <u>Works</u>	<u>General</u> <u>Debt</u> <u>Service</u>	<u>Education</u> <u>Debt</u> <u>Service</u>	<u>Highway</u> <u>Capital</u> <u>Projects</u>
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
DUI Treatment Fines	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Entry Fee - General Sessions Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0
<u>Juvenile Court</u>					
Fines	0	0	0	0	0
Officers Costs	0	0	0	0	0
Data Entry Fee - Juvenile Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	0
<u>Other Courts - In-county</u>					
Drug Court Fees	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	0
Transfer Waste Stations Collection Charge	0	0	0	0	0
Tipping Fees	0	0	0	0	0
Solid Waste Disposal Fee	0	0	0	0	0
Other General Service Charges	0	17,095	0	0	0

(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</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>Projects</u>
<u>Charges for Current Services (Cont.)</u>					
<u>Fees</u>					
Copy Fees	\$ 0	\$ 0	\$ 0	\$ 0	0
Telephone Commissions	0	0	0	0	0
Vending Machine Collections	0	62	0	0	0
Special Commissioner Fees/Special Master Fees	360	0	0	0	0
Data Processing Fee - Register	0	0	0	0	0
Probation Fees	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0
Data Processing Fee - County Clerk	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	0
Total Charges for Current Services	\$ 360	\$ 17,157	\$ 0	\$ 0	0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 77,116	\$ 0	103
Lease/Rentals	0	0	0	0	0
Commissary Sales	0	0	0	0	0
Sale of Maps	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0
Miscellaneous Refunds	0	5,569	650	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	0	14,200	0	0	0
Sale of Property	0	0	0	0	0
Contributions and Gifts	0	0	0	0	0

(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 Projects Funds</u>
	<u>Constitu -</u>	<u>Highway /</u>	<u>General</u>	<u>Education</u>	<u>Highway</u>
	<u>Officers -</u>	<u>Public</u>	<u>Debt</u>	<u>Debt</u>	<u>Capital</u>
	<u>Fees</u>	<u>Works</u>	<u>Service</u>	<u>Service</u>	<u>Projects</u>
<u>Other Local Revenues (Cont.)</u>					
<u>Other Local Revenues</u>					
Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 0	\$ 19,769	\$ 77,766	\$ 0	\$ 103
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0
Clerk and Master	0	0	0	0	0
Juvenile Court Clerk	0	0	0	0	0
Register	0	0	0	0	0
Sheriff	0	0	0	0	0
Trustee	0	0	0	0	0
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	0	0	0	0
Other General Government Grants	0	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	0

(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</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>Funds</u>
					<u>Projects</u>
<u>State of Tennessee (Cont.)</u>					
<u>Public Works Grants</u>					
Bridge Program	\$ 0	\$ 38,667	\$ 0	\$ 0	\$ 0
Litter Program	0	0	0	0	0
Tennessee Industrial Infrastructure Program	0	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	0
Beer Tax	0	0	0	0	0
Vehicle Certificate of Title Fees	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0
State Revenue Sharing - Telecommunications	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	2,464,496	0	0	0
Petroleum Special Tax	0	29,621	0	0	0
Registrar's Salary Supplement	0	0	0	0	0
Other State Grants	0	0	0	0	0
Other State Revenues	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 2,532,784	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	0	0	0	0	0
Homeland Security Grants	0	0	0	0	0
Other Federal through State	0	0	0	0	0

(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 Projects Funds</u>
	<u>Constitu -</u>	<u>Highway /</u>	<u>General</u>	<u>Education</u>	<u>Highway</u>
	<u>Officers -</u>	<u>Public</u>	<u>Debt</u>	<u>Debt</u>	<u>Capital</u>
	<u>Fees</u>	<u>Works</u>	<u>Service</u>	<u>Service</u>	<u>Projects</u>
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
Forest Service	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Direct Federal Revenue	0	0	0	0	0
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 17,667	\$ 0	\$ 73,773	\$ 0
<u>Citizens Groups</u>					
Donations	0	0	0	0	0
<u>Other</u>					
Other	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 17,667</u>	<u>\$ 0</u>	<u>\$ 73,773</u>	<u>\$ 0</u>
Total	<u>\$ 360</u>	<u>\$ 3,293,720</u>	<u>\$ 2,285,123</u>	<u>\$ 2,781,080</u>	<u>\$ 103</u>

(Continued)

Exhibit J-5

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

	Capital Projects Fund	Other Capital Projects -	Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 0	\$	14,641,027
Trustee's Collections - Prior Year	0		295,176
Trustee's Collections - Bankruptcy	0		3,723
Circuit Clerk/Clerk and Master Collections - Prior Years	0		317,352
Interest and Penalty	0		63,919
Payments in-Lieu-of Taxes - T.V.A.	0		6,244
Payments in-Lieu-of Taxes - Local Utilities	0		41,442
Payments in-Lieu-of Taxes - Other	0		795,764
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0		862,192
Hotel/Motel Tax	0		293,936
Litigation Tax - General	0		252,724
Litigation Tax - Jail, Workhouse, or Courthouse	0		183,843
Business Tax	0		454,840
Mixed Drink Tax	0		22,057
Mineral Severance Tax	0		63,679
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0		118,010
Wholesale Beer Tax	0		213,315
Interstate Telecommunications Tax	0		61,778
Other Statutory Local Taxes	0		528
Total Local Taxes	\$ 0	\$	18,691,549

(Continued)

Exhibit J-5

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

	Capital Projects Fund	Other Capital Projects -	Total
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Cable TV Franchise	\$ 0	\$	91,209
<u>Permits</u>			
Beer Permits	0		3,560
Building Permits	0		51,345
Other Permits	0		15,405
Total Licenses and Permits	\$ 0	\$	161,519
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$ 0	\$	3,077
Officers Costs	0		31,245
Drug Control Fines	0		2,835
Drug Court Fees	0		1,992
Jail Fees	0		8,287
DUI Treatment Fines	0		1,432
Data Entry Fee - Circuit Court	0		3,357
Courtroom Security Fee	0		105
<u>General Sessions Court</u>			
Fines	0		13,294
Fines for Littering	0		49
Officers Costs	0		64,780
Game and Fish Fines	0		1,894
Drug Control Fines	0		7,430
Drug Court Fees	0		9,435
Jail Fees	0		21,957

(Continued)



Exhibit J-5

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

	<u>Capital Projects Fund</u>	<u>Other Capital Projects -</u>	<u>Total</u>
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>General Sessions Court (Cont.)</u>			
DUI Treatment Fines	\$ 0	\$ 0	9,768
Data Entry Fee - General Sessions Court	0		13,285
Courtroom Security Fee	0		1,369
Victims Assistance Assessments	0		84
<u>Juvenile Court</u>			
Fines	0		910
Officers Costs	0		6,073
Data Entry Fee - Juvenile Court	0		2,251
Courtroom Security Fee	0		2
<u>Chancery Court</u>			
Officers Costs	0		608
Data Entry Fee - Chancery Court	0		3,034
<u>Other Courts - In-county</u>			
Drug Court Fees	0		5,445
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0		21,621
Other Fines, Forfeitures, and Penalties	0		1,415
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 0</u>	<u>237,034</u>
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	24,300
Transfer Waste Stations Collection Charge	0		11,000
Tipping Fees	0		34,311
Solid Waste Disposal Fee	0		9,476
Other General Service Charges	0		130,389

(Continued)

Exhibit J-5

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

	Capital Projects Fund	Other Capital Projects -	Total
<u>Charges for Current Services (Cont.)</u>			
<u>Fees</u>			
Copy Fees	\$ 0	\$	48
Telephone Commissions	0		88,697
Vending Machine Collections	0		62
Special Commissioner Fees/Special Master Fees	0		360
Data Processing Fee - Register	0		15,678
Probation Fees	0		229,102
Data Processing Fee - Sheriff	0		3,944
Sexual Offender Registration Fee - Sheriff	0		7,800
Data Processing Fee - County Clerk	0		2,474
Vehicle Insurance Coverage and Reinstatement Fees	0		185
Total Charges for Current Services	<u>\$ 0</u>	<u>\$</u>	<u>557,826</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 159,565	\$	312,429
Lease/Rentals	0		30,072
Commissary Sales	0		11,542
Sale of Maps	0		100
Sale of Recycled Materials	0		199,059
Miscellaneous Refunds	0		25,541
<u>Nonrecurring Items</u>			
Sale of Equipment	0		14,200
Sale of Property	0		5,013
Contributions and Gifts	0		600

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>		<u>Other Capital Projects -</u>	<u>Total</u>
<u>Other Local Revenues (Cont.)</u>				
<u>Other Local Revenues</u>				
Other Local Revenues	\$	0	\$	48,081
Total Other Local Revenues	\$	159,565	\$	646,637
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$	0	\$	375,264
Circuit Court Clerk		0		222,931
General Sessions Court Clerk		0		292,780
Clerk and Master		0		135,302
Juvenile Court Clerk		0		44,260
Register		0		205,302
Sheriff		0		21,426
Trustee		0		749,955
Total Fees Received From County Officials	\$	0	\$	2,047,220
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$	0	\$	9,000
Solid Waste Grants		0		21,788
Other General Government Grants		0		10,421
<u>Public Safety Grants</u>				
Law Enforcement Training Programs		0		24,600
<u>Health and Welfare Grants</u>				
Health Department Programs		0		123,308

(Continued)

Exhibit J-5

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

	Capital Projects Fund	Other Capital Projects -	Total
<u>State of Tennessee (Cont.)</u>			
<u>Public Works Grants</u>			
Bridge Program	\$ 0	\$	38,667
Litter Program	0		24,550
Tennessee Industrial Infrastructure Program	0		216,430
<u>Other State Revenues</u>			
Income Tax	0		169,411
Beer Tax	0		17,839
Vehicle Certificate of Title Fees	0		10,194
Alcoholic Beverage Tax	0		91,132
State Revenue Sharing - T.V.A.	0		1,070,924
State Revenue Sharing - Telecommunications	0		8,179
Contracted Prisoner Boarding	0		725,964
Gasoline and Motor Fuel Tax	0		2,464,496
Petroleum Special Tax	0		29,621
Registrar's Salary Supplement	0		15,164
Other State Grants	0		153,146
Other State Revenues	0		1,905
Total State of Tennessee	\$ 0	\$	5,226,739
<u>Federal Government</u>			
<u>Federal Through State</u>			
Community Development	\$ 248,593	\$	322,442
Civil Defense Reimbursement	0		38,850
Homeland Security Grants	0		17,707
Other Federal through State	0		251,668

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>	<u>Other Capital Projects -</u>	<u>Total</u>
<hr/>			
<u>Federal Government (Cont.)</u>			
<u>Direct Federal Revenue</u>			
Forest Service	\$	0	\$ 11,049
Other Direct Federal Revenue		0	286,662
Total Federal Government	<u>\$</u>	<u>248,593</u>	<u>\$ 928,378</u>
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$	669,994	\$ 987,303
<u>Citizens Groups</u>			
Donations		0	41,062
<u>Other</u>			
Other		0	68,291
Total Other Governments and Citizens Groups	<u>\$</u>	<u>669,994</u>	<u>\$ 1,096,656</u>
Total	<u>\$</u>	<u>1,078,152</u>	<u>\$ 29,593,558</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, 2018

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 9,958,278	\$ 0	\$ 0	\$ 9,958,278
Trustee's Collections - Prior Year	200,774	0	0	200,774
Trustee's Collections - Bankruptcy	2,558	0	0	2,558
Circuit Clerk/Clerk and Master Collections - Prior Years	213,033	0	0	213,033
Interest and Penalty	43,369	0	0	43,369
Payments in-Lieu-of Taxes - T.V.A.	3,972	0	0	3,972
Payments in-Lieu-of Taxes - Local Utilities	35,892	0	0	35,892
Payments in-Lieu-of Taxes - Other	33,466	0	0	33,466
<u>County Local Option Taxes</u>				
Local Option Sales Tax	4,706,190	0	0	4,706,190
Mixed Drink Tax	26,444	0	0	26,444
<u>Statutory Local Taxes</u>				
Bank Excise Tax	75,070	0	0	75,070
Total Local Taxes	<u>\$ 15,299,046</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,299,046</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 2,708	\$ 0	\$ 0	\$ 2,708
Cable TV Franchise	58,023	0	0	58,023
Total Licenses and Permits	<u>\$ 60,731</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 60,731</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other	\$ 246,773	\$ 0	\$ 0	\$ 246,773

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 491,132	\$ 491,132
Lunch Payments - Adults	0	0	46,155	46,155
A la Carte Sales	0	0	348,574	348,574
School Based Health Services - FFS	32,857	0	0	32,857
Total Charges for Current Services	<u>\$ 279,630</u>	<u>\$ 0</u>	<u>\$ 885,861</u>	<u>\$ 1,165,491</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 10,200	\$ 0	\$ 11,688	\$ 21,888
Lease/Rentals	12,204	0	0	12,204
E-Rate Funding	30,233	0	0	30,233
Miscellaneous Refunds	27,716	0	707	28,423
<u>Nonrecurring Items</u>				
Sale of Equipment	22,177	0	0	22,177
Sale of Property	26,775	0	0	26,775
Contributions and Gifts	84,114	0	0	84,114
<u>Other Local Revenues</u>				
Other Local Revenues	161,000	0	0	161,000
Total Other Local Revenues	<u>\$ 374,419</u>	<u>\$ 0</u>	<u>\$ 12,395</u>	<u>\$ 386,814</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 182,000	\$ 0	\$ 0	\$ 182,000

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds</u>				
Basic Education Program	\$ 26,162,549	\$ 0	\$ 0	\$ 26,162,549
Early Childhood Education	1,080,208	0	0	1,080,208
School Food Service	0	0	28,475	28,475
Other State Education Funds	435,979	0	0	435,979
Career Ladder Program	126,170	0	0	126,170
Vocational Equipment	267,319	0	0	267,319
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	50,000	0	0	50,000
Total State of Tennessee	<u>\$ 28,304,225</u>	<u>\$ 0</u>	<u>\$ 28,475</u>	<u>\$ 28,332,700</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,421,830	\$ 1,421,830
USDA - Commodities	0	0	179,366	179,366
Breakfast	0	0	603,017	603,017
USDA - Other	0	0	125,282	125,282
Vocational Education - Basic Grants to States	0	145,622	0	145,622
Title I Grants to Local Education Agencies	0	1,212,098	0	1,212,098
Special Education - Grants to States	0	1,439,144	0	1,439,144
Special Education Preschool Grants	0	104,050	0	104,050
Rural Education	0	61,754	0	61,754
Eisenhower Professional Development State Grants	0	179,357	0	179,357
Other Federal through State	243,153	249,948	0	493,101

(Continued)



Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Federal Government (Cont.)</u>				
<u>Direct Federal Revenue</u>				
Other Direct Federal Revenue	\$ 117,272	\$ 0	\$ 0	\$ 117,272
Total Federal Government	<u>\$ 360,425</u>	<u>\$ 3,391,973</u>	<u>\$ 2,329,495</u>	<u>\$ 6,081,893</u>
 Total	 <u>\$ 44,678,476</u>	 <u>\$ 3,391,973</u>	 <u>\$ 3,256,226</u>	 <u>\$ 51,326,675</u>

Exhibit J-7

Franklin County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2018

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	67,703	
Social Security		3,936	
Pensions		400	
Medical Insurance		605	
Unemployment Compensation		5	
Employer Medicare		978	
Audit Services		15,189	
Dues and Memberships		11,952	
Legal Services		100,639	
Legal Notices, Recording, and Court Costs		2,816	
Maintenance Agreements		4,289	
Travel		3,122	
Other Contracted Services		5,038	
Office Supplies		5,663	
Refunds		1,740	
In Service/Staff Development		1,270	
Tax Relief Program		101,295	
Other Charges		51,516	
Total County Commission	\$		378,156

Beer Board

Legal Notices, Recording, and Court Costs	\$	45	
Total Beer Board			45

County Mayor/Executive

County Official/Administrative Officer	\$	86,941	
Assistant(s)		35,642	
Other Salaries and Wages		15,577	
Social Security		8,509	
Pensions		19,399	
Life Insurance		116	
Medical Insurance		17,605	
Unemployment Compensation		86	
Employer Medicare		1,990	
Other Fringe Benefits		400	
Communication		429	
Dues and Memberships		1,800	
Maintenance Agreements		2,639	
Travel		299	
Gasoline		2,222	
Office Supplies		1,204	
In Service/Staff Development		135	
Other Charges		1,977	
Total County Mayor/Executive			196,970

County Attorney

Legal Services	\$	10,800	
Total County Attorney			10,800

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	67,747	
Deputy(ies)		35,493	
Educational Incentive - Official/Admin Officer		950	
Longevity Pay		960	
Overtime Pay		3,297	
Other Salaries and Wages		12,398	
Election Commission		1,155	
Election Workers		18,608	
Social Security		8,431	
Pensions		14,994	
Life Insurance		90	
Medical Insurance		13,738	
Unemployment Compensation		316	
Employer Medicare		1,974	
Other Fringe Benefits		500	
Communication		812	
Data Processing Services		14,845	
Dues and Memberships		225	
Legal Notices, Recording, and Court Costs		3,520	
Maintenance Agreements		4,391	
Maintenance and Repair Services - Equipment		445	
Postal Charges		2,075	
Printing, Stationery, and Forms		1,738	
Travel		2,099	
Other Contracted Services		6,591	
Office Supplies		3,921	
Other Supplies and Materials		1,970	
In Service/Staff Development		1,194	
Other Charges		50	
Total Election Commission			\$ 224,527

Register of Deeds

County Official/Administrative Officer	\$	75,274
Deputy(ies)		127,646
Educational Incentive - Other County Employees		3,850
Longevity Pay		3,540
Social Security		12,020
Pensions		29,555
Life Insurance		230
Medical Insurance		34,346
Unemployment Compensation		224
Employer Medicare		2,811
Other Fringe Benefits		800
Communication		295
Data Processing Services		19,103
Dues and Memberships		640
Maintenance Agreements		348

(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.)

Maintenance and Repair Services - Office Equipment	\$	2,654	
Postal Charges		3,928	
Travel		1,752	
Other Contracted Services		4,476	
Office Supplies		8,527	
In Service/Staff Development		1,185	
Furniture and Fixtures		1,045	
Total Register of Deeds			\$ 334,249

Planning

Supervisor/Director	\$	63,669	
Deputy(ies)		39,499	
Educational Incentive - Official/Admin Officer		950	
Educational Incentive - Other County Employees		950	
Longevity Pay		1,620	
Overtime Pay		796	
Social Security		6,375	
Pensions		15,104	
Life Insurance		94	
Medical Insurance		13,514	
Unemployment Compensation		112	
Employer Medicare		1,491	
Other Fringe Benefits		400	
Communication		690	
Dues and Memberships		25	
Legal Notices, Recording, and Court Costs		1,472	
Maintenance Agreements		1,300	
Maintenance and Repair Services - Office Equipment		1,165	
Maintenance and Repair Services - Vehicles		715	
Postal Charges		800	
Travel		294	
Gasoline		831	
Office Supplies		921	
Premiums on Corporate Surety Bonds		50	
In Service/Staff Development		707	
Total Planning			153,544

County Buildings

Supervisor/Director	\$	32,272	
Custodial Personnel		140,438	
Maintenance Personnel		51,540	
Longevity Pay		2,460	
Overtime Pay		913	
Other Salaries and Wages		812	
Social Security		13,367	
Pensions		29,498	
Life Insurance		394	

(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.)

Medical Insurance	\$	58,485	
Unemployment Compensation		544	
Employer Medicare		3,126	
Other Fringe Benefits		1,800	
Communication		57,130	
Engineering Services		8,500	
Maintenance Agreements		34,288	
Maintenance and Repair Services - Buildings		109,619	
Maintenance and Repair Services - Equipment		14,813	
Maintenance and Repair Services - Vehicles		2,649	
Pest Control		9,274	
Disposal Fees		6,392	
Other Contracted Services		286,798	
Custodial Supplies		17,937	
Gasoline		2,251	
Uniforms		2,032	
Utilities		403,134	
Other Supplies and Materials		1,182	
Other Charges		3,956	
Principal on Capital Leases		50,509	
Interest on Capital Leases		1,806	
Building Improvements		109,557	
Maintenance Equipment		246	
Other Capital Outlay		28,416	
Total County Buildings			\$ 1,486,138

Other General Administration

Communication	\$	578	
Maintenance Agreements		10,560	
Other Contracted Services		1,969	
Other Supplies and Materials		66	
Data Processing Equipment		8,624	
Total Other General Administration			21,797

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	75,274
Deputy(ies)		205,807
Educational Incentive - Other County Employees		950
Longevity Pay		1,200
Overtime Pay		2,617
Board and Committee Members Fees		3,600
Social Security		17,359
Pensions		36,768
Life Insurance		347
Medical Insurance		51,616
Unemployment Compensation		501

(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.)

Employer Medicare	\$	4,060	
Other Fringe Benefits		1,400	
Consultants		3,000	
Contracts with Government Agencies		11,667	
Contracts with Private Agencies		30,036	
Dues and Memberships		1,800	
Legal Notices, Recording, and Court Costs		430	
Maintenance Agreements		7,821	
Maintenance and Repair Services - Vehicles		448	
Postal Charges		9,799	
Travel		1,124	
Gasoline		1,031	
Office Supplies		3,212	
Premiums on Corporate Surety Bonds		100	
In Service/Staff Development		779	
Other Charges		685	
Office Equipment		1,019	
Total Property Assessor's Office			\$ 474,450

County Trustee's Office

County Official/Administrative Officer	\$	75,274	
Deputy(ies)		129,669	
Educational Incentive - Other County Employees		2,850	
Longevity Pay		3,120	
Other Salaries and Wages		1,493	
Social Security		12,737	
Pensions		29,749	
Life Insurance		230	
Medical Insurance		34,346	
Unemployment Compensation		230	
Employer Medicare		2,989	
Other Fringe Benefits		800	
Data Processing Services		9,984	
Dues and Memberships		870	
Maintenance Agreements		1,193	
Postal Charges		8,552	
Travel		1,329	
Other Contracted Services		5,730	
Office Supplies		3,998	
In Service/Staff Development		805	
Total County Trustee's Office			325,948

County Clerk's Office

County Official/Administrative Officer	\$	75,274	
Deputy(ies)		272,416	
Part-time Personnel		23,663	
Educational Incentive - Other County Employees		6,650	

(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.)

Longevity Pay	\$	6,180	
Social Security		22,541	
Pensions		50,697	
Life Insurance		417	
Medical Insurance		61,715	
Unemployment Compensation		546	
Employer Medicare		5,342	
Other Fringe Benefits		1,900	
Communication		597	
Data Processing Services		22,965	
Dues and Memberships		775	
Maintenance Agreements		2,206	
Postal Charges		8,000	
Travel		2,030	
Other Contracted Services		150	
Office Supplies		7,015	
In Service/Staff Development		1,005	
Data Processing Equipment		4,100	
Total County Clerk's Office	\$		576,184

Other Finance

Supervisor/Director	\$	68,068	
Deputy(ies)		58,067	
Accountants/Bookkeepers		295,332	
Educational Incentive - Official/Admin Officer		950	
Educational Incentive - Other County Employees		7,300	
Longevity Pay		7,740	
Social Security		25,135	
Pensions		61,524	
Life Insurance		440	
Medical Insurance		61,717	
Unemployment Compensation		559	
Employer Medicare		5,878	
Other Fringe Benefits		2,000	
Communication		2,845	
Data Processing Services		34,072	
Dues and Memberships		634	
Maintenance Agreements		10,233	
Postal Charges		4,206	
Travel		4,583	
Other Contracted Services		1,192	
Office Supplies		10,440	
Premiums on Corporate Surety Bonds		50	
In Service/Staff Development		3,960	
Other Charges		1,134	
Data Processing Equipment		1,550	
Total Other Finance			669,609

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	75,274	
Deputy(ies)		538,009	
Part-time Personnel		16,696	
Educational Incentive - Other County Employees		3,800	
Longevity Pay		9,300	
Overtime Pay		875	
Jury and Witness Expense		3,833	
Social Security		38,261	
Pensions		88,209	
Life Insurance		698	
Medical Insurance		96,168	
Unemployment Compensation		873	
Employer Medicare		8,948	
Other Fringe Benefits		3,100	
Communication		900	
Data Processing Services		30,986	
Dues and Memberships		715	
Legal Notices, Recording, and Court Costs		245	
Maintenance Agreements		10,980	
Postal Charges		9,156	
Travel		2,675	
Remittance of Revenue Collected		2,527	
Other Contracted Services		1,910	
Library Books/Media		1,091	
Office Supplies		7,312	
Premiums on Corporate Surety Bonds		50	
In Service/Staff Development		1,405	
Other Charges		14	
Data Processing Equipment		2,282	
Total Circuit Court			\$ 956,292

General Sessions Court

County Official/Administrative Officer	\$	152,749
Deputy(ies)		79,685
Social Security		12,834
Pensions		32,597
Life Insurance		136
Medical Insurance		20,607
Unemployment Compensation		112
Employer Medicare		3,325
Other Fringe Benefits		400
Communication		404
Maintenance and Repair Services - Equipment		1,352
Postal Charges		150
Travel		858
Library Books/Media		1,052
Office Supplies		824

(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.)

In Service/Staff Development	\$	275	
Other Charges		56	
Office Equipment		677	
Total General Sessions Court			\$ 308,093

Drug Court

Supervisor/Director	\$	47,476	
Longevity Pay		480	
Other Salaries and Wages		19,299	
Social Security		3,583	
Pensions		8,073	
Life Insurance		81	
Medical Insurance		12,626	
Unemployment Compensation		159	
Employer Medicare		838	
Other Fringe Benefits		400	
Communication		646	
Total Drug Court			93,661

Chancery Court

County Official/Administrative Officer	\$	75,274	
Deputy(ies)		67,455	
Social Security		8,680	
Pensions		16,901	
Life Insurance		129	
Medical Insurance		20,051	
Unemployment Compensation		189	
Employer Medicare		2,030	
Other Fringe Benefits		400	
Communication		27	
Data Processing Services		17,510	
Dues and Memberships		625	
Maintenance Agreements		3,658	
Postal Charges		1,500	
Travel		595	
Other Contracted Services		529	
Library Books/Media		1,303	
Office Supplies		2,288	
Total Chancery Court			219,144

Juvenile Court

Assistant(s)	\$	47,798	
Deputy(ies)		43,451	
Longevity Pay		1,920	
Social Security		5,147	
Pensions		13,100	
Life Insurance		94	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Medical Insurance	\$	13,738	
Unemployment Compensation		112	
Employer Medicare		1,204	
Other Fringe Benefits		400	
Communication		842	
Dues and Memberships		80	
Travel		1,303	
Library Books/Media		767	
Office Supplies		199	
Other Supplies and Materials		80	
In Service/Staff Development		300	
Total Juvenile Court			\$ 130,535

Judicial Commissioners

County Official/Administrative Officer	\$	68,545	
Part-time Personnel		14,730	
Longevity Pay		2,100	
Overtime Pay		28,578	
Social Security		6,824	
Pensions		13,590	
Life Insurance		117	
Medical Insurance		20,607	
Unemployment Compensation		267	
Employer Medicare		1,596	
Other Fringe Benefits		800	
Dues and Memberships		375	
Maintenance Agreements		73	
Total Judicial Commissioners			158,202

Other Administration of Justice

Other Contracted Services	\$	18,842	
Total Other Administration of Justice			18,842

Probation Services

Supervisor/Director	\$	45,004	
Part-time Personnel		17,133	
Longevity Pay		420	
Other Salaries and Wages		30,923	
Social Security		5,680	
Pensions		9,894	
Life Insurance		94	
Medical Insurance		13,738	
Unemployment Compensation		174	
Employer Medicare		1,328	
Other Fringe Benefits		500	
Communication		14	
Drugs and Medical Supplies		1,800	
Office Supplies		1,737	
Total Probation Services			128,439

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	82,802	
Assistant(s)		62,133	
Supervisor/Director		49,126	
Deputy(ies)		629,659	
Investigator(s)		279,101	
Captain(s)		116,135	
Sergeant(s)		231,979	
Accountants/Bookkeepers		74,972	
Instructional Computer Personnel		42,574	
Salary Supplements		35,911	
Guards		250,235	
Part-time Personnel		26,396	
School Resource Officer		448,689	
Longevity Pay		27,000	
Overtime Pay		130,081	
Other Salaries and Wages		45,552	
Social Security		149,663	
Pensions		323,706	
Life Insurance		2,115	
Medical Insurance		282,436	
Unemployment Compensation		3,352	
Employer Medicare		35,698	
Other Fringe Benefits		10,300	
Communication		39,592	
Contracts with Private Agencies		11,431	
Dues and Memberships		2,820	
Maintenance Agreements		17,629	
Maintenance and Repair Services - Equipment		1,024	
Maintenance and Repair Services - Vehicles		196,555	
Medical and Dental Services		3,300	
Postal Charges		2,121	
Travel		21,676	
Diesel Fuel		8,736	
Gasoline		161,471	
Law Enforcement Supplies		8,443	
Office Supplies		9,044	
Propane Gas		24	
Tires and Tubes		22,117	
Uniforms		10,225	
Other Supplies and Materials		1,920	
Premiums on Corporate Surety Bonds		75	
In Service/Staff Development		12,299	
Constitutional Officers' Operating Expenses		350	
Other Charges		11,062	
Data Processing Equipment		21,986	
Law Enforcement Equipment		19,053	
Motor Vehicles		79,946	
Total Sheriff's Department	\$		4,002,514

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Administration of the Sexual Offender Registry

Guards	\$	9,697	
Social Security		614	
Unemployment Compensation		56	
Employer Medicare		144	
Other Fringe Benefits		200	
Remittance of Revenue Collected		2,350	
Total Administration of the Sexual Offender Registry	\$		13,061

Jail

Assistant(s)	\$	58,067	
Deputy(ies)		39,872	
Medical Personnel		83,488	
Salary Supplements		7,500	
Guards		562,434	
Cafeteria Personnel		51,656	
Maintenance Personnel		35,857	
Part-time Personnel		74,075	
Longevity Pay		6,240	
Overtime Pay		40,505	
Other Salaries and Wages		26,202	
Social Security		59,316	
Pensions		119,473	
Life Insurance		1,104	
Medical Insurance		151,121	
Unemployment Compensation		1,950	
Employer Medicare		14,000	
Other Fringe Benefits		5,700	
Maintenance Agreements		23,031	
Maintenance and Repair Services - Buildings		20,816	
Maintenance and Repair Services - Equipment		27,097	
Medical and Dental Services		22,741	
Pest Control		1,625	
Transportation - Other than Students		11,982	
Travel		1,389	
Disposal Fees		2,772	
Custodial Supplies		47,037	
Food Supplies		307,799	
Law Enforcement Supplies		258	
Prisoners Clothing		17,540	
Uniforms		1,519	
Other Supplies and Materials		2,496	
Medical Claims		562,827	
In Service/Staff Development		1,876	
Other Charges		7,520	
Data Processing Equipment		2,319	
Other Equipment		2,412	
Total Jail			2,403,616

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Correctional Incentive Program Improvements

Contracts with Private Agencies	\$	192,500	
Travel		6,406	
Other Contracted Services		5,675	
Other Supplies and Materials		1,061	
Other Charges		43,658	
		<hr/>	
Total Correctional Incentive Program Improvements	\$		249,300

Juvenile Services

Contracts with Private Agencies	\$	4,725	
Other Contracted Services		4,564	
		<hr/>	
Total Juvenile Services			9,289

Civil Defense

Supervisor/Director	\$	52,582	
Deputy(ies)		25,053	
Overtime Pay		5,355	
Social Security		4,673	
Pensions		10,153	
Life Insurance		74	
Medical Insurance		11,402	
Unemployment Compensation		170	
Employer Medicare		1,093	
Other Fringe Benefits		400	
Communication		3,628	
Maintenance and Repair Services - Buildings		151	
Maintenance and Repair Services - Equipment		578	
Maintenance and Repair Services - Vehicles		1,088	
Travel		81	
Other Contracted Services		2,299	
Diesel Fuel		579	
Gasoline		1,757	
Office Supplies		1,420	
Other Supplies and Materials		2,829	
In Service/Staff Development		525	
Other Charges		873	
Other Equipment		2,992	
		<hr/>	
Total Civil Defense			129,755

Rescue Squad

Dues and Memberships	\$	410	
Diesel Fuel		98	
Gasoline		494	
Other Supplies and Materials		1,497	
Other Charges		3,329	
Other Equipment		25,009	
		<hr/>	
Total Rescue Squad			30,837

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Assistant(s)	\$	37,593	
Supervisor/Director		47,982	
Dispatchers/Radio Operators		411,207	
Longevity Pay		3,540	
Overtime Pay		23,499	
Other Salaries and Wages		18,334	
Social Security		32,766	
Pensions		68,664	
Life Insurance		725	
Medical Insurance		89,299	
Unemployment Compensation		1,028	
Employer Medicare		7,663	
Other Fringe Benefits		3,000	
Communication		19,254	
Contracts with Private Agencies		16,791	
Maintenance Agreements		4,359	
Maintenance and Repair Services - Equipment		5,362	
Maintenance and Repair Services - Vehicles		887	
Postal Charges		98	
Travel		6,828	
Gasoline		817	
Office Supplies		5,823	
Uniforms		1,000	
In Service/Staff Development		6,781	
Other Charges		381	
Communication Equipment		690	
Data Processing Equipment		229	
Other Equipment		1,977	
Total Other Emergency Management			\$ 816,577

County Coroner/Medical Examiner

Other Contracted Services	\$	6,000	
Medical Claims		28,076	
Total County Coroner/Medical Examiner			34,076

Public Safety Grants Program

Overtime Pay	\$	4,122	
Social Security		247	
Pensions		577	
Medical Insurance		306	
Unemployment Compensation		2	
Employer Medicare		58	
Other Equipment		18,360	
Other Capital Outlay		7,786	
Total Public Safety Grants Program			31,458

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Communication	\$	880	
Dues and Memberships		200	
Maintenance and Repair Services - Buildings		1,633	
Disposal Fees		1,746	
Custodial Supplies		3,049	
Office Supplies		545	
Utilities		10,530	
Building and Contents Insurance		3,043	
Liability Insurance		486	
Other Charges		2,265	
Total Local Health Center			\$ 24,377

Rabies and Animal Control

Assistant(s)	\$	89,353	
Supervisor/Director		12,726	
Overtime Pay		8,702	
Other Salaries and Wages		342	
Social Security		6,825	
Pensions		15,641	
Life Insurance		151	
Medical Insurance		14,832	
Unemployment Compensation		178	
Employer Medicare		1,596	
Other Fringe Benefits		600	
Communication		1,072	
Dues and Memberships		190	
Maintenance and Repair Services - Buildings		2,388	
Maintenance and Repair Services - Vehicles		3,128	
Postal Charges		619	
Travel		656	
Other Contracted Services		60,656	
Animal Food and Supplies		5,370	
Diesel Fuel		2,477	
Drugs and Medical Supplies		201	
Gasoline		4,566	
Instructional Supplies and Materials		374	
Office Supplies		484	
Propane Gas		586	
Uniforms		284	
Other Supplies and Materials		4,404	
In Service/Staff Development		480	
Motor Vehicles		20,724	
Other Equipment		892	
Total Rabies and Animal Control			260,497

Other Local Health Services

Secretary(ies)	\$	25,501	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Other Salaries and Wages	\$	60,654	
Social Security		5,245	
Pensions		10,521	
Life Insurance		121	
Medical Insurance		10,818	
Unemployment Compensation		185	
Employer Medicare		1,227	
Other Fringe Benefits		700	
Travel		9,163	
Total Other Local Health Services			\$ 124,135

Appropriation to State

Contracts with Government Agencies	\$	25,846	
Total Appropriation to State			25,846

General Welfare Assistance

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

Waste Pickup

Laborers	\$	56,729	
Overtime Pay		7,596	
Other Salaries and Wages		2,031	
Social Security		4,084	
Pensions		9,318	
Life Insurance		90	
Medical Insurance		5,634	
Unemployment Compensation		112	
Employer Medicare		955	
Other Fringe Benefits		200	
Advertising		1,540	
Contracts with Other Public Agencies		8,300	
Disposal Fees		122	
Other Supplies and Materials		6,316	
Total Waste Pickup			103,027

Other Waste Collection

Laborers	\$	26,092	
Overtime Pay		3,725	
Other Salaries and Wages		851	
Social Security		2,157	
Pensions		3,249	
Life Insurance		43	
Unemployment Compensation		41	
Employer Medicare		448	
Other Fringe Benefits		200	
Disposal Fees		657	
Other Supplies and Materials		1,362	
Total Other Waste Collection			38,825

(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 Public Health and Welfare

Other Charges	\$ 5,143	
Total Other Public Health and Welfare		\$ 5,143

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Maintenance and Repair Services - Buildings	\$ 1,500	
Other Contracted Services	22,050	
Custodial Supplies	3,394	
Total Senior Citizens Assistance		26,944

Parks and Fair Boards

Supervisor/Director	\$ 5,500	
Other Salaries and Wages	13,782	
Social Security	1,185	
Pensions	1,145	
Medical Insurance	411	
Unemployment Compensation	30	
Employer Medicare	277	
Communication	242	
Maintenance Agreements	499	
Maintenance and Repair Services - Buildings	9,778	
Other Supplies and Materials	9,861	
Other Charges	1,492	
Total Parks and Fair Boards		44,202

Agriculture and Natural Resources

Agricultural Extension Service

Other Salaries and Wages	\$ 66,978	
Social Security	361	
Unemployment Compensation	47	
Employer Medicare	84	
Other Fringe Benefits	13,359	
Communication	2,881	
Maintenance Agreements	4,315	
Travel	3,000	
Other Contracted Services	444	
Total Agricultural Extension Service		91,469

Soil Conservation

Secretary to Board	\$ 26,936	
Other Salaries and Wages	10,451	
Social Security	2,330	
Pensions	3,799	
Life Insurance	58	
Medical Insurance	5,434	
Unemployment Compensation	112	
Employer Medicare	545	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Other Fringe Benefits	\$	200	
Dues and Memberships		550	
Travel		1,862	
In Service/Staff Development		565	
Other Charges		273	
Total Soil Conservation			\$ 53,115

Other Operations

Industrial Development

Assistant(s)	\$	15,971	
Other Salaries and Wages		11,618	
Social Security		1,692	
Pensions		1,626	
Life Insurance		19	
Medical Insurance		3,167	
Unemployment Compensation		79	
Employer Medicare		396	
Other Fringe Benefits		100	
Advertising		4,340	
Communication		959	
Dues and Memberships		2,000	
Maintenance Agreements		3,554	
Maintenance and Repair Services - Buildings		1,955	
Pest Control		900	
Travel		2,383	
Disposal Fees		2,933	
Other Contracted Services		19,485	
Office Supplies		312	
Premiums on Corporate Surety Bonds		200	
In Service/Staff Development		1,176	
Other Charges		1,662	
Other Capital Outlay		447,559	
Total Industrial Development			524,086

Other Economic and Community Development

Contracts with Government Agencies	\$	110,470	
Other Contracted Services		84,244	
Total Other Economic and Community Development			194,714

Veterans' Services

Assistant(s)	\$	29,661	
Supervisor/Director		14,218	
Part-time Personnel		4,052	
Social Security		2,086	
Pensions		4,180	
Life Insurance		47	
Medical Insurance		5,434	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Unemployment Compensation	\$	144	
Employer Medicare		695	
Other Fringe Benefits		300	
Contracts with Private Agencies		798	
Maintenance Agreements		2,029	
Transportation - Other than Students		1,188	
Travel		178	
Office Supplies		1,323	
Other Charges		3,015	
Total Veterans' Services			\$ 69,348

Other Charges

Other Fringe Benefits	\$	17,570	
Medical and Dental Services		2,490	
Building and Contents Insurance		76,599	
Liability Insurance		109,437	
Medical Claims		41,481	
Trustee's Commission		212,476	
Vehicle and Equipment Insurance		92,501	
Workers' Compensation Insurance		148,499	
Other Self-insured Claims		98	
Other Charges		5,163	
Total Other Charges			706,314

Capital Projects

Other General Government Projects

Solid Waste Equipment	\$	36,763	
Other Equipment		29,403	
Other Capital Outlay		15,274	
Total Other General Government Projects			81,440

Highway and Street Capital Projects

Other Capital Outlay	\$	3,399	
Total Highway and Street Capital Projects			3,399

Total General Fund \$ 16,980,764

Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

Trustee's Commission	\$	1,815	
Total Other Charges			\$ 1,815

Total Courthouse and Jail Maintenance Fund 1,815

(Continued)

Exhibit J-7

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

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Assistant(s)	\$	88,446	
Supervisor/Director		47,798	
Education Media Personnel		33,014	
Part-time Personnel		32,379	
Educational Incentive - Official/Admin Officer		850	
Longevity Pay		960	
Other Salaries and Wages		389	
Social Security		12,278	
Pensions		24,150	
Life Insurance		229	
Medical Insurance		31,475	
Unemployment Compensation		512	
Employer Medicare		2,871	
Other Fringe Benefits		1,400	
Communication		2,508	
Maintenance and Repair Services - Buildings		24,317	
Maintenance and Repair Services - Office Equipment		4,102	
Travel		2,372	
Other Contracted Services		5,040	
Custodial Supplies		514	
Library Books/Media		17,842	
Office Supplies		1,049	
Periodicals		1,988	
Other Supplies and Materials		3,990	
In Service/Staff Development		490	
Other Charges		1,548	
Data Processing Equipment		3,000	
Office Equipment		548	
Other Capital Outlay		629	
Total Libraries			\$ 346,688

Other Operations

Other Charges

Pest Control	\$	600	
Disposal Fees		1,644	
Utilities		19,361	
Building and Contents Insurance		3,090	
Liability Insurance		1,058	
Trustee's Commission		6,358	
Workers' Compensation Insurance		3,549	
Total Other Charges			35,660

Capital Projects

Social, Cultural, and Recreation Projects

Building Improvements	\$	21,522	
Total Social, Cultural, and Recreation Projects			21,522

Total Public Library Fund \$ 403,870

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Advertising	\$	1,000	
Other Supplies and Materials		191	
Total Sanitation Education/Information			\$ 1,191

Convenience Centers

Laborers	\$	201,352	
Social Security		12,335	
Unemployment Compensation		892	
Employer Medicare		2,951	
Other Fringe Benefits		2,200	
Communication		7,484	
Maintenance and Repair Services - Buildings		11,976	
Maintenance and Repair Services - Equipment		2,123	
Other Contracted Services		4,200	
Utilities		14,228	
Other Supplies and Materials		3,313	
Other Charges		529	
Solid Waste Equipment		1,600	
Other Capital Outlay		267	
Total Convenience Centers			265,450

Transfer Stations

Supervisor/Director	\$	55,577	
Deputy(ies)		34,412	
Foremen		46,094	
Equipment Operators - Light		78,737	
Truck Drivers		185,578	
Laborers		44,251	
Part-time Personnel		12,307	
Educational Incentive - Other County Employees		850	
Longevity Pay		1,740	
Overtime Pay		2,898	
Other Salaries and Wages		2,650	
Social Security		28,126	
Pensions		58,172	
Life Insurance		562	
Medical Insurance		68,104	
Unemployment Compensation		923	
Employer Medicare		6,578	
Other Fringe Benefits		2,500	
Communication		1,355	
Contracts with Government Agencies		486,303	
Contracts with Private Agencies		48,585	
Dues and Memberships		212	
Maintenance Agreements		2,371	
Maintenance and Repair Services - Buildings		2,275	
Maintenance and Repair Services - Equipment		10,847	

(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.)

Maintenance and Repair Services - Vehicles	\$	8,367	
Pest Control		975	
Postal Charges		47	
Travel		4,114	
Diesel Fuel		33,879	
Equipment and Machinery Parts		15,552	
Garage Supplies		4,003	
Gasoline		3,680	
Lubricants		2,354	
Office Supplies		1,499	
Tires and Tubes		11,151	
Uniforms		3,981	
Utilities		10,716	
Vehicle Parts		5,532	
Other Supplies and Materials		12,696	
In Service/Staff Development		938	
Other Charges		220	
Solid Waste Equipment		<u>186,459</u>	
Total Transfer Stations	\$		1,488,170

Postclosure Care Costs

Contracts with Private Agencies	\$	<u>6,279</u>	
Total Postclosure Care Costs			6,279

Other Operations

Other Charges

Medical and Dental Services	\$	235	
Building and Contents Insurance		13,688	
Liability Insurance		15,970	
Medical Claims		7,634	
Trustee's Commission		36,017	
Vehicle and Equipment Insurance		16,102	
Workers' Compensation Insurance		10,647	
Other Charges		<u>307</u>	
Total Other Charges			<u>100,600</u>

Total Solid Waste/Sanitation Fund \$ 1,861,690

Local Purpose Tax Fund

Public Safety

Fire Prevention and Control

Contracts with Government Agencies	\$	2,000	
Other Contracted Services		473,383	
Other Supplies and Materials		1,322	
Trustee's Commission		11,324	
In Service/Staff Development		684	
Other Charges		<u>356</u>	
Total Fire Prevention and Control	\$		<u>489,069</u>

Total Local Purpose Tax Fund 489,069

(Continued)

Exhibit J-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	10,000	
Travel		1,181	
Other Contracted Services		4,307	
Animal Food and Supplies		738	
Instructional Supplies and Materials		11,033	
Other Charges		9,853	
Law Enforcement Equipment		4,165	
Motor Vehicles		4,995	
Total Drug Enforcement			\$ 46,272

Other Operations

Other Charges

Trustee's Commission	\$	778	
Total Other Charges			778

Total Drug Control Fund \$ 47,050

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	360	
Total Chancery Court			\$ 360

Total Constitutional Officers - Fees Fund 360

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	82,802	
Assistant(s)		106,622	
Longevity Pay		2,160	
Overtime Pay		2,752	
Other Salaries and Wages		4,573	
Board and Committee Members Fees		21,600	
Social Security		13,152	
Pensions		27,485	
Life Insurance		172	
Medical Insurance		26,731	
Dental Insurance		1,065	
Employer Medicare		3,154	
Other Fringe Benefits		600	
Dues and Memberships		4,223	
Legal Services		550	
Legal Notices, Recording, and Court Costs		233	
Maintenance and Repair Services - Office Equipment		2,188	
Postal Charges		93	
Travel		2,961	

(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.)

Other Contracted Services	\$	7,530	
Office Supplies		1,635	
In Service/Staff Development		1,039	
Other Charges		791	
Total Administration			\$ 314,111

Highway and Bridge Maintenance

Foremen	\$	44,080	
Mechanic(s)		35,482	
Equipment Operators - Heavy		153,018	
Equipment Operators - Light		67,410	
Truck Drivers		210,600	
Longevity Pay		9,660	
Overtime Pay		12,584	
Other Salaries and Wages		8,177	
Social Security		32,276	
Pensions		73,480	
Life Insurance		674	
Medical Insurance		100,967	
Dental Insurance		4,052	
Employer Medicare		7,549	
Other Fringe Benefits		4,419	
Other Contracted Services		600	
General Construction Materials		196	
Other Road Materials		21,259	
Pipe		20,060	
Propane Gas		511	
Road Signs		22,143	
Small Tools		141	
Other Supplies and Materials		4,311	
Total Highway and Bridge Maintenance			833,649

Operation and Maintenance of Equipment

Foremen	\$	41,531	
Longevity Pay		300	
Other Salaries and Wages		2,369	
Social Security		2,719	
Pensions		6,216	
Life Insurance		47	
Medical Insurance		6,869	
Dental Insurance		274	
Employer Medicare		636	
Other Fringe Benefits		528	
Maintenance and Repair Services - Buildings		107	
Maintenance and Repair Services - Equipment		67,525	
Diesel Fuel		80,751	
Equipment and Machinery Parts		67,546	

(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.)

Garage Supplies	\$	25,047	
Gasoline		14,986	
Lubricants		8,824	
Small Tools		1,178	
Tires and Tubes		27,770	
Total Operation and Maintenance of Equipment			\$ 355,223

Quarry Operations

Foremen	\$	39,127	
Equipment Operators - Light		39,245	
Longevity Pay		2,220	
Other Salaries and Wages		9,933	
Social Security		5,515	
Pensions		12,730	
Life Insurance		94	
Medical Insurance		15,973	
Dental Insurance		622	
Employer Medicare		1,290	
Other Fringe Benefits		623	
Communication		832	
Explosive and Drilling Services		19,345	
Operating Lease Payments		10,800	
Maintenance and Repair Services - Equipment		14,471	
Printing, Stationery, and Forms		1,640	
Diesel Fuel		10,325	
Electricity		47,921	
Equipment and Machinery Parts		20,387	
Garage Supplies		3,727	
Lubricants		3,321	
Tires and Tubes		10,013	
Water and Sewer		887	
Other Supplies and Materials		648	
Total Quarry Operations			271,689

Other Charges

Other Fringe Benefits	\$	6,842	
Communication		8,553	
Medical and Dental Services		520	
Pest Control		300	
Disposal Fees		4,915	
Permits		2,180	
Uniforms		6,058	
Utilities		15,546	
Building and Contents Insurance		24,888	
Liability Insurance		29,036	
Medical Claims		1,582	
Trustee's Commission		37,787	

(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.)

Vehicle and Equipment Insurance	\$	30,263	
Workers' Compensation Insurance		17,744	
Other Self-insured Claims		2,200	
Other Charges		<u>3,758</u>	
Total Other Charges	\$		192,172

Capital Outlay

Bridge Construction	\$	39,992	
Communication Equipment		12,313	
Highway Construction		89,488	
Highway Equipment		9,000	
Motor Vehicles		52,030	
State Aid Projects		901,831	
Other Equipment		2,817	
Other Construction		<u>9,623</u>	
Total Capital Outlay			1,117,094

Principal on Debt

Highways and Streets

Principal on Notes	\$	<u>14,371</u>	
Total Highways and Streets			14,371

Interest on Debt

Highways and Streets

Interest on Notes	\$	<u>4,750</u>	
Total Highways and Streets			<u>4,750</u>

Total Highway/Public Works Fund \$ 3,103,059

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	500,000	
Principal on Notes		<u>566,077</u>	
Total General Government	\$		1,066,077

Interest on Debt

General Government

Interest on Bonds	\$	600,566	
Interest on Notes		<u>73,121</u>	
Total General Government			673,687

Other Debt Service

General Government

Trustee's Commission	\$	43,023	
Other Debt Issuance Charges		4,150	
Other Debt Service		<u>343</u>	
Total General Government			<u>47,516</u>

Total General Debt Service Fund 1,787,280

(Continued)

Exhibit J-7

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

Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 1,905,000	
Principal on Capital Leases	64,843	
Total Education	<u>1,969,843</u>	\$ 1,969,843

Interest on Debt

Education

Interest on Bonds	\$ 300,532	
Interest on Capital Leases	8,930	
Total Education	<u>309,462</u>	309,462

Other Debt Service

Education

Trustee's Commission	\$ 37,408	
Other Debt Service	500	
Total Education	<u>37,908</u>	<u>37,908</u>

Total Education Debt Service Fund \$ 2,317,213

Highway Capital Projects Fund

Other Operations

Other Charges

Trustee's Commission	\$ 1	
Total Other Charges	<u>1</u>	\$ 1

Capital Projects

Highway and Street Capital Projects

Highway Construction	\$ 569,492	
Total Highway and Street Capital Projects	<u>569,492</u>	<u>569,492</u>

Total Highway Capital Projects Fund 569,493

Other Capital Projects #1 Fund

Other Operations

Other Charges

Trustee's Commission	\$ 1,390	
Total Other Charges	<u>1,390</u>	\$ 1,390

Other Debt Service

General Government

Other Debt Issuance Charges	\$ 54,900	
Total General Government	<u>54,900</u>	54,900

Capital Projects

Public Safety Projects

Other Capital Outlay	\$ 4,472,778	
Total Public Safety Projects	<u>4,472,778</u>	4,472,778

(Continued)

Exhibit J-7

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

<u>Other Capital Projects #1 Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Public Health and Welfare Projects</u>		
Solid Waste Equipment	\$ 448,687	
Total Public Health and Welfare Projects		\$ 448,687
 <u>Other General Government Projects</u>		
Other Capital Outlay	\$ 203,912	
Total Other General Government Projects		203,912
 <u>Highway and Street Capital Projects</u>		
Highway Equipment	\$ 1,685,132	
Total Highway and Street Capital Projects		<u>1,685,132</u>
 Total Other Capital Projects #1 Fund		 \$ <u>6,866,799</u>
 Total Governmental Funds - Primary Government		 \$ <u><u>34,428,462</u></u>

Exhibit J-8

Franklin County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Franklin County School Department  
For the Year Ended June 30, 2018

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 12,738,693	
Career Ladder Program	77,652	
Homebound Teachers	81,649	
Educational Assistants	635,773	
Bonus Payments	115,334	
Certified Substitute Teachers	147,896	
Non-certified Substitute Teachers	208,899	
Social Security	803,711	
Pensions	1,261,046	
Medical Insurance	2,297,875	
Unemployment Compensation	5,060	
Employer Medicare	188,909	
Other Fringe Benefits	5,674	
Maintenance and Repair Services - Equipment	27,486	
Tuition	205,047	
Other Contracted Services	44,001	
Instructional Supplies and Materials	283,291	
Textbooks - Bound	68,684	
Software	170,719	
Other Supplies and Materials	3,208	
Other Charges	5,154	
Regular Instruction Equipment	634,424	
Total Regular Instruction Program		\$ 20,010,185

Alternative Instruction Program

Teachers	\$ 50,339	
Career Ladder Program	1,000	
Bonus Payments	2,154	
Other Salaries and Wages	86,123	
Non-certified Substitute Teachers	270	
Social Security	8,105	
Pensions	13,683	
Medical Insurance	27,567	
Employer Medicare	1,896	
Other Fringe Benefits	197	
Maintenance and Repair Services - Equipment	713	
Other Supplies and Materials	837	
Total Alternative Instruction Program		192,884

Special Education Program

Teachers	\$ 1,775,231
Career Ladder Program	14,000
Homebound Teachers	40,525
Educational Assistants	464,726
Speech Pathologist	459,439
Bonus Payments	20,843

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Certified Substitute Teachers	\$	6,715	
Non-certified Substitute Teachers		29,009	
Social Security		162,957	
Pensions		274,715	
Medical Insurance		507,936	
Unemployment Compensation		2,859	
Employer Medicare		37,989	
Other Fringe Benefits		3,974	
Contracts with Private Agencies		173,060	
Maintenance and Repair Services - Equipment		125	
Instructional Supplies and Materials		748	
		<hr/>	
Total Special Education Program	\$		3,974,851

Career and Technical Education Program

Teachers	\$	874,348	
Career Ladder Program		1,000	
Bonus Payments		8,086	
Certified Substitute Teachers		540	
Non-certified Substitute Teachers		15,080	
Social Security		51,183	
Pensions		78,146	
Medical Insurance		153,651	
Employer Medicare		12,304	
Instructional Supplies and Materials		16,961	
Other Charges		1,980	
Vocational Instruction Equipment		289,912	
		<hr/>	
Total Career and Technical Education Program			1,503,191

Student Body Education Program

Other Salaries and Wages	\$	308,286	
Social Security		16,720	
Pensions		21,349	
Employer Medicare		4,318	
Other Contracted Services		62,957	
Other Supplies and Materials		7,030	
Other Charges		19,373	
		<hr/>	
Total Student Body Education Program			440,033

Support Services

Attendance

Clerical Personnel	\$	59,784	
Bonus Payments		714	
Other Salaries and Wages		50,482	
Social Security		6,653	
Pensions		15,545	
Medical Insurance		19,349	

(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.)

Employer Medicare	\$	1,556	
Other Fringe Benefits		1,012	
Travel		251	
Other Supplies and Materials		252	
In Service/Staff Development		2,146	
Total Attendance			\$ 157,744

Health Services

Supervisor/Director	\$	74,383	
Medical Personnel		423,038	
Non-certified Substitute Teachers		6,541	
Social Security		29,135	
Pensions		64,796	
Medical Insurance		91,070	
Employer Medicare		6,814	
Other Fringe Benefits		3,736	
Travel		11,183	
Other Contracted Services		350	
Other Supplies and Materials		27,886	
In Service/Staff Development		30	
Total Health Services			738,962

Other Student Support

Career Ladder Program	\$	6,000	
Guidance Personnel		751,382	
Social Workers		101,855	
Secretary(ies)		70,527	
Bonus Payments		7,988	
Other Salaries and Wages		35,456	
Certified Substitute Teachers		68	
Non-certified Substitute Teachers		572	
Social Security		56,358	
Pensions		97,024	
Medical Insurance		157,581	
Employer Medicare		13,181	
Other Fringe Benefits		1,543	
Contracts with Government Agencies		53,540	
Evaluation and Testing		29,075	
Travel		1,552	
Other Supplies and Materials		326	
In Service/Staff Development		8,254	
Other Charges		14,162	
Total Other Student Support			1,406,444

Regular Instruction Program

Supervisor/Director	\$	146,561	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Career Ladder Program	\$	6,657	
Librarians		608,014	
Instructional Computer Personnel		45,834	
Clerical Personnel		40,040	
Bonus Payments		7,886	
Other Salaries and Wages		27,404	
Certified Substitute Teachers		574	
Non-certified Substitute Teachers		4,451	
Social Security		48,243	
Pensions		76,358	
Medical Insurance		91,931	
Employer Medicare		12,220	
Other Fringe Benefits		324	
Dues and Memberships		60	
Maintenance and Repair Services - Equipment		1,154	
Travel		7,068	
Other Contracted Services		41,370	
Library Books/Media		5,330	
Other Supplies and Materials		12,280	
In Service/Staff Development		54,753	
Other Equipment		40,236	
Total Regular Instruction Program			\$ 1,278,748

Special Education Program

Career Ladder Program	\$	583	
Clerical Personnel		715	
Other Salaries and Wages		26,153	
Social Security		1,701	
Pensions		2,950	
Employer Medicare		398	
Other Fringe Benefits		25	
Maintenance and Repair Services - Equipment		200	
Travel		11,105	
Other Contracted Services		2,702	
Other Supplies and Materials		4,109	
In Service/Staff Development		3,298	
Other Charges		10,364	
Total Special Education Program			64,303

Career and Technical Education Program

Secretary(ies)	\$	20,020	
Bonus Payments		357	
Social Security		1,219	
Pensions		2,853	
Medical Insurance		3,213	
Employer Medicare		285	

(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.)

Other Fringe Benefits	\$	162	
Travel		1,705	
Other Contracted Services		2,349	
In Service/Staff Development		1,446	
Other Charges		5,012	
Total Career and Technical Education Program	\$		38,621

Technology

Supervisor/Director	\$	63,529	
Clerical Personnel		27,018	
Bonus Payments		3,431	
Other Salaries and Wages		278,258	
Social Security		20,708	
Pensions		50,178	
Medical Insurance		54,702	
Employer Medicare		4,843	
Other Fringe Benefits		2,777	
Internet Connectivity		77,770	
Travel		3,035	
Other Contracted Services		65,830	
Software		21,792	
Other Supplies and Materials		55,029	
In Service/Staff Development		12,119	
Other Equipment		14,629	
Total Technology			755,648

Other Programs

On-behalf Payments to OPEB	\$	182,000	
Total Other Programs			182,000

Board of Education

Secretary to Board	\$	954	
Board and Committee Members Fees		31,200	
Social Security		1,026	
Pensions		134	
Employer Medicare		466	
Other Fringe Benefits		111,047	
Audit Services		19,275	
Dues and Memberships		12,845	
Legal Services		5,471	
Other Contracted Services		8,485	
Other Supplies and Materials		2,700	
Liability Insurance		179,511	
Trustee's Commission		323,167	
Workers' Compensation Insurance		388,761	
In Service/Staff Development		8,053	

(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	\$	5,531	
Other Charges		<u>2,915</u>	
Total Board of Education	\$		1,101,541

Director of Schools

County Official/Administrative Officer	\$	108,372	
Career Ladder Program		1,000	
Secretary(ies)		19,305	
Clerical Personnel		27,941	
Bonus Payments		1,781	
Social Security		9,254	
Pensions		16,645	
Medical Insurance		19,058	
Employer Medicare		2,177	
Other Fringe Benefits		358	
Communication		27,637	
Dues and Memberships		3,208	
Maintenance and Repair Services - Equipment		9,938	
Postal Charges		1,689	
Travel		468	
Office Supplies		6,157	
In Service/Staff Development		8,203	
Other Charges		3,861	
Administration Equipment		<u>5,124</u>	
Total Director of Schools			272,176

Office of the Principal

Principals	\$	830,279	
Career Ladder Program		12,000	
Assistant Principals		504,718	
Secretary(ies)		383,951	
Bonus Payments		12,181	
Other Salaries and Wages		54,553	
Non-certified Substitute Teachers		260	
Social Security		104,968	
Pensions		184,758	
Medical Insurance		272,500	
Employer Medicare		24,549	
Other Fringe Benefits		4,040	
Dues and Memberships		<u>1,200</u>	
Total Office of the Principal			2,389,957

Fiscal Services

Data Processing Services	\$	<u>11,561</u>	
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	\$	88,112	
Clerical Personnel		83,575	
Bonus Payments		2,138	
Social Security		10,633	
Pensions		19,981	
Medical Insurance		19,238	
Employer Medicare		2,487	
Other Fringe Benefits		674	
Maintenance and Repair Services - Equipment		4,085	
Travel		286	
Other Contracted Services		2,525	
In Service/Staff Development		1,874	
Administration Equipment		159	
Total Human Services/Personnel			\$ 235,767

Operation of Plant

Custodial Personnel	\$	862,522	
Bonus Payments		9,120	
Other Salaries and Wages		25,958	
Non-certified Substitute Teachers		2,280	
Social Security		53,532	
Pensions		120,373	
Medical Insurance		188,029	
Unemployment Compensation		7,644	
Employer Medicare		12,508	
Other Fringe Benefits		6,716	
Disposal Fees		43,533	
Custodial Supplies		206,080	
Electricity		1,371,786	
Natural Gas		92,456	
Water and Sewer		143,545	
Boiler Insurance		13,329	
Building and Contents Insurance		239,409	
Plant Operation Equipment		11,000	
Total Operation of Plant			3,409,820

Maintenance of Plant

Supervisor/Director	\$	66,308	
Maintenance Personnel		431,268	
Bonus Payments		4,945	
Other Salaries and Wages		6,385	
Social Security		28,350	
Pensions		70,523	
Medical Insurance		77,009	
Employer Medicare		6,609	
Other Fringe Benefits		3,869	

(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	\$	454	
Laundry Service		1,057	
Maintenance and Repair Services - Buildings		355,440	
Maintenance and Repair Services - Equipment		16,564	
Maintenance and Repair Services - Vehicles		18,641	
Other Contracted Services		137,538	
Gasoline		18,371	
Other Supplies and Materials		65	
Other Charges		407	
Maintenance Equipment		7,177	
Total Maintenance of Plant			\$ 1,250,980

Transportation

Supervisor/Director	\$	38,261	
Bus Drivers		221,379	
Bonus Payments		29	
Other Salaries and Wages		60,128	
Non-certified Substitute Teachers		18,843	
Social Security		19,899	
Pensions		43,292	
Medical Insurance		68,043	
Employer Medicare		4,661	
Other Fringe Benefits		2,372	
Communication		1,316	
Contracts with Vehicle Owners		1,554,248	
Maintenance and Repair Services - Vehicles		118,154	
Travel		100	
Other Contracted Services		7,826	
Gasoline		49,104	
Tires and Tubes		6,988	
Other Supplies and Materials		696	
Vehicle and Equipment Insurance		22,340	
In Service/Staff Development		1,618	
Other Charges		1,818	
Total Transportation			2,241,115

Central and Other

Other Salaries and Wages	\$	110,826	
Social Security		6,217	
Pensions		11,016	
Medical Insurance		24,363	
Employer Medicare		1,454	
Other Fringe Benefits		178	
Total Central and Other			154,054

(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	\$	13,099	
Bonus Payments		653	
Other Salaries and Wages		259,975	
Social Security		15,931	
Pensions		24,993	
Medical Insurance		12,262	
Employer Medicare		3,916	
Other Fringe Benefits		1,130	
Communication		1,342	
Travel		69,777	
Other Contracted Services		177,892	
Other Supplies and Materials		81,736	
Indirect Cost		6,882	
Other Charges		56,152	
Total Community Services			\$ 725,740

Early Childhood Education

Supervisor/Director	\$	24,802	
Teachers		549,582	
Educational Assistants		296,272	
Bonus Payments		5,838	
Certified Substitute Teachers		608	
Non-certified Substitute Teachers		3,637	
Social Security		49,023	
Pensions		92,007	
Medical Insurance		188,405	
Employer Medicare		11,829	
Other Fringe Benefits		2,613	
Travel		1,313	
Other Supplies and Materials		35,936	
In Service/Staff Development		1,005	
Regular Instruction Equipment		9,451	
Total Early Childhood Education			1,272,321

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	1,809	
Other Capital Outlay		32,116	
Total Regular Capital Outlay			33,925

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	64,843	
Total Education			64,843

(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	\$ 8,930	
Total Education		\$ 8,930

Total General Purpose School Fund \$ 43,916,344

School Federal Projects Fund

Instruction

Regular Instruction Program

Supervisor/Director	\$ 2,811	
Teachers	798,474	
Educational Assistants	107,573	
Bonus Payments	5,471	
Other Salaries and Wages	2,333	
Social Security	50,365	
Pensions	81,784	
Medical Insurance	125,673	
Employer Medicare	12,702	
Other Fringe Benefits	850	
Instructional Supplies and Materials	87,898	
Other Charges	8,532	
Regular Instruction Equipment	12,531	
Total Regular Instruction Program		\$ 1,296,997

Special Education Program

Teachers	\$ 9,288	
Educational Assistants	373,871	
Speech Pathologist	10,950	
Social Security	23,076	
Pensions	54,179	
Medical Insurance	115,249	
Employer Medicare	5,397	
Other Fringe Benefits	3,165	
Contracts with Private Agencies	10,935	
Maintenance and Repair Services - Equipment	12,205	
Instructional Supplies and Materials	31,656	
Other Supplies and Materials	7,186	
Special Education Equipment	7,019	
Total Special Education Program		664,176

Career and Technical Education Program

Other Supplies and Materials	\$ 12,000	
Vocational Instruction Equipment	113,426	
Total Career and Technical Education Program		125,426

(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

Health Services

Medical Personnel	\$	52,240	
Social Security		3,153	
Pensions		7,314	
Medical Insurance		6,462	
Employer Medicare		737	
Other Fringe Benefits		403	
Total Health Services			\$ 70,309

Other Student Support

Other Salaries and Wages	\$	17,000	
Social Security		1,054	
Pensions		1,613	
Employer Medicare		246	
Travel		14,422	
Other Contracted Services		1,000	
Other Supplies and Materials		8,748	
In Service/Staff Development		5,953	
Other Charges		5,524	
Total Other Student Support			55,560

Regular Instruction Program

Supervisor/Director	\$	61,040	
Bonus Payments		3,203	
Other Salaries and Wages		200,709	
Social Security		15,941	
Pensions		24,027	
Medical Insurance		34,661	
Employer Medicare		3,728	
Travel		162	
Other Contracted Services		1,410	
Food Supplies		163	
Other Supplies and Materials		3,902	
In Service/Staff Development		13,483	
Total Regular Instruction Program			362,429

Special Education Program

Supervisor/Director	\$	92,636	
Psychological Personnel		47,558	
Clerical Personnel		64,441	
Bonus Payments		2,119	
Other Salaries and Wages		46,791	
Social Security		15,295	
Pensions		25,355	
Medical Insurance		23,881	
Employer Medicare		3,577	
Other Fringe Benefits		498	

(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.)

Special Education Program (Cont.)

Other Contracted Services	\$	340	
Other Supplies and Materials		81,074	
In Service/Staff Development		59,562	
Other Equipment		89,349	
Total Special Education Program			\$ 552,476

Transportation

Other Salaries and Wages	\$	156,073	
Social Security		9,251	
Pensions		21,850	
Medical Insurance		43,692	
Employer Medicare		2,164	
Other Fringe Benefits		1,423	
Contracts with Vehicle Owners		5,892	
Transportation Equipment		21,445	
Total Transportation			261,790

Operation of Non-Instructional Services

Food Service

Food Supplies	\$	1,804	
Total Food Service			1,804

Total School Federal Projects Fund \$ 3,390,967

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	63,672	
Clerical Personnel		31,678	
Cafeteria Personnel		916,019	
Bonus Payments		1,151	
Other Salaries and Wages		27,372	
In-service Training		3,455	
Social Security		60,522	
Pensions		134,732	
Medical Insurance		272,131	
Employer Medicare		14,349	
Other Fringe Benefits		7,919	
Communication		64	
Maintenance and Repair Services - Equipment		2,650	
Travel		1,063	
Disposal Fees		28,980	
Other Contracted Services		18,576	
Food Supplies		1,315,203	
Gasoline		421	
Office Supplies		2,245	

(Continued)



Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

USDA - Commodities	\$ 167,327	
Other Supplies and Materials	30,409	
In Service/Staff Development	11,846	
Other Charges	1,694	
Food Service Equipment	<u>74,603</u>	
Total Food Service		<u>\$ 3,188,081</u>

Total Central Cafeteria Fund \$ 3,188,081

Total Governmental Funds - Franklin County School Department \$ 50,495,392

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, 2018

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,841,067
Total Cash Receipts	<u>\$ 3,841,067</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,802,656
Trustee's Commission	38,411
Total Cash Disbursements	<u>\$ 3,841,067</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2017	<u>0</u>
 Cash Balance, June 30, 2018	 <u><u>\$ 0</u></u>

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## SINGLE AUDIT SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Tennessee, as of and for the year ended June 30, 2018, 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 30, 2018.

**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.

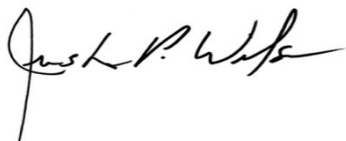
### **Compliance and Other Matters**

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 30, 2018

JPW/kp



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

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

We have audited Franklin County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Franklin County's major federal programs for the year ended June 30, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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, 2018.

### **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.

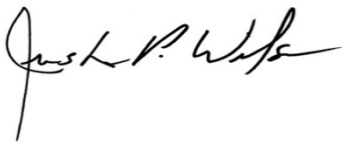
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2018, and the related notes to the financial statements, which collectively comprise Franklin County's basic financial statements. We issued our report thereon dated October 30, 2018, 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.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury

Nashville, Tennessee

October 30, 2018

JPW/kp



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, 2018

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	\$ 603,017
National School Lunch Program	10.555	N/A	1,547,112 (5)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	179,366 (5)
Total U.S. Department of Agriculture			<u>\$ 2,329,495</u>
U.S. Department of Military:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	\$ 291,805 (6)
Total U.S. Department of Military			<u>\$ 291,805</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant/State's Program	14.228	(3)	\$ 277,762
Total U.S. Department of Housing and Urban Development			<u>\$ 277,762</u>
U.S. Department of Justice:			
Direct Programs:			
Second Chance Act Reentry Initiative	16.812	N/A	\$ 249,300
Equitable Sharing Program	16.922	N/A	12,679
Total U.S. Department of Justice			<u>\$ 261,979</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	26-0179	\$ 249,884
Alcohol Open Container Requirements	20.607	Z-18-THS112	382
Total U.S. Department of Transportation			<u>\$ 250,266</u>
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	N/A	\$ 1,402
Total Institute of Museum and Library Services:			<u>\$ 1,402</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,212,098
Special Education Cluster (4):			
Special Education - Grants to States	84.027	N/A	1,439,144
Special Education - Preschool Grants	84.173	N/A	103,716
Career and Technical Education - Basic Grants to States	84.048	N/A	145,622
Rural Education	84.358	N/A	61,754
Improving Teacher Quality State Grants	84.367	N/A	179,357
Student Support and Academic Enrichment Program	84.424	N/A	28,145
Total U.S. Department of Education			<u>\$ 3,169,836</u>
U.S. Department of Health and Human Services:			
Direct Program:			
Drug-free Communities Support Program Grants	93.276	(3)	\$ 117,272
Passed-through State Department of Education:			
CCDF Cluster:			
Child Care and Developmental Block Grant	93.575	(3)	221,131
Passed-through State Department of Mental Health and Substance Abuse Services:			
Opioid STR	93.788	(3)	129,529
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(3)	113,624
Total U.S. Department of Health and Human Services			<u>\$ 581,556</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)	\$ 86
Passed-through Financial Commission for Appalachia:			
High Intensity Drug Trafficking Areas Program	95.001	(3)	<u>16,548</u>
Total U.S. Department of Executive Office of the President			<u>\$ 16,634</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(3)	\$ 38,850
Homeland Security Grant Program	97.067	(3)	<u>17,707</u>
Total U.S. Department of Homeland Security			<u>\$ 56,557</u>
Total Expenditures of Federal Awards			<u>\$ 7,237,292</u>

State Grants		Contract Number	
Early Childhood Education - State Department of Education	N/A	(3)	\$ 1,080,208
Family Resource Center - State Department of Education	N/A	(3)	29,612
Safe Schools - State Department of Education	N/A	(3)	26,540
Coordinated School Health - State Department of Education	N/A	(3)	125,000
ConnecTN - State Department of Education	N/A	(3)	13,922
Vocational Equipment - State Department of Education	N/A	(3)	267,319
Microfilm Readers Grant - Secretary of State	N/A	(3)	3,698
Lifeline Peer Project - State Department of Mental Health and Substance Abuse Services	N/A	(3)	59,672
Lifeline Peer Project II - State Department of Mental Health and Substance Abuse Services	N/A	(3)	59,993
Juvenile Services Program - State Department of Children's Services	N/A	(3)	9,000
Agriculture Growth Initiative - State Department of Agriculture	N/A	(3)	1,990
Fair Merit Award - State Department of Agriculture	N/A	(3)	1,380
FastTrack Industrial Development Program - State Department of Economic and Community Development	N/A	(3)	8,400
Site Development Grant Program - State Department of Economic and Community Development	N/A	(3)	208,030
Litter Program - State Department of Transportation	N/A	(3)	24,550
Rural Local Health Services - State Department of Health	N/A	(3)	123,308
School to Work Program - State Department of Human Services	N/A	(3)	121,240
Organics Management Grant - State Department of Environment and Conservation	N/A	(3)	108,230
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	(3)	28,048
Used Oil Grant - State Department of Environment and Conservation	N/A	(3)	11,180
Waste Tire Grant - State Department of Environment and Conservation	N/A	(3)	<u>21,788</u>
Total State Grants			<u>\$ 2,333,108</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) 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 \$2,329,495; Special Education Cluster total \$1,542,860.
- (5) Total for CFDA No. 10.555 is \$1,726,478.
- (6) During the year ended June 30, 2018, Franklin County received excess military equipment from the U.S. Department of Military valued at \$291,805.

SUBRECIPIENTS

Program Title	Federal CFDA Number	Amount Provided to Subrecipient	Subrecipient
Second Chance Act Reentry Initiative	16.812	\$249,300	Middle Tennessee Rural Reentry

Franklin County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2018

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, 2018.

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

There were no prior-year financial statement findings to report.

***Prior-year Federal Awards Findings***

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

FRANKLIN COUNTY, TENNESSEE  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended June 30, 2018

**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: 84.027 and 84.173 Special Education Cluster:  
Special Education - Grants to States and  
Special Education - Preschool Grants
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, 2018.

### **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, 2018.

**Franklin County, Tennessee**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2018**

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).