

ANNUAL FINANCIAL REPORT
FRANKLIN COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2019



DIVISION OF LOCAL GOVERNMENT AUDIT



**ANNUAL FINANCIAL REPORT
FRANKLIN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2019**

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

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

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

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Summary of Audit Findings

Annual Financial Report
Franklin County, Tennessee
For the Year Ended June 30, 2019

Scope

We have audited the basic financial statements of Franklin County as of and for the year ended June 30, 2019.

Results

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

Our audit resulted in no findings.

INTRODUCTORY SECTION

Franklin County Officials

June 30, 2019

Officials

David Alexander, 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
Denise Ingle Marshall, Register of Deeds
Tim Fuller, Sheriff
Andrea Smith, Finance Director

Board of County Commissioners

David Alexander, Chairman	
Adam Casey	Lydia Curtis Johnson
Don Cofer	Greg King
David Eldridge, Jr.	Carolyn Montoye-Wiseman
Barbara Finney	Scottie Riddle
Angie Fuller	Dale Schultz
Doug Goodman	Gene Snead, Jr.
Sam Hiles	Helen Stapleton
Johnny Hughes	Charles Stines

Highway Commission

Chuck Tipps, Chairman	Wade Hill
Bobby Clark	Joe David McBee

Board of Education

Clei Jo Walker, Chairman	Sara Liechty
Chris Guess	Lance Williams
Christine Hopkins	Vacant
Linda Moore Jones	Vacant

Franklin County Officials (Cont.)

Financial Management Committee

David Alexander, County Mayor, Chairman
John Woodall, Superintendent of Highways
Stanley Bean, Director of Schools

David Eldridge
Barbara Finney
Carolyn Montoye-Wiseman
Scottie Riddle

Audit Committee

Gene Seaton, Chairman
Jackie Axt
Glen Glasner

Margaret Lynch
Ron Schlagheck

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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, 2019, 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, 2019, and the respective changes in financial position and the respective budgetary comparison for the General, Solid Waste/Sanitation, and Highway Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (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, as listed in the table of contents, 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and Education Debt Service funds, combining and individual fund financial statements of the Franklin County School Department (a discretely presented component unit), miscellaneous schedules, and 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

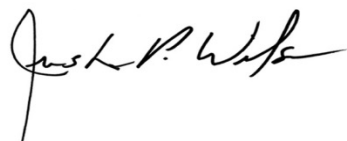
presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected 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 November 20, 2019, 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

November 20, 2019

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Franklin County, Tennessee
Statement of Net Position
June 30, 2019

	Primary Governmental Activities	Component Unit Franklin County School Department
<u>ASSETS</u>		
Cash	\$ 2,946	\$ 1,634
Equity in Pooled Cash and Investments	20,731,830	55,993,600
Accounts Receivable	102,958	139,986
Due from Component Units	71,225	0
Due from Other Governments	2,740,385	1,280,548
Property Taxes Receivable	15,644,332	10,620,467
Allowance for Uncollectible Property Taxes	(384,318)	(257,833)
Prepaid Items	8,845	6,732
Net Pension Asset - Agent Plan	1,151,256	856,866
Net Pension Asset - Teacher Retirement Plan	0	131,486
Net Pension Asset - Teacher Legacy Retirement Plan	0	1,930,336
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	64,932
Capital Assets:		
Assets Not Depreciated:		
Land	28,250,003	5,469,959
Construction in Progress	16,420,522	2,594,105
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	11,725,944	28,983,491
Infrastructure	13,268,397	0
Other Capital Assets	5,498,601	3,045,301
Total Assets	<u>\$ 115,232,926</u>	<u>\$ 110,861,610</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 155,442	\$ 513,329
Pension Changes in Assumptions	396,667	1,441,503
Pension Changes in Proportion	0	104,136
Pension Contributions After Measurement Date	1,270,789	2,948,197
OPEB Changes in Assumptions	0	186,506
OPEB Changes in Proportion	0	46,643
OPEB Contributions After Measurement Date	23,695	318,609
Total Deferred Outflows of Resources	<u>\$ 1,846,593</u>	<u>\$ 5,558,923</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 112,191	\$ 200,788
Accrued Payroll	201,390	194,728
Payroll Deductions Payable	1,129	0
Contracts Payable	1,147,897	1,484,267
Retainage Payable	24,158	75,803
Accrued Interest Payable	573,007	0
Due to Primary Government	0	71,225
Due to State of Tennessee	3,830	0
Due to Litigants, Heirs and Others	8,179	0
Noncurrent Liabilities:		
Due Within One Year - Debt	4,015,336	0
Due Within One Year - Other	764,329	182,321
Due in More Than One Year - Debt	71,176,359	0
Due in More Than One Year - Other	1,480,018	8,447,305
Total Liabilities	<u>\$ 79,507,823</u>	<u>\$ 10,656,437</u>

Exhibit A

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

	<u>Primary Governmental Activities</u>	<u>Component Units Franklin County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 14,726,759	\$ 10,023,530
Pension Changes in Experience	163,092	2,730,801
Pension Changes in Investment Earnings	129,959	524,276
Pension Changes in Proportion	0	64,720
OPEB Changes in Experience	103,950	1,079,742
OPEB Change in Assumptions	279,685	327,702
Total Deferred Inflows of Resources	<u>\$ 15,403,445</u>	<u>\$ 14,750,771</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 53,443,694	\$ 40,092,856
Restricted for:		
General Government	2,214	0
Public Safety	401,122	0
Public Health and Welfare	932,757	0
Social, Cultural, and Recreational Services	152,652	0
Highways/Public Works	3,002,502	0
Debt Service	5,541,593	0
Capital Projects	3,407,492	44,227,884
Education	0	3,338,968
Pensions	1,151,256	2,983,620
Unrestricted	<u>(45,867,031)</u>	<u>369,997</u>
Total Net Position	<u>\$ 22,168,251</u>	<u>\$ 91,013,325</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, 2019

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	\$ 4,677,286	\$ 457,238	\$ 265,758	\$ 2,038,347	\$ (1,915,943)	\$ 0
Finance	2,070,438	1,155,766	0	0	(914,672)	0
Administration of Justice	2,171,964	1,220,944	97,320	0	(853,700)	0
Public Safety	9,089,170	937,512	139,863	0	(8,011,795)	0
Public Health and Welfare	2,425,643	285,867	445,367	263,570	(1,430,839)	0
Social, Cultural, and Recreational Services	462,441	12,826	268,997	0	(180,618)	0
Agriculture and Natural Resources	192,413	0	2,558	0	(189,855)	0
Highways/Public Works	3,404,391	7,695	2,672,201	873,171	148,676	0
Education	48,483,545	0	0	34,017	(48,449,528)	0
Interest on Long-term Debt	1,566,716	0	0	0	(1,566,716)	0
Total Primary Government	\$ 74,544,007	\$ 4,077,848	\$ 3,892,064	\$ 3,209,105	\$ (63,364,990)	\$ 0
Component Unit:						
Franklin County School Department	\$ 50,602,997	\$ 1,164,804	\$ 6,287,708	\$ 48,301,426	\$ 0	\$ 5,150,941
Total Component Unit	\$ 50,602,997	\$ 1,164,804	\$ 6,287,708	\$ 48,301,426	\$ 0	\$ 5,150,941

(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					\$ 14,067,525	\$ 10,641,626
Property Taxes Levied for Debt Service					2,468,538	0
Local Option Sales Taxes					1,000,526	5,065,119
Hotel/Motel Tax					396,413	0
Litigation Taxes					478,249	0
Mixed Drink Tax					38,007	39,330
Business Tax					426,781	0
Mineral Severance Tax					55,231	0
Wholesale Beer Tax					221,788	0
Other Local Taxes					509	0
Grants and Contributions Not Restricted to Specific Programs					1,823,200	26,554,513
Unrestricted Investment Earnings					593,102	28,458
Miscellaneous					44,110	87,768
Donated Capital Assets					417,135	30,700
Amortized Premium					178,047	0
Total General Revenues					\$ 22,209,161	\$ 42,447,514
Change in Net Position					\$ (41,155,829)	\$ 47,598,455
Net Position, July 1, 2018					63,324,080	43,414,870
Net Position, June 30, 2019					\$ 22,168,251	\$ 91,013,325

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, 2019

	Major Funds					
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Education Debt Service	Other Capital Projects -
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Equity in Pooled Cash and Investments	6,604,981	1,162,871	3,159,974	2,318,583	3,458,670	3,135,698
Accounts Receivable	20,299	1,104	3	39,702	3	11,000
Due from Other Governments	1,292,056	192	473,462	405	202,040	759,694
Due from Other Funds	3,256	0	0	0	0	0
Property Taxes Receivable	10,818,722	1,770,440	642,704	1,193,442	482,390	0
Allowance for Uncollectible Property Taxes	(262,646)	(46,041)	(15,603)	(28,973)	(11,724)	0
Prepaid Items	2,214	0	6,631	0	0	0
Total Assets	\$ 18,478,882	\$ 2,888,566	\$ 4,267,171	\$ 3,523,159	\$ 4,131,379	\$ 3,906,392
<u>LIABILITIES</u>						
Accounts Payable	\$ 89,225	\$ 3,505	\$ 18,969	\$ 0	\$ 0	0
Accrued Payroll	183,365	14,267	0	0	0	0
Payroll Deductions Payable	996	0	133	0	0	0
Contracts Payable	673,155	0	0	0	0	474,742
Retainage Payable	0	0	0	0	0	24,158
Due to Other Funds	0	0	0	0	0	0
Due to State of Tennessee	1,908	393	1,460	0	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	0	0
Total Liabilities	\$ 948,649	\$ 18,165	\$ 20,562	\$ 0	\$ 0	\$ 498,900
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 10,210,643	\$ 1,645,022	\$ 606,580	\$ 1,126,363	\$ 455,169	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 -
DEFERRED INFLOWS OF RESOURCES (Cont.)						
Deferred Delinquent Property Taxes	\$ 307,504	\$ 70,661	\$ 18,268	\$ 33,922	\$ 13,795	\$ 0
Other Deferred/Unavailable Revenue	239,056	0	218,468	0	106,000	0
Total Deferred Inflows of Resources	\$ 10,757,203	\$ 1,715,683	\$ 843,316	\$ 1,160,285	\$ 574,964	\$ 0
FUND BALANCES						
Nonspendable:						
Prepaid Items	\$ 2,214	\$ 0	\$ 6,631	\$ 0	\$ 0	\$ 0
Restricted:						
Restricted for Public Safety	0	0	0	0	0	0
Restricted for Public Health and Welfare	0	958,416	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	0	0
Restricted for Highways/Public Works	0	0	2,956,968	0	0	0
Restricted for Debt Service	0	0	0	2,362,874	3,556,415	0
Restricted for Capital Projects	0	0	0	0	0	3,407,492
Committed:						
Committed for Public Health and Welfare	0	196,302	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	183,309	0	0	0	0	0
Assigned for Finance	24,943	0	0	0	0	0
Assigned for Administration of Justice	60,543	0	0	0	0	0
Assigned for Public Safety	120,871	0	0	0	0	0
Assigned for Public Health and Welfare	44,847	0	0	0	0	0
Assigned for Social, Cultural, and Recreational Services	277	0	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 Other Operations	\$ 672,081	\$ 0	\$ 139,694	\$ 0	\$ 0	\$ 0
Assigned for Capital Outlay	0	0	300,000	0	0	0
Assigned for Capital Projects	130,725	0	0	0	0	0
Unassigned	1,533,220	0	0	0	0	0
Total Fund Balances	<u>\$ 6,773,030</u>	<u>\$ 1,154,718</u>	<u>\$ 3,403,293</u>	<u>\$ 2,362,874</u>	<u>\$ 3,556,415</u>	<u>\$ 3,407,492</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,478,882</u>	<u>\$ 2,888,566</u>	<u>\$ 4,267,171</u>	<u>\$ 3,523,159</u>	<u>\$ 4,131,379</u>	<u>\$ 3,906,392</u>

(Continued)

Exhibit C-1

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

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	<u>Other Govern- mental Funds</u>		<u>Governmental Funds</u>
<u>ASSETS</u>			
Cash	\$ 2,946	\$	2,946
Equity in Pooled Cash and Investments	891,053		20,731,830
Accounts Receivable	30,847		102,958
Due from Other Governments	12,536		2,740,385
Due from Other Funds	0		3,256
Property Taxes Receivable	736,634		15,644,332
Allowance for Uncollectible Property Taxes	(19,331)		(384,318)
Prepaid Items	0		8,845
	<hr/>		<hr/>
Total Assets	\$ 1,654,685	\$	38,850,234
<u>LIABILITIES</u>			
Accounts Payable	\$ 492	\$	112,191
Accrued Payroll	3,758		201,390
Payroll Deductions Payable	0		1,129
Contracts Payable	0		1,147,897
Retainage Payable	0		24,158
Due to Other Funds	3,256		3,256
Due to State of Tennessee	69		3,830
Due to Litigants, Heirs, and Others	8,179		8,179
Total Liabilities	<hr/>	<hr/>	<hr/>
	\$ 15,754	\$	1,502,030
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 682,982	\$	14,726,759

(Continued)

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

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	Other Govern- mental Funds		Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>			
Deferred Delinquent Property Taxes	\$ 30,553	\$	474,703
Other Deferred/Unavailable Revenue	0		563,524
Total Deferred Inflows of Resources	<u>\$ 713,535</u>	\$	<u>15,764,986</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items		\$ 0	\$ 8,845
Restricted:			
Restricted for Public Safety	401,122		401,122
Restricted for Public Health and Welfare	0		958,416
Restricted for Social, Cultural, and Recreational Services	161,364		161,364
Restricted for Highways/Public Works	0		2,956,968
Restricted for Debt Service	40,241		5,959,530
Restricted for Capital Projects	0		3,407,492
Committed:			
Committed for Public Health and Welfare	0		196,302
Committed for Social, Cultural, and Recreational Services	26,269		26,269
Committed for Other Purposes	0		4,000,000
Assigned:			
Assigned for General Government	0		183,309
Assigned for Finance	0		24,943
Assigned for Administration of Justice	0		60,543
Assigned for Public Safety	296,400		417,271
Assigned for Public Health and Welfare	0		44,847
Assigned for Social, Cultural, and Recreational Services	0		277

(Continued)

Exhibit C-1

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

FUND BALANCES (Cont.)

Assigned (Cont.):

Assigned for Other Operations
Assigned for Capital Outlay
Assigned for Capital Projects
Unassigned
Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	Other		
	Govern- mental		Total Governmental
	Funds		Funds
	0	\$	811,775
	0		300,000
	0		130,725
	0		<u>1,533,220</u>
	<u>\$ 925,396</u>	\$	<u>21,583,218</u>
	<u>\$ 1,654,685</u>	\$	<u>38,850,234</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, 2019

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)		\$ 21,583,218
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 28,250,003	
Add: construction in progress	16,420,522	
Add: buildings and improvements net of accumulated depreciation	11,725,944	
Add: infrastructure net of accumulated depreciation	13,268,397	
Add: other capital assets net of accumulated depreciation	<u>5,498,601</u>	75,163,467
(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	\$ (69,810,000)	
Less: notes payable	(1,725,994)	
Less: capital leases payable	(71,225)	
Add: debt to be contributed by the school department	71,225	
Less: compensated absences payable	(741,979)	
Less: landfill closure/postclosure care costs	(306,258)	
Less: accrued interest on bonds, notes, and capital leases	(573,007)	
Less: unamortized premium on debt	(3,584,476)	
Less: net OPEB liability	<u>(1,196,110)</u>	(77,937,824)
(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	\$ 1,822,898	
Less: deferred inflows of resources related to pensions	(293,051)	
Add: deferred outflows of resources related to OPEB	23,695	
Less: deferred inflows of resources related to OPEB	<u>(383,635)</u>	1,169,907
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		1,151,256
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,038,227</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 22,168,251</u></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, 2019

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Education Debt Service
<u>Revenues</u>					
Local Taxes	\$ 11,800,953	\$ 1,778,867	\$ 707,201	\$ 1,335,023	\$ 2,256,981
Licenses and Permits	108,738	13,761	3,554	6,607	2,680
Fines, Forfeitures, and Penalties	234,115	0	0	0	0
Charges for Current Services	407,099	140,766	7,695	0	0
Other Local Revenues	156,438	217,906	1,170	305,704	0
Fees Received From County Officials	2,098,488	0	0	0	0
State of Tennessee	2,662,568	46,488	3,543,372	0	0
Federal Government	1,340,329	0	0	0	0
Other Governments and Citizens Groups	274,289	100	17,667	0	101,976
Total Revenues	\$ 19,083,017	\$ 2,197,888	\$ 4,280,659	\$ 1,647,334	\$ 2,361,637
<u>Expenditures</u>					
Current:					
General Government	\$ 3,322,343	\$ 0	\$ 0	\$ 0	\$ 0
Finance	2,166,295	0	0	0	0
Administration of Justice	2,267,951	0	0	0	0
Public Safety	8,427,434	0	0	0	0
Public Health and Welfare	537,244	1,917,375	0	0	0
Social, Cultural, and Recreational Services	71,733	0	0	0	0
Agriculture and Natural Resources	185,508	0	0	0	0
Other Operations	2,126,415	96,957	0	0	0
Highways	0	0	2,979,376	0	0
Debt Service:					
Principal on Debt	0	0	15,072	1,614,617	2,012,959
Interest on Debt	0	0	4,049	849,362	279,305
Other Debt Service	0	0	0	29,284	46,763

(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
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 256,463	\$ 0	\$ 0	\$ 0	\$ 0
Capital Projects - Donated	0	0	0	0	0
Total Expenditures	<u>\$ 19,361,386</u>	<u>\$ 2,014,332</u>	<u>\$ 2,998,497</u>	<u>\$ 2,493,263</u>	<u>\$ 2,339,027</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (278,369)	\$ 183,556	\$ 1,282,162	\$ (845,929)	\$ 22,610
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Premiums on Debt Sold	0	0	0	0	0
Transfers In	1,105,606	0	0	210,000	0
Transfers Out	0	(48,803)	(53,803)	0	0
Total Other Financing Sources (Uses)	<u>\$ 1,105,606</u>	<u>\$ (48,803)</u>	<u>\$ (53,803)</u>	<u>\$ 210,000</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 827,237	\$ 134,753	\$ 1,228,359	\$ (635,929)	\$ 22,610
Fund Balance, July 1, 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>
Fund Balance, June 30, 2019	<u>\$ 6,773,030</u>	<u>\$ 1,154,718</u>	<u>\$ 3,403,293</u>	<u>\$ 2,362,874</u>	<u>\$ 3,556,415</u>

(Continued)

Exhibit C-3

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

	Major Funds (Cont.)		Nonmajor Funds	Total Governmental Funds
	Education Capital Projects	Other Capital Projects -	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 0	\$ 1,333,422	\$ 19,212,447
Licenses and Permits	0	0	25,943	161,283
Fines, Forfeitures, and Penalties	0	0	23,364	257,479
Charges for Current Services	0	0	14,411	569,971
Other Local Revenues	0	211,652	12,326	905,196
Fees Received From County Officials	0	0	0	2,098,488
State of Tennessee	0	0	0	6,252,428
Federal Government	0	1,635,013	19,136	2,994,478
Other Governments and Citizens Groups	0	0	31,599	425,631
Total Revenues	\$ 0	\$ 1,846,665	\$ 1,460,201	\$ 32,877,401
<u>Expenditures</u>				
Current:				
General Government	\$ 0	\$ 0	\$ 0	\$ 3,322,343
Finance	0	0	0	2,166,295
Administration of Justice	0	0	0	2,267,951
Public Safety	0	0	741,199	9,168,633
Public Health and Welfare	0	0	0	2,454,619
Social, Cultural, and Recreational Services	0	0	351,380	423,113
Agriculture and Natural Resources	0	0	0	185,508
Other Operations	0	2,196	38,717	2,264,285
Highways	0	0	0	2,979,376
Debt Service:				
Principal on Debt	0	0	0	3,642,648
Interest on Debt	0	0	0	1,132,716
Other Debt Service	432,508	0	0	508,555

(Continued)

Exhibit C-3

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

	<u>Major Funds (Cont.)</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>Education</u>	<u>Other</u>	<u>Other</u>	
	<u>Capital</u>	<u>Capital</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>Projects</u>	<u>Projects -</u>	<u>mental</u>	<u>Governmental</u>
			<u>Funds</u>	<u>Funds</u>
<u>Expenditures (Cont.)</u>				
Capital Projects	\$ 0	\$ 10,346,106	\$ 160,994	\$ 10,763,563
Capital Projects - Donated	48,004,274	0	0	48,004,274
Total Expenditures	<u>\$ 48,436,782</u>	<u>\$ 10,348,302</u>	<u>\$ 1,292,290</u>	<u>\$ 89,283,879</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (48,436,782)</u>	<u>\$ (8,501,637)</u>	<u>\$ 167,911</u>	<u>\$ (56,406,478)</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 47,035,000	\$ 0	\$ 0	\$ 47,035,000
Premiums on Debt Sold	1,401,782	0	0	1,401,782
Transfers In	0	0	0	1,315,606
Transfers Out	0	(1,000,000)	(213,000)	(1,315,606)
Total Other Financing Sources (Uses)	<u>\$ 48,436,782</u>	<u>\$ (1,000,000)</u>	<u>\$ (213,000)</u>	<u>\$ 48,436,782</u>
Net Change in Fund Balances	\$ 0	\$ (9,501,637)	\$ (45,089)	\$ (7,969,696)
Fund Balance, July 1, 2018	0	12,909,129	970,485	29,552,914
Fund Balance, June 30, 2019	<u>\$ 0</u>	<u>\$ 3,407,492</u>	<u>\$ 925,396</u>	<u>\$ 21,583,218</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, 2019

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)		\$ (7,969,696)
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 13,196,218	
Less: current-year depreciation expense	<u>(2,258,278)</u>	10,937,940
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.</p>		
Add: assets donated and capitalized	\$ 394,262	
Less: book value of capital assets disposed	<u>(31,186)</u>	363,076
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2019	\$ 1,038,227	
Less: deferred delinquent property taxes and other deferred June 30, 2018	<u>(1,054,673)</u>	(16,446)
<p>(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:</p>		
Less: bond proceeds	\$ (47,035,000)	
Add: principal payments on bonds	2,990,000	
Add: principal payments on notes	584,689	
Add: principal payments on capital leases	67,959	
Less: change in premium on debt issuance	(1,223,735)	
Less: contributions from the school department for capital leases	<u>(67,959)</u>	(44,684,046)
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in accrued interest payable	\$ (434,000)	
Change in OPEB liability	237,507	
Change in deferred outflows related to OPEB	(37,395)	
Change in deferred inflows related to OPEB	(316,805)	
Change in net pension liability/asset	738,136	
Change in deferred outflows related to pensions	(39,496)	
Change in deferred inflows related to pensions	85,583	
Change in compensated absences payable	(25,846)	
Change in landfill closure/postclosure care costs	<u>5,659</u>	<u>213,343</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (41,155,829)</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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,800,953	\$ 0	\$ 0	\$ 11,800,953	\$ 11,843,734	\$ 11,830,697	\$ (29,744)
Licenses and Permits	108,738	0	0	108,738	112,000	130,330	(21,592)
Fines, Forfeitures, and Penalties	234,115	0	0	234,115	216,345	248,679	(14,564)
Charges for Current Services	407,099	0	0	407,099	418,315	419,765	(12,666)
Other Local Revenues	156,438	0	0	156,438	110,450	146,175	10,263
Fees Received From County Officials	2,098,488	0	0	2,098,488	2,052,000	2,063,000	35,488
State of Tennessee	2,662,568	0	0	2,662,568	3,463,139	3,017,021	(354,453)
Federal Government	1,340,329	0	0	1,340,329	573,936	6,765,114	(5,424,785)
Other Governments and Citizens Groups	274,289	0	0	274,289	208,500	290,731	(16,442)
Total Revenues	\$ 19,083,017	\$ 0	\$ 0	\$ 19,083,017	\$ 18,998,419	\$ 24,911,512	\$ (5,828,495)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 511,390	\$ (212,763)	\$ 18,684	\$ 317,311	\$ 356,771	\$ 334,295	\$ 16,984
Beer Board	463	0	0	463	650	650	187
County Mayor/Executive	187,973	(68)	413	188,318	205,257	196,467	8,149
County Attorney	10,800	0	0	10,800	10,800	10,800	0
Election Commission	265,338	(2,212)	375	263,501	281,993	267,068	3,567
Register of Deeds	345,171	(1,066)	0	344,105	358,363	355,903	11,798
Planning	157,192	(1,133)	871	156,930	164,425	163,645	6,715
County Buildings	1,766,318	(399,659)	159,011	1,525,670	1,507,040	1,596,026	70,356
Other General Administration	77,698	(2,901)	3,954	78,751	83,800	83,800	5,049
<u>Finance</u>							
Property Assessor's Office	521,089	(37,129)	22,209	506,169	583,260	560,178	54,009
County Trustee's Office	338,094	0	0	338,094	345,433	345,433	7,339
County Clerk's Office	590,360	0	148	590,508	596,431	597,421	6,913
Other Finance	716,752	(1,160)	2,586	718,178	739,045	725,045	6,867
<u>Administration of Justice</u>							
Circuit Court	992,561	(760)	743	992,544	1,001,773	1,013,107	20,563
General Sessions Court	314,608	(300)	0	314,308	319,432	319,432	5,124

(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 7/1/2018	Add: Encumbrances 6/30/2019	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	\$ 100,921	\$ 0	\$ 0	\$ 100,921	\$ 102,430	\$ 102,430	\$ 1,509
Chancery Court	227,899	0	0	227,899	237,918	234,918	7,019
Juvenile Court	134,659	(100)	0	134,559	138,243	136,543	1,984
Judicial Commissioners	150,933	(444)	0	150,489	174,677	164,815	14,326
Other Administration of Justice	216,568	0	59,799	276,367	25,000	284,000	7,633
Probation Services	129,802	0	0	129,802	136,966	134,966	5,164
<u>Public Safety</u>							
Sheriff's Department	4,123,699	(22,232)	30,794	4,132,261	4,070,488	4,176,207	43,946
Administration of the Sexual Offender Registry	9,708	0	0	9,708	15,783	14,783	5,075
Jail	2,968,852	(18,732)	63,522	3,013,642	2,350,600	3,140,400	126,758
Correctional Incentive Program Improvements	202,215	0	0	202,215	166,036	273,796	71,581
Juvenile Services	80,217	0	24,613	104,830	42,520	142,520	37,690
Civil Defense	152,560	(2,369)	536	150,727	161,731	155,731	5,004
Rescue Squad	18,388	(25)	996	19,359	30,000	24,740	5,381
Other Emergency Management	800,678	(51)	409	801,036	897,835	814,035	12,999
County Coroner/Medical Examiner	43,497	0	0	43,497	31,000	47,944	4,447
Public Safety Grants Program	27,620	0	0	27,620	35,600	56,480	28,860
<u>Public Health and Welfare</u>							
Local Health Center	30,678	(4,500)	8,290	34,468	35,450	37,517	3,049
Rabies and Animal Control	223,582	(1,344)	31,825	254,063	261,859	261,343	7,280
Other Local Health Services	97,136	0	2,434	99,570	212,734	212,734	113,164
Appropriation to State	26,446	0	0	26,446	30,646	26,446	0
General Welfare Assistance	17,775	0	0	17,775	17,775	17,775	0
Waste Pickup	92,701	0	1,172	93,873	97,287	100,379	6,506
Other Waste Collection	41,324	(12)	600	41,912	45,767	46,235	4,323
Other Public Health and Welfare	7,602	(795)	528	7,335	4,755	8,294	959
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	37,450	0	0	37,450	37,450	37,450	0
Parks and Fair Boards	34,283	(308)	277	34,252	40,734	39,747	5,495

(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 7/1/2018	Add: Encumbrances 6/30/2019	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	\$ 105,947	\$ (201)	\$ 0	\$ 105,746	\$ 111,782	\$ 111,782	\$ 6,036
Soil Conservation	79,561	0	0	79,561	90,813	82,312	2,751
<u>Other Operations</u>							
Industrial Development	149,989	(28,824)	47,861	169,026	652,609	191,755	22,729
Other Economic and Community Development	1,129,543	(59,373)	0	1,070,170	1,015,470	6,327,548	5,257,378
Airport	48,352	0	70,875	119,227	0	119,227	0
Veterans' Services	89,943	(45)	597	90,495	86,915	93,316	2,821
Other Charges	708,588	0	280	708,868	828,442	763,442	54,574
<u>Capital Projects</u>							
Other General Government Projects	86,711	(32,758)	2,000	55,953	340,000	127,398	71,445
Highway and Street Capital Projects	169,752	(128,973)	128,725	169,504	140,000	298,477	128,973
Total Expenditures	<u>\$ 19,361,386</u>	<u>\$ (960,237)</u>	<u>\$ 685,127</u>	<u>\$ 19,086,276</u>	<u>\$ 19,221,788</u>	<u>\$ 25,376,755</u>	<u>\$ 6,290,479</u>
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (278,369)	\$ 960,237	\$ (685,127)	\$ (3,259)	\$ (223,369)	\$ (465,243)	\$ 461,984
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 1,105,606	\$ 0	\$ 0	\$ 1,105,606	\$ 105,606	\$ 1,105,606	\$ 0
Total Other Financing Sources	<u>\$ 1,105,606</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,105,606</u>	<u>\$ 105,606</u>	<u>\$ 1,105,606</u>	<u>\$ 0</u>
Net Change in Fund Balance							
Fund Balance, July 1, 2018	\$ 827,237	\$ 960,237	\$ (685,127)	\$ 1,102,347	\$ (117,763)	\$ 640,363	\$ 461,984
	<u>5,945,793</u>	<u>(960,237)</u>	<u>0</u>	<u>4,985,556</u>	<u>6,004,355</u>	<u>4,985,556</u>	<u>0</u>
Fund Balance, June 30, 2019	<u>\$ 6,773,030</u>	<u>\$ 0</u>	<u>\$ (685,127)</u>	<u>\$ 6,087,903</u>	<u>\$ 5,886,592</u>	<u>\$ 5,625,919</u>	<u>\$ 461,984</u>

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,778,867	\$ 0	\$ 0	\$ 1,778,867	\$ 1,774,803	\$ 1,774,456	\$ 4,411
Licenses and Permits	13,761	0	0	13,761	13,600	15,660	(1,899)
Charges for Current Services	140,766	0	0	140,766	151,500	147,485	(6,719)
Other Local Revenues	217,906	0	0	217,906	290,000	226,279	(8,373)
State of Tennessee	46,488	0	0	46,488	25,000	46,551	(63)
Other Governments and Citizens Groups	100	0	0	100	0	100	0
Total Revenues	<u>\$ 2,197,888</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,197,888</u>	<u>\$ 2,254,903</u>	<u>\$ 2,210,531</u>	<u>\$ (12,643)</u>
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 2,779	\$ (500)	\$ 0	\$ 2,279	\$ 2,300	\$ 2,700	\$ 421
Convenience Centers	471,844	(51,278)	93,593	514,159	414,629	536,428	22,269
Transfer Stations	1,430,207	(64,000)	97,773	1,463,980	1,474,663	1,526,983	63,003
Postclosure Care Costs	12,545	(3,764)	0	8,781	12,000	9,191	410
<u>Other Operations</u>							
Other Charges	96,957	(7)	48	96,998	102,750	102,750	5,752
Total Expenditures	<u>\$ 2,014,332</u>	<u>\$ (119,549)</u>	<u>\$ 191,414</u>	<u>\$ 2,086,197</u>	<u>\$ 2,006,342</u>	<u>\$ 2,178,052</u>	<u>\$ 91,855</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 183,556	\$ 119,549	\$ (191,414)	\$ 111,691	\$ 248,561	\$ 32,479	\$ 79,212
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (48,803)	\$ 0	\$ 0	\$ (48,803)	\$ (48,803)	\$ (48,803)	\$ 0
Total Other Financing Sources	<u>\$ (48,803)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (48,803)</u>	<u>\$ (48,803)</u>	<u>\$ (48,803)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 134,753	\$ 119,549	\$ (191,414)	\$ 62,888	\$ 199,758	\$ (16,324)	\$ 79,212
Fund Balance, July 1, 2018	1,019,965	(119,549)	0	900,416	1,074,095	900,416	0
Fund Balance, June 30, 2019	<u>\$ 1,154,718</u>	<u>\$ 0</u>	<u>\$ (191,414)</u>	<u>\$ 963,304</u>	<u>\$ 1,273,853</u>	<u>\$ 884,092</u>	<u>\$ 79,212</u>

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

Exhibit C-7

Franklin County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 707,201	\$ 0	\$ 0	\$ 707,201	\$ 723,516	\$ 742,066	\$ (34,865)
Licenses and Permits	3,554	0	0	3,554	3,575	3,575	(21)
Charges for Current Services	7,695	0	0	7,695	15,050	15,050	(7,355)
Other Local Revenues	1,170	0	0	1,170	10,500	9,430	(8,260)
State of Tennessee	3,543,372	0	0	3,543,372	3,263,422	3,013,422	529,950
Other Governments and Citizens Groups	17,667	0	0	17,667	10,000	17,667	0
Total Revenues	\$ 4,280,659	\$ 0	\$ 0	\$ 4,280,659	\$ 4,026,063	\$ 3,801,210	\$ 479,449
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 350,186	\$ (324)	\$ 235	\$ 350,097	\$ 350,332	\$ 355,007	\$ 4,910
Highway and Bridge Maintenance	909,256	(6,104)	53	903,205	947,394	972,394	69,189
Operation and Maintenance of Equipment	292,360	(13,133)	10,564	289,791	364,682	344,682	54,891
Quarry Operations	239,809	(3,799)	6,846	242,856	351,134	317,535	74,679
Other Charges	195,648	(191)	453	195,910	240,711	234,211	38,301
Capital Outlay	992,117	(52,899)	0	939,218	1,827,568	1,090,933	151,715
<u>Principal on Debt</u>							
Highways and Streets	15,072	0	0	15,072	15,072	15,072	0
<u>Interest on Debt</u>							
Highways and Streets	4,049	0	0	4,049	4,050	4,050	1
Total Expenditures	\$ 2,998,497	\$ (76,450)	\$ 18,151	\$ 2,940,198	\$ 4,100,943	\$ 3,333,884	\$ 393,686
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,282,162	\$ 76,450	\$ (18,151)	\$ 1,340,461	\$ (74,880)	\$ 467,326	\$ 873,135
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (53,803)	\$ 0	\$ 0	\$ (53,803)	\$ (53,803)	\$ (53,803)	\$ 0
Total Other Financing Sources	\$ (53,803)	\$ 0	\$ 0	\$ (53,803)	\$ (53,803)	\$ (53,803)	\$ 0
Net Change in Fund Balance	\$ 1,228,359	\$ 76,450	\$ (18,151)	\$ 1,286,658	\$ (128,683)	\$ 413,523	\$ 873,135
Fund Balance, July 1, 2018	2,174,934	(76,450)	0	2,098,484	2,012,598	2,012,598	85,886
Fund Balance, June 30, 2019	\$ 3,403,293	\$ 0	\$ (18,151)	\$ 3,385,142	\$ 1,883,915	\$ 2,426,121	\$ 959,021

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, 2019

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,591,984
Due from Other Governments	<u>706,179</u>
Total Assets	<u><u>\$ 2,298,163</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 706,179
Due to Litigants, Heirs, and Others	<u>1,591,984</u>
Total Liabilities	<u><u>\$ 2,298,163</u></u>

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

FRANKLIN COUNTY, TENNESSEE
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FRANKLIN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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. Net debt issues totaling \$48,004,274 were contributed by the county to the school department during the year ended June 30, 2019.

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.

Education Capital Projects Fund – This fund accounts for debt issued by Franklin County that is subsequently contributed to the discretely presented Franklin County School Department for construction and renovation projects.

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.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for the receipt of debt issued by Franklin County and contributed to the school department for building construction and renovations.

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

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

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

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

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit

accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Franklin County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the Solid Waste/Sanitation 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 two 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 and the discretely presented school department's Education Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments 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. Prepays are offset in the nonspendable fund balance account in governmental funds.

4. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Franklin County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Franklin County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Franklin County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

5. 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

6. 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, other postemployment benefits (OPEB) changes in assumptions, OPEB changes in proportionate share of contributions, and 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 experience, 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.

7. 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.

8. Long-term Debt and 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, landfill postclosure cost and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

9. 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, 2019, Franklin County has \$51,876,225 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.

10. Minimum Fund Balance Policy

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

Primary Government

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

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

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

Discretely Presented Franklin County School Department

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

E. Pension Plans

Primary Government

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

Discretely Presented Franklin County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan 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.

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by

Franklin County. For this purpose, Franklin County recognizes benefit payments when due and payable in accordance with benefit terms. Franklin County's OPEB plan is not administered through a trust.

Discretely Presented Franklin County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Franklin County School Department. For this purpose, the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust.

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 capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, 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, 2019, Franklin County and the Franklin County School Department reported the following encumbrances:

<u>Fund</u>	<u>Amount</u>
Primary Government:	
General	\$ 685,127
Solid Waste/Sanitation	191,414
Highway/Public Works	18,151
Nonmajor Governmental	64,304
Total	<u>\$ 958,996</u>
Discretely Presented School Department:	
General Purpose School	\$ 412,752
Nonmajor Governmental	6,413
Total	<u>\$ 419,165</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, 2019, Franklin County had the following investments carried at amortized cost using a Stable Net Asset Value. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Franklin County and the discretely presented Franklin County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturities	Amortized Cost
State Treasurer's Investment Pool	1 to 86	N/A	\$ 52,118,349

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, 2019, Franklin County’s investment in the State Treasurer’s Investment Pool was unrated.

TCRS Stabilization Trust

Legal Provisions. The Franklin County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by 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 trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member’s funds are restricted for the payment of retirement benefits of that

member's employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Franklin County School Department may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value or amortized cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2019, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments using the Net Asset Value ("NAV") per share have no readily determinable fair value and have been determined using amortized cost, which approximates fair value.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan's custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute ("MAI"), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2019, the Franklin County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 20,129
Developed Market International Equity	N/A	N/A	9,091
Emerging Market International Equity	N/A	N/A	2,597
U.S. Fixed Income	N/A	N/A	12,986
Real Estate	N/A	N/A	6,493
Short-term Securities	N/A	N/A	650
Investments at Amortized Cost using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	12,986
Total			\$ 64,932

Investment by Fair Value Level	Fair Value 6-30-19	Fair Value Measurements Using			NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 20,129	\$ 20,129	0 \$	0 \$	0
Developed Market International Equity	9,091	9,091	0	0	0
Emerging Market International Equity	2,597	2,597	0	0	0
U.S. Fixed Income	12,986	0	12,986	0	0
Real Estate	6,493	0	0	6,493	0
Short-term Securities	650	0	650	0	0
Private Equity and Strategic Lending	12,986	0	0	0	12,986
Total	\$ 64,932	\$ 31,817	\$ 13,636	\$ 6,493	12,986

Risks and Uncertainties. The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Franklin County School Department does not have the ability to limit trust 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. The Franklin County School Department does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Franklin County School Department places no limit on the amount the county may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Franklin County School Department to pay retirement benefits of the school department employees.

For further information concerning the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2019/ag18092.pdf>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2019, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 27,979,223	\$ 301,480	\$ (30,700)	\$ 28,250,003
Construction in Progress	5,399,521	11,043,875	(22,873)	16,420,523
Total Capital Assets Not Depreciated	<u>\$ 33,378,744</u>	<u>\$ 11,345,355</u>	<u>\$ (53,573)</u>	<u>\$ 44,670,526</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 20,323,997	\$ 329,488	\$ 0	\$ 20,653,485
Infrastructure	46,110,513	1,107,089	0	47,217,602
Other Capital Assets	13,148,400	831,421	(17,500)	13,962,321
Total Capital Assets Depreciated	<u>\$ 79,582,910</u>	<u>\$ 2,267,998</u>	<u>\$ (17,500)</u>	<u>\$ 81,833,408</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 8,503,201	\$ 424,340	\$ 0	\$ 8,927,541
Infrastructure	32,926,550	1,022,655	0	33,949,205
Other Capital Assets	7,669,452	811,283	(17,014)	8,463,721
Total Accumulated Depreciation	<u>\$ 49,099,203</u>	<u>\$ 2,258,278</u>	<u>\$ (17,014)</u>	<u>\$ 51,340,467</u>
Total Capital Assets Depreciated, Net	<u>\$ 30,483,707</u>	<u>\$ 9,720</u>	<u>\$ (486)</u>	<u>\$ 30,492,941</u>
Governmental Activities Capital Assets, Net	<u>\$ 63,862,451</u>	<u>\$ 11,355,075</u>	<u>\$ (54,059)</u>	<u>\$ 75,163,467</u>

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

Governmental Activities:

General Government	\$ 227,964
Finance	23,087
Administration of Justice	8,705
Public Safety	415,208
Public Health and Welfare	203,170
Social, Cultural, and Recreational Services	28,492
Agriculture and Natural Resources	9,862
Highways/Public Works	<u>1,341,790</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,258,278</u></u>

Discretely Presented Franklin County School Department

Governmental Activities:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 5,439,259	\$ 30,700	\$ 0	\$ 5,469,959
Construction in Progress	0	2,594,105	0	<u>2,594,105</u>
Total Capital Assets Not Depreciated	<u>\$ 5,439,259</u>	<u>\$ 2,624,805</u>	<u>\$ 0</u>	<u>\$ 8,064,064</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 60,356,303	\$ 151,943	\$ (99,144)	\$ 60,409,102
Other Capital Assets	9,898,998	726,563	(676,728)	<u>9,948,833</u>
Total Capital Assets Depreciated	<u>\$ 70,255,301</u>	<u>\$ 878,506</u>	<u>\$ (775,872)</u>	<u>\$ 70,357,935</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 30,209,656	\$ 1,310,099	\$ (94,144)	\$ 31,425,611
Other Capital Assets	7,078,420	432,404	(607,292)	<u>6,903,532</u>
Total Accumulated Depreciation	<u>\$ 37,288,076</u>	<u>\$ 1,742,503</u>	<u>\$ (701,436)</u>	<u>\$ 38,329,143</u>
Total Capital Assets Depreciated, Net	<u>\$ 32,967,225</u>	<u>\$ (863,997)</u>	<u>\$ (74,436)</u>	<u>\$ 32,028,792</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 38,406,484</u></u>	<u><u>\$ 1,760,808</u></u>	<u><u>\$ (74,436)</u></u>	<u><u>\$ 40,092,856</u></u>

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

Governmental Activities:

Instruction	\$ 1,340,933
Support Services	316,984
Operation of Non-instructional Services	<u>84,586</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,742,503</u></u>

C. Construction Commitments

Primary Government

At June 30, 2019, the county had uncompleted construction contracts of approximately \$3,558,133 for a jail expansion project, approximately \$496,073 for a communication tower construction project, and approximately \$3,091,882 for a Tennessee College of Applied Technology (TCAT) campus project. Funding has been received for a portion of the jail expansion and capital outlay notes were issued subsequent to June 30, 2019, for additional expenditures. Funding has been received for future expenditures for the communication tower construction. Grant proceeds are expected for the TCAT project's future expenditures.

At June 30, 2019, the discretely presented Franklin County School Department had uncompleted construction contracts of approximately \$38,089,296 for construction and renovation projects at two middle schools. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 3,256

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government: Governmental Activities	Component Unit: School Department: Governmental Activities	\$ 71,225

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, 2019, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		Purpose
	General Fund	General Debt Service	
Solid Waste/Sanitation	\$ 48,803	\$ 0	Reimbursement
Highway/Public Works	53,803	0	"
Other Capital Projects	1,000,000	0	"
Nonmajor governmental funds	3,000	0	"
"	0	210,000	Debt Payment
Total	\$ 1,105,606	\$ 210,000	

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.

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2019, were as follows:

Year Ending June 30	Governmental Funds
2020	\$ 73,773
Total Minimum Lease Payments	\$ 73,773
Less: Amount Representing Interest	(2,548)
Present Value of Minimum Lease Payments	\$ 71,225

F. Long-term Debt

Primary Government

General Obligation Bonds and Notes

General Obligation Bonds - 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. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 25 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2019, will be retired from the General Debt Service and Education Debt Service funds.

Direct Borrowing and Direct Placements – Franklin County issues capital outlay notes to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes outstanding were issued for original terms of up to 12 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes included in long-term debt as of June 30, 2019, will be retired from the General Debt Service and Highway/Public Works funds.

General obligation bonds, notes, and capital leases outstanding as of June 30, 2019, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-19
General Obligation Bonds	2 to 5 %	5-1-44	\$ 62,425,000	\$ 61,895,000
General Obligation Bonds - Refunding	1.23 to 5	6-1-38	22,850,000	7,915,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	2.23 to 4.875	2-1-23	4,449,666	1,725,994
Capital Leases	5	4-1-20	581,879	71,225

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2019, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 3,355,000	\$ 2,686,948	\$ 6,041,948
2021	3,565,000	2,396,350	5,961,350
2022	2,995,000	2,248,525	5,243,525
2023	3,120,000	2,098,775	5,218,775
2024	2,730,000	1,985,075	4,715,075
2025-2029	14,120,000	8,186,925	22,306,925
2030-2034	14,795,000	5,343,627	20,138,627
2035-2039	11,745,000	3,368,029	15,113,029
2040-2044	13,385,000	1,381,799	14,766,799
Total	\$ 69,810,000	\$ 29,696,053	\$ 99,506,053

Year Ending June 30	Notes		
	Principal	Interest	Total
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	\$ 1,725,994	\$ 90,419	\$ 1,816,413

There is \$2,362,874 available in the General Debt Service Fund and \$3,556,415 available in the Education Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,701, based on the 2010 federal census. Total debt per capita, including bonds, notes, capital leases, and unamortized debt premiums, totaled \$1,832, 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 Debt</u>	<u>Outstanding 6-30-19</u>
<u>Capital Leases - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficient Lighting (Excel)	\$ 71,225
Total	<u>\$ 71,225</u>

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2019, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes - Direct Placement</u>	<u>Capital Leases - Direct Placement</u>
Balance, July 1, 2018	\$ 25,765,000	\$ 2,310,683	\$ 139,184
Additions	47,035,000	0	0
Reductions	(2,990,000)	(584,689)	(67,959)
Balance, June 30, 2019	<u>\$ 69,810,000</u>	<u>\$ 1,725,994</u>	<u>\$ 71,225</u>
Balance Due Within One Year	<u>\$ 3,355,000</u>	<u>\$ 589,111</u>	<u>\$ 71,225</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 71,607,219
Less: Balance Due Within One Year - Debt	(4,015,336)
Add: Unamortized Premium on Debt	<u>3,584,476</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 71,176,359</u>

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2019, was as follows:

	Landfill Postclosure Care Costs	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2018	\$ 311,917	\$ 1,433,617	\$ 716,133
Additions	6,886	190,043	641,124
Reductions	(12,545)	(427,550)	(615,278)
Balance, June 30, 2019	<u>\$ 306,258</u>	<u>\$ 1,196,110</u>	<u>\$ 741,979</u>
Balance Due Within One Year	<u>\$ 22,350</u>	<u>\$ 0</u>	<u>\$ 741,979</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2019	\$ 2,244,347
Less: Balance Due Within One Year	<u>(764,329)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,480,018</u>

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

Discretely Presented Franklin County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Franklin County School Department for the year ended June 30, 2019, was as follows:

Governmental Activities:

	Compensated Absences	Other Post- employment Benefits
Balance, July 1, 2018	\$ 193,606	\$ 9,049,801
Additions	158,507	1,089,776
Reductions	(169,792)	(1,692,272)
	<u>\$ 182,321</u>	<u>\$ 8,447,305</u>
Balance, June 30, 2019		
Balance Due Within One Year	<u>\$ 182,321</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2019	\$ 8,629,626
Less: Balance Due Within One Year	<u>(182,321)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 8,447,305</u>

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

H. On-Behalf Payments

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 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, 2019, were \$103,068 and \$65,075, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Short-term Debt

Primary Government

Franklin County issued revenue anticipation notes totaling \$1,800,000 in advance of a bond issued for construction projects and deposited the proceeds in the Education Capital Projects Fund. These notes were necessary to fund school construction and renovation costs until bonds were issued for the projects. Short-term debt activity for the year ended June 30, 2019, was as follows:

	Balance			Balance
	7-1-18	Issued	Paid	6-30-19
Revenue Anticipation Note	\$ 0	\$ 1,800,000	\$ (1,800,000)	\$ 0

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, 2019, was as follows:

	Balance			Balance
	7-1-18	Issued	Paid	6-30-19
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. 83, *Certain Asset Retirement Obligations*; Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements* became effective for the year ended June 30, 2019. In addition, Franklin County early implemented the provisions of GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*.

GASB Statement No. 83, *Certain Asset Retirement Obligations* establishes accounting and reporting requirements for certain asset retirement obligations (AROs) associated with tangible capital assets. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, and expense/expenditures. In addition, this standard establishes note disclosure requirements for AROs.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements* addresses note disclosure requirements

related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should report when disclosing information related to debt. These required disclosures include direct borrowings and direct placements, unused lines of credit, assets pledged as collateral for debt, terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant acceleration clauses.

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period* amends paragraphs 5 through 22 of GASB Statement No. 62. This standard establishes that interest cost incurred before the end of a construction period should be recognized as an expense/expenditure. The changes adopted to conform with this standard are to be applied prospectively.

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. Changes in Administration

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 Ingle Marshall.

E. Landfill Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these 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 \$306,258 reported as landfill postclosure care liability at June 30, 2019, represents amounts based on what it would cost to perform all postclosure care in 2019. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Interlocal Solid Waste Authority is jointly operated by the counties of 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, 2019.

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, 2019.

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

Administrative Offices:

Interlocal Solid Waste Authority
487 Joyce Lane
Winchester, TN 37398

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

G. Retirement Commitments

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 57.33 percent, the non-certified employees of the discretely presented school department comprise 42.67 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/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	355
Inactive Employees Entitled to But Not Yet Receiving Benefits	415
Active Employees	<u>523</u>
Total	<u><u>1,293</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, 2019, the employer contribution for Franklin County was \$2,169,304 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, 2018, 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, 2018, 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 3.44% 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, 2018, 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	
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.

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, 2017	\$ 45,489,005	\$ 46,207,850	\$ (718,845)
Changes for the Year:			
Service Cost	\$ 1,169,906	\$ 0	\$ 1,169,906
Interest	3,320,351	0	3,320,351
Differences Between Expected and Actual Experience	200,689	0	200,689
Changes in Assumptions	0	0	0
Contributions-Employer	0	2,178,287	(2,178,287)
Contributions-Employees	0	0	0
Net Investment Income	0	3,852,371	(3,852,371)
Benefit Payments, Including Refunds of Employee Contributions	(1,721,930)	(1,721,930)	0
Administrative Expense	0	(50,435)	50,435
Other Changes	0	0	0
Net Changes	\$ 2,969,016	\$ 4,258,293	\$ (1,289,277)
Balance, June 30, 2018	\$ 48,458,021	\$ 50,466,143	\$ (2,008,122)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	57.33%	\$ 27,780,983	\$ 28,932,240	\$ (1,151,256)
School Department	42.67%	20,677,038	21,533,903	(856,866)
Total		\$ 48,458,021	\$ 50,466,143	\$ (2,008,122)

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%
Net Pension Liability	\$ 4,269,409	\$ (2,008,122)	\$ (7,259,769)

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, 2019, Franklin County recognized pension expense of \$848,281.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, 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	\$ 271,137	\$ 284,479
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	226,686
Changes in Assumptions	691,900	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	2,169,304	N/A
Total	\$ 3,132,341	\$ 511,165

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2018,” 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	\$ 1,822,898	\$ 293,051
School Department	1,309,443	218,114
Total	<u>\$ 3,132,341</u>	<u>\$ 511,165</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
2020	\$ 405,892
2021	210,017
2022	(106,648)
2023	(57,379)
2024	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 57.33 percent and the non-certified employees of the discretely presented school department comprise 42.67 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/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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 \$59,777, which is 1.95 percent of covered payroll. In addition, employer contributions of \$61,654, which is 2.06 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, 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, 2019, the school department reported a liability (asset) of (\$131,486) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, 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, 2018, the school department's proportion was .289917 percent. The proportion as of June 30, 2017, was .305505 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized pension expense of \$45,398.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, 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	\$ 7,447	\$ 5,237
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	7,427
Changes in Assumptions	6,203	0
Changes in Proportion of Net Pension Liability (Asset)	6,960	738
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	59,777	N/A
Total	<u>\$ 80,387</u>	<u>\$ 13,402</u>

The school department's employer contributions of \$59,777, 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, 2020. 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
2020	\$ (467)
2021	(703)
2022	(1,761)
2023	179
2024	1,169
Thereafter	8,791

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, 2018, 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 3.44% 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, 2018, 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.

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%
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Net Pension Liability \$ 20,328 \$ (131,486) \$ (243,336)

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/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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, 2019, to the Teacher Legacy Pension Plan were \$1,989,905, which is 10.46 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, 2019, the school department reported a liability (asset) of (\$1,930,336) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, 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, 2018, the school department's proportion was .54856 percent. The proportion measured at June 30, 2017, was .547981 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized (negative) pension expense of (\$562,258).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, 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	\$ 390,187	\$ 2,604,176
Changes in Assumptions	1,140,066	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	420,122
Changes in Proportion Net Pension Liability (Asset)	97,176	63,982
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	1,989,905	N/A
Total	<u>\$ 3,617,334</u>	<u>\$ 3,088,280</u>

The school department's employer contributions of \$1,989,905 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, 2020. 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
2020	\$ 388,237
2021	(626,148)
2022	(1,044,872)
2023	(178,068)
2024	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, 2018, 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 3.44% 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, 2018, 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.

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%
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Net Pension Liability \$ 14,880,247 \$ (1,930,336) \$ (15,838,752)

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 \$152,449 and teachers contributed \$61,938 to this deferred compensation pension plan.

H. 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, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2018, 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, 2018, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.62%
Healthcare Cost Trend Rates	LGP - Based on the Getzen Model, with trend starting at 6.75% for the 2019 calendar year, and gradually decreasing over a 32-year period to an ultimate trend rate of 3.53% with .28% added to approximate the effect of the excise tax
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.62 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, 2018, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2018, valuations were the same as those employed in the July 1, 2018, 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 3.56 percent as of the beginning of the measurement period to 3.62 percent as of the measurement date of June 30, 2018. The assumed initial costs and premium amounts were revised to reflect rates adopted for the 2019 plan year. The assumed initial trend rate applicable to the 2019 plan year was revised from 5.4 percent to 6.75 percent.

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, 2018, the following employees were covered by the benefit terms:

	Franklin County	Hwy Dept	Total
Retirees and Beneficiaries	2	0	2
Inactive, Nonretired Members	0	0	0
Active Members Eligible for Future Benefits	180	19	199
Active Members Not Eligible for Future Benefits	16	1	17
Total	<u>198</u>	<u>20</u>	<u>218</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, 2019, the county paid \$23,695 (Franklin County - \$20,541, Highway Dept - \$3,154) 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	\$ 1,146,884	\$ 286,733	\$ 1,433,617
Changes for the Year:			
Service Cost	\$ 62,479	\$ 14,627	\$ 77,106
Interest	42,025	10,669	52,694
Changes in Benefit Terms	58,327	1,916	60,243
Difference between Expected and Actuarial Experience	(64,968)	(52,271)	(117,239)
Changes in Assumption and Other Inputs	(181,825)	(67,396)	(249,221)
Benefit Payments	(57,757)	(3,333)	(61,090)
Net Changes	<u>\$ (141,719)</u>	<u>\$ (95,788)</u>	<u>\$ (237,507)</u>
Balance June 30, 2018	<u>\$ 1,005,165</u>	<u>\$ 190,945</u>	<u>\$ 1,196,110</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the county recognized OPEB expense of \$140,388 (Franklin County - \$129,018, Highway Dept - \$11,370). At June 30, 2019, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience (DI - Franklin County \$57,829, Hwy \$46,121)	\$ 0	\$ 103,950
Changes of Assumptions/Inputs (DI - County \$210,701, Hwy \$68,984)	0	279,685
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2018 (DO - County \$20,541, Hwy \$3,154)	<u>23,695</u>	<u>0</u>
Total	<u>\$ 23,695</u>	<u>\$ 383,635</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	County	Hwy	Total Amount
2020	\$ (33,813)	\$ (15,842)	\$ (49,655)
2021	(33,813)	(15,842)	(49,655)
2022	(33,813)	(15,842)	(49,655)
2023	(33,813)	(15,842)	(49,655)
2024	(33,813)	(15,842)	(49,655)
Thereafter	(99,465)	(35,895)	(135,360)

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 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
County	\$ 1,095,989	\$ 1,005,165	\$ 921,145
Hwy	203,412	190,945	178,908
Total OPEB Liability	\$ 1,299,401	\$ 1,196,110	\$ 1,100,053

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 5.75 to 2.81%	Current Trend Rate 6.75 to 3.81%	1% Increase 7.75 to 4.81%
County	\$ 878,578	\$ 1,005,165	\$ 1,157,821
Hwy	171,482	190,945	213,745
Total OPEB Liability	\$ 1,050,060	\$ 1,196,110	\$ 1,371,566

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 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 20 percent 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, 2018, the following employees were covered by the benefit terms:

	School Department
Retirees and Beneficiaries	
Inactive, Nonretired Members	32
Active Members Eligible for Future Benefits	0 555
Active Members Not Eligible for Future Benefits	60
Total	647

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 \$318,609 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Franklin County School Department 76.4271%	State of TN 23.5729%	Total OPEB Liability
Balance July 1, 2017	\$ 9,049,801	\$ 2,865,436	\$ 11,915,237
Changes for the Year:			
Service Cost	488,378	150,633	639,011
Interest	336,020	103,641	439,661
Changes in Proportions	56,669	(56,669)	0
Changes in			
Benefit Terms	(171,847)	(53,004)	(224,851)
Difference Between			
Expected and			
Actuarial Experience	(1,208,283)	(372,678)	(1,580,961)
Changes in Assumptions			
and Other Inputs	208,709	64,374	273,083
Benefit Payments	(312,142)	(96,276)	(408,418)
Net Changes	\$ (602,496)	\$ (259,979)	\$ (862,475)
Balance June 30, 2018	\$ 8,447,305	\$ 2,605,457	\$ 11,052,762

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 employer's 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 \$149,073 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 76.4271 percent and the State of Tennessee's share was 23.5729 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department recognized OPEB expense of \$655,948, including the state's share of the expense. At June 30, 2019, 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	\$ 1,079,742
Changes of Assumptions/Inputs	186,506	327,702
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	46,643	0
Benefits Paid After the Measurement Date of June 30, 2018	<u>318,609</u>	<u>0</u>
Total	<u>\$ 551,758</u>	<u>\$ 1,407,444</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	\$ (145,676)
2020	(145,676)
2021	(145,676)
2022	(145,676)
2023	(145,676)
Thereafter	(445,916)

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
	2.62%	3.62%	4.62%

Proportionate Share of the Collective Total OPEB Liability	\$ 9,068,665	\$ 8,447,305	\$ 7,855,407
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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
	5.75% to 2.85%	6.75% to 3.85%	7.75% to 4.85%

Proportionate Share of the Collective Total OPEB Liability	\$ 7,505,195	\$ 8,447,305	\$ 9,555,378
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I. Office of Central Accounting, Budgeting, and Purchasing

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

J. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by her to serve as the county purchasing agent. The finance director serves as the purchasing agent for Franklin County. All purchase orders are issued by the finance department. Purchases exceeding \$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.

K. Subsequent Events

On July 12, 2019, Franklin County issued capital outlay notes totaling \$2,000,000 to complete the jail construction project.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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	2018
Total Pension Liability					
Service Cost	\$ 934,637	\$ 986,760	\$ 1,016,893	\$ 1,063,243	\$ 1,169,906
Interest	2,724,212	2,849,313	2,978,769	3,137,383	3,320,351
Changes in Benefit Terms	0	0	0	0	0
Differences Between Actual and Expected Experience	(714,099)	(717,567)	(352,407)	184,310	200,689
Changes in Assumptions	0	0	0	1,153,166	0
Benefit Payments, Including Refunds of Employee Contributions	(1,326,831)	(1,330,894)	(1,514,230)	(1,635,261)	(1,721,930)
Net Change in Total Pension Liability	\$ 1,617,919	\$ 1,787,612	\$ 2,129,025	\$ 3,902,841	\$ 2,969,016
Total Pension Liability, Beginning	36,051,608	37,669,527	39,457,139	41,586,164	45,489,005
Total Pension Liability, Ending (a)	\$ 37,669,527	\$ 39,457,139	\$ 41,586,164	\$ 45,489,005	\$ 48,458,021
Plan Fiduciary Net Position					
Contributions - Employer	\$ 1,756,198	\$ 1,782,002	\$ 1,863,363	\$ 2,074,079	\$ 2,178,287
Contributions - Employee	0	0	0	0	0
Net Investment Income	5,394,799	1,180,304	1,057,642	4,683,164	3,852,371
Benefit Payments, Including Refunds of Employee Contributions	(1,326,831)	(1,330,894)	(1,514,230)	(1,635,261)	(1,721,930)
Administrative Expense	(19,389)	(25,333)	(38,726)	(43,759)	(50,435)
Other	0	0	0	5,163	0
Net Change in Plan Fiduciary Net Position	\$ 5,804,777	\$ 1,606,079	\$ 1,368,049	\$ 5,083,386	\$ 4,258,293
Plan Fiduciary Net Position, Beginning	32,345,559	38,150,336	39,756,415	41,124,464	46,207,850
Plan Fiduciary Net Position, Ending (b)	\$ 38,150,336	\$ 39,756,415	\$ 41,124,464	\$ 46,207,850	\$ 50,466,143
Net Pension Liability (Asset), Ending (a - b)	\$ (480,809)	\$ (299,276)	\$ 461,700	\$ (718,845)	\$ (2,008,122)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.28%	100.76%	98.89%	101.58%	104.14%
Covered Payroll	\$ 13,284,415	\$ 13,520,502	\$ 14,184,250	\$ 14,814,839	\$ 15,559,190
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(3.62)%	(2.21)%	3.26%	(4.85)%	(12.91)%

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

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and 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	2019
Actuarially Determined Contribution	\$ 1,756,198	\$ 1,782,002	\$ 1,863,363	\$ 2,074,079	\$ 2,178,287	\$ 2,169,304
Less Contributions in Relation to the Actuarially Determined Contribution	(1,756,198)	(1,782,002)	(1,863,363)	(2,074,079)	(2,178,287)	(2,169,304)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 13,284,415	\$ 13,520,502	\$ 14,184,250	\$ 14,814,839	\$ 15,559,190	\$ 15,495,051
Contributions as a Percentage of Covered Payroll	13.22%	13.18%	13.14%	14.00%	14.00%	14.00%

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

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and 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	2019*
Contractually Required Contribution	\$ 25,890	\$ 59,257	\$ 80,206	\$ 101,341	\$ 59,777
Less Contributions in Relation to the Contractually Required Contribution	(25,890)	(59,257)	(80,206)	(101,341)	(59,777)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 647,261	\$ 1,481,438	\$ 2,005,148	\$ 2,533,521	\$ 3,060,657
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.95%

* In FY 2019 the School Department placed the actuarially determined contribution rate (1.94%) of covered payroll into the pension plan and placed 2.06% of covered payroll into the Pension Stabilization Reserve Trust.

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	2019
Contractually Required Contribution	\$ 1,861,081	\$ 1,779,184	\$ 1,758,044	\$ 1,751,126	\$ 1,744,158	\$ 1,989,905
Less Contributions in Relation to the Contractually Required Contribution	(1,861,081)	(1,779,184)	(1,758,044)	(1,751,126)	(1,744,158)	(1,989,905)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 20,958,110	\$ 19,681,280	\$ 19,447,359	\$ 19,370,899	\$ 19,208,753	\$ 19,023,941
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability (Asset)	0.305093%	0.336686%	0.305505%	0.289917%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (12,532)	\$ (35,050)	\$ (80,604)	\$ (131,485)
Covered Payroll	\$ 647,261	\$ 1,481,438	\$ 2,005,148	\$ 2,533,521
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%

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

	2014	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability (Asset)	0.533966%	0.525744%	0.538739%	0.547981%	0.548560%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (86,767)	\$ 215,363	\$ 3,366,820	\$ (179,290)	\$ (1,930,336)
Covered Payroll	\$ 20,958,110	\$ 19,681,280	\$ 19,447,359	\$ 19,370,899	\$ 19,208,753
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)%	(10.05)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%

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

	2017	2018
Total OPEB Liability		
Service Cost	\$ 67,834	\$ 62,479
Interest	35,144	42,025
Changes in Benefit Terms	0	58,327
Differences Between Actual and Expected Experience	0	(64,968)
Changes in Assumptions or Other Inputs	(62,243)	(181,825)
Benefit Payments	(59,139)	(57,757)
Net Change in Total OPEB Liability	\$ (18,404)	\$ (141,719)
Total OPEB Liability, Beginning	1,165,288	1,146,884
Total OPEB Liability, Ending	<u>\$ 1,146,884</u>	<u>\$ 1,005,165</u>
Covered Employee Payroll	\$ 8,053,146	\$ 8,156,420
Net OPEB Liability as a Percentage of Covered Employee Payroll	14.24%	12.32%

Highway Department Plan

	2017	2018
Total OPEB Liability		
Service Cost	\$ 15,922	\$ 14,627
Interest	8,505	10,669
Changes in Benefit Terms	0	1,916
Differences Between Actual and Expected Experience	0	(52,271)
Changes in Assumptions or Other Inputs	(13,043)	(67,396)
Benefit Payments	0	(3,333)
Net Change in Total OPEB Liability	\$ 11,384	\$ (95,788)
Total OPEB Liability, Beginning	275,349	286,733
Total OPEB Liability, Ending	<u>\$ 286,733</u>	<u>\$ 190,945</u>
Covered Employee Payroll	\$ 857,370	\$ 920,666
Net OPEB Liability as a Percentage of Covered Employee Payroll	33.44%	20.74%

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:

2017	2.92%
2018	3.56%
2019	3.62%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

	2017	2018
Total OPEB Liability		
Service Cost	\$ 690,876	\$ 639,011
Interest	357,976	439,661
Changes in Benefit Terms	0	(224,851)
Differences Between Actual and Expected Experience	0	(1,580,961)
Changes in Assumptions or Other Inputs	(546,251)	273,083
Benefit Payments	(311,888)	(408,418)
Net Change in Total OPEB Liability	\$ 190,713	\$ (862,475)
Total OPEB Liability, Beginning	11,724,524	11,915,237
Total OPEB Liability, Ending	<u>\$ 11,915,237</u>	<u>\$ 11,052,762</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,865,436	\$ 2,605,457
Employer Proportionate Share of the Total OPEB Liability	9,049,801	8,447,305
Covered Employee Payroll	\$ 25,921,354	\$ 28,502,562
Net OPEB Liability as a Percentage of Covered Employee Payroll	34.91%	29.64%

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:

2017	2.92%
2018	3.56%
2019	3.62%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

FRANKLIN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2019 were calculated based on the June 30, 2017, 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	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, 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	2.25%

Changes in Assumptions: In 2017, the following assumptions were changed: (1) decreased the inflation rate from 3.0 to 2.5 percent; (2) decreased the investment rate from 7.5 to 7.25 percent; (3) decreased the cost-of-living adjustment from 2.5 to 2.25 percent; (4) decreased the salary growth rate graded ranges from an average of 4.25 to 4.0 percent; and (5) modified the mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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. This fund closed during the year.

Exhibit F-1

Franklin County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Public Library	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,946	\$ 2,946
Equity in Pooled Cash and Investments	40,241	186,502	613,221	51,089	0	891,053
Accounts Receivable	0	1,553	28,984	0	310	30,847
Due from Other Governments	0	2,733	9,003	800	0	12,536
Property Taxes Receivable	0	317,772	418,862	0	0	736,634
Allowance for Uncollectible Property Taxes	0	(7,715)	(11,616)	0	0	(19,331)
Total Assets	<u>\$ 40,241</u>	<u>\$ 500,845</u>	<u>\$ 1,058,454</u>	<u>\$ 51,889</u>	<u>\$ 3,256</u>	<u>\$ 1,654,685</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 442	\$ 0	\$ 50	\$ 0	\$ 492
Accrued Payroll	0	3,758	0	0	0	3,758
Due to Other Funds	0	0	0	0	3,256	3,256
Due to State of Tennessee	0	69	0	0	0	69
Due to Litigants, Heirs, and Others	0	0	0	8,179	0	8,179
Total Liabilities	<u>\$ 0</u>	<u>\$ 4,269</u>	<u>\$ 0</u>	<u>\$ 8,229</u>	<u>\$ 3,256</u>	<u>\$ 15,754</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 299,911	\$ 383,071	\$ 0	\$ 0	\$ 682,982
Deferred Delinquent Property Taxes	0	9,032	21,521	0	0	30,553
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 308,943</u>	<u>\$ 404,592</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 713,535</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	Nonmajor Governmental Funds
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 357,462	\$ 43,660	\$ 0	\$ 401,122
Restricted for Social, Cultural, and Recreational Services	0	161,364	0	0	0	161,364
Restricted for Debt Service	40,241	0	0	0	0	40,241
Committed:						
Committed for Social, Cultural, and Recreational Services	0	26,269	0	0	0	26,269
Assigned:						
Assigned for Public Safety	0	0	296,400	0	0	296,400
Total Fund Balances	<u>\$ 40,241</u>	<u>\$ 187,633</u>	<u>\$ 653,862</u>	<u>\$ 43,660</u>	<u>\$ 0</u>	<u>\$ 925,396</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 40,241</u>	<u>\$ 500,845</u>	<u>\$ 1,058,454</u>	<u>\$ 51,889</u>	<u>\$ 3,256</u>	<u>\$ 1,654,685</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, 2019

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Public Library	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	
<u>Revenues</u>						
Local Taxes	\$ 200,075	\$ 322,347	\$ 811,000	\$ 0	\$ 0	\$ 1,333,422
Licenses and Permits	0	1,754	24,189	0	0	25,943
Fines, Forfeitures, and Penalties	0	0	0	23,364	0	23,364
Charges for Current Services	0	12,826	0	1,500	85	14,411
Other Local Revenues	0	6,591	96	3,600	0	10,287
Federal Government	0	1,773	0	17,363	0	19,136
Other Governments and Citizens Groups	0	29,549	0	2,050	0	31,599
Total Revenues	\$ 200,075	\$ 374,840	\$ 835,285	\$ 47,877	\$ 85	\$ 1,458,162
<u>Expenditures</u>						
Current:						
Public Safety	\$ 0	\$ 0	\$ 673,053	\$ 68,061	\$ 85	\$ 741,199
Social, Cultural, and Recreational Services	0	351,380	0	0	0	351,380
Other Operations	2,019	36,459	0	219	0	38,697
Capital Projects	0	7,658	0	0	0	7,658
Total Expenditures	\$ 2,019	\$ 395,497	\$ 673,053	\$ 68,280	\$ 85	\$ 1,138,934
Excess (Deficiency) of Revenues Over Expenditures	\$ 198,056	\$ (20,657)	\$ 162,232	\$ (20,403)	\$ 0	\$ 319,228
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (210,000)	\$ (3,000)	\$ 0	\$ 0	\$ 0	\$ (213,000)
Total Other Financing Sources (Uses)	\$ (210,000)	\$ (3,000)	\$ 0	\$ 0	\$ 0	\$ (213,000)
Net Change in Fund Balances	\$ (11,944)	\$ (23,657)	\$ 162,232	\$ (20,403)	\$ 0	\$ 106,228
Fund Balance, July 1, 2018	52,185	211,290	491,630	64,063	0	819,168
Fund Balance, June 30, 2019	\$ 40,241	\$ 187,633	\$ 653,862	\$ 43,660	\$ 0	\$ 925,396

(Continued)

Exhibit F-2

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

	<u>Capital</u> <u>Projects Fund</u> Highway Capital Projects	Total Nonmajor Governmental Funds
<u>Revenues</u>		
Local Taxes	\$ 0	\$ 1,333,422
Licenses and Permits	0	25,943
Fines, Forfeitures, and Penalties	0	23,364
Charges for Current Services	0	14,411
Other Local Revenues	2,039	12,326
Federal Government	0	19,136
Other Governments and Citizens Groups	0	31,599
Total Revenues	<u>\$ 2,039</u>	<u>\$ 1,460,201</u>
<u>Expenditures</u>		
Current:		
Public Safety	\$ 0	\$ 741,199
Social, Cultural, and Recreational Services	0	351,380
Other Operations	20	38,717
Capital Projects	153,336	160,994
Total Expenditures	<u>\$ 153,356</u>	<u>\$ 1,292,290</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (151,317)</u>	<u>\$ 167,911</u>
<u>Other Financing Sources (Uses)</u>		
Transfers Out	\$ 0	\$ (213,000)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (213,000)</u>
Net Change in Fund Balances	\$ (151,317)	\$ (45,089)
Fund Balance, July 1, 2018	<u>151,317</u>	<u>970,485</u>
Fund Balance, June 30, 2019	<u>\$ 0</u>	<u>\$ 925,396</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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 200,075	\$ 185,000	\$ 205,000	\$ (4,925)
Total Revenues	\$ 200,075	\$ 185,000	\$ 205,000	\$ (4,925)
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 2,019	\$ 2,000	\$ 2,200	\$ 181
Total Expenditures	\$ 2,019	\$ 2,000	\$ 2,200	\$ 181
Excess (Deficiency) of Revenues Over Expenditures	\$ 198,056	\$ 183,000	\$ 202,800	\$ (4,744)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ 0
Total Other Financing Sources	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ 0
Net Change in Fund Balance	\$ (11,944)	\$ (27,000)	\$ (7,200)	\$ (4,744)
Fund Balance, July 1, 2018	52,185	53,207	53,207	(1,022)
Fund Balance, June 30, 2019	\$ 40,241	\$ 26,207	\$ 46,007	\$ (5,766)

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 322,347	\$ 0	\$ 0	\$ 322,347	\$ 325,690	\$ 324,690	\$ (2,343)
Licenses and Permits	1,754	0	0	1,754	1,750	1,935	(181)
Charges for Current Services	12,826	0	0	12,826	11,000	11,360	1,466
Other Local Revenues	6,591	0	0	6,591	8,162	7,162	(571)
Federal Government	1,773	0	0	1,773	2,500	1,773	0
Other Governments and Citizens Groups	29,549	0	0	29,549	30,050	30,050	(501)
Total Revenues	<u>\$ 374,840</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 374,840</u>	<u>\$ 379,152</u>	<u>\$ 376,970</u>	<u>\$ (2,130)</u>
<u>Expenditures</u>							
<u>Social, Cultural, and Recreational Services</u>							
Libraries	\$ 351,380	\$ (5,836)	\$ 14,207	\$ 359,751	\$ 379,313	\$ 381,359	\$ 21,608
<u>Other Operations</u>							
Other Charges	36,459	(287)	368	36,540	39,960	41,460	4,920
<u>Capital Projects</u>							
Social, Cultural, and Recreation Projects	7,658	(4,270)	2,000	5,388	7,560	7,560	2,172
Total Expenditures	<u>\$ 395,497</u>	<u>\$ (10,393)</u>	<u>\$ 16,575</u>	<u>\$ 401,679</u>	<u>\$ 426,833</u>	<u>\$ 430,379</u>	<u>\$ 28,700</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (20,657)</u>	<u>\$ 10,393</u>	<u>\$ (16,575)</u>	<u>\$ (26,839)</u>	<u>\$ (47,681)</u>	<u>\$ (53,409)</u>	<u>\$ 26,570</u>
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (3,000)	\$ 0	\$ 0	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ 0
Total Other Financing Sources	<u>\$ (3,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,000)</u>	<u>\$ (3,000)</u>	<u>\$ (3,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (23,657)	\$ 10,393	\$ (16,575)	\$ (29,839)	\$ (50,681)	\$ (56,409)	\$ 26,570
Fund Balance, July 1, 2018	211,290	(10,393)	0	200,897	196,841	196,841	4,056
Fund Balance, June 30, 2019	<u>\$ 187,633</u>	<u>\$ 0</u>	<u>\$ (16,575)</u>	<u>\$ 171,058</u>	<u>\$ 146,160</u>	<u>\$ 140,432</u>	<u>\$ 30,626</u>

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 811,000	\$ 0	\$ 0	\$ 811,000	\$ 713,269	\$ 848,099	\$ (37,099)
Licenses and Permits	24,189	0	0	24,189	24,140	25,940	(1,751)
Other Local Revenues	96	0	0	96	7,500	7,596	(7,500)
Total Revenues	<u>\$ 835,285</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 835,285</u>	<u>\$ 744,909</u>	<u>\$ 881,635</u>	<u>\$ (46,350)</u>
<u>Expenditures</u>							
<u>Public Safety</u>							
Fire Prevention and Control	\$ 673,053	\$ (98,300)	\$ 40,000	\$ 614,753	\$ 621,450	\$ 617,546	\$ 2,793
Total Expenditures	<u>\$ 673,053</u>	<u>\$ (98,300)</u>	<u>\$ 40,000</u>	<u>\$ 614,753</u>	<u>\$ 621,450</u>	<u>\$ 617,546</u>	<u>\$ 2,793</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 162,232</u>	<u>\$ 98,300</u>	<u>\$ (40,000)</u>	<u>\$ 220,532</u>	<u>\$ 123,459</u>	<u>\$ 264,089</u>	<u>\$ (43,557)</u>
Net Change in Fund Balance	\$ 162,232	\$ 98,300	\$ (40,000)	\$ 220,532	\$ 123,459	\$ 264,089	\$ (43,557)
Fund Balance, July 1, 2018	491,630	(98,300)	0	393,330	405,398	405,398	(12,068)
Fund Balance, June 30, 2019	<u>\$ 653,862</u>	<u>\$ 0</u>	<u>\$ (40,000)</u>	<u>\$ 613,862</u>	<u>\$ 528,857</u>	<u>\$ 669,487</u>	<u>\$ (55,625)</u>

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 23,364	\$ 0	\$ 0	\$ 23,364	\$ 29,000	\$ 23,085	\$ 279
Charges for Current Services	1,500	0	0	1,500	20,000	3,000	(1,500)
Other Local Revenues	3,600	0	0	3,600	3,100	1,100	2,500
Federal Government	17,363	0	0	17,363	4,000	18,828	(1,465)
Other Governments and Citizens Groups	2,050	0	0	2,050	1,500	2,050	0
Total Revenues	\$ 47,877	\$ 0	\$ 0	\$ 47,877	\$ 57,600	\$ 48,063	\$ (186)
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 68,061	\$ (4,115)	\$ 7,729	\$ 71,675	\$ 68,400	\$ 80,043	\$ 8,368
<u>Other Operations</u>							
Other Charges	219	0	0	219	825	1,200	981
Total Expenditures	\$ 68,280	\$ (4,115)	\$ 7,729	\$ 71,894	\$ 69,225	\$ 81,243	\$ 9,349
Excess (Deficiency) of Revenues Over Expenditures	\$ (20,403)	\$ 4,115	\$ (7,729)	\$ (24,017)	\$ (11,625)	\$ (33,180)	\$ 9,163
Net Change in Fund Balance	\$ (20,403)	\$ 4,115	\$ (7,729)	\$ (24,017)	\$ (11,625)	\$ (33,180)	\$ 9,163
Fund Balance, July 1, 2018	64,063	(4,115)	0	59,948	32,862	59,948	0
Fund Balance, June 30, 2019	\$ 43,660	\$ 0	\$ (7,729)	\$ 35,931	\$ 21,237	\$ 26,768	\$ 9,163

Major Governmental Funds

Debt Service Funds

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

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

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

Exhibit G-1

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,335,023	\$ 1,359,692	\$ 1,342,542	\$ (7,519)
Licenses and Permits	6,607	11,550	8,550	(1,943)
Other Local Revenues	305,704	30,000	315,000	(9,296)
Total Revenues	<u>\$ 1,647,334</u>	<u>\$ 1,401,242</u>	<u>\$ 1,666,092</u>	<u>\$ (18,758)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,614,617	\$ 1,614,617	\$ 1,614,617	\$ 0
<u>Interest on Debt</u>				
General Government	849,362	849,366	849,678	316
<u>Other Debt Service</u>				
General Government	29,284	49,000	55,050	25,766
Total Expenditures	<u>\$ 2,493,263</u>	<u>\$ 2,512,983</u>	<u>\$ 2,519,345</u>	<u>\$ 26,082</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (845,929)</u>	<u>\$ (1,111,741)</u>	<u>\$ (853,253)</u>	<u>\$ 7,324</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 210,000	\$ 210,000	\$ 210,000	\$ 0
Total Other Financing Sources	<u>\$ 210,000</u>	<u>\$ 210,000</u>	<u>\$ 210,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (635,929)	\$ (901,741)	\$ (643,253)	\$ 7,324
Fund Balance, July 1, 2018	2,998,803	2,973,313	2,973,313	25,490
Fund Balance, June 30, 2019	<u>\$ 2,362,874</u>	<u>\$ 2,071,572</u>	<u>\$ 2,330,060</u>	<u>\$ 32,814</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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,256,981	\$ 2,129,858	\$ 2,239,673	\$ 17,308
Licenses and Permits	2,680	6,750	3,250	(570)
Other Governments and Citizens Groups	101,976	0	101,976	0
Total Revenues	<u>\$ 2,361,637</u>	<u>\$ 2,136,608</u>	<u>\$ 2,344,899</u>	<u>\$ 16,738</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 2,012,959	\$ 1,945,000	\$ 2,012,959	\$ 0
<u>Interest on Debt</u>				
Education	279,305	245,288	279,305	0
<u>Other Debt Service</u>				
Education	46,763	40,750	1,889,750	1,842,987
Total Expenditures	<u>\$ 2,339,027</u>	<u>\$ 2,231,038</u>	<u>\$ 4,182,014</u>	<u>\$ 1,842,987</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 22,610</u>	<u>\$ (94,430)</u>	<u>\$ (1,837,115)</u>	<u>\$ 1,859,725</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 1,800,000	\$ (1,800,000)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,800,000</u>	<u>\$ (1,800,000)</u>
Net Change in Fund Balance	\$ 22,610	\$ (94,430)	\$ (37,115)	\$ 59,725
Fund Balance, July 1, 2018	<u>3,533,805</u>	<u>3,519,853</u>	<u>3,519,853</u>	<u>13,952</u>
Fund Balance, June 30, 2019	<u>\$ 3,556,415</u>	<u>\$ 3,425,423</u>	<u>\$ 3,482,738</u>	<u>\$ 73,677</u>

Fiduciary Funds

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk; circuit, general sessions, and juvenile courts clerk; clerk and master; register 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, 2019

	<u>Agency Funds</u>		
	<u>Cities - Sales Tax</u>	<u>Constitu - tional Officers - Agency</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,591,984	\$ 1,591,984
Due from Other Governments	706,179	0	706,179
Total Assets	<u>\$ 706,179</u>	<u>\$ 1,591,984</u>	<u>\$ 2,298,163</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 706,179	\$ 0	\$ 706,179
Due to Litigants, Heirs, and Others	0	1,591,984	1,591,984
Total Liabilities	<u>\$ 706,179</u>	<u>\$ 1,591,984</u>	<u>\$ 2,298,163</u>

Exhibit H-2

Franklin County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2019

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,021,538	\$ 4,021,538	\$ 0
Due from Other Governments	658,355	706,179	658,355	706,179
Total Assets	\$ 658,355	\$ 4,727,717	\$ 4,679,893	\$ 706,179
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 658,355	\$ 4,727,717	\$ 4,679,893	\$ 706,179
Total Liabilities	\$ 658,355	\$ 4,727,717	\$ 4,679,893	\$ 706,179
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,283,280	\$ 8,485,043	\$ 8,176,339	\$ 1,591,984
Total Assets	\$ 1,283,280	\$ 8,485,043	\$ 8,176,339	\$ 1,591,984
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,283,280	\$ 8,485,043	\$ 8,176,339	\$ 1,591,984
Total Liabilities	\$ 1,283,280	\$ 8,485,043	\$ 8,176,339	\$ 1,591,984
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,283,280	\$ 8,485,043	\$ 8,176,339	\$ 1,591,984
Equity in Pooled Cash and Investments	0	4,021,538	4,021,538	0
Due from Other Governments	658,355	706,179	658,355	706,179
Total Assets	\$ 1,941,635	\$ 13,212,760	\$ 12,856,232	\$ 2,298,163
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 658,355	\$ 4,727,717	\$ 4,679,893	\$ 706,179
Due to Litigants, Heirs, and Others	1,283,280	8,485,043	8,176,339	1,591,984
Total Liabilities	\$ 1,941,635	\$ 13,212,760	\$ 12,856,232	\$ 2,298,163

Franklin County School Department

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

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

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

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

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

Exhibit I-1

Franklin County, Tennessee
Statement of Activities
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2019

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	\$ 32,446,147	\$ 265,278	\$ 2,342,990	\$ 48,301,426	\$ 18,463,547
Support Services	12,577,798	44,437	344,487	0	(12,188,874)
Operation of Non-instructional Services	5,545,035	855,089	3,600,231	0	(1,089,715)
Interest on Long-term Debt	34,017	0	0	0	(34,017)
Total Governmental Activities	\$ 50,602,997	\$ 1,164,804	\$ 6,287,708	\$ 48,301,426	\$ 5,150,941
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 10,641,626
Local Option Sales Taxes					5,065,119
Mixed Drink Tax					39,330
Grants and Contributions Not Restricted to Specific Programs					26,554,513
Unrestricted Investment Earnings					28,458
Miscellaneous					87,768
Donated Capital Assets					30,700
Total General Revenues					\$ 42,447,514
Change in Net Position					\$ 47,598,455
Net Position, July 1, 2018					43,414,870
Net Position, June 30, 2019					\$ 91,013,325

Exhibit I-2

Franklin County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Franklin County School Department
June 30, 2019

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General Purpose School</u>	<u>Education Capital Projects</u>	<u>Other Governmental Funds</u>	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,634	\$ 1,634
Equity in Pooled Cash and Investments	7,728,975	45,731,852	2,532,773	55,993,600
Accounts Receivable	38,561	90,234	11,191	139,986
Due from Other Governments	1,055,202	0	225,346	1,280,548
Property Taxes Receivable	10,620,467	0	0	10,620,467
Allowance for Uncollectible Property Taxes	(257,833)	0	0	(257,833)
Prepaid Items	6,372	0	360	6,732
Restricted Assets	64,932	0	0	64,932
Total Assets	\$ 19,256,676	\$ 45,822,086	\$ 2,771,304	\$ 67,850,066
<u>LIABILITIES</u>				
Accounts Payable	\$ 117,355	\$ 34,132	\$ 49,301	\$ 200,788
Accrued Payroll	16,932	0	177,796	194,728
Contracts Payable	0	1,484,267	0	1,484,267
Retainage Payable	0	75,803	0	75,803
Total Liabilities	\$ 134,287	\$ 1,594,202	\$ 227,097	\$ 1,955,586
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 10,023,530	\$ 0	\$ 0	\$ 10,023,530
Deferred Delinquent Property Taxes	301,870	0	0	301,870
Other Deferred/Unavailable Revenue	445,000	0	0	445,000
Total Deferred Inflows of Resources	\$ 10,770,400	\$ 0	\$ 0	\$ 10,770,400

(Continued)

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>Education Capital Projects</u>	<u>Funds</u> <u>Other Govern-mental Funds</u>	
<u>FUND BALANCES</u>				
Nonspendable:				
Prepaid Items	\$ 6,372	\$ 0	\$ 360	\$ 6,732
Restricted:				
Restricted for Education	798,389	0	2,533,847	3,332,236
Restricted for Capital Outlay	0	44,227,884	0	44,227,884
Restricted for Hybrid Retirement Stabilization Funds	64,932	0	0	64,932
Committed:				
Committed for Education	2,333,549	0	10,000	2,343,549
Assigned:				
Assigned for Education	412,752	0	0	412,752
Unassigned	4,735,995	0	0	4,735,995
Total Fund Balances	<u>\$ 8,351,989</u>	<u>\$ 44,227,884</u>	<u>\$ 2,544,207</u>	<u>\$ 55,124,080</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,256,676</u>	<u>\$ 45,822,086</u>	<u>\$ 2,771,304</u>	<u>\$ 67,850,066</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, 2019

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)		\$ 55,124,080	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$ 5,469,959		
Add: construction in progress	2,594,105		
Add: buildings and improvements net of accumulated depreciation	28,983,491		
Add: other capital assets net of accumulated depreciation	<u>3,045,301</u>	40,092,856	
(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	\$ (71,225)		
Less: compensated absences payable	(182,321)		
Less: net OPEB liability	<u>(8,447,305)</u>	(8,700,851)	
(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	\$ 5,007,165		
Less: deferred inflows of resources related to pensions	(3,319,797)		
Add: deferred outflows of resources related to OPEB	551,758		
Less: deferred inflows of resources related to OPEB	<u>(1,407,444)</u>	831,682	
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension assets - agent plan	\$ 856,866		
Add: net pension assets - teacher retirement plan	131,486		
Add: net pension assets - teacher legacy plan	<u>1,930,336</u>	2,918,688	
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
		<u>746,870</u>	
Net position of governmental activities (Exhibit A)		<u>\$ 91,013,325</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, 2019

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 15,840,098	\$ 0	\$ 0	\$ 15,840,098
Licenses and Permits	61,826	0	0	61,826
Charges for Current Services	296,124	0	855,089	1,151,213
Other Local Revenues	253,846	297,152	26,473	577,471
State of Tennessee	27,941,910	0	27,479	27,969,389
Federal Government	589,924	0	5,626,599	6,216,523
Other Governments and Citizens Groups	0	48,004,274	0	48,004,274
Total Revenues	\$ 44,983,728	\$ 48,301,426	\$ 6,535,640	\$ 99,820,794
<u>Expenditures</u>				
Current:				
Instruction	\$ 26,800,792	\$ 0	\$ 2,309,967	\$ 29,110,759
Support Services	16,670,336	0	816,770	17,487,106
Operation of Non-Instructional Services	1,836,239	0	4,054,463	5,890,702
Capital Outlay	308,692	0	0	308,692
Debt Service:				
Principal on Debt	67,959	0	0	67,959
Interest on Debt	5,814	28,203	0	34,017
Capital Projects	0	4,045,339	0	4,045,339
Total Expenditures	\$ 45,689,832	\$ 4,073,542	\$ 7,181,200	\$ 56,944,574
Excess (Deficiency) of Revenues Over Expenditures	\$ (706,104)	\$ 44,227,884	\$ (645,560)	\$ 42,876,220
Net Change in Fund Balances	\$ (706,104)	\$ 44,227,884	\$ (645,560)	\$ 42,876,220
Fund Balance, July 1, 2018	9,058,093	0	3,189,767	12,247,860
Fund Balance, June 30, 2019	\$ 8,351,989	\$ 44,227,884	\$ 2,544,207	\$ 55,124,080

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, 2019

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)		\$ 42,876,220
(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	\$ 3,472,611	
Less: current-year depreciation expense	<u>(1,742,503)</u>	1,730,108
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position		
Add: assets donated and capitalized	\$ 30,700	
Less: book value of capital assets disposed	<u>(74,436)</u>	(43,736)
(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, 2019	\$ 746,870	
Less: deferred delinquent property taxes and other deferred June 30, 2018	<u>(707,284)</u>	39,586
(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		67,959
(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	\$ 11,285	
Change in net OPEB liability	602,496	
Change in deferred outflows related to OPEB	246,408	
Change in deferred inflows related to OPEB	(1,037,170)	
Change in net pension liability - agent plan	551,142	
Change in net pension liability - teacher retirement plan	1,751,046	
Change in net pension liability - teacher legacy plan	50,882	
Change in deferred outflows related to pensions	(16,864)	
Change in deferred inflows related to pensions	<u>769,093</u>	<u>2,928,318</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 47,598,455</u>

Exhibit I-6

Franklin County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Franklin County School Department
June 30, 2019

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,634	\$ 1,634
Equity in Pooled Cash and Investments	989	2,531,784	2,532,773
Accounts Receivable	131	11,060	11,191
Due from Other Governments	189,382	35,964	225,346
Prepaid Items	0	360	360
Total Assets	<u>\$ 190,502</u>	<u>\$ 2,580,802</u>	<u>\$ 2,771,304</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 3,306	\$ 45,995	\$ 49,301
Accrued Payroll	175,779	2,017	177,796
Total Liabilities	<u>\$ 179,085</u>	<u>\$ 48,012</u>	<u>\$ 227,097</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items	\$ 0	\$ 360	\$ 360
Restricted:			
Restricted for Education	1,417	2,532,430	2,533,847
Committed:			
Committed for Education	10,000	0	10,000
Total Fund Balances	<u>\$ 11,417</u>	<u>\$ 2,532,790</u>	<u>\$ 2,544,207</u>
Total Liabilities and Fund Balances	<u>\$ 190,502</u>	<u>\$ 2,580,802</u>	<u>\$ 2,771,304</u>

Exhibit I-7

Franklin County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Franklin County School Department
For the Year Ended June 30, 2019

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 855,089	\$ 855,089
Other Local Revenues	0	26,473	26,473
State of Tennessee	0	27,479	27,479
Federal Government	3,129,616	2,496,983	5,626,599
Total Revenues	<u>\$ 3,129,616</u>	<u>\$ 3,406,024</u>	<u>\$ 6,535,640</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 2,309,967	\$ 0	\$ 2,309,967
Support Services	816,770	0	816,770
Operation of Non-Instructional Services	1,621	4,052,842	4,054,463
Total Expenditures	<u>\$ 3,128,358</u>	<u>\$ 4,052,842</u>	<u>\$ 7,181,200</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,258</u>	<u>\$ (646,818)</u>	<u>\$ (645,560)</u>
Net Change in Fund Balances	\$ 1,258	\$ (646,818)	\$ (645,560)
Fund Balance, July 1, 2018	10,159	3,179,608	3,189,767
Fund Balance, June 30, 2019	<u>\$ 11,417</u>	<u>\$ 2,532,790</u>	<u>\$ 2,544,207</u>

Exhibit I-8

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Franklin County School Department
General Purpose School Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 15,840,098	\$ 0	\$ 0	\$ 15,840,098	\$ 15,429,542	\$ 15,683,542	\$ 156,556
Licenses and Permits	61,826	0	0	61,826	59,250	59,250	2,576
Charges for Current Services	296,124	0	0	296,124	292,497	292,497	3,627
Other Local Revenues	253,846	0	0	253,846	58,050	212,582	41,264
State of Tennessee	27,941,910	0	0	27,941,910	27,696,596	27,998,968	(57,058)
Federal Government	589,924	0	0	589,924	224,356	696,634	(106,710)
Total Revenues	\$ 44,983,728	\$ 0	\$ 0	\$ 44,983,728	\$ 43,760,291	\$ 44,943,473	\$ 40,255
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 21,168,001	\$ (480,951)	\$ 198,100	\$ 20,885,150	\$ 21,587,306	\$ 21,754,547	\$ 869,397
Alternative Instruction Program	269,307	(321)	0	268,986	272,721	273,885	4,899
Special Education Program	3,616,427	0	16,226	3,632,653	3,643,987	3,708,783	76,130
Career and Technical Education Program	1,279,993	(288)	0	1,279,705	1,365,140	1,321,474	41,769
Student Body Education Program	467,064	(29,246)	2,700	440,518	495,358	495,358	54,840
<u>Support Services</u>							
Attendance	226,877	0	0	226,877	227,619	233,780	6,903
Health Services	553,395	0	0	553,395	580,525	577,525	24,130
Other Student Support	1,477,204	0	2,887	1,480,091	1,375,162	1,560,112	80,021
Regular Instruction Program	1,257,993	(2,387)	887	1,256,493	1,306,138	1,314,918	58,425
Special Education Program	591,727	0	3,312	595,039	552,413	618,710	23,671
Career and Technical Education Program	72,692	(281)	0	72,411	67,750	73,332	921
Technology	1,013,489	(22,560)	32,938	1,023,867	977,186	1,048,209	24,342
Other Programs	168,143	0	0	168,143	0	168,143	0
Board of Education	1,119,307	(4,735)	835	1,115,407	1,190,542	1,155,948	40,541
Director of Schools	297,444	(1,319)	605	296,730	517,730	525,830	229,100
Office of the Principal	2,467,556	0	0	2,467,556	2,551,494	2,496,701	29,145
Fiscal Services	11,561	0	0	11,561	11,561	11,561	0
Human Services/Personnel	257,184	(1,125)	75	256,134	262,013	262,013	5,879

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	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	\$ 3,511,111	\$ (863)	\$ 200	\$ 3,510,448	\$ 3,584,005	\$ 3,587,599	\$ 77,151
Maintenance of Plant	1,213,072	(53,709)	29,596	1,188,959	1,421,021	1,421,021	232,062
Transportation	2,325,013	(101,644)	102,260	2,325,629	2,412,506	2,415,798	90,169
Central and Other	106,568	0	0	106,568	161,465	160,725	54,157
<u>Operation of Non-Instructional Services</u>							
Community Services	722,744	0	0	722,744	634,125	984,108	261,364
Early Childhood Education	1,113,495	(5,823)	763	1,108,435	1,124,023	1,127,873	19,438
<u>Capital Outlay</u>							
Regular Capital Outlay	308,692	(216,098)	21,368	113,962	190,000	344,904	230,942
<u>Principal on Debt</u>							
Education	67,959	0	0	67,959	67,960	67,960	1
<u>Interest on Debt</u>							
Education	5,814	0	0	5,814	5,814	5,814	0
Total Expenditures	<u>\$ 45,689,832</u>	<u>\$ (921,350)</u>	<u>\$ 412,752</u>	<u>\$ 45,181,234</u>	<u>\$ 46,585,564</u>	<u>\$ 47,716,631</u>	<u>\$ 2,535,397</u>
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (706,104)	\$ 921,350	\$ (412,752)	\$ (197,506)	\$ (2,825,273)	\$ (2,773,158)	\$ 2,575,652
Net Change in Fund Balance							
Fund Balance, July 1, 2018	\$ (706,104)	\$ 921,350	\$ (412,752)	\$ (197,506)	\$ (2,825,273)	\$ (2,773,158)	\$ 2,575,652
Fund Balance, June 30, 2019	<u>\$ 8,351,989</u>	<u>\$ 0</u>	<u>\$ (412,752)</u>	<u>\$ 7,939,237</u>	<u>\$ 4,716,044</u>	<u>\$ 4,768,159</u>	<u>\$ 3,171,078</u>

Exhibit I-9

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, 2019

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 3,129,616	\$ 0	\$ 3,129,616	\$ 3,575,029	\$ 3,579,076	\$ (449,460)
Total Revenues	<u>\$ 3,129,616</u>	<u>\$ 0</u>	<u>\$ 3,129,616</u>	<u>\$ 3,575,029</u>	<u>\$ 3,579,076</u>	<u>\$ (449,460)</u>
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,344,792	\$ 0	\$ 1,344,792	\$ 1,371,185	\$ 1,385,864	\$ 41,072
Special Education Program	880,383	0	880,383	955,280	925,897	45,514
Career and Technical Education Program	84,792	0	84,792	84,832	84,792	0
<u>Support Services</u>						
Health Services	77,594	0	77,594	57,673	77,703	109
Other Student Support	92,378	552	92,930	266,087	233,577	140,647
Regular Instruction Program	239,725	0	239,725	413,102	430,372	190,647
Special Education Program	146,318	0	146,318	166,444	172,564	26,246
Transportation	260,755	0	260,755	259,644	266,924	6,169
<u>Operation of Non-Instructional Services</u>						
Food Service	1,621	0	1,621	1,119	1,719	98
Total Expenditures	<u>\$ 3,128,358</u>	<u>\$ 552</u>	<u>\$ 3,128,910</u>	<u>\$ 3,575,366</u>	<u>\$ 3,579,412</u>	<u>\$ 450,502</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,258</u>	<u>\$ (552)</u>	<u>\$ 706</u>	<u>\$ (337)</u>	<u>\$ (336)</u>	<u>\$ 1,042</u>
Net Change in Fund Balance	\$ 1,258	\$ (552)	\$ 706	\$ (337)	\$ (336)	\$ 1,042
Fund Balance, July 1, 2018	10,159	0	10,159	9,153	9,153	1,006
Fund Balance, June 30, 2019	<u>\$ 11,417</u>	<u>\$ (552)</u>	<u>\$ 10,865</u>	<u>\$ 8,816</u>	<u>\$ 8,817</u>	<u>\$ 2,048</u>

Exhibit I-10

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Franklin County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 855,089	\$ 0	\$ 0	\$ 855,089	\$ 859,181	\$ 861,481	\$ (6,392)
Other Local Revenues	26,473	0	0	26,473	8,700	15,700	10,773
State of Tennessee	27,479	0	0	27,479	32,754	27,554	(75)
Federal Government	2,496,983	0	0	2,496,983	2,247,113	2,287,113	209,870
Total Revenues	\$ 3,406,024	\$ 0	\$ 0	\$ 3,406,024	\$ 3,147,748	\$ 3,191,848	\$ 214,176
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 4,052,842	\$ (670,167)	\$ 5,861	\$ 3,388,536	\$ 3,872,126	\$ 3,916,226	\$ 527,690
Total Expenditures	\$ 4,052,842	\$ (670,167)	\$ 5,861	\$ 3,388,536	\$ 3,872,126	\$ 3,916,226	\$ 527,690
Excess (Deficiency) of Revenues Over Expenditures	\$ (646,818)	\$ 670,167	\$ (5,861)	\$ 17,488	\$ (724,378)	\$ (724,378)	\$ 741,866
Net Change in Fund Balance	\$ (646,818)	\$ 670,167	\$ (5,861)	\$ 17,488	\$ (724,378)	\$ (724,378)	\$ 741,866
Fund Balance, July 1, 2018	3,179,608	(670,167)	0	2,509,441	2,458,165	2,458,165	51,276
Fund Balance, June 30, 2019	\$ 2,532,790	\$ 0	\$ (5,861)	\$ 2,526,929	\$ 1,733,787	\$ 1,733,787	\$ 793,142

MISCELLANEOUS SCHEDULES

Exhibit J-1

Franklin County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, and Capital Leases
For the Year Ended June 30, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-18	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-19
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
General Obligation Improvements, Series 2017	\$ 8,190,000	2 to 5 %	6-27-17	6-1-32	\$ 8,190,000	\$ 0	\$ 430,000	\$ 7,760,000
General Obligation Improvements, Series 2017	7,200,000	2.59	12-27-17	6-1-33	7,200,000	0	100,000	7,100,000
Refunding Bonds, Series 2017	4,160,000	2 to 5	6-27-17	6-1-38	3,660,000	0	515,000	3,145,000
Total Payable through General Debt Service Fund					<u>\$ 19,050,000</u>	<u>\$ 0</u>	<u>\$ 1,045,000</u>	<u>\$ 18,005,000</u>
<u>Payable through Education Debt Service Fund</u>								
School Refunding Bonds, Series 2009	15,205,000	2 to 3.75	6-15-09	3-1-21	\$ 4,600,000	\$ 0	\$ 1,480,000	\$ 3,120,000
School Refunding Bonds, Series 2014	2,220,000	1.23 to 2	6-7-13	6-1-21	850,000	0	280,000	570,000
School Refunding Bonds, Series 2017	1,265,000	2 to 5	6-27-17	6-2-24	1,265,000	0	185,000	1,080,000
General Obligation School Bonds, Series 2018	47,035,000	2 to 5	3-27-19	5-1-44	0	47,035,000	0	47,035,000
Total Payable through Education Debt Service Fund					<u>\$ 6,715,000</u>	<u>\$ 47,035,000</u>	<u>\$ 1,945,000</u>	<u>\$ 51,805,000</u>
Total Bonds Payable					<u>\$ 25,765,000</u>	<u>\$ 47,035,000</u>	<u>\$ 2,990,000</u>	<u>\$ 69,810,000</u>
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Industrial Development Board - Land	822,666	4.75	5-28-10	5-27-22	\$ 321,349	\$ 0	\$ 76,470	\$ 244,879
Solid Waste/Highway Equipment	450,000	2.63	1-9-14	1-9-21	192,840	0	64,290	128,550
Highway and Road Improvements	2,000,000	2.33	1-6-15	4-1-22	1,142,000	0	286,000	856,000
Highway Capital Road Projects	1,000,000	2.23	5-11-15	4-1-22	571,428	0	142,857	428,571
Total Payable through General Debt Service Fund					<u>\$ 2,227,617</u>	<u>\$ 0</u>	<u>\$ 569,617</u>	<u>\$ 1,658,000</u>
<u>Payable through Highway/Public Works Fund</u>								
Quarry Land	177,000	4.875	11-10-11	2-1-23	\$ 83,066	\$ 0	\$ 15,072	\$ 67,994
Total Payable through Highway/Public Works Fund					<u>\$ 83,066</u>	<u>\$ 0</u>	<u>\$ 15,072</u>	<u>\$ 67,994</u>
Total Notes Payable					<u>\$ 2,310,683</u>	<u>\$ 0</u>	<u>\$ 584,689</u>	<u>\$ 1,725,994</u>
CAPITAL LEASES								
<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	\$ 139,184	\$ 0	\$ 67,959	\$ 71,225
Total Capital Leases					<u>\$ 139,184</u>	<u>\$ 0</u>	<u>\$ 67,959</u>	<u>\$ 71,225</u>

Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 3,355,000	\$ 2,686,948	\$ 6,041,948
2021	3,565,000	2,396,350	5,961,350
2022	2,995,000	2,248,525	5,243,525
2023	3,120,000	2,098,775	5,218,775
2024	2,730,000	1,985,075	4,715,075
2025	2,570,000	1,891,775	4,461,775
2026	2,700,000	1,763,275	4,463,275
2027	2,825,000	1,634,925	4,459,925
2028	2,965,000	1,500,575	4,465,575
2029	3,060,000	1,396,375	4,456,375
2030	3,185,000	1,281,275	4,466,275
2031	3,300,000	1,161,425	4,461,425
2032	3,400,000	1,062,425	4,462,425
2033	2,745,000	960,426	3,705,426
2034	2,165,000	878,076	3,043,076
2035	2,225,000	813,126	3,038,126
2036	2,295,000	746,376	3,041,376
2037	2,360,000	677,426	3,037,426
2038	2,440,000	603,676	3,043,676
2039	2,425,000	527,425	2,952,425
2040	2,505,000	448,612	2,953,612
2041	2,585,000	367,200	2,952,200
2042	2,675,000	279,956	2,954,956
2043	2,765,000	189,675	2,954,675
2044	2,855,000	96,356	2,951,356
Total	\$ 69,810,000	\$ 29,696,053	\$ 99,506,053

Year Ending June 30	Notes		
	Principal	Interest	Total
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	\$ 1,725,994	\$ 90,419	\$ 1,816,413

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2020	\$ 71,225	\$ 2,548	\$ 73,773
Total	\$ 71,225	\$ 2,548	\$ 73,773

Exhibit J-3

Franklin County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2019

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Courthouse and Jail Maintenance	General Debt Service	Debt payments	\$ 210,000
Public Library	General	Reimbursement	3,000
Solid Waste/Sanitation	"	"	48,803
Highway/Public Works	"	"	53,803
Other Capital Projects	"	"	<u>1,000,000</u>
Total Transfers			<u>\$ 1,315,606</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, 2019

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Richard Stewart (7-1-18 to 8-31-18)	Section 8-24-102, <i>TCA</i>	\$ 15,165	\$ 100,000	Western Surety Company
David Alexander (9-1-18 to 6-30-19)	Section 8-24-102, <i>TCA</i>	75,827	(5)	Tennessee Risk Management Trust
Superintendent of Highways	Section 8-24-102, <i>TCA</i> and County Commission	86,661 (1)	(5)	Tennessee Risk Management Trust
Director of Schools	State Board of Education and Franklin County Board of Education	110,539 (2)	(5)	Tennessee Risk Management Trust
Finance Director	County Commission	69,429 (3)	(5)	Tennessee Risk Management Trust
Trustee	Section 8-24-102, <i>TCA</i>	78,782	(5)	Tennessee Risk Management Trust
Assessor of Property	Section 8-24-102, <i>TCA</i>	78,782	(5)	Tennessee Risk Management Trust
County Clerk	Section 8-24-102, <i>TCA</i>	78,782	(5)	Tennessee Risk Management Trust
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	78,782	(5)	Tennessee Risk Management Trust
Clerk and Master	Section 8-24-102, <i>TCA</i> , Chancery Court Judge, and County Commission	78,782	(5)	Tennessee Risk Management Trust
Register of Deeds				
Lydia Curtis Johnson (7-1-18 to 8-31-18)	Section 8-24-102, <i>TCA</i>	13,130	100,000	Western Surety Company
Denise Marshall (9-1-18 to 6-30-19)	Section 8-24-102, <i>TCA</i>	65,652	(5)	Tennessee Risk Management Trust
Sheriff	Section 8-24-102, <i>TCA</i>	86,661 (4)	(5)	Tennessee Risk Management Trust
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 a law enforcement training supplement of \$600.
- (5) Official was covered by the \$400,000 employee blanket bond.

Exhibit J-5

Franklin County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2019

	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	\$ 10,356,343	\$ 0	\$ 304,190	\$ 1,673,327	\$ 389,958	\$ 0
Trustee's Collections - Prior Year	218,620	0	7,297	45,573	9,958	0
Trustee's Collections - Bankruptcy	744	0	26	196	45	0
Circuit Clerk/Clerk and Master Collections - Prior Years	187,269	0	5,574	34,292	7,527	0
Interest and Penalty	35,918	0	1,174	7,059	1,492	0
Payments in-Lieu-of Taxes - T.V.A.	4,045	0	118	930	283	0
Payments in-Lieu-of Taxes - Local Utilities	37,433	0	1,113	0	0	0
Payments in-Lieu-of Taxes - Other	34,445	0	1,011	3,021	920	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	396,413	0
Litigation Tax - General	176,088	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	200,075	0	0	0	0
Business Tax	426,781	0	0	0	0	0
Mixed Drink Tax	38,007	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	62,963	0	1,844	14,469	4,404	0
Wholesale Beer Tax	221,788	0	0	0	0	0
Other Statutory Local Taxes	509	0	0	0	0	0
Total Local Taxes	\$ 11,800,953	\$ 200,075	\$ 322,347	\$ 1,778,867	\$ 811,000	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 59,885	\$ 0	\$ 1,754	\$ 13,761	\$ 4,189	\$ 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>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 3,473	\$ 0	\$ 0	\$ 0	\$ 0	0
Building Permits	45,020	0	0	0	20,000	0
Other Permits	360	0	0	0	0	0
Total Licenses and Permits	<u>\$ 108,738</u>	<u>\$ 0</u>	<u>\$ 1,754</u>	<u>\$ 13,761</u>	<u>\$ 24,189</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 1,491	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	27,021	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	215
Drug Court Fees	1,382	0	0	0	0	0
Jail Fees	7,002	0	0	0	0	0
DUI Treatment Fines	1,684	0	0	0	0	0
Data Entry Fee - Circuit Court	3,439	0	0	0	0	0
Courtroom Security Fee	75	0	0	0	0	0
Victims Assistance Assessments	1,130	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	27,616	0	0	0	0	0
Fines for Littering	19	0	0	0	0	0
Officers Costs	66,426	0	0	0	0	0
Game and Fish Fines	2,754	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	8,217
Drug Court Fees	11,664	0	0	0	0	0
Jail Fees	21,993	0	0	0	0	0
DUI Treatment Fines	8,771	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>						
Data Entry Fee - General Sessions Court	\$ 14,898	\$ 0	\$ 0	\$ 0	\$ 0	0
Courtroom Security Fee	1,224	0	0	0	0	0
Victims Assistance Assessments	15,091	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	543	0	0	0	0	0
Officers Costs	3,737	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,761	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	684	0	0	0	0	0
Data Entry Fee - Chancery Court	3,330	0	0	0	0	0
<u>Other Courts - In-county</u>						
Drug Court Fees	8,315	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	14,932
Other Fines, Forfeitures, and Penalties	2,065	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 234,115	\$ 0	\$ 0	\$ 0	\$ 0	23,364
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 62,400	\$ 0	0
Transfer Waste Stations Collection Charge	0	0	0	12,000	0	0
Tipping Fees	0	0	0	55,574	0	0
Solid Waste Disposal Fee	0	0	0	10,792	0	0
Other General Service Charges	47,883	0	12,826	0	0	1,500

(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>						
Greenbelt Late Application Fee	\$ 400	\$ 0	\$ 0	\$ 0	\$ 0	0
Telephone Commissions	77,506	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	15,530	0	0	0	0	0
Probation Fees	249,422	0	0	0	0	0
Data Processing Fee - Sheriff	3,868	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	7,350	0	0	0	0	0
Data Processing Fee - County Clerk	3,905	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	1,235	0	0	0	0	0
Total Charges for Current Services	<u>\$ 407,099</u>	<u>\$ 0</u>	<u>\$ 12,826</u>	<u>\$ 140,766</u>	<u>\$ 0</u>	<u>\$ 1,500</u>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 367	\$ 75,000	\$ 0	0
Lease/Rentals	34,407	0	0	0	0	0
Commissary Sales	11,104	0	0	0	0	0
Sale of Recycled Materials	0	0	0	141,628	0	0
Miscellaneous Refunds	36,252	0	0	278	0	3,600
<u>Nonrecurring Items</u>						
Sale of Equipment	1,101	0	0	0	0	0
Sale of Property	49	0	0	0	0	0
Contributions and Gifts	3,670	0	5,000	0	96	0
<u>Other Local Revenues</u>						
Other Local Revenues	69,855	0	1,224	1,000	0	0
Total Other Local Revenues	<u>\$ 156,438</u>	<u>\$ 0</u>	<u>\$ 6,591</u>	<u>\$ 217,906</u>	<u>\$ 96</u>	<u>\$ 3,600</u>

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 377,024	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	222,924	0	0	0	0	0
General Sessions Court Clerk	326,471	0	0	0	0	0
Clerk and Master	143,273	0	0	0	0	0
Juvenile Court Clerk	36,307	0	0	0	0	0
Register	201,523	0	0	0	0	0
Sheriff	17,764	0	0	0	0	0
Trustee	773,202	0	0	0	0	0
Total Fees Received From County Officials	\$ 2,098,488	\$ 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
Other General Government Grants	16,803	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	23,400	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	96,647	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	18,808	0	0	0	0	0
Tennessee Industrial Infrastructure Program	51,750	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	241,502	0	0	0	0	0
Beer Tax	17,959	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Vehicle Certificate of Title Fees	\$ 8,233	\$ 0	\$ 0	\$ 0	\$ 0	0
Alcoholic Beverage Tax	96,945	0	0	0	0	0
State Revenue Sharing - T.V.A.	1,133,321	0	0	0	0	0
State Revenue Sharing - Telecommunications	64,586	0	0	0	0	0
Contracted Prisoner Boarding	803,488	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	21,361	0	0	21,551	0	0
Other State Revenues	43,601	0	0	24,937	0	0
Total State of Tennessee	\$ 2,662,568	\$ 0	\$ 0	\$ 46,488	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Appalachian Regional Commission	\$ 263,570	\$ 0	\$ 0	\$ 0	\$ 0	0
Community Development	351,584	0	0	0	0	0
Civil Defense Reimbursement	38,850	0	0	0	0	0
Homeland Security Grants	19,814	0	0	0	0	0
Other Federal through State	356,121	0	1,773	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	310,390	0	0	0	0	17,363
Total Federal Government	\$ 1,340,329	\$ 0	\$ 1,773	\$ 0	\$ 0	17,363

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 163,287	\$ 0	\$ 28,750	\$ 0	\$ 0	1,750
<u>Citizens Groups</u>						
Donations	41,335	0	799	100	0	300
<u>Other</u>						
Other	69,667	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 274,289	\$ 0	\$ 29,549	\$ 100	\$ 0	2,050
Total	\$ 19,083,017	\$ 200,075	\$ 374,840	\$ 2,197,888	\$ 835,285	\$ 47,877

(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>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>Projects</u> <u>Funds</u> <u>Highway</u> <u>Capital</u> <u>Projects</u>
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 615,235	\$ 1,142,436	\$ 461,664	\$ 0
Trustee's Collections - Prior Year	0	14,759	45,301	23,015	0
Trustee's Collections - Bankruptcy	0	52	166	90	0
Circuit Clerk/Clerk and Master Collections - Prior Years	0	11,276	22,531	9,529	0
Interest and Penalty	0	2,375	6,850	3,410	0
Payments in-Lieu-of Taxes - T.V.A.	0	240	446	181	0
Payments in-Lieu-of Taxes - Local Utilities	0	2,251	4,458	1,871	0
Payments in-Lieu-of Taxes - Other	0	2,046	3,801	784,881	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	969,526	0
Hotel/Motel Tax	0	0	0	0	0
Litigation Tax - General	0	0	102,086	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	55,231	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	3,736	6,948	2,814	0
Wholesale Beer Tax	0	0	0	0	0
Other Statutory Local Taxes	0	0	0	0	0
Total Local Taxes	\$ 0	\$ 707,201	\$ 1,335,023	\$ 2,256,981	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 3,554	\$ 6,607	\$ 2,680	\$ 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 (Cont.)</u>					
<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	<u>\$ 0</u>	<u>\$ 3,554</u>	<u>\$ 6,607</u>	<u>\$ 2,680</u>	<u>0</u>
<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
Victims Assistance Assessments	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
DUI Treatment Fines	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>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>Projects</u> <u>Funds</u> <u>Highway</u> <u>Capital</u> <u>Projects</u>
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
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
<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	\$ 0	\$ 0	\$ 0	\$ 0	0
<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	7,695	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>Charges for Current Services (Cont.)</u>					
<u>Fees</u>					
Greenbelt Late Application Fee	\$ 0	\$ 0	\$ 0	\$ 0	0
Telephone Commissions	0	0	0	0	0
Constitutional Officers' Fees and Commissions	85	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	\$ 85	\$ 7,695	\$ 0	\$ 0	0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 305,704	\$ 0	2,039
Lease/Rentals	0	0	0	0	0
Commissary Sales	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0
Miscellaneous Refunds	0	1,170	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	0
Sale of Property	0	0	0	0	0
Contributions and Gifts	0	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	0
Total Other Local Revenues	\$ 0	\$ 1,170	\$ 305,704	\$ 0	2,039

(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>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
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
<u>Public Works Grants</u>					
State Aid Program	0	873,171	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

(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>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
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	2,640,580	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	\$ 3,543,372	\$ 0	\$ 0	0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Appalachian Regional Commission	\$ 0	\$ 0	\$ 0	\$ 0	0
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
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	0	0	0	0
Total Federal Government	\$ 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>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>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 17,667	\$ 0	\$ 101,976	\$ 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	\$ 0	\$ 17,667	\$ 0	\$ 101,976	\$ 0
Total	\$ 85	\$ 4,280,659	\$ 1,647,334	\$ 2,361,637	\$ 2,039

(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	\$ 14,943,153	
Trustee's Collections - Prior Year	0	364,523	
Trustee's Collections - Bankruptcy	0	1,319	
Circuit Clerk/Clerk and Master Collections - Prior Years	0	277,998	
Interest and Penalty	0	58,278	
Payments in-Lieu-of Taxes - T.V.A.	0	6,243	
Payments in-Lieu-of Taxes - Local Utilities	0	47,126	
Payments in-Lieu-of Taxes - Other	0	830,125	
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0	969,526	
Hotel/Motel Tax	0	396,413	
Litigation Tax - General	0	278,174	
Litigation Tax - Jail, Workhouse, or Courthouse	0	200,075	
Business Tax	0	426,781	
Mixed Drink Tax	0	38,007	
Mineral Severance Tax	0	55,231	
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0	97,178	
Wholesale Beer Tax	0	221,788	
Other Statutory Local Taxes	0	509	
Total Local Taxes	\$ 0	\$ 19,212,447	
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Cable TV Franchise	\$ 0	\$ 92,430	

(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 (Cont.)</u>			
<u>Permits</u>			
Beer Permits	\$ 0	\$ 3,473	
Building Permits	0	65,020	
Other Permits	0	360	
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 161,283</u>	
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$ 0	\$ 1,491	
Officers Costs	0	27,021	
Drug Control Fines	0	215	
Drug Court Fees	0	1,382	
Jail Fees	0	7,002	
DUI Treatment Fines	0	1,684	
Data Entry Fee - Circuit Court	0	3,439	
Courtroom Security Fee	0	75	
Victims Assistance Assessments	0	1,130	
<u>General Sessions Court</u>			
Fines	0	27,616	
Fines for Littering	0	19	
Officers Costs	0	66,426	
Game and Fish Fines	0	2,754	
Drug Control Fines	0	8,217	
Drug Court Fees	0	11,664	
Jail Fees	0	21,993	
DUI Treatment Fines	0	8,771	

(Continued)

Exhibit J-5

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

	Capital Projects Fund	Other Capital Projects -	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>General Sessions Court (Cont.)</u>			
Data Entry Fee - General Sessions Court	\$ 0	\$	14,898
Courtroom Security Fee	0		1,224
Victims Assistance Assessments	0		15,091
<u>Juvenile Court</u>			
Fines	0		543
Officers Costs	0		3,737
Data Entry Fee - Juvenile Court	0		1,761
<u>Chancery Court</u>			
Officers Costs	0		684
Data Entry Fee - Chancery Court	0		3,330
<u>Other Courts - In-county</u>			
Drug Court Fees	0		8,315
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0		14,932
Other Fines, Forfeitures, and Penalties	0		2,065
Total Fines, Forfeitures, and Penalties	\$ 0	\$	257,479
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Commercial and Industrial Waste Collection Charge	\$ 0	\$	62,400
Transfer Waste Stations Collection Charge	0		12,000
Tipping Fees	0		55,574
Solid Waste Disposal Fee	0		10,792
Other General Service Charges	0		69,904

(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>			
Greenbelt Late Application Fee	\$ 0	\$ 400	
Telephone Commissions	0	77,506	
Constitutional Officers' Fees and Commissions	0	85	
Data Processing Fee - Register	0	15,530	
Probation Fees	0	249,422	
Data Processing Fee - Sheriff	0	3,868	
Sexual Offender Registration Fee - Sheriff	0	7,350	
Data Processing Fee - County Clerk	0	3,905	
Vehicle Insurance Coverage and Reinstatement Fees	0	1,235	
Total Charges for Current Services	\$ 0	\$ 569,971	
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 209,992	\$ 593,102	
Lease/Rentals	0	34,407	
Commissary Sales	0	11,104	
Sale of Recycled Materials	0	141,628	
Miscellaneous Refunds	0	41,300	
<u>Nonrecurring Items</u>			
Sale of Equipment	1,660	2,761	
Sale of Property	0	49	
Contributions and Gifts	0	8,766	
<u>Other Local Revenues</u>			
Other Local Revenues	0	72,079	
Total Other Local Revenues	\$ 211,652	\$ 905,196	

(Continued)

Exhibit J-5

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

	Capital Projects Fund	Other Capital Projects -	Total
<u>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$ 0	\$ 0	377,024
Circuit Court Clerk	0	0	222,924
General Sessions Court Clerk	0	0	326,471
Clerk and Master	0	0	143,273
Juvenile Court Clerk	0	0	36,307
Register	0	0	201,523
Sheriff	0	0	17,764
Trustee	0	0	773,202
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>2,098,488</u>
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$ 0	9,000
Other General Government Grants	0	0	16,803
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0	0	23,400
<u>Health and Welfare Grants</u>			
Health Department Programs	0	0	96,647
<u>Public Works Grants</u>			
State Aid Program	0	0	873,171
Litter Program	0	0	18,808
Tennessee Industrial Infrastructure Program	0	0	51,750
<u>Other State Revenues</u>			
Income Tax	0	0	241,502
Beer Tax	0	0	17,959

(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>Other State Revenues (Cont.)</u>			
Vehicle Certificate of Title Fees	\$ 0	\$ 8,233	
Alcoholic Beverage Tax	0	96,945	
State Revenue Sharing - T.V.A.	0	1,133,321	
State Revenue Sharing - Telecommunications	0	64,586	
Contracted Prisoner Boarding	0	803,488	
Gasoline and Motor Fuel Tax	0	2,640,580	
Petroleum Special Tax	0	29,621	
Registrar's Salary Supplement	0	15,164	
Other State Grants	0	42,912	
Other State Revenues	0	68,538	
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 6,252,428</u>	
<u>Federal Government</u>			
<u>Federal Through State</u>			
Appalachian Regional Commission	\$ 0	\$ 263,570	
Community Development	1,635,013	1,986,597	
Civil Defense Reimbursement	0	38,850	
Homeland Security Grants	0	19,814	
Other Federal through State	0	357,894	
<u>Direct Federal Revenue</u>			
Other Direct Federal Revenue	0	327,753	
Total Federal Government	<u>\$ 1,635,013</u>	<u>\$ 2,994,478</u>	

(Continued)

Exhibit J-5

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

	Capital Projects Fund		Other Capital Projects -	Total
<hr/>				
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$	0	\$	313,430
<u>Citizens Groups</u>				
Donations			0	42,534
<u>Other</u>				
Other			0	69,667
Total Other Governments and Citizens Groups	\$		0	\$ 425,631
Total	\$	1,846,665	\$	32,877,401

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, 2019

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 10,183,964	\$ 0	\$ 0	\$ 0	\$ 10,183,964
Trustee's Collections - Prior Year	226,974	0	0	0	226,974
Trustee's Collections - Bankruptcy	370	0	0	0	370
Circuit Clerk/Clerk and Master Collections - Prior Years	186,477	0	0	0	186,477
Interest and Penalty	39,255	0	0	0	39,255
Payments in-Lieu-of Taxes - T.V.A.	3,971	0	0	0	3,971
Payments in-Lieu-of Taxes - Local Utilities	34,008	0	0	0	34,008
Payments in-Lieu-of Taxes - Other	33,812	0	0	0	33,812
<u>County Local Option Taxes</u>					
Local Option Sales Tax	5,030,119	0	0	0	5,030,119
Mixed Drink Tax	39,330	0	0	0	39,330
<u>Statutory Local Taxes</u>					
Bank Excise Tax	61,818	0	0	0	61,818
Total Local Taxes	\$ 15,840,098	\$ 0	\$ 0	\$ 0	\$ 15,840,098
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 3,030	\$ 0	\$ 0	\$ 0	\$ 3,030
Cable TV Franchise	58,796	0	0	0	58,796
Total Licenses and Permits	\$ 61,826	\$ 0	\$ 0	\$ 0	\$ 61,826
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Other	\$ 263,856	\$ 0	\$ 0	\$ 0	\$ 263,856

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 458,989	\$ 0	\$ 458,989
Lunch Payments - Adults	0	0	49,697	0	49,697
A la Carte Sales	0	0	346,403	0	346,403
School Based Health Services - FFS	32,233	0	0	0	32,233
TBI Criminal Background Fee	35	0	0	0	35
Total Charges for Current Services	\$ 296,124	\$ 0	\$ 855,089	\$ 0	\$ 1,151,213
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 28,458	\$ 0	\$ 26,473	\$ 297,152	\$ 352,083
Lease/Rentals	12,204	0	0	0	12,204
E-Rate Funding	1,422	0	0	0	1,422
Miscellaneous Refunds	93,253	0	0	0	93,253
<u>Nonrecurring Items</u>					
Sale of Equipment	655	0	0	0	655
Contributions and Gifts	117,854	0	0	0	117,854
Total Other Local Revenues	\$ 253,846	\$ 0	\$ 26,473	\$ 297,152	\$ 577,471
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 168,143	\$ 0	\$ 0	\$ 0	\$ 168,143
<u>State Education Funds</u>					
Basic Education Program	26,190,534	0	0	0	26,190,534
Early Childhood Education	1,019,684	0	0	0	1,019,684

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
School Food Service	\$ 0	\$ 0	\$ 27,479	\$ 0	\$ 27,479
Other State Education Funds	374,099	0	0	0	374,099
Career Ladder Program	139,450	0	0	0	139,450
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	50,000	0	0	0	50,000
Total State of Tennessee	\$ 27,941,910	\$ 0	\$ 27,479	\$ 0	\$ 27,969,389
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,513,430	\$ 0	\$ 1,513,430
USDA - Commodities	0	0	248,575	0	248,575
Breakfast	0	0	696,997	0	696,997
USDA - Other	0	0	37,981	0	37,981
Vocational Education - Basic Grants to States	0	100,148	0	0	100,148
Title I Grants to Local Education Agencies	0	1,260,466	0	0	1,260,466
Special Education - Grants to States	118,562	1,311,622	0	0	1,430,184
Special Education Preschool Grants	0	53,319	0	0	53,319
English Language Acquisition Grants	0	8,801	0	0	8,801
Rural Education	0	34	0	0	34
Eisenhower Professional Development State Grants	0	143,833	0	0	143,833
Other Federal through State	356,372	251,393	0	0	607,765
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	114,990	0	0	0	114,990
Total Federal Government	\$ 589,924	\$ 3,129,616	\$ 2,496,983	\$ 0	\$ 6,216,523

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 48,004,274	\$ 48,004,274
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 48,004,274	\$ 48,004,274
Total	\$ 44,983,728	\$ 3,129,616	\$ 3,406,024	\$ 48,301,426	\$ 99,820,794

Exhibit J-7

Franklin County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2019

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	69,455	
Social Security		3,833	
Pensions		331	
Medical Insurance		548	
Unemployment Compensation		3	
Employer Medicare		1,002	
Audit Services		15,600	
Dues and Memberships		11,952	
Legal Services		8,513	
Legal Notices, Recording, and Court Costs		6,771	
Maintenance Agreements		4,331	
Travel		2,679	
Office Supplies		7,175	
Refunds		4,241	
In Service/Staff Development		1,730	
Tax Relief Program		98,326	
Other Charges		274,900	
Total County Commission	\$		511,390

Beer Board

Legal Notices, Recording, and Court Costs	\$	463	
Total Beer Board			463

County Mayor/Executive

County Official/Administrative Officer	\$	90,992	
Assistant(s)		34,936	
Other Salaries and Wages		14,989	
Social Security		8,720	
Pensions		17,316	
Life Insurance		105	
Medical Insurance		10,813	
Unemployment Compensation		73	
Employer Medicare		2,039	
Other Fringe Benefits		88	
Communication		29	
Dues and Memberships		1,800	
Maintenance Agreements		2,595	
Postal Charges		190	
Travel		55	
Gasoline		954	
Office Supplies		1,297	
Premiums on Corporate Surety Bonds		50	
In Service/Staff Development		199	
Other Charges		733	
Total County Mayor/Executive			187,973

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

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

Election Commission

County Official/Administrative Officer	\$ 70,904	
Deputy(ies)	36,629	
Educational Incentive - Official/Admin Officer	950	
Longevity Pay	1,320	
Overtime Pay	3,941	
Other Salaries and Wages	13,528	
Election Commission	1,540	
Election Workers	38,916	
Social Security	10,055	
Pensions	15,655	
Life Insurance	94	
Medical Insurance	14,181	
Unemployment Compensation	401	
Employer Medicare	2,362	
Other Fringe Benefits	500	
Communication	266	
Data Processing Services	18,145	
Dues and Memberships	450	
Legal Notices, Recording, and Court Costs	6,428	
Maintenance Agreements	4,724	
Maintenance and Repair Services - Equipment	310	
Postal Charges	3,985	
Printing, Stationery, and Forms	2,232	
Travel	1,565	
Other Contracted Services	6,245	
Office Supplies	3,863	
Other Supplies and Materials	1,554	
In Service/Staff Development	830	
Other Charges	3,765	
Total Election Commission		265,338

Register of Deeds

County Official/Administrative Officer	\$ 78,782	
Deputy(ies)	133,075	
Educational Incentive - Other County Employees	3,800	
Longevity Pay	2,400	
Social Security	12,418	
Pensions	30,369	
Life Insurance	230	
Medical Insurance	35,454	
Unemployment Compensation	210	
Employer Medicare	2,904	
Other Fringe Benefits	800	

(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.)

Communication	\$	505	
Data Processing Services		15,511	
Dues and Memberships		785	
Maintenance Agreements		604	
Maintenance and Repair Services - Office Equipment		3,304	
Travel		1,846	
Other Contracted Services		5,920	
Office Supplies		11,351	
In Service/Staff Development		917	
Furniture and Fixtures		1,358	
Other Capital Outlay		2,628	
Total Register of Deeds			\$ 345,171

Planning

Supervisor/Director	\$	64,961	
Deputy(ies)		40,290	
Educational Incentive - Official/Admin Officer		950	
Educational Incentive - Other County Employees		950	
Longevity Pay		1,740	
Overtime Pay		445	
Social Security		6,720	
Pensions		15,322	
Life Insurance		94	
Medical Insurance		13,621	
Unemployment Compensation		84	
Employer Medicare		1,572	
Other Fringe Benefits		400	
Communication		201	
Dues and Memberships		25	
Legal Notices, Recording, and Court Costs		1,637	
Maintenance Agreements		1,300	
Maintenance and Repair Services - Office Equipment		1,012	
Maintenance and Repair Services - Vehicles		528	
Postal Charges		300	
Travel		794	
Gasoline		747	
Office Supplies		3,299	
In Service/Staff Development		200	
Total Planning			157,192

County Buildings

Supervisor/Director	\$	33,530	
Custodial Personnel		142,379	
Maintenance Personnel		60,827	
Longevity Pay		3,180	
Other Salaries and Wages		14	
Social Security		13,820	

(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.)

Pensions	\$	32,898	
Life Insurance		417	
Medical Insurance		63,518	
Unemployment Compensation		390	
Employer Medicare		3,232	
Other Fringe Benefits		1,800	
Communication		42,930	
Maintenance Agreements		36,509	
Maintenance and Repair Services - Buildings		108,158	
Maintenance and Repair Services - Equipment		14,837	
Maintenance and Repair Services - Vehicles		2,050	
Pest Control		9,741	
Disposal Fees		7,502	
Other Contracted Services		279,501	
Custodial Supplies		24,233	
Gasoline		2,314	
Uniforms		1,988	
Utilities		459,699	
Other Supplies and Materials		1,136	
Other Charges		5,330	
Building Improvements		374,276	
Maintenance Equipment		3,821	
Other Capital Outlay		36,288	
Total County Buildings			\$ 1,766,318

Other General Administration

Communication	\$	200	
Maintenance Agreements		12,490	
Other Contracted Services		47,213	
Other Charges		312	
Data Processing Equipment		17,483	
Total Other General Administration			77,698

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	78,782	
Deputy(ies)		224,656	
Educational Incentive - Other County Employees		950	
Longevity Pay		1,200	
Overtime Pay		6,834	
Board and Committee Members Fees		3,740	
Social Security		18,944	
Pensions		43,830	
Life Insurance		374	
Medical Insurance		56,726	
Unemployment Compensation		336	
Employer Medicare		4,444	

(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.)

Other Fringe Benefits	\$	1,400	
Consultants		3,750	
Contracts with Government Agencies		20,233	
Contracts with Private Agencies		32,188	
Dues and Memberships		1,800	
Legal Notices, Recording, and Court Costs		334	
Maintenance Agreements		11,129	
Maintenance and Repair Services - Vehicles		13	
Postal Charges		2,816	
Travel		851	
Gasoline		917	
Office Supplies		3,924	
In Service/Staff Development		235	
Other Charges		683	
Total Property Assessor's Office	\$		521,089

County Trustee's Office

County Official/Administrative Officer	\$	78,782	
Deputy(ies)		135,092	
Educational Incentive - Other County Employees		2,850	
Longevity Pay		2,220	
Other Salaries and Wages		896	
Social Security		13,227	
Pensions		29,757	
Life Insurance		216	
Medical Insurance		35,454	
Unemployment Compensation		205	
Employer Medicare		3,106	
Other Fringe Benefits		800	
Data Processing Services		10,560	
Dues and Memberships		905	
Maintenance Agreements		1,197	
Postal Charges		10,250	
Travel		2,235	
Other Contracted Services		5,474	
Office Supplies		3,853	
In Service/Staff Development		1,015	
Total County Trustee's Office			338,094

County Clerk's Office

County Official/Administrative Officer	\$	78,782	
Deputy(ies)		277,295	
Part-time Personnel		26,733	
Educational Incentive - Other County Employees		5,700	
Longevity Pay		5,880	
Social Security		23,519	
Pensions		49,345	

(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.)

Life Insurance	\$	417	
Medical Insurance		63,165	
Unemployment Compensation		507	
Employer Medicare		5,528	
Other Fringe Benefits		2,050	
Communication		529	
Data Processing Services		22,440	
Dues and Memberships		810	
Maintenance Agreements		2,741	
Postal Charges		8,030	
Travel		2,733	
Other Contracted Services		516	
Office Supplies		7,275	
In Service/Staff Development		1,240	
Data Processing Equipment		5,125	
Total County Clerk's Office	\$		590,360

Other Finance

Supervisor/Director	\$	69,429	
Deputy(ies)		59,230	
Accountants/Bookkeepers		320,746	
Educational Incentive - Official/Admin Officer		950	
Educational Incentive - Other County Employees		7,600	
Longevity Pay		8,040	
Social Security		26,793	
Pensions		63,134	
Life Insurance		468	
Medical Insurance		67,780	
Unemployment Compensation		474	
Employer Medicare		6,266	
Other Fringe Benefits		2,100	
Communication		1,989	
Data Processing Services		25,745	
Dues and Memberships		634	
Maintenance Agreements		10,975	
Postal Charges		4,140	
Travel		4,423	
Other Contracted Services		517	
Office Supplies		13,122	
Premiums on Corporate Surety Bonds		64	
In Service/Staff Development		3,715	
Other Charges		1,866	
Data Processing Equipment		16,552	
Total Other Finance			716,752

(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	\$	78,782	
Deputy(ies)		549,508	
Part-time Personnel		19,684	
Educational Incentive - Other County Employees		3,800	
Longevity Pay		10,440	
Overtime Pay		578	
Jury and Witness Expense		2,067	
Social Security		39,351	
Pensions		90,215	
Life Insurance		702	
Medical Insurance		98,466	
Unemployment Compensation		707	
Employer Medicare		9,203	
Other Fringe Benefits		3,200	
Communication		968	
Data Processing Services		33,317	
Dues and Memberships		660	
Legal Notices, Recording, and Court Costs		117	
Maintenance Agreements		12,367	
Postal Charges		5,000	
Travel		2,868	
Remittance of Revenue Collected		16,264	
Other Contracted Services		2,100	
Library Books/Media		1,118	
Office Supplies		9,014	
In Service/Staff Development		1,485	
Other Charges		98	
Data Processing Equipment		482	
Total Circuit Court	\$		992,561

General Sessions Court

County Official/Administrative Officer	\$	155,956	
Deputy(ies)		81,301	
Social Security		13,017	
Pensions		33,240	
Life Insurance		140	
Medical Insurance		21,272	
Unemployment Compensation		84	
Employer Medicare		3,380	
Other Fringe Benefits		400	
Maintenance and Repair Services - Equipment		1,596	
Travel		1,098	
Library Books/Media		661	
Office Supplies		1,903	
In Service/Staff Development		430	
Other Charges		130	
Total General Sessions Court			314,608

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court

Supervisor/Director	\$	48,426	
Longevity Pay		540	
Other Salaries and Wages		22,028	
Social Security		3,815	
Pensions		9,986	
Life Insurance		77	
Medical Insurance		14,181	
Unemployment Compensation		84	
Employer Medicare		892	
Other Fringe Benefits		400	
Communication		492	
Total Drug Court			\$ 100,921

Chancery Court

County Official/Administrative Officer	\$	78,782	
Deputy(ies)		67,277	
Social Security		8,866	
Pensions		20,478	
Life Insurance		140	
Medical Insurance		21,272	
Unemployment Compensation		126	
Employer Medicare		2,074	
Other Fringe Benefits		400	
Communication		29	
Data Processing Services		18,143	
Dues and Memberships		750	
Maintenance Agreements		3,478	
Postal Charges		1,500	
Travel		782	
Other Contracted Services		647	
Library Books/Media		758	
Office Supplies		2,268	
Premiums on Corporate Surety Bonds		114	
Other Charges		15	
Total Chancery Court			227,899

Juvenile Court

Assistant(s)	\$	48,755	
Deputy(ies)		44,325	
Longevity Pay		2,040	
Social Security		5,228	
Pensions		13,337	
Life Insurance		94	
Medical Insurance		14,181	
Unemployment Compensation		84	
Employer Medicare		1,223	
Other Fringe Benefits		400	

(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.)

Communication	\$	736	
Dues and Memberships		80	
Travel		2,083	
Library Books/Media		868	
Office Supplies		129	
In Service/Staff Development		1,096	
Total Juvenile Court			\$ 134,659

Judicial Commissioners

County Official/Administrative Officer	\$	67,997	
Part-time Personnel		8,552	
Longevity Pay		2,220	
Overtime Pay		29,720	
Social Security		6,187	
Pensions		11,531	
Life Insurance		125	
Medical Insurance		21,272	
Unemployment Compensation		182	
Employer Medicare		1,454	
Other Fringe Benefits		900	
Maintenance Agreements		544	
Travel		249	
Total Judicial Commissioners			150,933

Other Administration of Justice

Contracts with Government Agencies	\$	55,342	
Contracts with Private Agencies		124,858	
Other Contracted Services		36,368	
Total Other Administration of Justice			216,568

Probation Services

Supervisor/Director	\$	46,176	
Part-time Personnel		17,529	
Longevity Pay		480	
Other Salaries and Wages		28,940	
Social Security		5,648	
Pensions		10,610	
Life Insurance		94	
Medical Insurance		14,181	
Unemployment Compensation		146	
Employer Medicare		1,321	
Other Fringe Benefits		400	
Communication		14	
Drugs and Medical Supplies		1,800	
Office Supplies		2,463	
Total Probation Services			129,802

(Continued)

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	86,661	
Assistant(s)		63,375	
Supervisor/Director		53,197	
Deputy(ies)		647,264	
Investigator(s)		285,371	
Captain(s)		118,458	
Sergeant(s)		235,581	
Accountants/Bookkeepers		71,401	
Instructional Computer Personnel		43,576	
Salary Supplements		36,300	
Guards		257,816	
Part-time Personnel		42,071	
School Resource Officer		510,672	
Longevity Pay		30,240	
Overtime Pay		126,347	
Other Salaries and Wages		45,043	
Social Security		156,566	
Pensions		339,285	
Life Insurance		2,172	
Medical Insurance		293,885	
Unemployment Compensation		2,950	
Employer Medicare		37,346	
Other Fringe Benefits		11,000	
Communication		31,706	
Contracts with Private Agencies		14,762	
Dues and Memberships		2,735	
Maintenance Agreements		18,191	
Maintenance and Repair Services - Equipment		1,417	
Maintenance and Repair Services - Vehicles		158,893	
Medical and Dental Services		600	
Postal Charges		1,557	
Travel		15,358	
Diesel Fuel		10,717	
Gasoline		146,279	
Law Enforcement Supplies		12,389	
Office Supplies		11,424	
Propane Gas		75	
Tires and Tubes		20,268	
Uniforms		17,474	
Other Supplies and Materials		1,896	
Premiums on Corporate Surety Bonds		75	
In Service/Staff Development		10,002	
Constitutional Officers' Operating Expenses		150	
Other Charges		23,258	
Data Processing Equipment		814	
Law Enforcement Equipment		649	
Motor Vehicles		74,740	
Other Equipment		51,693	
Total Sheriff's Department			\$ 4,123,699

(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	\$	8,603	
Social Security		540	
Unemployment Compensation		39	
Employer Medicare		126	
Other Fringe Benefits		100	
Remittance of Revenue Collected		300	
Total Administration of the Sexual Offender Registry			\$ 9,708

Jail

Assistant(s)	\$	59,229	
Deputy(ies)		39,725	
Medical Personnel		85,043	
Salary Supplements		6,000	
Guards		623,126	
Cafeteria Personnel		48,390	
Maintenance Personnel		37,028	
Part-time Personnel		120,355	
Longevity Pay		4,140	
Overtime Pay		110,598	
Other Salaries and Wages		30,308	
Social Security		70,128	
Pensions		117,632	
Life Insurance		1,221	
Medical Insurance		179,199	
Unemployment Compensation		1,855	
Employer Medicare		16,450	
Other Fringe Benefits		6,800	
Maintenance Agreements		26,082	
Maintenance and Repair Services - Buildings		17,194	
Maintenance and Repair Services - Equipment		9,575	
Medical and Dental Services		15,500	
Pest Control		1,500	
Transportation - Other than Students		9,611	
Travel		1,587	
Disposal Fees		3,628	
Custodial Supplies		79,662	
Food Supplies		351,138	
Law Enforcement Supplies		1,118	
Prisoners Clothing		14,589	
Uniforms		5,730	
Other Supplies and Materials		3,388	
Medical Claims		845,923	
In Service/Staff Development		1,223	
Other Charges		4,832	
Building Improvements		12,015	
Other Equipment		7,330	
Total Jail			2,968,852

(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

Supervisor/Director	\$	1,680	
Assessment Personnel		10,702	
Part-time Personnel		4,320	
Other Salaries and Wages		60,726	
Social Security		4,718	
Pensions		185	
Life Insurance		62	
Medical Insurance		8,341	
Unemployment Compensation		204	
Employer Medicare		1,103	
Contracts with Private Agencies		90,080	
Travel		510	
Other Contracted Services		1,750	
Other Supplies and Materials		3,229	
Other Charges		14,605	
Total Correctional Incentive Program Improvements	\$		202,215

Juvenile Services

Contracts with Private Agencies	\$	3,150	
Printing, Stationery, and Forms		984	
Rentals		3,125	
Other Contracted Services		43,074	
Other Supplies and Materials		20,957	
Indirect Cost		1,264	
In Service/Staff Development		1,880	
Other Charges		2,845	
Other Equipment		2,938	
Total Juvenile Services			80,217

Civil Defense

Supervisor/Director	\$	53,634	
Deputy(ies)		36,156	
Social Security		5,164	
Pensions		9,905	
Life Insurance		90	
Medical Insurance		13,597	
Unemployment Compensation		118	
Employer Medicare		1,208	
Other Fringe Benefits		400	
Communication		2,726	
Dues and Memberships		110	
Maintenance and Repair Services - Buildings		3,281	
Maintenance and Repair Services - Equipment		2,636	
Maintenance and Repair Services - Vehicles		2,463	
Travel		189	
Other Contracted Services		8,510	
Diesel Fuel		665	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Gasoline	\$	2,208	
Office Supplies		769	
Other Supplies and Materials		2,046	
In Service/Staff Development		470	
Other Charges		392	
Other Equipment		5,823	
Total Civil Defense			\$ 152,560

Rescue Squad

Dues and Memberships	\$	492	
Maintenance and Repair Services - Equipment		1,453	
Maintenance and Repair Services - Vehicles		716	
Diesel Fuel		195	
Gasoline		382	
Other Supplies and Materials		1,362	
In Service/Staff Development		1,600	
Other Charges		325	
Other Equipment		11,863	
Total Rescue Squad			18,388

Other Emergency Management

Assistant(s)	\$	37,726	
Supervisor/Director		48,942	
Dispatchers/Radio Operators		413,357	
Educational Incentive - Official/Admin Officer		850	
Educational Incentive - Other County Employees		850	
Longevity Pay		5,045	
Overtime Pay		21,267	
Other Salaries and Wages		19,120	
Social Security		33,050	
Pensions		73,689	
Life Insurance		714	
Medical Insurance		86,224	
Unemployment Compensation		738	
Employer Medicare		7,729	
Other Fringe Benefits		3,200	
Communication		15,914	
Contracts with Private Agencies		7,340	
Maintenance and Repair Services - Equipment		5,619	
Maintenance and Repair Services - Vehicles		1,191	
Postal Charges		99	
Travel		4,381	
Gasoline		781	
Office Supplies		5,270	
Uniforms		827	
In Service/Staff Development		3,417	
Other Charges		57	
Other Equipment		3,281	
Total Other Emergency Management			800,678

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Other Contracted Services	\$	6,204	
Medical Claims		37,293	
Total County Coroner/Medical Examiner			\$ 43,497

Public Safety Grants Program

Overtime Pay	\$	2,796	
Social Security		169	
Pensions		392	
Medical Insurance		359	
Unemployment Compensation		4	
Employer Medicare		39	
Other Equipment		4,047	
Other Capital Outlay		19,814	
Total Public Safety Grants Program			27,620

Public Health and Welfare

Local Health Center

Communication	\$	1,030	
Dues and Memberships		200	
Maintenance Agreements		326	
Maintenance and Repair Services - Buildings		7,114	
Disposal Fees		1,809	
Custodial Supplies		3,573	
Office Supplies		41	
Utilities		11,864	
Building and Contents Insurance		2,979	
Liability Insurance		476	
Other Charges		1,266	
Total Local Health Center			30,678

Rabies and Animal Control

Assistant(s)	\$	91,482	
Supervisor/Director		12,981	
Longevity Pay		300	
Overtime Pay		10,512	
Other Salaries and Wages		346	
Social Security		7,124	
Pensions		16,233	
Life Insurance		148	
Medical Insurance		15,387	
Unemployment Compensation		133	
Employer Medicare		1,666	
Other Fringe Benefits		600	
Communication		846	
Dues and Memberships		190	
Licenses		1,070	
Maintenance and Repair Services - Buildings		1,627	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Maintenance and Repair Services - Vehicles	\$	938	
Postal Charges		151	
Travel		894	
Other Contracted Services		30,443	
Animal Food and Supplies		2,563	
Drugs and Medical Supplies		926	
Gasoline		5,104	
Office Supplies		79	
Propane Gas		847	
Uniforms		462	
Other Supplies and Materials		5,907	
In Service/Staff Development		420	
Other Equipment		14,203	
Total Rabies and Animal Control			\$ 223,582

Other Local Health Services

Social Workers	\$	26,900	
Medical Personnel		10,918	
Secretary(ies)		26,319	
Part-time Personnel		2,416	
Longevity Pay		300	
Social Security		4,061	
Pensions		7,265	
Life Insurance		109	
Medical Insurance		8,282	
Unemployment Compensation		169	
Employer Medicare		950	
Other Fringe Benefits		700	
Travel		7,861	
Other Contracted Services		886	
Total Other Local Health Services			97,136

Appropriation to State

Contracts with Government Agencies	\$	26,446	
Total Appropriation to State			26,446

General Welfare Assistance

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

Waste Pickup

Laborers	\$	56,887	
Overtime Pay		3,592	
Other Salaries and Wages		2,517	
Social Security		3,825	
Pensions		7,339	
Life Insurance		86	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Medical Insurance	\$	8,073	
Unemployment Compensation		60	
Employer Medicare		895	
Other Fringe Benefits		400	
Advertising		1,750	
Disposal Fees		128	
Other Supplies and Materials		7,149	
Total Waste Pickup			\$ 92,701

Other Waste Collection

Laborers	\$	29,661	
Overtime Pay		1,709	
Social Security		1,931	
Pensions		4,377	
Life Insurance		47	
Medical Insurance		3,018	
Unemployment Compensation		31	
Employer Medicare		444	
Disposal Fees		106	
Total Other Waste Collection			41,324

Other Public Health and Welfare

Other Charges	\$	7,602	
Total Other Public Health and Welfare			7,602

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Maintenance and Repair Services - Buildings	\$	1,391	
Other Contracted Services		32,050	
Custodial Supplies		4,009	
Total Senior Citizens Assistance			37,450

Parks and Fair Boards

Supervisor/Director	\$	5,610	
Overtime Pay		54	
Other Salaries and Wages		14,344	
Social Security		1,232	
Pensions		1,157	
Unemployment Compensation		72	
Employer Medicare		288	
Communication		211	
Maintenance Agreements		359	
Maintenance and Repair Services - Buildings		5,652	
Other Supplies and Materials		3,926	
Other Charges		1,378	
Total Parks and Fair Boards			34,283

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Other Salaries and Wages	\$	74,986	
Social Security		363	
Unemployment Compensation		35	
Employer Medicare		85	
Other Fringe Benefits		19,134	
Communication		1,969	
Dues and Memberships		520	
Maintenance Agreements		5,400	
Travel		3,000	
Other Contracted Services		444	
Other Supplies and Materials		11	
Total Agricultural Extension Service			\$ 105,947

Soil Conservation

Secretary to Board	\$	26,731	
Other Salaries and Wages		30,184	
Social Security		3,530	
Pensions		6,300	
Life Insurance		94	
Medical Insurance		6,186	
Unemployment Compensation		118	
Employer Medicare		826	
Other Fringe Benefits		400	
Dues and Memberships		275	
Travel		3,972	
In Service/Staff Development		910	
Other Charges		35	
Total Soil Conservation			79,561

Other Operations

Industrial Development

Assistant(s)	\$	2,806	
Other Salaries and Wages		17,436	
Social Security		1,233	
Pensions		2,449	
Life Insurance		25	
Medical Insurance		3,668	
Unemployment Compensation		23	
Employer Medicare		288	
Other Fringe Benefits		112	
Advertising		2,000	
Communication		322	
Maintenance Agreements		2,995	
Maintenance and Repair Services - Buildings		670	
Pest Control		1,050	
Travel		1,630	
Disposal Fees		2,997	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development (Cont.)

Other Contracted Services	\$	1,597	
Premiums on Corporate Surety Bonds		135	
In Service/Staff Development		1,865	
Other Charges		1,889	
Other Capital Outlay		104,799	
Total Industrial Development			\$ 149,989

Other Economic and Community Development

Contracts with Government Agencies	\$	110,470	
Other Contracted Services		345,918	
Other Capital Outlay		673,155	
Total Other Economic and Community Development			1,129,543

Airport

Airport Improvement	\$	48,352	
Total Airport			48,352

Veterans' Services

Assistant(s)	\$	31,892	
Supervisor/Director		17,626	
Part-time Personnel		12,666	
Social Security		2,764	
Pensions		4,480	
Life Insurance		47	
Medical Insurance		5,727	
Unemployment Compensation		142	
Employer Medicare		903	
Other Fringe Benefits		400	
Communication		200	
Contracts with Private Agencies		898	
Maintenance Agreements		1,538	
Transportation - Other than Students		3,518	
Travel		88	
Office Supplies		1,201	
In Service/Staff Development		300	
Other Charges		5,553	
Total Veterans' Services			89,943

Other Charges

Other Fringe Benefits	\$	7,710	
Medical and Dental Services		2,500	
Building and Contents Insurance		73,673	
Liability Insurance		105,380	
Medical Claims		24,438	
Trustee's Commission		245,835	
Vehicle and Equipment Insurance		88,479	
Workers' Compensation Insurance		155,402	
Other Charges		5,171	
Total Other Charges			708,588

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Capital Projects

Other General Government Projects

Other Equipment	\$ 26,083	
Other Capital Outlay	60,628	
Total Other General Government Projects		\$ 86,711

Highway and Street Capital Projects

Other Capital Outlay	\$ 169,752	
Total Highway and Street Capital Projects		169,752

Total General Fund \$ 19,361,386

Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

Trustee's Commission	\$ 2,019	
Total Other Charges		\$ 2,019

Total Courthouse and Jail Maintenance Fund 2,019

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Assistant(s)	\$ 93,506
Supervisor/Director	48,754
Education Media Personnel	34,531
Part-time Personnel	34,487
Educational Incentive - Official/Admin Officer	950
Longevity Pay	1,080
Other Salaries and Wages	128
Social Security	12,853
Pensions	25,136
Life Insurance	218
Medical Insurance	32,726
Unemployment Compensation	392
Employer Medicare	3,006
Other Fringe Benefits	1,325
Communication	1,950
Dues and Memberships	75
Maintenance and Repair Services - Buildings	15,215
Maintenance and Repair Services - Office Equipment	7,682
Travel	1,686
Other Contracted Services	4,058
Custodial Supplies	1,245
Library Books/Media	16,753
Office Supplies	1,141
Periodicals	3,591
Other Supplies and Materials	3,911
In Service/Staff Development	175

(Continued)

Exhibit J-7

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

Public Library Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Other Charges	\$	800	
Data Processing Equipment		3,396	
Other Capital Outlay		610	
Total Libraries			\$ 351,380

Other Operations

Other Charges

Pest Control	\$	600	
Disposal Fees		1,708	
Utilities		19,956	
Building and Contents Insurance		2,969	
Liability Insurance		1,017	
Trustee's Commission		6,493	
Workers' Compensation Insurance		3,716	
Total Other Charges			36,459

Capital Projects

Social, Cultural, and Recreation Projects

Building Improvements	\$	7,658	
Total Social, Cultural, and Recreation Projects			7,658

Total Public Library Fund \$ 395,497

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Advertising	\$	2,100	
Other Supplies and Materials		679	
Total Sanitation Education/Information			\$ 2,779

Convenience Centers

Laborers	\$	209,192	
Overtime Pay		481	
Social Security		12,240	
Unemployment Compensation		888	
Employer Medicare		3,074	
Other Fringe Benefits		2,353	
Communication		5,235	
Maintenance and Repair Services - Buildings		3,445	
Maintenance and Repair Services - Equipment		5,214	
Other Contracted Services		4,815	
Utilities		15,206	
Other Supplies and Materials		4,355	
Solid Waste Equipment		79,331	
Other Capital Outlay		126,015	
Total Convenience Centers			471,844

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Transfer Stations

Supervisor/Director	\$	65,192	
Deputy(ies)		35,318	
Foremen		47,384	
Equipment Operators - Light		77,907	
Truck Drivers		209,973	
Laborers		37,791	
Part-time Personnel		12,305	
Educational Incentive - Official/Admin Officer		850	
Educational Incentive - Other County Employees		950	
Longevity Pay		1,380	
Overtime Pay		3,504	
Social Security		29,907	
Pensions		56,176	
Life Insurance		589	
Medical Insurance		66,428	
Unemployment Compensation		802	
Employer Medicare		6,994	
Other Fringe Benefits		2,800	
Communication		1,645	
Contracts with Government Agencies		500,664	
Contracts with Private Agencies		81,267	
Dues and Memberships		557	
Maintenance Agreements		2,382	
Maintenance and Repair Services - Buildings		5,483	
Maintenance and Repair Services - Equipment		11,737	
Maintenance and Repair Services - Vehicles		5,548	
Pest Control		900	
Travel		5,938	
Permits		150	
Diesel Fuel		40,409	
Equipment and Machinery Parts		16,076	
Garage Supplies		1,930	
Gasoline		3,271	
Lubricants		2,803	
Office Supplies		2,150	
Tires and Tubes		10,964	
Uniforms		5,896	
Utilities		13,227	
Vehicle Parts		7,237	
Other Supplies and Materials		12,892	
In Service/Staff Development		3,463	
Other Charges		50	
Solid Waste Equipment		37,318	
Total Transfer Stations			\$ 1,430,207
 <u>Postclosure Care Costs</u>			
Contracts with Private Agencies	\$	12,545	
Total Postclosure Care Costs			12,545

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Other Operations

Other Charges

Medical and Dental Services	\$	305	
Building and Contents Insurance		13,151	
Liability Insurance		15,343	
Medical Claims		4,243	
Trustee's Commission		37,192	
Vehicle and Equipment Insurance		15,343	
Workers' Compensation Insurance		11,146	
Other Charges		234	
Total Other Charges			\$ 96,957

Total Solid Waste/Sanitation Fund \$ 2,014,332

Local Purpose Tax Fund

Public Safety

Fire Prevention and Control

Contracts with Government Agencies	\$	2,000	
Other Contracted Services		658,300	
Trustee's Commission		12,177	
In Service/Staff Development		96	
Other Charges		480	
Total Fire Prevention and Control			\$ 673,053

Total Local Purpose Tax Fund 673,053

Drug Control Fund

Public Safety

Drug Enforcement

Contributions	\$	2,000	
Confidential Drug Enforcement Payments		10,000	
Travel		1,928	
Other Contracted Services		5,868	
Animal Food and Supplies		1,089	
Instructional Supplies and Materials		10,345	
Other Supplies and Materials		605	
In Service/Staff Development		610	
Other Charges		25,616	
Law Enforcement Equipment		8,200	
Other Equipment		1,800	
Total Drug Enforcement			\$ 68,061

Other Operations

Other Charges

Trustee's Commission	\$	219	
Total Other Charges			219

Total Drug Control Fund 68,280

(Continued)

Exhibit J-7

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

Constitutional Officers - Fees Fund

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 85	
Total Sheriff's Department		\$ 85

Total Constitutional Officers - Fees Fund \$ 85

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 86,661	
Assistant(s)	123,822	
Longevity Pay	3,420	
Overtime Pay	6,968	
Other Salaries and Wages	3,931	
Board and Committee Members Fees	21,600	
Social Security	14,767	
Pensions	31,163	
Life Insurance	187	
Medical Insurance	28,363	
Dental Insurance	1,126	
Employer Medicare	3,532	
Other Fringe Benefits	650	
Dues and Memberships	4,796	
Legal Services	4,983	
Legal Notices, Recording, and Court Costs	36	
Maintenance and Repair Services - Office Equipment	1,400	
Postal Charges	25	
Travel	2,895	
Other Contracted Services	6,039	
Office Supplies	1,343	
In Service/Staff Development	1,795	
Other Charges	684	
Total Administration		\$ 350,186

Highway and Bridge Maintenance

Foremen	\$ 41,137
Equipment Operators - Heavy	200,807
Equipment Operators - Light	124,321
Truck Drivers	198,617
Longevity Pay	7,500
Overtime Pay	20,177
Other Salaries and Wages	3,093
Social Security	35,521
Pensions	77,832
Life Insurance	732
Medical Insurance	113,453
Dental Insurance	4,504
Employer Medicare	8,307

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Other Fringe Benefits	\$	4,047	
Other Contracted Services		4,185	
Asphalt - Cold Mix		10,983	
Crushed Stone		2,276	
General Construction Materials		317	
Pipe		22,871	
Propane Gas		1,231	
Road Signs		26,741	
Other Supplies and Materials		604	
Total Highway and Bridge Maintenance			\$ 909,256

Operation and Maintenance of Equipment

Foremen	\$	43,803	
Longevity Pay		360	
Overtime Pay		2,156	
Other Salaries and Wages		1,499	
Social Security		2,957	
Pensions		6,723	
Life Insurance		47	
Medical Insurance		7,091	
Dental Insurance		281	
Employer Medicare		692	
Other Fringe Benefits		400	
Maintenance and Repair Services - Buildings		3,169	
Maintenance and Repair Services - Equipment		16,977	
Diesel Fuel		86,345	
Equipment and Machinery Parts		55,329	
Garage Supplies		12,593	
Gasoline		22,089	
Lubricants		8,210	
Small Tools		325	
Tires and Tubes		21,298	
Other Supplies and Materials		16	
Total Operation and Maintenance of Equipment			292,360

Quarry Operations

Foremen	\$	38,097	
Equipment Operators - Light		37,985	
Longevity Pay		2,280	
Social Security		4,801	
Pensions		11,015	
Life Insurance		94	
Medical Insurance		14,182	
Dental Insurance		563	
Employer Medicare		1,123	
Other Fringe Benefits		520	
Communication		265	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Quarry Operations (Cont.)

Engineering Services	\$	1,500	
Explosive and Drilling Services		26,301	
Operating Lease Payments		10,800	
Maintenance and Repair Services - Buildings		110	
Maintenance and Repair Services - Equipment		9,117	
Other Contracted Services		600	
Diesel Fuel		8,816	
Electricity		49,780	
Equipment and Machinery Parts		10,772	
Garage Supplies		5,207	
Lubricants		2,727	
Tires and Tubes		693	
Water and Sewer		924	
Other Supplies and Materials		1,537	
Total Quarry Operations			\$ 239,809

Other Charges

Other Fringe Benefits	\$	6,484	
Communication		7,270	
Medical and Dental Services		310	
Pest Control		300	
Disposal Fees		5,012	
Permits		3,065	
Uniforms		6,401	
Utilities		18,632	
Building and Contents Insurance		23,911	
Liability Insurance		27,896	
Medical Claims		7,617	
Premiums on Corporate Surety Bonds		50	
Trustee's Commission		40,102	
Vehicle and Equipment Insurance		27,896	
Workers' Compensation Insurance		18,578	
Other Charges		2,124	
Total Other Charges			195,648

Capital Outlay

Bridge Construction	\$	25,500	
Communication Equipment		11,792	
Highway Construction		888,910	
Highway Equipment		47,787	
Motor Vehicles		861	
Office Equipment		375	
Other Equipment		14,100	
Other Construction		1,427	
Other Capital Outlay		1,365	
Total Capital Outlay			992,117

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Principal on Debt

Highways and Streets

Principal on Notes	\$ 15,072	
Total Highways and Streets		\$ 15,072

Interest on Debt

Highways and Streets

Interest on Notes	\$ 4,049	
Total Highways and Streets		<u>4,049</u>

Total Highway/Public Works Fund		\$ 2,998,497
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General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 1,045,000	
Principal on Notes	<u>569,617</u>	
Total General Government		\$ 1,614,617

Interest on Debt

General Government

Interest on Bonds	\$ 791,256	
Interest on Notes	<u>58,106</u>	
Total General Government		849,362

Other Debt Service

General Government

Trustee's Commission	\$ 28,234	
Other Debt Service	<u>1,050</u>	
Total General Government		<u>29,284</u>

Total General Debt Service Fund		2,493,263
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Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 1,945,000	
Principal on Capital Leases	<u>67,959</u>	
Total Education		\$ 2,012,959

Interest on Debt

Education

Interest on Bonds	\$ 245,288	
Interest on Notes	28,203	
Interest on Capital Leases	<u>5,814</u>	
Total Education		279,305

(Continued)

Exhibit J-7

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

<u>Education Debt Service Fund (Cont.)</u>			
<u>Other Debt Service</u>			
<u>Education</u>			
Trustee's Commission	\$	27,513	
Other Debt Issuance Charges		5,000	
Other Debt Service		<u>14,250</u>	
Total Education			\$ <u>46,763</u>
Total Education Debt Service Fund			\$ 2,339,027
 <u>Highway Capital Projects Fund</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	<u>20</u>	
Total Other Charges			\$ 20
 <u>Capital Projects</u>			
<u>Highway and Street Capital Projects</u>			
Highway Construction	\$	<u>153,336</u>	
Total Highway and Street Capital Projects			<u>153,336</u>
Total Highway Capital Projects Fund			153,356
 <u>Education Capital Projects Fund</u>			
<u>Other Debt Service</u>			
<u>Education</u>			
Underwriter's Discount	\$	297,358	
Other Debt Issuance Charges		<u>135,150</u>	
Total Education			\$ 432,508
 <u>Capital Projects - Donated</u>			
<u>Capital Projects Donated to School Department</u>			
Contributions	\$	<u>48,004,274</u>	
Total Capital Projects Donated to School Department			<u>48,004,274</u>
Total Education Capital Projects Fund			48,436,782
 <u>Other Capital Projects #1 Fund</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	<u>2,196</u>	
Total Other Charges			\$ 2,196
 <u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Other Capital Outlay	\$	<u>7,753,438</u>	
Total Public Safety Projects			7,753,438
 <u>Other General Government Projects</u>			
Other Capital Outlay	\$	<u>2,377,800</u>	
Total Other General Government Projects			2,377,800

(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>Highway and Street Capital Projects</u>		
Highway Equipment	\$ 214,868	
Total Highway and Street Capital Projects		\$ 214,868
Total Other Capital Projects #1 Fund		\$ 10,348,302
Total Governmental Funds - Primary Government		\$ 89,283,879

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, 2019

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 13,107,695	
Career Ladder Program	69,210	
Homebound Teachers	109,225	
Educational Assistants	622,754	
Bonus Payments	105,047	
Certified Substitute Teachers	128,064	
Non-certified Substitute Teachers	184,012	
Social Security	821,141	
Pensions	1,415,578	
Medical Insurance	2,393,765	
Unemployment Compensation	4,371	
Employer Medicare	193,296	
Other Fringe Benefits	4,544	
Maintenance and Repair Services - Equipment	25,628	
Tuition	241,886	
Other Contracted Services	33,123	
Instructional Supplies and Materials	427,364	
Textbooks - Electronic	248,738	
Textbooks - Bound	340,906	
Software	298,994	
Other Supplies and Materials	510	
Other Charges	11,479	
Regular Instruction Equipment	380,671	
Total Regular Instruction Program		\$ 21,168,001

Alternative Instruction Program

Teachers	\$ 99,072	
Career Ladder Program	1,000	
Educational Assistants	2,714	
Bonus Payments	2,239	
Other Salaries and Wages	88,596	
Non-certified Substitute Teachers	345	
Social Security	11,139	
Pensions	21,094	
Medical Insurance	38,882	
Employer Medicare	2,605	
Other Fringe Benefits	193	
Maintenance and Repair Services - Equipment	805	
Other Supplies and Materials	591	
Other Charges	32	
Total Alternative Instruction Program		269,307

Special Education Program

Teachers	\$ 1,669,672
Career Ladder Program	13,000
Homebound Teachers	35,299

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Educational Assistants	\$	233,889	
Speech Pathologist		445,200	
Bonus Payments		18,288	
Certified Substitute Teachers		5,062	
Non-certified Substitute Teachers		37,038	
Social Security		141,446	
Pensions		248,965	
Medical Insurance		419,844	
Unemployment Compensation		9,253	
Employer Medicare		33,221	
Other Fringe Benefits		1,753	
Contracts with Private Agencies		57,000	
Other Contracted Services		99,218	
Instructional Supplies and Materials		29,722	
Special Education Equipment		118,557	
Total Special Education Program			\$ 3,616,427

Career and Technical Education Program

Teachers	\$	914,467	
Career Ladder Program		1,667	
Bonus Payments		6,802	
Certified Substitute Teachers		2,475	
Non-certified Substitute Teachers		15,544	
Social Security		54,169	
Pensions		87,521	
Medical Insurance		170,230	
Employer Medicare		12,726	
Other Contracted Services		700	
Instructional Supplies and Materials		8,419	
Other Supplies and Materials		3,462	
Other Charges		1,557	
Vocational Instruction Equipment		254	
Total Career and Technical Education Program			1,279,993

Student Body Education Program

Other Salaries and Wages	\$	312,460	
Social Security		16,912	
Pensions		22,263	
Employer Medicare		4,382	
Other Contracted Services		76,176	
Other Supplies and Materials		4,841	
Other Charges		16,030	
Other Equipment		14,000	
Total Student Body Education Program			467,064

(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

Attendance

Clerical Personnel	\$	81,442	
Bonus Payments		745	
Other Salaries and Wages		51,418	
Social Security		7,958	
Pensions		18,705	
Medical Insurance		26,857	
Employer Medicare		1,861	
Other Fringe Benefits		1,124	
Travel		379	
Software		35,149	
Other Supplies and Materials		216	
In Service/Staff Development		1,023	
Total Attendance			\$ 226,877

Health Services

Supervisor/Director	\$	73,993	
Medical Personnel		297,232	
Non-certified Substitute Teachers		6,172	
Social Security		22,231	
Pensions		44,850	
Medical Insurance		67,892	
Employer Medicare		5,199	
Other Fringe Benefits		2,180	
Travel		38	
Other Supplies and Materials		23,041	
In Service/Staff Development		10,567	
Total Health Services			553,395

Other Student Support

Career Ladder Program	\$	6,000	
Guidance Personnel		768,962	
Social Workers		56,763	
Secretary(ies)		71,966	
Bonus Payments		7,733	
Other Salaries and Wages		40,449	
Certified Substitute Teachers		75	
Non-certified Substitute Teachers		531	
Social Security		55,118	
Pensions		97,678	
Medical Insurance		149,475	
Employer Medicare		12,890	
Other Fringe Benefits		1,075	
Contracts with Government Agencies		53,540	
Evaluation and Testing		13,528	
Travel		1,434	
Other Contracted Services		1,910	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Supplies and Materials	\$	27,365	
In Service/Staff Development		11,711	
Other Charges		7,880	
Other Equipment		91,121	
Total Other Student Support			\$ 1,477,204

Regular Instruction Program

Supervisor/Director	\$	145,580	
Career Ladder Program		8,443	
Librarians		581,006	
Clerical Personnel		40,851	
Educational Assistants		14,688	
Bonus Payments		9,134	
Other Salaries and Wages		115,875	
Certified Substitute Teachers		1,125	
Non-certified Substitute Teachers		2,750	
Social Security		53,007	
Pensions		96,276	
Medical Insurance		117,111	
Employer Medicare		12,614	
Other Fringe Benefits		483	
Dues and Memberships		1,538	
Travel		8,233	
Other Contracted Services		120	
Other Supplies and Materials		3,269	
In Service/Staff Development		35,989	
Other Charges		7,583	
Other Equipment		2,318	
Total Regular Instruction Program			1,257,993

Special Education Program

Supervisor/Director	\$	92,533	
Psychological Personnel		46,622	
Secretary(ies)		18,304	
Bonus Payments		1,760	
Other Salaries and Wages		255,186	
Social Security		24,449	
Pensions		46,505	
Medical Insurance		55,156	
Employer Medicare		5,718	
Other Fringe Benefits		958	
Dues and Memberships		1,091	
Maintenance and Repair Services - Equipment		720	
Travel		8,091	
Other Contracted Services		2,656	
Other Supplies and Materials		2,032	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

In Service/Staff Development	\$	18,356	
Other Charges		11,590	
Total Special Education Program			\$ 591,727

Career and Technical Education Program

Secretary(ies)	\$	40,851	
Bonus Payments		745	
Social Security		2,486	
Pensions		5,824	
Medical Insurance		6,704	
Employer Medicare		581	
Other Fringe Benefits		349	
Travel		5,883	
Other Contracted Services		2,416	
In Service/Staff Development		3,813	
Other Charges		3,040	
Total Career and Technical Education Program			72,692

Technology

Supervisor/Director	\$	77,090	
Clerical Personnel		28,723	
Bonus Payments		3,518	
Other Salaries and Wages		272,105	
Social Security		21,623	
Pensions		50,646	
Medical Insurance		60,774	
Employer Medicare		5,057	
Other Fringe Benefits		2,617	
Dues and Memberships		155	
Maintenance and Repair Services - Equipment		1,227	
Internet Connectivity		76,939	
Travel		3,550	
Other Contracted Services		178,109	
Cabling		12,607	
Software		17,204	
Other Supplies and Materials		65,482	
In Service/Staff Development		16,140	
Other Charges		1,456	
Other Equipment		118,467	
Total Technology			1,013,489

Other Programs

On-behalf Payments to OPEB	\$	168,143	
Total Other Programs			168,143

(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

Secretary to Board	\$	800	
Board and Committee Members Fees		30,875	
Social Security		1,017	
Pensions		112	
Employer Medicare		459	
Other Fringe Benefits		108,055	
Audit Services		19,275	
Dues and Memberships		11,799	
Legal Services		23,341	
Other Contracted Services		7,785	
Other Supplies and Materials		2,700	
Liability Insurance		180,326	
Trustee's Commission		330,806	
Workers' Compensation Insurance		382,941	
In Service/Staff Development		4,024	
Criminal Investigation of Applicants - TBI		12,444	
Other Charges		2,548	
Total Board of Education			\$ 1,119,307

Director of Schools

County Official/Administrative Officer	\$	110,539	
Career Ladder Program		1,000	
Secretary(ies)		18,304	
Clerical Personnel		29,469	
Bonus Payments		1,488	
Social Security		9,372	
Pensions		18,276	
Medical Insurance		16,573	
Employer Medicare		2,219	
Other Fringe Benefits		409	
Communication		30,590	
Dues and Memberships		3,508	
Maintenance and Repair Services - Equipment		10,093	
Postal Charges		977	
Travel		917	
Other Contracted Services		18,975	
Office Supplies		4,362	
Other Supplies and Materials		1,050	
In Service/Staff Development		7,697	
Other Charges		11,626	
Total Director of Schools			297,444

Office of the Principal

Principals	\$	858,660	
Career Ladder Program		11,000	
Assistant Principals		513,374	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Secretary(ies)	\$	395,358	
Bonus Payments		11,933	
Other Salaries and Wages		53,028	
Certified Substitute Teachers		150	
Non-certified Substitute Teachers		562	
Social Security		107,084	
Pensions		202,559	
Medical Insurance		281,959	
Employer Medicare		25,010	
Other Fringe Benefits		3,729	
Dues and Memberships		1,200	
Other Charges		1,950	
Total Office of the Principal			\$ 2,467,556

Fiscal Services

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

Human Services/Personnel

Supervisor/Director	\$	90,583	
Clerical Personnel		85,197	
Bonus Payments		2,233	
Social Security		10,877	
Pensions		21,689	
Medical Insurance		20,099	
Employer Medicare		2,544	
Other Fringe Benefits		756	
Dues and Memberships		50	
Maintenance and Repair Services - Equipment		4,068	
Travel		294	
Other Contracted Services		2,732	
Software		14,223	
In Service/Staff Development		1,839	
Total Human Services/Personnel			257,184

Operation of Plant

Custodial Personnel	\$	887,380	
Bonus Payments		6,746	
Other Salaries and Wages		22,879	
Non-certified Substitute Teachers		400	
Social Security		54,616	
Pensions		123,666	
Medical Insurance		200,559	
Unemployment Compensation		76	
Employer Medicare		12,773	
Other Fringe Benefits		7,271	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Disposal Fees	\$	46,431	
Custodial Supplies		190,575	
Electricity		1,449,783	
Natural Gas		94,050	
Water and Sewer		132,861	
Boiler Insurance		13,368	
Building and Contents Insurance		243,377	
Plant Operation Equipment		24,300	
Total Operation of Plant			\$ 3,511,111

Maintenance of Plant

Supervisor/Director	\$	59,570	
Maintenance Personnel		476,603	
Bonus Payments		4,031	
Other Salaries and Wages		6,675	
Social Security		30,946	
Pensions		75,017	
Medical Insurance		76,156	
Employer Medicare		7,237	
Other Fringe Benefits		4,512	
Communication		934	
Laundry Service		1,092	
Maintenance and Repair Services - Buildings		306,762	
Maintenance and Repair Services - Equipment		6,354	
Maintenance and Repair Services - Vehicles		16,244	
Other Contracted Services		121,764	
Gasoline		16,336	
Other Supplies and Materials		881	
Other Charges		933	
Maintenance Equipment		1,025	
Total Maintenance of Plant			1,213,072

Transportation

Supervisor/Director	\$	40,449	
Bus Drivers		201,573	
Other Salaries and Wages		39,508	
Non-certified Substitute Teachers		14,928	
Social Security		17,031	
Pensions		38,017	
Medical Insurance		64,067	
Employer Medicare		4,048	
Other Fringe Benefits		1,933	
Communication		1,338	
Contracts with Parents		3,357	
Contracts with Vehicle Owners		1,578,544	
Maintenance and Repair Services - Vehicles		107,137	

(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.)

Transportation (Cont.)

Other Contracted Services	\$	8,811	
Gasoline		43,778	
Tires and Tubes		6,812	
Other Supplies and Materials		353	
Vehicle and Equipment Insurance		20,840	
In Service/Staff Development		2,089	
Other Charges		1,614	
Transportation Equipment		128,786	
Total Transportation			\$ 2,325,013

Central and Other

Bonus Payments	\$	685	
Other Salaries and Wages		71,563	
Social Security		4,309	
Pensions		8,628	
Medical Insurance		20,153	
Employer Medicare		1,008	
Other Fringe Benefits		222	
Total Central and Other			106,568

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	799	
Bonus Payments		244	
Other Salaries and Wages		283,636	
Social Security		17,178	
Pensions		24,569	
Medical Insurance		14,483	
Employer Medicare		4,045	
Other Fringe Benefits		869	
Communication		1,099	
Travel		54,214	
Other Contracted Services		170,912	
Other Supplies and Materials		70,296	
Indirect Cost		6,996	
Other Charges		73,404	
Total Community Services			722,744

Early Childhood Education

Supervisor/Director	\$	21,261	
Teachers		563,573	
Educational Assistants		190,780	
Bonus Payments		6,085	
Certified Substitute Teachers		1,088	
Non-certified Substitute Teachers		14,700	
Social Security		44,434	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Pensions	\$	86,505	
Medical Insurance		164,014	
Employer Medicare		10,709	
Other Fringe Benefits		1,461	
Other Supplies and Materials		7,085	
In Service/Staff Development		1,800	
Total Early Childhood Education			\$ 1,113,495

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	39,650	
Building Construction		150	
Building Improvements		230,437	
Other Capital Outlay		38,455	
Total Regular Capital Outlay			308,692

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	67,959	
Total Education			67,959

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	5,814	
Total Education			5,814

Total General Purpose School Fund \$ 45,689,832

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	783,778	
Educational Assistants		133,558	
Bonus Payments		5,427	
Other Salaries and Wages		17,790	
Social Security		51,452	
Pensions		92,628	
Medical Insurance		130,897	
Employer Medicare		12,986	
Other Fringe Benefits		820	
Instructional Supplies and Materials		82,194	
Other Supplies and Materials		6,403	
Other Charges		3,046	
Regular Instruction Equipment		23,813	
Total Regular Instruction Program			\$ 1,344,792

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Educational Assistants	\$	432,888	
Speech Pathologist		16,219	
Non-certified Substitute Teachers		1,770	
Social Security		26,072	
Pensions		62,301	
Medical Insurance		142,477	
Employer Medicare		6,097	
Other Fringe Benefits		3,273	
Maintenance and Repair Services - Equipment		17,174	
Instructional Supplies and Materials		138,604	
Special Education Equipment		33,508	
Total Special Education Program			\$ 880,383

Career and Technical Education Program

Other Supplies and Materials	\$	11,055	
Vocational Instruction Equipment		73,737	
Total Career and Technical Education Program			84,792

Support Services

Health Services

Medical Personnel	\$	58,082	
Social Security		3,515	
Pensions		8,104	
Medical Insurance		6,718	
Employer Medicare		822	
Other Fringe Benefits		353	
Total Health Services			77,594

Other Student Support

Other Salaries and Wages	\$	43,100	
Social Security		2,672	
Pensions		4,355	
Employer Medicare		625	
Travel		10,026	
Other Supplies and Materials		10,892	
In Service/Staff Development		5,330	
Other Charges		13,040	
Other Equipment		2,338	
Total Other Student Support			92,378

Regular Instruction Program

Supervisor/Director	\$	60,482	
Bonus Payments		370	
Other Salaries and Wages		43,057	
Social Security		6,300	
Pensions		10,897	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Medical Insurance	\$	9,336	
Employer Medicare		1,473	
Travel		103	
Other Contracted Services		3,169	
Library Books/Media		1,797	
In Service/Staff Development		93,059	
Other Charges		9,682	
Total Regular Instruction Program			\$ 239,725

Special Education Program

Psychological Personnel	\$	13,500	
Secretary(ies)		34,778	
Bonus Payments		745	
Social Security		2,955	
Pensions		6,844	
Medical Insurance		13,096	
Employer Medicare		691	
Other Fringe Benefits		388	
Other Contracted Services		1,925	
Other Supplies and Materials		40,905	
In Service/Staff Development		30,044	
Other Equipment		447	
Total Special Education Program			146,318

Transportation

Other Salaries and Wages	\$	159,352	
Social Security		9,382	
Pensions		22,309	
Medical Insurance		53,741	
Employer Medicare		2,194	
Other Fringe Benefits		1,309	
Contracts with Vehicle Owners		890	
Diesel Fuel		290	
Transportation Equipment		11,288	
Total Transportation			260,755

Operation of Non-Instructional Services

Food Service

Food Supplies	\$	1,621	
Total Food Service			1,621

Total School Federal Projects Fund \$ 3,128,358

(Continued)

Exhibit J-8

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

<u>Central Cafeteria Fund</u>		
<u>Operation of Non-Instructional Services</u>		
<u>Food Service</u>		
Supervisor/Director	\$	64,945
Clerical Personnel		33,777
Cafeteria Personnel		926,163
Bonus Payments		1,013
Other Salaries and Wages		27,330
In-service Training		3,730
Social Security		61,512
Pensions		139,128
Medical Insurance		272,529
Employer Medicare		14,509
Other Fringe Benefits		7,305
Maintenance and Repair Services - Equipment		5,475
Travel		275
Disposal Fees		31,466
Other Contracted Services		316,688
Food Supplies		1,464,395
Gasoline		573
Office Supplies		3,434
USDA - Commodities		248,575
Other Supplies and Materials		29,694
In Service/Staff Development		13,209
Other Charges		24,484
Food Service Equipment		362,633
Total Food Service		<u>\$ 4,052,842</u>
Total Central Cafeteria Fund		\$ 4,052,842
<u>Education Capital Projects Fund</u>		
<u>Interest on Debt</u>		
<u>Education</u>		
Debt Service Contribution to Primary Government	\$	28,203
Total Education		\$ 28,203
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Architects	\$	1,273,068
Consultants		113,263
Engineering Services		35,091
Other Contracted Services		121,630
Trustee's Commission		182
Other Charges		1,200
Building Construction		2,500,905
Total Education Capital Projects		<u>4,045,339</u>
Total Education Capital Projects Fund		<u>4,073,542</u>
Total Governmental Funds - Franklin County School Department		<u>\$ 56,944,574</u>

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, 2019

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 4,021,538
Total Cash Receipts	<u>\$ 4,021,538</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,981,325
Trustee's Commission	<u>40,213</u>
Total Cash Disbursements	<u>\$ 4,021,538</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2018	<u>0</u>
 Cash Balance, June 30, 2019	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

**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, 2019, and the related notes to the financial statements, which collectively comprise Franklin County's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 20, 2019.

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.

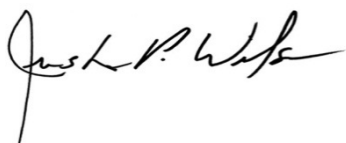
Compliance and Other Matters

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

November 20, 2019

JPW/yu



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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, 2019. 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, 2019.

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.

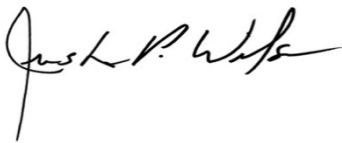
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2019, and the related notes to the financial statements, which collectively comprise Franklin County's basic financial statements. We issued our report thereon dated November 20, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 20, 2019

JPW/yu

Franklin County, Tennessee, and the Franklin County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (9) (10)
For the Year Ended June 30, 2019

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	\$ 696,997
National School Lunch Program	10.555	N/A	1,542,250 (5)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	257,736 (5)
Total U.S. Department of Agriculture			<u>\$ 2,496,983</u>
U.S. Department of Commerce:			
Direct Program:			
Economic Development Cluster: (4)			
Investments for Public Works and Economic Development Facilities	11.300	N/A	\$ 347,429
Total U.S. Department of Commerce			<u>\$ 347,429</u>
U.S. Department of Military:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	\$ 281,536 (6)
Total U.S. Department of Military			<u>\$ 281,536</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)	\$ 1,617,421
Passed-through State Housing Development Agency:			
Home Investment Partnership Program	14.239	(3)	21,747
Total U.S. Department of Housing and Urban Development			<u>\$ 1,639,168</u>
U.S. Department of Justice:			
Direct Program:			
Second Chance Act Reentry Initiative	16.812	N/A	\$ 107,346
Equitable Sharing Program	16.922	N/A	17,363
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(3)	73,102
Total U.S. Department of Justice			<u>\$ 197,811</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(3)	\$ 252,000
Passed-through State Department of Safety and Homeland Security:			
Highway Safety Cluster: (4)			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	Z-18-THS111	3,000
Alcohol Open Container Requirements	20.607	(7)	14,019
Total U.S. Department of Transportation			<u>\$ 269,019</u>
Appalachian Regional Commission:			
Passed-through State Department of Economic and Community Development:			
Appalachian Area Development	23.002	(3)	\$ 263,570
Total Appalachian Regional Commission			<u>\$ 263,570</u>
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	N/A	\$ 1,773
Total Institute of Museum and Library Services:			<u>\$ 1,773</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,260,469
Special Education Cluster (4):			
Special Education - Grants to States	84.027	N/A	1,429,114
Special Education - Preschool Grants	84.173	N/A	53,319
Career and Technical Education - Basic Grants to States	84.048	N/A	100,148
Rural Education	84.358	N/A	34
English Language Acquisition State Grants	84.365	N/A	8,801
Supporting Effective Instruction State Grant	84.367	N/A	143,833
Student Support and Academic Enrichment Program	84.424	N/A	72,391
Passed-through State Department of Human Services:			
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	(8)	83,378
Total U.S. Department of Education			<u>\$ 3,151,487</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Direct Program:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	\$ 180,201
Drug-free Communities Support Program Grants	93.276	N/A	114,990
Passed-through State Department of Education:			
CCDF Cluster: (4)			
Child Care and Developmental Block Grant	93.575	(3)	37,200
Passed-through State Department of Mental Health and Substance Abuse Services:			
Opioid STR	93.788	(3)	155,141
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(3)	117,853
Total U.S. Department of Health and Human Services			\$ 605,385
U.S. Executive Office of the President:			
Passed-through Financial Commission for Appalachia:			
High Intensity Drug Trafficking Areas Program	95.001	(3)	\$ 16,741
Total U.S. Executive Office of the President			\$ 16,741
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)	19,814
Total U.S. Department of Homeland Security			\$ 58,664
Total Expenditures of Federal Awards			\$ 9,329,566
		Contract Number	
<u>State Grants</u>			
Early Childhood Education - State Department of Education	N/A	(3)	\$ 1,019,684
Family Resource Center - State Department of Education	N/A	(3)	29,612
Safe Schools - State Department of Education	N/A	(3)	52,840
Coordinated School Health - State Department of Education	N/A	(3)	123,423
School Safety & Security Grant - State Department of Education	N/A	(3)	96,224
Enforcing Underage Drinking Laws - State Department of Mental Health & Substance	N/A	(3)	4,000
Read to be Ready Summer Grant - State Department of Education	N/A	(3)	141,610
Lifeline Peer Project - State Department of Mental Health and Substance Abuse Services	N/A	(3)	59,928
Juvenile Services Program - State Department of Children's Services	N/A	(3)	9,000
Court Security Grant Program - State Administrative Office of the Courts	N/A	(3)	15,218
Agriculture Growth Initiative - State Department of Agriculture	N/A	(3)	973
Fair Merit Award - State Department of Agriculture	N/A	(3)	1,585
County Re-Entry and Recidivism Reduction Services - State Department of Correction	N/A	(3)	20,388
Site Development Grant Program - State Department of Economic and Community Development	N/A	(3)	51,750
Litter Program - State Department of Transportation	N/A	Z-19-LIT-026	18,808
Rural Local Health Services - State Department of Health	N/A	GG-19-60165-00	96,647
Airport Improvement Project - State Department of Transportation	N/A	(3)	14,000
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	(3)	21,551
Total State Grants			\$ 1,777,241

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 minimis cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$2,496,983; Special Education Cluster total \$1,482,433; Economic Development Cluster total \$347,429; Highway Safety Cluster total \$3,000; CCDF cluster total \$37,200.
- (5) Total for CFDA No. 10.555 is \$1,799,986.
- (6) During the year ended June 30, 2019, Franklin County received excess military equipment from the U.S. Department of Military valued at \$281,536.
- (7) Z-18-THS112: \$9,558; Z-19-THS097: \$4,461.
- (8) Z-18-53218A: \$7,006; Z-19-53219: \$76,372.

(Continued)

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

(9) SUBRECIPIENTS

Program Title	Federal CFDA Number	Amount Provided to Subrecipient	Subrecipient
Second Chance Act Reentry Initiative	16.812	\$107,346	Middle Tennessee Rural Reentry

(10) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	Federal CFDA Number	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$53,713
English Language Acquisition State Grants	84.365	\$219
Supporting Effective Instruction State Grant	84.367	3,478
Student Support and Academic Enrichment Program	84.424	497
Total amounts consolidated for administration purposes		<u>\$57,907</u>

Franklin County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2019

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, 2019.

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, 2019

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: 11.300 Investments for Public Works and Economic Development Facilities
 - * CFDA Numbers: 14.228 Community Development Block Grant/State's Program
 - * CFDA Numbers: 84.010 Title I Grants to Local Education Agencies
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, 2019.

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, 2019.

Franklin County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2019

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).