

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 27, 2023
BONDS TO BE SOLD TUESDAY, DECEMBER 5, 2023, AT 10:00 A.M. C.S.T.

New Issue
Book-Entry Only

Rating: Moody's "___"

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax except for certain corporations, as more fully described herein. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).

\$4,250,000*
FRANKLIN COUNTY, TENNESSEE
GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2023
(ULT)(BQ)

Dated: Date of Issuance (projected to be December 19, 2023*)

Due: May 1, as shown below

Franklin County, Tennessee (the "County") will issue its \$4,250,000* General Obligation Public Improvement Bonds, Series 2023 (the "Bonds") in fully registered form, without coupons, and, when issued, except as otherwise set forth in the Detailed Notice of Sale, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), DTC will act as securities depository of the Bonds, and individual purchases of beneficial ownership interest in the Bonds will be made in book-entry form only, in denominations of \$5,000 or multiples thereof through DTC Participants. Interest on the Bonds will be payable semiannually on May 1 and November 1 of each year, commencing on May 1, 2024, calculated on the basis of a 360-day year consisting of twelve 30-day months.

Except as otherwise set forth in the Detailed Notice of Sale, payments of principal of and interest on the Bonds are to be made to purchasers by DTC through the Participants (as such term is herein defined) and purchasers will not receive physical delivery of Bonds purchased by them. See "The Bonds-Book-Entry-Only System." Principal of and interest on the Bonds are payable by the County to the designated corporate trust office of U.S. Bank National Association, Nashville, Tennessee, as registration and paying agent (the "Registration Agent").

The Bonds are subject to optional redemption prior to maturity at any time on or after May 1, 2032 at a price of par. The Bonds are payable on May 1 of each year as follows:

<u>Maturity</u> <u>(May 1)*</u>	<u>Principal*</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP</u> <u>Number</u>	<u>Maturity</u> <u>(May 1)*</u>	<u>Principal*</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP</u> <u>Number</u>
2024	\$215,000				2035	\$195,000			
2025	145,000				2036	205,000			
2026	150,000				2037	210,000			
2027	155,000				2038	220,000			
2028	160,000				2039	230,000			
2029	165,000				2040	240,000			
2030	170,000				2041	250,000			
2031	175,000				2042	260,000			
2032	180,000				2043	270,000			
2033	185,000				2044	280,000			
2034	190,000								

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged (See "The Bonds - Security-Source of Payment" and "Tax Levy" herein).

The Bonds have been designated as "qualified tax-exempt obligations," as defined by Section 265(b) of the Internal Revenue Code.

The Bonds are offered when, as and if issued, subject to the approval of the legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the County by Ben Lynch, Esq., counsel to the County. Stephens Inc. is serving as Municipal Advisor to the County. The Bonds, in book-entry form, are expected to be available for delivery through Depository Trust Company in New York, New York, on or about December 19, 2023.*

December __, 2023

**Preliminary, subject to change as provided in the Detailed Notice of Sale.*

THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO COMPLETION OR AMENDMENT. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. As of this date, this Preliminary Official Statement has been deemed "final" by the County for purposes of SEC Rule 15c2-12(b)(1) except for the omission of certain information permitted by SEC Rule 15c2-12(b)(1).

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the "Official Statement") by Franklin County, Tennessee (the "County"), is an Official Statement with respect to the Bonds described herein that is deemed final by the County as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, broker, salesman or other person has been authorized by the County or by Stephens Inc. (the "Municipal Advisor") to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the County or the Bonds must not be relied upon as having been authorized by the County or the Municipal Advisor. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date as of which information is given in this Official Statement.

All CUSIP numbers referred to herein have been assigned by Standard & Poor's CUSIP Service Bureau, a Division of The McGraw-Hill Companies, Inc., and are included solely for convenience of the Bondholders. The County is not responsible for the selection or use of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated herein.

In making an investment decision investors must rely on their own examination of the County and the terms of the offering, including the merits and risks involved. No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

The material contained herein has been obtained from sources believed to be current and reliable, but the accuracy thereof is not guaranteed. The Official Statement contains statements which are based upon estimates, forecasts, and matters of opinion, whether or not expressly so described, and such statements are intended solely as such and not as representations of fact. All summaries of statutes, resolutions, and reports contained herein are made subject to all the provisions of said documents. The Official Statement is not to be construed as a contract with the purchasers of any of the Franklin County, Tennessee General Obligation Public Improvement Bonds, Series 2023.

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FRANKLIN COUNTY, TENNESSEE
Franklin County Courthouse
Winchester, Tennessee

OFFICIALS
Chris Guess
County Mayor

BOARD OF COMMISSIONERS

William Anderson	Charles Keller
Tyler Bauer	David Kelley
Grant Benere	Bruce McMilillan
David Eldridge, Jr.	Carolyn Montoye-Wiseman
Johnny Hands, Jr.	Scottie Riddle
Spike Hosch	Dale Schultz
Monica Jeffers	Jared Shetters
Lydia Johnson	Glenn Summers

COUNTY OFFICIALS

Assessor of Property	Bruce Spencer
County Clerk	Tina Sanders
Finance Director	Andrea Smith
Register of Deeds	Denise Marshall
Highway Department CAO	Luke McCurry
Sheriff	Tim Fuller
Director of Schools	Stanley Bean
Trustee	Kristie Bell

Counsel for the County
Ben Lynch, Esq.
Winchester, Tennessee

Bond Counsel
Bass, Berry & Sims PLC
Nashville, Tennessee

Registration and Paying Agent
U.S. Bank National Association
Nashville, Tennessee

Underwriter

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NOTICE OF SALE

\$4,250,000*
FRANKLIN COUNTY, TENNESSEE

GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2023
(ULT)(BQ)

Notice is hereby given that the County Mayor of Franklin County, Tennessee (the "County") will accept a written bid or electronic bid for the purchase of all, but not less than all, of the County's \$4,250,000* General Obligation Public Improvement Bonds, Series 2023 (the "Bonds") until:

10:00 A.M. C.S.T. on Tuesday, December 5, 2023

Written bids must be addressed and delivered to the County to the attention of the County Mayor, to the office of Andrea Smith, Finance Director, Franklin County Finance Department, 851 Dinah Shore Boulevard, Suite 11, Winchester, Tennessee 37398. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. No other form of electronic bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. If any provisions of this Notice of Sale conflict with information provided by BiDCOMP/PARITY® as the approved provider of electronic bidding services, this Notice of Sale shall control. ***The sale of all the Bonds on Tuesday, December 5, 2023, may be postponed prior to the time bids are to be received and as published on I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via I-dealProspectus.com upon forty-eight hours' notice.***

The Bonds will be dated the date of delivery. The interest rate or rates on the Bonds shall not exceed 5.00% per annum and shall be payable semi-annually on May 1 and November 1, commencing May 1, 2024. No bid for the Bonds will be considered for less than 99.00% of par nor more than 120% of par, as described in the Detailed Notice of Sale. In addition, each maturity of Bonds must be reoffered at a price of not less than 98% of the par amount of such maturity. The Bonds will mature on May 1 in the years 2024 through 2044, inclusive, with term bonds optional and will be awarded on the sale date by the County Mayor to the bidder whose bid results in the lowest true interest cost on the Bonds. The Bonds are subject to redemption at the option of the County at any time on or after May 1, 2032 at a price of par.

After opening the bids, the County reserves the right to adjust the principal amount of each maturity of the Bonds as described in the Detailed Notice of Sale.

In the event that the competitive sale requirements of applicable Treasury Regulations are not met, the County will require bidders to comply with the "hold-the-offering-price rule" for purposes of determining the issue price of the Bonds.

The Bonds will be "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Bonds in book-entry only form (except as otherwise set forth in the Detailed Notice of Sale) and approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, will be furnished at the expense of the County. Additional information, including the Official Statement and Detailed Notice of Sale, may be obtained from the Andrea Smith, Finance Director, Franklin County Finance Department, 851 Dinah Shore Boulevard, Suite 11, Winchester, Tennessee 37398 or from Stephens Inc. Attention: Ashley McAnulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone: (615) 279-4334 or (615) 279-4338; Fax: (615) 279-4351.

Chris Guess
County Mayor

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DETAILED NOTICE OF SALE
\$4,250,000*
FRANKLIN COUNTY, TENNESSEE
GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2023
(ULT)(BQ)

Time and Place of Sale

Notice is hereby given that the County Mayor of Franklin County, Tennessee (the “County”) will accept a written bid or electronic bid for the purchase of all, but not less than all, of the County's \$4,250,000* General Obligation Public Improvement Bonds, Series 2023 (the “Bonds”) until:

10:00 A.M. C.S.T. on Tuesday, December 5, 2023.

The written bids must be addressed and delivered to the County to the attention of the County Mayor at the offices of Andrea Smith, Finance Director, Franklin County Finance Department, 851 Dinah Shore Boulevard, Suite 11, Winchester, Tennessee 37398. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. No other form of electronic bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. If any provisions of this Notice of Sale conflict with information provided by BiDCOMP/PARITY® as the approved provider of electronic bidding services, this Notice of Sale shall control. *The sale of all the Bonds on Tuesday, December 5, 2023, may be postponed prior to the time bids are to be received and as published on I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via I-dealProspectus.com upon forty-eight hours’ notice.* The Bonds will be awarded on such date by the County Mayor of the County.

Description of Bonds

The Bonds will be issued in fully registered, book-entry form (except as otherwise provided herein), without coupons, be dated the date of delivery, be issued, or reissued upon transfer, in \$5,000 denominations or multiples thereof, as shall be requested by the purchaser or transferor thereof, as appropriate, and will mature and be payable on May 1 of each year as follows:

<u>Year* (May 1)</u>	<u>Principal*</u>	<u>Year* (May 1)</u>	<u>Principal*</u>
2024	\$215,000	2035	\$195,000
2025	145,000	2036	205,000
2026	150,000	2037	210,000
2027	155,000	2038	220,000
2028	160,000	2039	230,000
2029	165,000	2040	240,000
2030	170,000	2041	250,000
2031	175,000	2042	260,000
2032	180,000	2043	270,000
2033	185,000	2044	280,000
2034	190,000		

Registration and Depository Participation

Except as otherwise set forth herein, the Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One Bond certificate for each maturity of each series of Bonds will be issued to the Depository Trust Company, New York, New York (“DTC”), and immobilized in its custody. The book-entry system will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 and any integral multiple of \$5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC pursuant

to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. Interest on the Bonds will be payable semiannually on May 1 and November 1, beginning May 1, 2024, and principal of the Bonds will be payable, at maturity or upon redemption, to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The County will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that the book-entry only system for the Bonds is discontinued and a successor securities depository is not appointed by the County, Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of \$5,000 or integral multiples thereof. The ownership of Bonds so delivered shall be registered in registration books to be kept by U.S. Bank National Association, Nashville, Tennessee, as registration and paying agent (the "Registration Agent"), at its principal corporate office, and the County and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the resolution authorizing the Bonds.

If the successful bidder for the Bonds certifies that in an issue price certificate that it has no present intent to reoffer the Bonds, among other things, in a form satisfactory to Bond Counsel, then the Bonds may be issued in fully registered form only without CUSIP identification numbers.

Optional Redemption

Bonds maturing on May 1, 2033 and thereafter shall be subject to redemption prior to maturity at the option of the County on or after May 1, 2032 as a whole or in part at any time at the redemption price of par, plus interest accrued to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board of County Commissioners of the County in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Mandatory Redemption

The successful bidder for each series of Bonds shall have the option to designate certain consecutive serial maturities of such Bonds as one or more Term Bonds, each Term Bond bearing a single interest rate. If a successful bidder designates certain consecutive serial maturities to be combined into one or more Term Bonds, each Term Bond shall be subject to mandatory sinking fund redemption by the County

at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the proposal of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed above for such principal payment date. Term Bonds to be redeemed within a single maturity shall be selected in the manner set forth above under “Optional Redemption”.

Purpose and Authority of Bonds

The Bonds are being issued to provide funds for the purpose of financing, in whole or in part, the (i) energy efficiency improvements to County buildings and facilities, (ii) acquisition of all property, real or personal, appurtenant to the foregoing; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing (collectively, the “Projects”); (iv) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (v) payment of costs incident to the issuance and sale of the Bonds.

The Bonds are being issued under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101 et seq., Tennessee Code Annotated and a bond resolution duly adopted by the Board of County Commissioners on October 16, 2023 (the “Resolution”).

Security and Source of Payment

The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are pledged.

Levy of Tax

Pursuant to the Resolution, the County has covenanted to annually levy and collect a tax upon all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay principal of and interest on the Bonds when due, and levied a direct annual tax in such amount as may be found necessary each year to pay principal and interest coming due on the Bonds in said year. Principal and interest falling due at any time when there are insufficient funds on hand from this tax levy will be paid from the current funds of the County and reimbursement therefor will be made out of the taxes provided for under the Resolution to be levied when collected. Such tax may be reduced to the extent of any appropriations from other legally available funds, taxes and revenues of the County, to the payment of debt service on the Bonds.

Under Tennessee law, the County’s legislative body is authorized to levy a tax on all taxable property within the County, or a portion thereof, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount. For a more complete statement of the general covenants and provisions to which the Bonds are issued, reference is hereby made to the resolution authorizing the Bonds.

Submission of Bid

All bids submitted, electronic or otherwise, must be submitted as set forth under the heading “**Time and Place of Sale**”, set forth above.

A written bid for the Bonds must be enclosed in a sealed envelope bearing the name and address of the bidder, clearly and legibly marked on the outside “Bid for Bonds” and addressed and delivered to the following address:

Office of the County Finance Director
Franklin County Finance Department
851 Dinah Shore Boulevard, Suite 11
Winchester, Tennessee 37398

Written bids must be submitted on the applicable Bid Form included with the Preliminary Official Statement or on a reasonable facsimile thereof. Electronic bids for the Bonds must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. An electronic bid made through the facilities of BiDCOMP/PARITY® shall be deemed an offer to purchase in response to the Notice of Sale and shall be binding upon the bidder as if made by a signed sealed written bid made to the County. To the extent any instructions or directions set forth in BiDCOMP/PARITY® conflict with the terms of the Detailed Notice of Sale, the Detailed Notice of Sale shall prevail. The County shall not be responsible for any malfunction or mistake made by or as a result of the use of electronic bidding facilities. The use of such facilities is at the sole risk of the bidders. Subscription to I-Deal's BiDCOMP/PARITY® Competitive Bidding System by a bidder is required in order to submit an electronic bid. The County will not confirm any subscription or be responsible for the failure of any prospective bidder to subscribe. Both written bids and electronic bids must be unconditional and received by the office of the County Mayor and/or BiDCOMP/PARITY®, respectively, before the time stated above. Bidders shall be required to comply with the provisions regarding a Good Faith Deposit as described below in the section entitled "Good Faith Deposit". The County is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid, including, without limitation, the providing of a bid security deposit. Bidders may submit bids for any or all of the Bonds.

Form of Bids

Bidders must bid for all of the Bonds. Bidders must bid not less than 99.00% of par nor greater than 120% of par (the "Purchase Price") for the Bonds. In addition, each maturity of the Bonds must be reoffered at a price not less than 98% of the par amount of such maturity. Bidders must name the reoffering prices and must name the interest rate or rates the Bonds are to bear in multiples of one-eighth ($1/8^{\text{th}}$) or one-one hundredth ($1/100^{\text{th}}$) of one percent (1%), but no rate specified for the Bonds shall be in excess of 5% per annum. There will be no limitation on the number of rates of interest which may be specified for the Bonds, but one rate of interest shall apply to all of the Bonds of a maturity. With respect to the Bonds, bidders may designate two or more consecutive serial maturities as one or more Term Bond maturities equal in aggregate principal amount to, and with mandatory redemption requirements corresponding to, such designated serial maturities.

Revised Maturity Schedule and/or Bid Parameters

The aggregate principal amount of the Bonds (the "Preliminary Aggregate Principal Amount") and the annual principal amounts of Bonds (the "Preliminary Annual Principal Amounts" and collectively, with reference to the Preliminary Aggregate Principal Amounts, the "Preliminary Amounts") set forth in this Detailed Notice of Sale may be revised before the viewing of bids for the purchase of the Bonds. Any such revisions (the "Revised Aggregate Principal Amount", the "Revised Annual Principal Amounts" and the "Revised Amounts") WILL BE GIVEN BY NOTIFICATION PUBLISHED ON www.I-dealProspectus.com NOT LATER THAN 4:00 P.M., CENTRAL STANDARD TIME ON THE DAY PRECEDING THE RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts and will remain as stated in this Detailed Notice of Sale. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS, IF ANY. Prospective bidders may request notification by facsimile transmission of any revisions in the Preliminary Amounts by so advising and faxing their telecopier number(s) to Stephens Inc., Municipal Advisor to the County, at (615) 279-4351 by 12:00 Noon, Central Standard Time, at least one day prior to the date for receipt of the bids.

Changes to Maturity Schedule

The County reserves the right to change the Revised Aggregate Principal Amount of the Bonds and the Revised Annual Principal Amounts of the Bonds (including the deletion of maturities), after determination of the winning bidder, by increasing or decreasing the Revised Annual Principal Amount of each maturity of the Bonds without limitation; provided, that the aggregate principal amount of the Bonds may not exceed \$4,250,000. Such changes, if any, will determine the final annual principal amounts of the Bonds (the "Final Annual Principal Amounts") and the final aggregate principal amount of Bonds (the "Final Aggregate Principal Amount"). The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Final Aggregate Principal Amount of the Bonds. The interest rates specified by the successful bidder for the various maturities at the initial reoffering prices will not change. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BIDS OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. The County anticipates that the Final Annual Principal Amounts of the Bonds and the Final Aggregate Principal Amount of Bonds will be communicated to the successful bidder prior to the award of the Bonds. THE DOLLAR AMOUNT BID BY THE SUCCESSFUL BIDDER FOR THE PURCHASE OF THE BONDS WILL BE ADJUSTED TO REFLECT ANY CHANGE IN THE ANNUAL PRINCIPAL AMOUNTS BASED UPON THE ASSUMPTION THAT THE COUPON RATES, REOFFERING PRICES, AND THE UNDERWRITER'S DISCOUNT (EXCLUDING ORIGINAL ISSUE DISCOUNT/PREMIUM) STATED AS A PERCENTAGE OF THE AGGREGATE PRINCIPAL AMOUNT, AS SPECIFIED BY THE SUCCESSFUL BIDDER WILL NOT CHANGE.

Basis of Award

If an award is made, the Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the County for the Bonds as determined by reference to the Revised Aggregate Principal Amounts as discussed in the paragraph above. The lowest true interest cost of the Bonds will be calculated as that rate which when used in computing the present worth of all payments of principal and interest on such Bonds (compounded semi-annually from the dated date of such Bonds) produces a yield equal to the purchase price of such Bonds. For the purpose of calculating the true interest cost, the principal amount of Term Bonds scheduled for mandatory sinking fund redemption as part of a Term Bond shall be treated as a serial maturity in each year. Each bidder is required to specify its calculation of the true interest cost resulting from its bid, but such information shall not be treated as part of its proposal.

In the event that two or more of the bidders offer to purchase the Bonds at the same lowest true interest cost, the County Mayor shall determine in his sole discretion which of the bidders shall be awarded the Bonds.

The County Mayor reserves the right to waive any irregularity or informality in any bid, and to reject any or all bids, and notice of rejection of any bid will be made promptly. Unless all bids are rejected, award of the Bonds will be made by the County Mayor on the sale date.

Good Faith Deposit

The successful bidder is required to submit, in the manner described below, a good faith deposit (the "Deposit") in the amount of \$85,000 for the Bonds to secure the faithful performance of the terms of the bid to purchase the Bonds. The Deposit will be delivered to the County by wire transfer or certified check for the prescribed amount. The Deposit may be provided in the form of:

1. **Federal Funds Wire Transfer.** A federal funds wire transfer submitted to the County or the County's Municipal Advisor by the successful bidder by 3:00 p.m. C.S.T. on the day of the sale provided the County awards the bid by 1:00 p.m. C.S.T. otherwise the wire shall be received not

later than 12:00 noon C.S.T. on the next business day following the award. The County Mayor reserves the right to adjust the time the deposit is to be received if there are problems with electronic transfers of funds or other acceptable reasons.

2. **Certified Check.** A bank certified check, bank cashier's check or a treasurer's check drawn upon an incorporated bank or trust company payable unconditionally to the order of the County. If a check is used, it must accompany a bid and be received by the time and date bids are required. If the successful bidder's Deposit is by check, the check will be deposited on the date of the sale.

Wire transfer instructions are available from Stephens Inc., Attn: Ashley McAnulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone (615) 279-4334 or (615) 279-4338; Fax: (615) 279-4351. In the event the successful bidder fails to timely submit the Deposit, the award may be terminated by the County Mayor, and the County Mayor in his discretion may award the Bonds to the bidder whose bid results in the next lowest true interest cost to the County as the lowest complying bidder or hold a subsequent sale of the Bonds. The County shall have no liability to any bidder who fails to properly submit a Deposit.

The Deposit of the successful bidder will be deposited by the County and the proceeds thereof credited with no interest allowed thereon against the total purchase price to be paid for the Bonds upon their delivery or retained as and for full liquidated damages if the successful bidder fails to accept delivery of and pay for such Bonds. Checks of unsuccessful bidders will be returned promptly upon the award of the Bonds. If a successful bidder fails to timely make the Deposit for the Bonds, the award may be terminated in the discretion of the County Mayor and the County shall be entitled to an amount equal to the Deposit as liquidated damages for failure of the successful bidder to comply with the terms of the award of such Bonds.

Establishment of Issue Price

General. The winning bidder shall assist the County in establishing the issue price of the Bonds as more fully described herein. All actions to be taken by the County under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the County by the County's Municipal Advisor identified herein and any notice or report to be provided to the County may be provided to the County's Municipal Advisor.

Anticipated Compliance with Competitive Sale Requirements. The County anticipates that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- the County shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- all bidders shall have an equal opportunity to bid;
- the County expects to receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

County Intention to Apply the Hold-the-Offering-Price Rule if Competitive Sale Requirements are Not Met. In the event that the competitive sale requirements are not satisfied with respect to the Bonds, the County intends to treat the initial offering prices of the Bonds to the public as the issue price of such

Bonds (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity).

Application of the Hold-the-Offering-Price Rule. If the competitive sale requirements are not satisfied, then the successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- the close of the fifth (5th) business day after the sale date; or
- the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the County when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

The County acknowledges that, in making the agreements and representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

Definitions. Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- “public” means any person other than an underwriter or a related party,
- “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- “sale date” means the date that the Bonds are awarded by the County to the winning bidder.

Issue Price Certificate. The winning bidder will be required to provide the County, at closing, with an issue price certificate consistent with the foregoing. A form of the issue price certificate is attached to this Detailed Notice of Sale as Exhibit A. In the event the winning bidder will not reoffer any maturity of the Bonds for sale to the Public (as defined herein) by the delivery date of the Bonds, the issue price certificate may be modified in a manner approved by the County and Bond Counsel.

Provision of Information for the Official Statement

The successful bidders must furnish the following information to the County to complete the *Official Statement* in final form within 2 hours after receipt and award of the bids for the Bonds:

1. The initial offering prices or yields for the Bonds (expressed as a price or yield per maturity, exclusive of any accrued interest, if applicable);
2. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields as provided above.
3. The identity of the underwriters if the successful bidders are part of a group or syndicate; and
4. Any other material information necessary to complete the Official Statement in final form but not known to the County.

CUSIP

The Municipal Advisor will request that the CUSIP Service Bureau assign CUSIP identification numbers to the Bonds, which numbers will be printed on the Bonds. The winning bidder(s) will be responsible for the costs of assigning CUSIP numbers to the Bonds. Neither the failure to print a CUSIP number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with this Detailed Notice of Sale.

Official Statement

The County will provide or cause to be provided, to the successful bidder, either in electronic format or printed copies, the final official statement sufficient in quantity to enable the successful bidder to comply with SEC Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board. Said final official statement will be provided to the successful bidder not later than seven (7) business days after the sale, or, if the County, or its Municipal Advisor, is notified that any confirmation requesting payment from any customer will be sent before the expiration of such period and specifying the date such confirmation will be sent the final official statement will be provided in sufficient time to accompany such confirmation.

Continuing Disclosure

The County will, at the time the Bonds are delivered, execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the County not later than twelve months after each of the County's fiscal years (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events and timely notice of failure to provide any required financial information of the County. The Annual Report (and audited financial statements, if filed separately) and notices described above will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any State Information Depository established in the State of Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events will be summarized in the County's official statement to be prepared and distributed in connection with the sale of the Bonds.

Legal Opinion and Transcript

The book-entry Bonds and the approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel (which will be delivered with the Bonds), together with the Bond transcript, including a certificate as to no litigation from the County dated as of the date of the delivery of the Bonds, will be furnished to the purchaser at the expense of the County. As set forth in the Official Statement and subject to the limitations set forth therein, Bond Counsel's opinion will include an opinion that (i) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code. Owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. For a discussion thereof, reference is hereby made to the Official Statement and the form of opinion contained therein.

Bank Qualification

The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Delivery and Payment

The Bonds are expected to be ready for delivery within thirty (30) days after the sale thereof, in book-entry form. At least five (5) days' notice will be given to the bidder. Delivery will be made through the Depository Trust Company, New York, New York at the expense of the purchaser. Payment for the Bonds must be made in federal funds or other immediately available funds.

Further Information

Copies of the Preliminary Official Statement may be obtained from the undersigned at the office of the County Finance Director, Franklin County Finance Department 851 Dinah Shore Boulevard, Suite 11, Winchester, Tennessee 37398, or from Stephens Inc., Attn: Ashley McNulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone: (615) 279-4334 or (615) 279-4338; Fax: (615) 279-4351.

Chris Guess,
County Mayor

Exhibit A to Detailed Notice of Sale

FRANKLIN COUNTY, TENNESSEE

\$4,250,000*

GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2023

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (the “Purchaser”), hereby certifies as set forth below with respect to the sale of the above-captioned obligation (the “Bonds”).

[Assuming the Qualified Competitive Sale Requirements Are Satisfied]

1. *Reasonably Expected Initial Offering Price.*

(a) I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Purchaser and any underwriting syndicate.

(b) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed below (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Exhibit A is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(c) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(d) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

[End]

**[Assuming the Qualified Competitive Sale Requirements Are Not Satisfied
and the Hold-the-Offering-Price Rule Applies]**

2. *Initial Offering Price.*

(a) _____ offered each Maturity of the Bonds to the Public for purchase at the respective initial offering prices listed in its bid attached hereto as Exhibit A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Exhibit B.

(b) As set forth in the Detailed Notice of Sale for the Bonds, _____ has agreed in writing that, for each maturity of the Bonds, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such maturity during the Holding Period (as defined below) for such Maturity, nor would it permit a related party to do so. Pursuant to such agreement, _____ has neither offered nor sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. As used in this paragraph, the term “Holding Period” means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which at least 10% of such Maturity has been sold to the Public at a price that is no higher than the Initial Offering Price for such Maturity.

[End]

2. *Defined Terms.*

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *County* means Franklin County, Tennessee.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange the Bonds. The Sale Date of the Bonds is December 5, 2023.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bass, Berry & Sims PLC in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the County from time to time relating to the Bonds.

Dated: [Issue Date]

[NAME OF PURCHASER, as Underwriter]

By: _____

Name: _____

Title: _____

FRANKLIN COUNTY, TENNESSEE

\$4,250,000*

**GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2023
OFFICIAL BID FORM
(ULT)(BQ)**

The Honorable Chris Guess, County Mayor
Franklin County Finance Department
851 Dinah Shore Boulevard, Suite 11
Winchester, Tennessee 37398

December 5, 2023

For your legally issued, properly executed Franklin County, Tennessee (the "County") \$4,250,000* General Obligation Public Improvement Bonds, Series 2023 (the "Bonds") and in all respects to be as more fully outlined in your Detailed Notice of Sale, which by reference is made a part hereof, we will pay you a sum of \$ _____.

The Bonds will be dated the date of issuance, will mature on May 1 as shown below, and shall bear interest at the following rates:

Maturity (May 1)*	Amount*	Interest Rate	Reoffering Yield	Maturity (May 1)*	Amount*	Interest Rate	Reoffering Yield
2024	\$215,000	_____ %	_____ %	2035	\$195,000	_____ %	_____ %
2025	145,000	_____	_____	2036	205,000	_____	_____
2026	150,000	_____	_____	2037	210,000	_____	_____
2027	155,000	_____	_____	2038	220,000	_____	_____
2028	160,000	_____	_____	2039	230,000	_____	_____
2029	165,000	_____	_____	2040	240,000	_____	_____
2030	170,000	_____	_____	2041	250,000	_____	_____
2031	175,000	_____	_____	2042	260,000	_____	_____
2032	180,000	_____	_____	2043	270,000	_____	_____
2033	185,000	_____	_____	2044	280,000	_____	_____
2034	190,000	_____	_____			_____	_____

Principal of and interest on the Bonds will be payable at the designated corporate trust office of U.S. Bank National Association, Nashville, Tennessee.

This bid is made with the understanding that the County will furnish without cost to the successful bidder the unqualified approving opinion of Bass, Berry & Sims PLC, Attorneys, Nashville, Tennessee, and the executed Bonds.

We have exercised the option to designate two or more consecutive serial maturities as Term Bonds as set forth below:

Term Bond 1, due May 1, _____ includes the following maturities: From May 1, _____ to May 1, _____. Term Bond 2, due May 1, _____ includes the following maturities: From May 1, _____ to May 1, _____.			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; padding: 5px;">Firm Name</td> <td style="width: 80%;"></td> </tr> </table>	Firm Name	
Firm Name			

In accordance with the terms of the Detailed Notice of Sale, we have or will make a good faith deposit for \$85,000 as set forth in the Detailed Notice of Sale, which is to be applied in accordance with the Detailed Notice of Sale. The good faith deposit may be provided in the form of:

1. **Federal Funds Wire Transfer.** A federal funds wire transfer submitted to the County or the County's Municipal Advisor by the successful bidder by 3:00 p.m. C.S.T. on the day of the sale provided the County awards the bid by 1:00 p.m. C.S.T. otherwise the wire shall be received not later than 12:00 noon C.S.T. on the next business day following the award. The County Mayor reserves the right to adjust the time the deposit is to be received if there are problems with electronic transfers of funds or other acceptable reasons.
2. **Certified Check.** A bank certified check, bank cashier's check or a treasurer's check drawn upon an incorporated bank or trust company payable unconditionally to the order of the County. If a check is used, it must accompany a bid and be received by the time and date bids are required. If the successful bidder's Deposit is by check, the check will be deposited on the date of the sale.

Wire transfer instructions are available from Stephens Inc., Attn: Ashley McNulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone (615) 279-4334 or (615) 279-4338; Fax: (615) 279-4351. If a successful bidder fails to timely make the Deposit for a series of Bonds, the award may be terminated in the discretion of the County Mayor and the County shall be entitled to an amount equal to the Deposit as liquidated damages for failure of the successful bidder to comply with the terms of the award of such Bonds. The County Mayor in his discretion may award the Bonds to the bidder whose bid results in the next lowest true interest cost to the County as the lowest complying bidder or hold a subsequent sale of the Bonds. The County shall have no liability to any bidder who fails to properly submit a Deposit.

In the event this bid is accepted and should for any reason we fail to comply with the terms of this bid, said deposit will be forfeited by us as full liquidated damages; otherwise, said deposit will be credited against the purchase price of the Bonds at closing. In the event the County Mayor fails to deliver the Bonds to us as described in the Detailed Notice of Sale, said deposit will be returned to us.

Accepted this ____ day of _____, 2023

Respectfully submitted,

County Mayor

Firm Name

Signature

Title

Telephone Number of Person to Submit Bid

The following is for information purposes only.

Total Interest Cost	
Plus discount or less premium, if any	
Net Interest Cost	
True Interest Rate (TIC)	

(The calculations of Net Interest Costs and True Interest Rate and the Reoffering Prices are for information purposes only and do not constitute a part of this bid.)

Summary Statement

This Summary is expressly qualified by the entire Official Statement, which should be viewed in its entirety by potential investors.

ISSUER	Franklin County, Tennessee (the “County”).
ISSUE	\$4,250,000* General Obligation Public Improvement Bonds, Series 2023 (the “Bonds”).
PURPOSE	Financing, in whole or in part, the (i) energy efficiency improvements to County buildings and facilities, (ii) acquisition of all property, real or personal, appurtenant to the foregoing; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing (collectively, the “Projects”); (iv) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (v) payment of costs incident to the issuance and sale of the Bonds. See “The Bonds – Description” herein.
DATED DATE	Date of Delivery of Bonds (projected to be December 19, 2023*).
INTEREST DUE	Each May 1 and November 1, commencing May 1, 2024*.
PRINCIPAL DUE	May 1, 2024 through May 1, 2044.
OPTIONAL REDEMPTION	The Bonds maturing on or after May 1, 2033* are subject to optional redemption at the option of the County on May 1, 2032* and thereafter, as a whole or in part, at any time, at the redemption price of par plus accrued interest to the redemption date. See “The Bonds – Optional Redemption” herein.
SECURITY	The Bonds shall be payable from unlimited <u>ad valorem</u> taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged. See “The Bonds – Security – Source of Payment” herein.
RATING	The Bonds have been assigned a rating of "___" by Moody's Investor Services ("Moody's") based on documents and other information provided by the County. The rating reflects only the view of Moody's, and neither the County nor the Underwriter makes any representations as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by Moody's if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from Moody's.

TAX MATTERS	In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax except for certain corporations, as more fully described herein. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).
BANK QUALIFICATION.....	The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended.
REGISTRATION AND PAYING AGENT	U.S. Bank National Association, Nashville, Tennessee.
MUNICIPAL ADVISOR.....	Stephens Inc.
UNDERWRITER.....	_____, _____, _____

Official Statement

\$4,250,000*

Franklin County, Tennessee

General Obligation Public Improvement Bonds, Series 2023

(ULT)(BQ)

Introduction

The Official Statement, including the cover page and appendices hereto, is furnished in connection with the issuance by Franklin County, Tennessee (the “County”) of \$4,250,000* General Obligation Public Improvement Bonds, Series 2023 (the “Bonds”).

The Bonds are being issued under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101 et seq., Tennessee Code Annotated and a bond resolution adopted by the Board of County Commissioners on October 16, 2023 (collectively, the “Resolution”).

This Official Statement includes descriptions of, among other matters, the Bonds, the Resolution, and the County. Such descriptions and information do not purport to be comprehensive or definitive. All references to the Resolution are qualified in their entirety by reference to the definitive document, including the form of the Bonds included in the Resolution. During the period of the offering of the Bonds, copies of the Resolution and any other documents described herein or in the Resolution may be obtained from the County. After delivery of the Bonds, copies of such documents will be available for inspection at the County Mayor's office. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Resolution.

The Bonds

Description

The Bonds are being issued to provide funds to finance, in whole or in part, the (i) energy efficiency improvements to County buildings and facilities, (ii) acquisition of all property, real or personal, appurtenant to the foregoing; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing (collectively, the “Projects”); (iv) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (v) payment of costs incident to the issuance and sale of the Bonds.

The Bonds will be issued as fully registered book-entry Bonds (except as otherwise set forth in the Detailed Notice of Sale), without coupons, in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated their date of issuance. Interest on the Bonds, at the rates per annum set forth on the cover page and calculated on the basis of a 360-day year, consisting of twelve 30-day months, will be payable semiannually on May 1 and November 1 of each year (herein an “Interest Payment Date”), commencing May 1, 2024*.

The Bonds will mature on the dates and in the amounts set forth on the cover page.

The Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds.

* Preliminary, subject to change as provided in the Detailed Notice of Sale.

U.S. Bank National Association, Nashville, Tennessee (the "Registration Agent") will make all interest payments with respect to the Bonds on each Interest Payment Date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the Interest Payment Date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the County to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: The County shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the County shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall not be more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolution or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the County to punctually pay or duly provide for the payment of principal of and interest on the Bonds when due.

Redemption

Optional Redemption

Bonds maturing on May 1, 2033* and thereafter shall be subject to redemption prior to maturity at the option of the County on or after May 1, 2032* as a whole or in part at any time at the redemption price of par, plus interest accrued to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board of County Commissioners of the County in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Notice of Redemption

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. An optional redemption notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

Security – Source of Payment

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

Levy of Tax

Pursuant to the Resolution, the County has covenanted to annually levy and collect a tax upon all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay principal of and interest on the Bonds when due, and levied a direct annual tax in such amount as may be found necessary each year to pay principal and interest coming due on the Bonds in said year. Principal and interest falling due at any time when there are insufficient funds on hand from this tax levy will be paid from the current funds of the County and reimbursement therefor will be made out of the taxes provided for under the Resolution to be levied when the collected. Such tax may be reduced to the extent of any appropriations from other legally available funds, taxes and revenues of the County, to the payment of debt service on the Bonds.

Under Tennessee law, the County's legislative body is authorized to levy a tax on all taxable property within the County, or a portion thereof, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount. For a more complete statement of the general covenants and provisions pursuant to which the Bonds are issued, reference is made to the Resolution.

Remedies of Bondholders

Under Tennessee law, any Bondholder has the right, in addition to all other rights:

(1) By mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce its rights against the County, including, but not limited to, the right to require the County to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the County to carry out any other covenants and agreements, or

(2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such Bondholder.

Discharge and Satisfaction of Bonds

The Bonds may be discharged and defeased in any one or more of the following ways:

(a) By depositing sufficient funds as and when required with the Registration Agent, to pay the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (“an Agent”; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity date;

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the County shall also pay or cause to be paid all other sums payable under the Resolution, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied.

If the County pays and discharges the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners of such Bonds shall thereafter be entitled only to payment out of the money or Defeasance Obligations.

Defeasance Obligations are direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Book-Entry-Only System

Except as otherwise provided in the Detailed Notice of Sale, the Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust

& Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions

and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of County or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the County or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that County believes to be reliable, but County takes no responsibility for the accuracy thereof.

THE COUNTY AND THE REGISTRATION AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OR ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

Plan of Financing

The following table sets forth the sources and uses of funds in connection with the issuance of the Bonds.

Sources of Funds

Par Amount	\$ _____
Reoffering Premium (Discount)	_____
Total Sources	\$ _____

Uses of Funds

Deposit to Construction Fund	_____
Costs of Issuance (includes Underwriter's Discount and Expenses)	_____
Total Uses	\$ _____

The proceeds of the Bonds authorized to be issued under the Resolution, will be used to finance the Projects. Pursuant to the Resolution, a portion of the proceeds of the Bonds will be deposited in a construction fund (the "Construction Fund") to be held and invested by the County, and used to pay costs of the Projects, reimbursement to the County for any funds previously expended for costs of the Projects, and to pay costs of issuance of the Bonds. Moneys in the Construction Fund may be invested as permitted by Tennessee law and may not be used for any purpose other than the Projects.

Rating

The Bonds have been assigned a rating of "___" by Moody's Investor Services ("Moody's") based on documents and other information provided by the County. The rating reflects only the view of Moody's, and neither the County nor the Underwriter make any representation as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by Moody's if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from Moody's.

Continuing Disclosure

General

The County will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the County by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2022 (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events and notice of failure to provide any required financial information of the County. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the "Rule"). The County has not failed to comply in any material respect with the previous undertakings in the past five years.

Annual Report

The County's Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the Issuer for the fiscal year, prepared in accordance with generally accepted accounting principles; provided, however, if the County's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available. The Annual Report shall also include in a similar format the following information included in Appendix B to this Official Statement as follows.

1. "Summary of Outstanding Debt";
2. "Debt Statement";
3. "Debt Record";

4. "Population";
5. "Per Capita Debt Ratios";
6. "Debt Trend";
7. "General Obligation Debt Service Requirements";
8. "Property Valuation and Property Tax";
9. "Top Taxpayers";
10. "Funds Balances"; and
11. "Local Option Sales Tax Collections".

Any or all of the items above may be incorporated by reference from other documents, including Official Statements in final form for debt issues of the County or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final Official Statement, in final form, it will be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so incorporated by reference.

Reporting of Significant Events

The County will file notice regarding certain significant events with the MSRB and SID, if any, as follows:

1. Upon the occurrence of a Listed Event (as defined in (3) below), the County shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such event, file a notice of such occurrence with the MSRB and SID, if any. Notwithstanding the foregoing, notice of Listed Events described in subsection (3)(h) and (i) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Resolution.
2. For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the County shall determine the materiality of such event as soon as possible after learning of its occurrence.
3. The following are the Listed Events:
 - a. Principal and interest payment delinquencies;
 - b. Non-payment related defaults, if material;
 - c. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - d. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - e. Substitution of credit or liquidity providers, or their failure to perform;

- f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- g. Modifications to rights of Bondholders, if material;
- h. Bond calls, if material, and tender offers;
- i. Defeasances;
- j. Release, substitution, or sale of property securing repayment of the securities, if material;
- k. Rating changes;
- l. Bankruptcy, insolvency, receivership or similar event of the obligated person;
- m. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- o. Incurrence of a financial obligation (as defined by the Rule) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

Termination of Reporting Obligation

The County's obligations under the Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Amendment/Waiver

Notwithstanding any other provision of the Disclosure Certificate, the County may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized Bond Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of the respective Holders, or (ii) does not, in the opinion of nationally recognized Bond Counsel, materially impair the interests of the Holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Certificate, the County shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Default

In the event of a failure of the County to comply with any provision of the Disclosure Certificate, any Bondholder or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Disclosure Certificate in the event of any failure of the County to comply with the Disclosure Certificate shall be an action to compel performance.

Future Issues

Assuming population and school enrollment growth remain as projected, the County does not currently have any plans for any capital financings during the remaining fiscal year. The County may issue additional bonds to refinance currently outstanding bonds of the County in the event sufficient debt service savings may be achieved.

Litigation

The County, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. After reviewing the current status of all pending and threatened litigation with its counsel, the County believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the County or its officials in such capacity are adequately covered by insurance or by sovereign immunity or will not have a material adverse effect upon the County's financial condition.

As of the date of this Official Statement, the County has no knowledge or information concerning any pending or threatened litigation contesting the authority of the County to issue, sell or deliver the Bonds. The County has no knowledge or information of any actions pending or expected that would materially affect the County's ability to pay the debt service requirements of the Bonds.

Approval of Legal Proceedings

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Bass, Berry & Sims PLC, Bond Counsel. A copy of the opinion will be available upon delivery of the Bonds. (See Appendix A). Certain legal matters will be passed upon for the County by Ben Lynch, Esq., Counsel to the County.

Tax Matters

Federal

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the County and assuming compliance by the County with certain covenants, is that interest on the Bonds:

- is excluded from a bondholder's federal gross income under the Internal Revenue Code of 1986, as amended (the "Code"), and
- is not a preference item for a bondholder under the federal alternative minimum tax on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2023.

The Code imposes requirements on the Bonds that the County must continue to meet after the Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the County does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The County has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder or who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds. See also "Changes in Federal and State Tax Law" below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is “bond premium” on that Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized a bondholder’s tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with bond premium, even though the Bond is sold for an amount less than or equal to the owner’s original cost. If a bondholder owns any Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Original Issue Discount. A Bond will have “original issue discount” if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel’s opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder’s federal gross income under the Internal Revenue Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder’s tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

Qualified Tax-Exempt Obligations

Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the County as to the Bonds, Bond Counsel has determined that the Bonds upon issuance will be "qualified tax-exempt obligations" within the meaning of the Code.

State Taxes

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any

organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

Changes In Federal And State Tax Law

From time to time, there are Presidential proposals, proposals of various federal and Congressional committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. It cannot be predicted whether, or in what form, these proposals might be enacted or if enacted, whether they would apply to Bonds prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Municipal Advisor

Stephens Inc. is serving as Municipal Advisor to the County in connection with the issuance of the Bonds. Stephens Inc., in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal or state income tax status of the Bonds. The information set forth herein has been obtained by the County and other sources believed to be reliable. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the County and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

Underwriting

_____, _____, _____, acting for and on behalf of itself and such other securities dealers as it may designate, will purchase the Bonds for an aggregate purchase price of \$_____, which is par, plus net original issue premium of \$_____, less \$_____ underwriter's discount.

The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

Forward Looking Statements

The statements contained in this Official Statement, and in any other information provided that are not purely historic, are forward-looking statements, including statements regarding the expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking

statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof, and assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business and policy decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

Miscellaneous

Any statement made in this Official Statement involving matters of opinion and estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement was duly authorized by the County.

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Certificate of County Mayor

I, Chris Guess, do hereby certify that I am the duly qualified and acting County Mayor of Franklin County, Tennessee, and as such official, I do hereby further certify with respect to the Official Statement dated _____, 2023 issued in connection with the sale of the County's \$4,250,000* General Obligation Public Improvement Bonds, Series 2023 and to the best of my knowledge, information, and belief (a) the descriptions and statements contained in said Official Statement were at the time of acceptance of the winning bids and are on the date hereof true and correct in all material respects; and (b) that said Official Statement did not at the time of the acceptance of the winning bids and does not on the date hereof contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements made, in light of the circumstances under which they are made, not misleading.

WITNESS my official signature this ____ day of _____, 2023.

County Mayor

I, Tina Sanders, do hereby certify that I am the duly qualified and acting County Clerk of Franklin County, Tennessee, and as such official, I do hereby certify that Chris Guess is the duly qualified and acting County Mayor of said County and that the signature appended to the foregoing certificate is the true and genuine signature of such official.

WITNESS my official signature and the seal of said Franklin County, Tennessee as of the date subscribed to the foregoing certificate.

County Clerk

(SEAL)

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APPENDIX A

Proposed Form of Legal Opinion of Bass, Berry & Sims PLC, Attorneys,
Nashville, Tennessee relating to the Bonds.

(Proposed Form of Opinion of Bond Counsel)

Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, Tennessee 37201

(Dated Closing Date)

We have acted as bond counsel to Franklin County, Tennessee (the “Issuer”) in connection with the issuance of \$4,250,000* General Obligation Public Improvement Bonds, Series 2023, dated the date hereof (the “Bonds”). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding general obligations of the Issuer.

2. The resolution of the Board of County Commissioners of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The principal of and interest on the Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County. The Bonds constitute general obligations of the Issuer for the payment of which the Issuer has validly and irrevocably pledged its full faith and credit.

4. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2023. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4 and in Paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds

in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

6. The Bonds are “qualified tax-exempt obligations” for purposes of Section 265 of the Code.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolution authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

APPENDIX B

Demographic and General Financial Information
Related to the County

ECONOMIC, DEMOGRAPHIC AND GEOGRAPHIC INFORMATION

Franklin County is situated in south central Tennessee on the Alabama-Tennessee border. It is surrounded by Lincoln, Moore, Coffee, Grundy, and Marion Counties in Tennessee and by Jackson County in Alabama. Huntsville, Alabama lies 22 miles southwest, Chattanooga, Tennessee 65 miles east, and Nashville, Tennessee 80 miles northwest.

The County is served by CSX Railroad and is crossed by U.S. Highway 64, U.S. Highway 41A, State Highway 127, State Highway 56, State Highway 130, and State Highway 50. Interstate 24, connecting Nashville and Chattanooga, Tennessee, passes by the county at Monteagle, Tennessee and is accessed by a four-lane connector road that runs to Fayetteville, Tennessee. Interstate 65, connecting Nashville, Tennessee to Birmingham, Alabama, lies some 50 miles to the west.

Population

The U.S. Census Bureau estimated a 2022 population of 43,942 residents in Franklin County, which represents a 7% increase from the 2010 Census.

POPULATION

	<u>County</u>	<u>Tennessee</u>
1970 U.S. Census	27,289	3,926,018
1980 U.S. Census	31,983	4,600,252
1990 U.S. Census	35,027	4,890,626
2000 U.S. Census	39,310	5,703,719
2010 U.S. Census	40,960	6,355,518
2020 U.S. Census	42,839	6,925,619
2021 U.S. Census Estimate	43,247	6,968,351
2022 U.S. Census Estimate	43,942	7,051,339

Source: U.S. Bureau of Census

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Per Capita Personal Income

In 2021, Franklin County had a per capita personal income of \$45,975 that was 80.7% of the state's per capita personal income of \$56,970.

	County	Tennessee	% of State
2012 Per Capita Personal Income	\$32,857	\$39,082	84.1%
2013 Per Capita Personal Income	\$33,341	\$39,102	85.3%
2014 Per Capita Personal Income	\$34,047	\$40,230	84.6%
2015 Per Capita Personal Income	\$35,656	\$41,942	85.0%
2016 Per Capita Personal Income	\$35,999	\$42,943	83.8%
2017 Per Capita Personal Income	\$37,297	\$44,411	84.0%
2018 Per Capita Personal Income	\$38,598	\$46,452	83.1%
2019 Per Capita Personal Income	\$40,494	\$48,889	82.8%
2020 Per Capita Personal Income	\$43,348	\$51,928	83.5%
2021 Per Capita Personal Income	\$45,975	\$56,970	80.7%

Source: Bureau of Economic Analysis, CA1-3 Personal Income Summary

Housing

In 2021, Franklin County had a median housing value of \$275,000 that was 84.6% of the state median housing value of \$325,000.

Median Housing Values

	Franklin County	Tennessee	% of State
2013 Median Housing Value	117,000	165,000	70.9%
2014 Median Housing Value	127,995	166,000	77.1%
2015 Median Housing Value	134,394	175,000	76.8%
2016 Median Housing Value	135,000	185,000	73.0%
2017 Median Housing Value	143,000	196,800	72.7%
2018 Median Housing Value	156,300	210,000	74.4%
2019 Median Housing Value	167,000	226,000	73.9%
2020 Median Housing Value	209,900	244,900	85.7%
2021 Median Housing Value	231,000	283,410	81.5%
2022 Median Housing Value	275,000	325,000	84.6%

Source: Tennessee Housing Development Agency – This data reflects only the sales prices of new and existing homes that were sold in the respective years. This data may not be representative of the median value of all homes in the County or State.

Retail Sales

Retail sales for the County in 2022 were \$566,831,834, representing a 48% increase since 2013.

2013 Retail Sales	\$383,519,295	2018 Retail Sales	\$418,827,642
2014 Retail Sales	\$362,380,525	2019 Retail Sales	\$455,186,589
2015 Retail Sales	\$434,673,547	2020 Retail Sales	\$462,364,186
2016 Retail Sales	\$418,660,684	2021 Retail Sales	\$524,575,489
2017 Retail Sales	\$425,650,861	2022 Retail Sales	\$566,831,834

Source: Tennessee Department of Revenue

Employment Data

In August 2023, Franklin County reported a labor force of 19,082, reflecting a 3.6% unemployment rate.

Year	Employment	Unemployment	Total Labor Force	Unemployment Percent		
				County	State	U.S.
2013	18,255	1,416	19,671	7.2%	7.7%	7.4%
2014	18,466	1,221	19,687	6.2%	6.6%	6.2%
2015	18,632	1,001	19,633	5.1%	5.6%	5.3%
2016	18,878	973	19,851	4.9%	4.8%	4.9%
2017	19,104	755	19,859	3.8%	3.8%	4.4%
2018	19,203	676	19,879	3.4%	3.5%	3.9%
2019	19,587	668	20,255	3.3%	3.3%	3.7%
2020	18,304	1,613	19,917	8.1%	7.5%	8.1%
2021	18,636	797	19,433	4.1%	4.5%	5.4%
2022	18,493	671	19,164	3.5%	3.4%	3.6%
Aug-23	18,395	687	19,082	3.6%	3.1%	3.8%

Source: Bureau of Labor Statistics

MAJOR EMPLOYERS

Name	Product Produced	Number of Employees
Nissan	Auto Engine Assembly	1,021
The University of The South	Private Higher Education	900
Franklin County Schools	Public K-12 Education	851
Southern TN Medical Center	Healthcare	550
Wal-Mart Supercenter	Retail	300
Franklin County Government	Municipal Government	286
TEPRO, Inc	Rubber Weather Strips	259
Baxter Enterprises	Injection Molding	259
Zanini Tennessee, Inc.	Plastic Manufacturing	137
Ascension St. Thomas Heart Winchester	Healthcare	135

Source: TN Department of Economic & Community Development

National Aerospace Solutions, LLC

National Aerospace Solutions, LLC provides operations, maintenance information management, and support services at the Air Force's Arnold Engineering Development Complex (AEDC). AEDC is the world's largest and most complex collection of flight simulation test facilities. The 4,000 acres that comprise AEDC are part of the 40,000 acre Arnold Air Force Base. The base was dedicated June 25, 1951 by President Harry S. Truman. AEDC has tested virtually every high performance aerospace system the Department of Defense has developed since the mid-1950s. The center operates 55 aerodynamic and propulsion wind tunnels, rocket and turbine engine test cells, space environmental chambers, arc heaters, ballistic ranges and other specialized units. Twenty of the center's test units have capabilities unmatched elsewhere in the United States; many are unique in the world. The Arnold Engineering Development Center is an Air Force Materiel Command organization and an important national resource.

Nissan Motor Manufacturing Corporation

In January of 2023, Nissan announced a \$250 million investment in its Franklin County plant to support the electrification of its product lineup. Including its powertrain assembly plant in Franklin County, Nissan North America – U.S. Manufacturing represents a total investment of over \$3.5 billion in Tennessee (also includes a plant in Rutherford County). Located on 964 acres, the 1.2 million square foot Franklin County facility is greater than \$1.25 billion-dollar investment.

The University of the South – Sewanee

The University of the South (popularly known as “Sewanee”) is located on 13,000 acres atop the Cumberland Plateau between Nashville and Chattanooga, Tennessee. Sewanee's offers 37 majors, 46 minors, and other special programs, along with pre-medicine, pre-nursing, pre-law, and pre-business. More than 40 percent of students participate in study-abroad programs. The University is home to the School of Letters, one of the nation's top liberal arts colleges, and the School of Theology, a seminary of the Episcopal Church. Since its founding, the College of Arts and Sciences at the University has graduated 26 Rhodes Scholars, 51 Watson Fellows, and 34 NCAA Postgraduate Scholars, and dozens of Fulbright Scholars. The School of Theology has added to its alumni ranks countless bishops, including three of the last four presiding bishops of the Episcopal Church.

PENSION AND OPEB OBLIGATIONS

The County provides pension benefits to County employees and teachers through its participation in multi-employer defined benefit plans administered by the Tennessee Consolidated Retirement System (TCRS). A detailed description of the County's pension funding obligations begins on Page 67 of the County's 2022 Financial Statements attached hereto as Appendix C.

The County also provides other post-employment healthcare benefit to its employees. A description of the County's funding obligations begins on Page 84 of the County's 2022 Financial Statements attached hereto as Appendix C.

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FRANKLIN COUNTY, TENNESSEE
SUMMARY OF OUTSTANDING DEBT
as of June 30, 2022⁽¹⁾

Original Amount Issued	Issue	Date Issued	Maturity Date	Interest Rate	Principal Outstanding 06/30/22
Bonds					
13,615,000	G.O. School Refunding Bonds, Series 2017	06/27/17	06/01/38	2.00% - 5.00%	8,365,000
7,200,000	G.O. Public Improvement Bonds, Series 2017	12/27/17	06/01/33	3.00% - 5.00%	5,940,000
47,035,000	G.O. School Bonds, Series 2019	03/27/19	05/01/44	2.00% - 5.00%	45,590,000
4,250,000	G.O. Public Improvement Bonds, Series 2023	TBD	05/01/44	TBD	4,250,000 ⁽²⁾
Total Bonds					<u>\$59,895,000</u>
Notes					
177,000	Quarry Land	11/10/11	02/01/23	4.88%	18,232
2,000,000	Jail Construction/ Remodel	07/12/19	06/01/31	2.93%	1,560,000
350,000	Highway Equipment	05/20/21	05/01/31	1.31%	320,000
Total Notes					<u>\$1,898,232</u>
Total Current Outstanding Debt					<u><u>\$61,793,232</u></u>

DEBT STATEMENT
as of June 30, 2022

Total Current Outstanding Debt	\$61,793,232
Less: Debt Service Fund Balance (as of June 30, 2022)	<u>(3,502,249)</u>
Net Direct Debt	<u><u>\$58,290,983</u></u>
Net Overlapping Debt (as of June 30, 2022)	
Town of Cowan	\$0
Town of Decherd (Estimate)	0
Town of Estill Springs	0
Town of Huntland	0
City of Tullahoma (Portion in Franklin County)	3,153,095
City of Winchester	<u>9,278,000</u>
Total Net Overlapping Debt	<u>\$12,431,095</u>
Overall Net Debt	<u><u>\$70,722,078</u></u>

DEBT RECORD

There is no record of a default of paying principal and interest on any debt from information available.

(1) As of June 30, 2022 and adjusted for Proposed G.O. Public Improvement Bonds, Series 2023.

(2) Preliminary, subject to change.

Sources: Comprehensive Annual Financial Reports prepared by the State Comptroller of the Treasury for the fiscal years ending June 30, 2022 and County officials.

POPULATION

	<u>County</u>	<u>Tennessee</u>
1970 U.S. Census	27,289	3,926,018
1980 U.S. Census	31,983	4,600,252
1990 U.S. Census	35,027	4,890,626
2000 U.S. Census	39,310	5,703,719
2010 U.S. Census	40,960	6,355,518
2020 U.S. Census	42,839	6,925,619
2021 U.S. Census Estimate	43,247	6,968,351
2022 U.S. Census Estimate	43,942	7,051,339
Source: U.S. Bureau of Census		

PER CAPITA DEBT RATIOS

Outstanding Debt	\$1,406.25
Gross Direct Debt	\$1,406.25
Net Direct Debt	\$1,326.54
Total Net Overlapping Debt	\$282.90
Overall Net Debt	\$1,609.44

DEBT RATIOS

	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
Property Values	\$1,661,213,060	\$6,158,679,791
Outstanding Debt to	3.72%	1.00%
Net Direct Debt to	3.51%	0.95%
Total Net Overlapping Debt to	0.75%	0.20%
Overall Net Debt to	4.26%	1.15%

DEBT TREND

	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>
Outstanding Debt					
Bonds	\$59,895,000	\$62,890,000	\$66,455,000	\$69,810,000	\$25,765,000
Notes	1,898,232	2,604,122	2,991,883	1,725,994	2,310,683
Capital Leases	0	0	0	71,225	139,184
Total County-wide Debt	<u>\$61,793,232</u>	<u>\$65,494,122</u>	<u>\$69,446,883</u>	<u>\$71,607,219</u>	<u>\$28,214,867</u>

Sources: Comprehensive Annual Financial Reports prepared by the State Comptroller of the Treasury for the fiscal years ending June 30, 2018 to 2022.

DEBT SERVICE REQUIREMENTS
as of June 30, 2022⁽¹⁾

		Principal				Interest				
		Current				Current				
Year	Outstanding	Plus: Proposed G.O.		Percent	Outstanding	Plus: Proposed G.O.			Total	
Ended	Bonds, Notes	Public Improvement	Total	Principal	Bonds, Notes	Public Improvement	Total		Debt	
June 30	& Leases	Bonds, Series 2023 ⁽²⁾	Principal	Retired	& Leases	Bonds, Series 2023 ⁽²⁾	Interest		Service	
1	2023	3,323,232		3,323,232		2,149,568		2,149,568	5,472,800	
2	2024	2,920,000	215,000	3,135,000		2,030,044	78,196	2,108,240	5,243,240	
3	2025	2,760,000	145,000	2,905,000		1,931,662	149,190	2,080,852	4,985,852	
4	2026	2,900,000	150,000	3,050,000		1,798,082	144,405	1,942,487	4,992,487	
5	2027	3,030,000	155,000	3,185,000	23.62%	1,664,437	139,605	1,804,042	4,989,042	
6	2028	3,180,000	160,000	3,340,000		1,524,648	134,800	1,659,448	4,999,448	
7	2029	3,285,000	165,000	3,450,000		1,414,712	129,840	1,544,552	4,994,552	
8	2030	3,415,000	170,000	3,585,000		1,293,670	124,725	1,418,395	5,003,395	
9	2031	3,540,000	175,000	3,715,000		1,167,729	119,455	1,287,184	5,002,184	
10	2032	3,400,000	180,000	3,580,000	50.37%	1,062,425	113,943	1,176,368	4,756,368	
11	2033	2,745,000	185,000	2,930,000		960,426	108,183	1,068,609	3,998,609	
12	2034	2,165,000	190,000	2,355,000		878,076	102,263	980,339	3,335,339	
13	2035	2,225,000	195,000	2,420,000		813,126	96,088	909,214	3,329,214	
14	2036	2,295,000	205,000	2,500,000		746,376	89,458	835,834	3,335,834	
15	2037	2,360,000	210,000	2,570,000	69.72%	677,426	82,180	759,606	3,329,606	
16	2038	2,440,000	220,000	2,660,000		603,676	74,515	678,191	3,338,191	
17	2039	2,425,000	230,000	2,655,000		527,425	65,165	592,590	3,247,590	
18	2040	2,505,000	240,000	2,745,000		448,612	55,390	504,002	3,249,002	
19	2041	2,585,000	250,000	2,835,000		367,200	45,190	412,390	3,247,390	
20	2042	2,675,000	260,000	2,935,000	90.66%	279,956	34,565	314,521	3,249,521	
21	2043	2,765,000	270,000	3,035,000		189,675	23,515	213,190	3,248,190	
22	2044	2,855,000	280,000	3,135,000	100.00%	96,356	12,040	108,396	3,243,396	
		\$ 61,793,232	\$ 4,250,000	\$ 66,043,232		\$ 22,625,307	\$ 2,019,065	\$ 24,644,372	\$ 90,687,604	

(1) As of June 30, 2022 and adjusted for Proposed G.O. Public Improvement Bonds, Series 2023.

(2) Preliminary, subject to change.

Sources: Comprehensive Annual Financial Report prepared by the State Comptroller of the Treasury for the fiscal year ending June 30, 2022 and County officials.

Real Property Assessment, Tax Levy and Collection Procedures

State Taxation of Property; Classifications of Taxable Property; Assessment Rates

Under the Constitution and laws of the State of Tennessee, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the “General Assembly”) exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as defined under the Tennessee Code Annotated.

Under the Constitution and laws of the State of Tennessee, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required constitutionally to be classified into four subclassifications and assessed at the rates as follows:

- (a) Public Utility Property (which includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies), to be assessed at 55% of its value;
- (b) Industrial and Commercial Property (which includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose), to be assessed at 40% of its value;
- (c) Residential Property (which includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit), to be assessed at 25% of its value; and
- (d) Farm Property (which includes all real property used or held for use in agriculture), to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required constitutionally to be classified into three subclassifications and assessed at the rates as follows:

- (a) Public Utility Property, to be assessed at 55% of its value;
- (b) Industrial and Commercial Property, to be assessed at 30% of its value; and
- (c) All other Tangible Personal Property (including that used in agriculture), to be assessed at 5% of its value, subject to an exemption of \$7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into subclassifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

The Constitution of the State of Tennessee requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State of Tennessee and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

County Taxation of Property

The Constitution of the State of Tennessee empowers the General Assembly to authorize the several counties and incorporated towns in the State of Tennessee to impose taxes for county and municipal purposes in the manner prescribed by law. Under the *Tennessee Code Annotated*, the General Assembly has authorized the counties in Tennessee to levy an *ad valorem* tax on all taxable property within their respective jurisdictions, the amount of which is required to be fixed by the county legislative body of each county.

All property is required to be taxed according to its values upon the principles established in regard to State taxation as described above, including equality and uniformity. All counties, which levy and collect taxes to pay off any bonded indebtedness are empowered, through the respective county legislative bodies, to place all funds levied and collected into a special fund of the respective counties and to appropriate and use the money for the purpose of discharging any bonded indebtedness of the respective counties.

Assessment of Property

The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own such property on January 1 for the year for which the assessment is made. All assessment of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

The assessment records are open to public inspection at the assessor's office during normal business hours. The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer's property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the county board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local board of equalization begins its annual session.

Valuation for Property Tax Purposes

The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the division of property assessments and approved by the State board of equalization. Such assessment manuals are required to take into account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment.

PROPERTY VALUATION AND PROPERTY TAX

Fiscal Year Tax Year	2022-2023 2022	2021-2022 2021	2020-2021 2020	2019-2020 2019	2018-2019 2018
ESTIMATED ACTUAL VALUES					
Residential & Farm	\$5,138,766,200	\$4,128,336,481	\$3,480,146,968	\$3,390,785,233	\$2,971,445,300
Commercial & Industrial	550,106,200	524,082,756	450,537,124	450,068,197	391,021,100
Personal Tangible Property	355,985,070	327,085,556	326,135,143	299,759,889	270,969,851
Public Utilities	113,822,321	84,014,307	89,815,058	83,579,888	89,155,876
Total Estimated Actual Values	\$6,158,679,791	\$5,063,519,100	\$4,346,634,293	\$4,224,193,207	\$3,722,592,127
Annual Percentage Change	21.63%	16.49%	2.90%	13.47%	2.28%
Estimated Per Capita Amount	\$140,155	\$117,084	\$101,464	\$99,969	\$88,599
ASSESSED VALUES					
Residential & Farm (at 25%)	\$1,284,691,550	\$795,736,850	\$774,245,675	\$754,364,925	\$742,861,325
Commercial & Industrial (at 40%)	220,042,480	161,597,750	160,373,200	160,206,280	156,408,440
Personal Tangible Property (at 30%)	106,795,587	78,182,420	87,998,240	80,698,764	81,291,022
Public Utilities (at 30%-55%)	49,683,443	36,672,245	39,204,273	36,482,621	38,916,540
Total Assessed Values	\$1,661,213,060	\$1,072,189,265	\$1,061,821,388	\$1,031,752,590	\$1,019,477,327
Annual Percentage Change	54.94%	0.98%	2.91%	1.20%	2.41%
Estimated Per Capita Amount	\$37,805	\$24,792	\$24,786	\$24,417	\$24,264
Appraisal Ratio	100.00%	77.10%	88.99%	88.99%	100.00%
Assessed Values to Actual Values	26.97%	21.17%	24.43%	24.42%	27.39%
Property Tax Rate					
General Fund	\$0.7502	\$1.1516	\$1.1643	\$1.1643	\$1.0588
Library	\$0.0248	\$0.0381	\$0.0381	\$0.0381	\$0.0311
Solid Waste Sanitation	\$0.1583	\$0.2433	\$0.2433	\$0.2433	\$0.2433
Local Purpose Tax - Rural Fire	\$0.0485	\$0.0741	\$0.0741	\$0.0741	\$0.0741
Highway/Public Works	\$0.0410	\$0.0629	\$0.0629	\$0.0629	\$0.0629
General Purpose School	\$0.6854	\$1.0521	\$1.0394	\$1.0394	\$1.0394
General Debt Service	\$0.1671	\$0.2565	\$0.2565	\$0.2565	\$0.1168
Education Debt Service	<u>\$0.0000</u>	<u>\$0.0000</u>	<u>\$0.0000</u>	<u>\$0.0000</u>	<u>\$0.0472</u>
Total Property Tax Rate	<u>\$1.8753</u>	<u>\$2.8786</u>	<u>\$2.8786</u>	<u>\$2.8786</u>	<u>\$2.6736</u>
Taxes Levied	\$31,152,729	\$30,864,040	\$30,565,590	\$29,700,030	\$27,256,746
Collections					
Current Fiscal Year	In Process	\$28,879,627	\$28,592,169	\$27,540,419	\$25,127,117
Percent Collected Current FY	In Process	93.57%	93.54%	92.73%	92.19%

Sources: State Board of Equalization, 2018 - 2022 Tax Aggregate Reports of Tennessee and County Officials.

TOP TAXPAYERS

<u>Taxpayer</u>	<u>Type of Product/Service</u>	<u>Tax Year 2022 Tax Levy</u>	<u>Tax Year 2022 Assessed Value</u>	<u>Assessed Value as a % of Total Assessment</u>
Nissan North America	Auto Engine Assembly	\$611,511	\$33,474,425	2.02%
Duck River Electric	Utility	383,942	20,573,334	1.24%
CSX Transportation	Railroad	258,500	13,948,342	0.84%
Lifepoint Hospital	Healthcare	215,411	12,910,440	0.78%
Tepro, Inc	Rubber Weather Strips	119,156	7,141,493	0.43%
East Tennessee Natural Gas	Natural Gas	102,751	5,479,173	0.33%
Lifepoint Hospital	Healthcare	80,163	4,804,520	0.29%
Corum Doris Carter	Individual	74,324	3,963,325	0.24%
Baxter Enterprises	Injection Molding	69,009	4,136,012	0.25%
Merchant Investments	Retail	64,610	3,872,360	0.23%
		\$1,979,377	\$110,303,424	6.64%

Source: County Officials.

FUND BALANCES

	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>
GOVERNMENTAL FUNDS					
General Government Fund	\$16,783,723	\$12,571,645	\$8,749,020	\$6,773,030	\$5,945,793
Highway/Public Works	4,327,189	3,867,756	3,404,593	3,403,293	2,174,934
Capital Projects	8,610	350,000	1,177,549	3,407,492	13,060,446
General Debt Service Fund	3,502,249	3,370,161	4,323,268	2,362,874	2,998,803
Special Revenue Funds	2,704,645	2,640,424	2,152,998	2,080,114	1,839,133
Education Debt Service	0	0	0	3,556,415	3,533,805
Education Funds	25,169,202	18,956,470	19,834,448	55,124,080	12,247,860
Total Governmental Funds	\$52,495,618	\$41,756,456	\$39,641,876	\$76,707,298	\$41,800,774

Sources: Comprehensive Annual Financial Reports prepared by the State Comptroller of the Treasury for the fiscal years ending June 30, 2018 - 2022

LOCAL SALES TAX

	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>
Rate (Percent of retail sales)	2.25%	2.25%	2.25%	2.25%	2.25%
Distribution					
Education Fund	\$7,134,456	\$6,307,430	\$5,359,609	\$5,030,119	\$4,706,190
Debt Service Fund	1,654,741	1,386,184	954,348	969,526	862,192
Cities Portion of County Sales	5,502,601	4,857,095	4,287,371	4,021,538	3,841,067
Total Amount Collected	\$14,291,798	\$12,550,709	\$10,601,328	\$10,021,183	\$9,409,449
% of Increase	13.87%	18.39%	5.79%	6.50%	2.29%

Sources: Comprehensive Annual Financial Reports prepared by the State Comptroller of the Treasury for the fiscal years ending June 30, 2018 - 2022.

FRANKLIN COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balance
GENERAL FUND

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Revenues					
Local Taxes	\$13,519,451	\$13,661,864	\$13,122,941	\$11,800,953	\$10,145,695
Licenses & Permits	150,096	148,825	116,246	108,738	101,032
Fines, Forfeitures, & Penalties	188,261	207,723	199,778	234,115	205,148
Charges for Current Services	401,243	449,051	550,951	407,099	414,620
Other Local Revenues	129,219	183,830	362,903	156,438	108,683
Fees Received from County Officials	2,282,360	2,307,659	2,094,309	2,098,488	2,047,220
State of Tennessee	2,906,697	3,460,716	2,811,340	2,662,568	2,560,239
Federal Government	4,804,168	2,017,079	5,737,608	1,340,329	665,704
Other Governments & Citizens Groups	162,524	183,781	199,616	274,289	304,565
Total Revenues	\$24,544,019	\$22,620,528	\$25,195,692	\$19,083,017	\$16,552,906
Expenditures					
General Government	\$2,725,247	\$2,634,253	\$2,501,203	\$3,322,343	\$2,806,226
Finance	2,208,369	2,154,785	2,183,350	2,166,295	2,046,191
Administration of Justice	2,553,149	2,470,026	2,591,065	2,267,951	2,013,208
Public Safety	8,780,234	8,797,280	8,392,433	8,427,434	7,720,483
Public Health & Welfare	519,308	554,401	581,544	537,244	599,625
Social, Cultural, and Recreational Services	58,338	80,191	69,187	71,733	71,146
Agricultural & Natural Resources	152,595	175,238	186,534	185,508	144,584
Other Operations	2,671,967	1,981,534	6,533,667	2,126,415	1,494,462
Debt Service	-	-	-	-	-
Capital Projects	682,359	505,451	286,325	256,463	84,839
Total Expenditures	\$20,351,566	\$19,353,159	\$23,325,308	\$19,361,386	\$16,980,764
Excess (Deficiency) of Revenues Over Expenditures	\$4,192,453	\$3,267,369	\$1,870,384	(\$278,369)	(\$427,858)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	\$9,019	\$449,650	\$0	\$0	\$168,165
Capital Leases Issued	0	0	0	0	0
Bonds/Notes Issued	0	0	0	0	0
Insurance Recovery	0	0	0	0	0
Transfer In	10,606	105,606	105,606	1,105,606	105,606
Transfer Out	0	0	0	0	(1,000,000)
Total Other Financing Sources (Uses)	\$19,625	\$555,256	\$105,606	\$1,105,606	(\$726,229)
Net Change in Fund Balance	\$4,212,078	\$3,822,625	\$1,975,990	\$827,237	(\$1,154,087)
Fund Balance Beginning of Year	\$12,571,645	\$8,749,020	\$6,773,030	\$5,945,793	\$7,099,880
Fund Balance End of Year	\$16,783,723	\$12,571,645	\$8,749,020	\$6,773,030	\$5,945,793

Sources: Compiled from information from the Comprehensive Annual Financial Reports prepared by the State Comptroller of the Treasury for the fiscal years ending June 30, 2018 - 2022.

Bondholder Risks

The purchase of the Series 2023 Bonds involves various risks and investment considerations. Certain of these risks and investment considerations are set forth in this section for convenience and are not intended to be a comprehensive compilation of all possible risk factors nor a substitute for an independent evaluation of the information presented in this Official Statement, including the appendices attached hereto.

Each potential purchaser of any of the Series 2023 Bonds should read this Official Statement, including the appendices attached hereto, in its entirety and consult such prospective purchaser's own investment, financial and legal advisor for a more complete explanation of the matters that should be evaluated and considered when purchasing the Series 2023 Bonds.

Epidemics, Pandemics and Public Health Emergencies

The outbreak of epidemics, pandemics and other public health emergencies have the potential to materially disrupt the operations and financial condition of the County and the local economy. The spread of Covid-19, a respiratory disease caused by a novel strain of coronavirus, is an example of a recent public health emergency. The Covid-19 outbreak led to quarantines and social-distancing efforts that impacted government agencies, schools, businesses and other entities throughout the County and the State. Multiple vaccines and additional boosters for the virus were approved for distribution in the United States. The vaccines have had varying efficacy rates and studies suggest the efficacy rates may decline over time. While some studies suggest that the existing vaccines are effective against known variants of the virus, there is no assurance that future variants will not be resistant to current vaccines.

Given the evolving nature of the spread of the disease, and future diseases, and the behavior of governments, businesses, and individuals in response thereto, the Issuer is unable to predict the (1) extent or duration of the Covid-19 outbreak or other epidemics, pandemics or public health emergencies, (2) the extent or duration of any existing or future quarantines, business closures, travel restrictions or other measures relating to Covid-19 or other epidemics, pandemics or public health emergencies, and (3) whether and to what extent the Covid-19 outbreak or other epidemics, pandemics or public health emergencies will adversely affect the operations or financial condition of the Issuer.

Climate Change

Numerous scientific studies have suggested that changing global weather patterns and extreme weather events may potentially disrupt government operations and economic conditions in impacted areas. Changing weather patterns can potentially increase the risk of higher temperatures, changes in precipitation, increased flooding, droughts and fires. The County cannot accurately predict the timing, extent or severity of any climate change and its impact on the County's operations and finances.

Cyber-Security

The County utilizes various computer systems and network technology to perform many of its vital operations. Such operations often include the storage and transmission of sensitive information, and as a result, the County may be the target of cyberattacks attempting to gain access to such information. In addition to intentional attacks, information breaches may occur due to unintentional employee error. A successful cyberattack or unintentional breach may require the expenditure of an unknown amount of money or time to resolve, substantially interrupt municipal services and operations and subject the County to legal action. The County has no knowledge of, nor historical record of any successful cyber-security

breach or related attack. Attempted cyber-security attacks, whether anonymous or targeted, occur on a periodic frequency that is not uncommon to organizations or agencies of similar characteristics. To mitigate against such risks, the County has instituted various policies and procedures to protect its network infrastructure, including a cyber-security training requirement for certain departments, as well as general cyber-security training and awareness for all employees. Despite the County's measures to safeguard its network infrastructure, there are no guarantees that such measures will be successful.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing, where applicable, the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

APPENDIX C

Comprehensive Annual Financial Report of the County for the
Fiscal Year Ended June 30, 2022



ANNUAL FINANCIAL REPORT

Franklin County, Tennessee

For the Year Ended June 30, 2022

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
FRANKLIN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2022

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

STEVE REEDER, CPA, CGFM, CFE
Audit Manager

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, 2022

Scope

We have audited the basic financial statements of Franklin County as of and for the year ended June 30, 2022.

Results

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

Our audit resulted in one finding and recommendation, which we have reviewed with Franklin County management. The detailed finding, recommendation, and management's response are included in the Single Audit section of this report.

Findings

The following is a summary of the audit finding:

OFFICE OF FINANCE DIRECTOR

- ◆ Subsidiary accounting records were not closed and available for audit by August 31, 2022.



INTRODUCTORY SECTION

Franklin County Officials

June 30, 2022

Officials

David Alexander, County Mayor
Luke McCurry, 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, County Mayor, Chairman
Adam Casey
Eddie Clark
David Eldridge, Jr.
Barbara Finney
Angie Fuller
Doug Goodman
Johnny Hughes
Lydia Curtis Johnson

David Kelly
Greg King
Scottie Riddle
Dale Schultz
Gene Snead, Jr.
Helen Stapleton
Glenn Summers
Carolyn Wiseman

Highway Commission

Chuck Tipps, Chairman
Bobby Clark

Wade Hill
Joe David McBee

Board of Education

Cleijo Walker, Chairman
Chris Guess
Christine Hopkins
Linda Jones

Sara Liechty
Sarah Marhevsky
Caycee Roberts
Lance Williams

Franklin County Officials (Cont.)

Financial Management Committee

David Alexander, County Mayor, Chairman
Luke McCurry, Superintendent of Highways
Stanley Bean, Director of Schools

David Eldridge, Jr.
Barbara Finney
Scottie Riddle
Carolyn Wiseman

Audit Committee

Helen Tinnerman, Chairman
Jackie Axt
Glen Glasner

Margaret Lynch
Mike Rowland

FINANCIAL SECTION



JASON E. MUMPOWER
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 Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying 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, 2022, and the respective changes in financial position and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund of the Franklin County School Department (a discretely presented component unit), which represent .75 percent, one percent, and 1.83 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Franklin County School Department, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities

under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Franklin County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Franklin County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Franklin County's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Franklin County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, schedules of school's proportionate share of the net pension liability (asset), and schedules of county and school changes in the total other postemployment benefits liability and related ratios, as listed under Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 Fund, combining and individual fund financial statements of the Franklin County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Franklin County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2023, 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,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 31, 2023

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Franklin County, Tennessee
Statement of Net Position
June 30, 2022

	Primary Government Governmental Activities	Component Unit Franklin County School Department
<u>ASSETS</u>		
Cash	\$ 31,193	\$ 1,069,557
Equity in Pooled Cash and Investments	26,562,779	21,408,079
Inventories	0	2,691
Accounts Receivable	268,894	28,104
Due from Other Governments	1,620,642	3,253,620
Due from Primary Government	0	3,875
Property Taxes Receivable	18,395,375	11,254,665
Allowance for Uncollectible Property Taxes	(425,117)	(258,047)
Net Pension Asset - Agent Plan	7,849,548	5,020,673
Net Pension Asset - Teacher Retirement Plan	0	313,158
Net Pension Asset - Teacher Legacy Pension Plan	0	22,945,172
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	356,193
Capital Assets:		
Assets Not Depreciated:		
Land	27,981,125	5,469,959
Construction in Progress	41,534	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	36,087,992	67,108,894
Infrastructure	14,049,284	0
Other Capital Assets	7,337,497	4,452,955
Total Assets	\$ 139,800,746	\$ 142,429,548
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 24,480	\$ 98,213
Pension Changes in Assumptions	1,905,356	7,462,210
Pension Changes in Proportion	0	159,710
Pension Contributions After Measurement Date	773,745	2,485,689
OPEB Changes in Experience	168,689	760,071
OPEB Changes in Assumptions	139,467	747,235
OPEB Changes in Proportion	0	271,360
OPEB Contributions After Measurement Date	52,345	253,721
Total Deferred Outflows of Resources	\$ 3,064,082	\$ 12,238,209
<u>LIABILITIES</u>		
Accounts Payable	\$ 223,887	\$ 205,833
Accrued Payroll	346,425	116,589
Payroll Deductions Payable	597	0
Accrued Interest Payable	449,894	0
Due to Component Unit	3,875	0
Due to Litigants, Heirs and Others	40,622	0
Noncurrent Liabilities:		
Due Within One Year - Debt	3,323,232	0
Due Within One Year - Other	741,090	230,994
Due in More Than One Year - Debt	61,357,801	0
Due in More Than One Year - Other	1,260,621	9,123,205
Total Liabilities	\$ 67,748,044	\$ 9,676,621

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Franklin County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 17,538,275	\$ 10,747,786
Pension Changes in Experience	1,074,446	2,658,233
Pension Changes in Investment Earnings	4,780,623	21,536,273
Pension Changes in Proportion	0	14,586
OPEB Changes in Experience	362,839	1,640,937
OPEB Changes in Assumptions	564,797	529,131
OPEB Changes in Proportion	0	473,757
Total Deferred Inflows of Resources	<u>\$ 24,320,980</u>	<u>\$ 37,600,703</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 68,185,909	\$ 77,031,808
Restricted for:		
Finance	9,181	0
Public Safety	862,866	0
Public Health and Welfare	982,846	0
Social, Cultural, and Recreational Services	264,779	0
Highways/Public Works	3,030,647	0
Debt Service	3,298,439	0
Capital Projects	8,610	882,574
Education	0	7,485,259
Pensions	7,849,548	28,635,196
Unrestricted	<u>(33,697,021)</u>	<u>(6,644,404)</u>
Total Net Position	<u>\$ 50,795,804</u>	<u>\$ 107,390,433</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, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Government Total Governmental Activities	Franklin County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 5,353,544	\$ 702,238	\$ 724,646	\$ 0	\$ (3,926,660)	\$ 0
Finance	2,234,212	1,376,252	0	0	(857,960)	0
Administration of Justice	2,558,503	924,906	9,000	0	(1,624,597)	0
Public Safety	9,866,501	1,059,268	694,952	0	(8,112,281)	0
Public Health and Welfare	2,796,550	165,543	128,707	4,099,204	1,596,904	0
Social, Cultural, and Recreational Services	541,669	49,928	50,143	22,843	(418,755)	0
Agriculture and Natural Resources	162,640	0	0	0	(162,640)	0
Highways/Public Works	3,429,194	7,857	2,877,660	0	(543,677)	0
Education	400	0	0	0	(400)	0
Interest on Long-term Debt	2,288,834	0	0	0	(2,288,834)	0
Total Primary Government	\$ 29,232,047	\$ 4,285,992	\$ 4,485,108	\$ 4,122,047	\$ (16,338,900)	\$ 0
Component Unit:						
Franklin County School Department	\$ 53,296,768	\$ 503,978	\$ 15,770,405	\$ 0	\$ 0	\$ (37,022,385)
Total Component Unit	\$ 53,296,768	\$ 503,978	\$ 15,770,405	\$ 0	\$ 0	\$ (37,022,385)

(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	Primary	Component Unit
					Government Total Governmental Activities	Franklin County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 15,725,906	\$ 11,407,235
Property Taxes Levied for Debt Service					2,762,953	0
Local Option Sales Taxes					1,709,741	7,294,456
Hotel/Motel Tax					590,282	0
Litigation Taxes					321,996	0
Mixed Drink Tax					46,804	46,804
Business Tax					551,064	0
Mineral Severance Tax					63,786	0
Wholesale Beer Tax					223,899	0
Other Local Taxes					501	0
Grants and Contributions Not Restricted to Specific Programs					3,277,689	28,989,107
Unrestricted Investment Earnings					267,612	864
Miscellaneous					17,590	0
Sale of Equipment					75,515	64,236
Donated Capital Assets					50,000	20,947
Amortized Premium					224,293	0
Total General Revenues					<u>\$ 25,909,631</u>	<u>\$ 47,823,649</u>
Change in Net Position					\$ 9,570,731	\$ 10,801,264
Net Position, July 1, 2021					<u>41,225,073</u>	<u>96,589,169</u>
Net Position, June 30, 2022					<u><u>\$ 50,795,804</u></u>	<u><u>\$ 107,390,433</u></u>

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

Exhibit C-1

Franklin County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2022

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 12,650	\$ 11,870	\$ 0	\$ 6,673	\$ 31,193
Equity in Pooled Cash and Investments	16,570,246	4,088,367	3,301,011	2,603,155	26,562,779
Accounts Receivable	126,225	45	24,001	118,623	268,894
Due from Other Governments	720,236	525,196	332,992	42,218	1,620,642
Due from Other Funds	4,593	948	2,052	0	7,593
Property Taxes Receivable	12,319,050	672,862	2,743,866	2,659,597	18,395,375
Allowance for Uncollectible Property Taxes	(282,452)	(15,427)	(62,911)	(64,327)	(425,117)
Total Assets	<u>\$ 29,470,548</u>	<u>\$ 5,283,861</u>	<u>\$ 6,341,011</u>	<u>\$ 5,365,939</u>	<u>\$ 46,461,359</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 191,326	\$ 17,976	\$ 0	\$ 14,585	\$ 223,887
Accrued Payroll	296,679	17,643	0	32,103	346,425
Payroll Deductions Payable	500	97	0	0	597
Due to Other Funds	948	2,052	0	4,593	7,593
Due to Component Units	3,875	0	0	0	3,875
Due to Litigants, Heirs, and Others	12,650	11,870	0	16,102	40,622
Total Liabilities	<u>\$ 505,978</u>	<u>\$ 49,638</u>	<u>\$ 0</u>	<u>\$ 67,383</u>	<u>\$ 622,999</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 11,764,235	\$ 642,559	\$ 2,620,290	\$ 2,511,191	\$ 17,538,275
Deferred Delinquent Property Taxes	240,069	13,113	53,472	74,110	380,764
Other Deferred/Unavailable Revenue	176,543	251,362	165,000	0	592,905
Total Deferred Inflows of Resources	<u>\$ 12,180,847</u>	<u>\$ 907,034</u>	<u>\$ 2,838,762</u>	<u>\$ 2,585,301</u>	<u>\$ 18,511,944</u>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Finance	\$ 9,181	\$ 0	\$ 0	\$ 0	\$ 9,181
Restricted for Public Safety	0	0	0	847,419	847,419
Restricted for Public Health and Welfare	0	0	0	954,955	954,955
Restricted for Social, Cultural, and Recreational Services	0	0	0	269,251	269,251
Restricted for Highways/Public Works	0	2,899,387	0	0	2,899,387
Restricted for Debt Service	0	0	3,502,249	27,612	3,529,861
Restricted for Capital Projects	0	0	0	8,610	8,610
Committed:					
Committed for Public Health and Welfare	0	0	0	347,385	347,385
Committed for Social, Cultural, and Recreational Services	0	0	0	37,929	37,929
Committed for Other Purposes	4,000,000	0	0	0	4,000,000
Assigned:					
Assigned for General Government	3,446,847	0	0	0	3,446,847
Assigned for Finance	6,173	0	0	0	6,173
Assigned for Administration of Justice	1,459	0	0	0	1,459
Assigned for Public Safety	113,203	0	0	220,094	333,297
Assigned for Public Health and Welfare	34,868	0	0	0	34,868
Assigned for Social, Cultural, and Recreational Services	13,391	0	0	0	13,391
Assigned for Other Operations	41,586	0	0	0	41,586
Assigned for Highways/Public Works	0	800,000	0	0	800,000
Assigned for Capital Outlay	0	426,638	0	0	426,638
Assigned for Capital Projects	280,905	0	0	0	280,905
Assigned for OPEB	841,916	201,164	0	0	1,043,080
Unassigned	7,994,194	0	0	0	7,994,194
Total Fund Balances	\$ 16,783,723	\$ 4,327,189	\$ 3,502,249	\$ 2,713,255	\$ 27,326,416
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 29,470,548	\$ 5,283,861	\$ 6,341,011	\$ 5,365,939	\$ 46,461,359

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, 2022

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)		\$ 27,326,416
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 27,981,125	
Add: construction in progress	41,534	
Add: buildings and improvements net of accumulated depreciation	36,087,992	
Add: infrastructure net of accumulated depreciation	14,049,284	
Add: other capital assets net of accumulated depreciation	<u>7,337,497</u>	85,497,432
(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	\$ (59,895,000)	
Less: notes payable	(1,898,232)	
Less: landfill closure/postclosure care costs	(73,599)	
Less: net OPEB liability	(1,210,589)	
Less: compensated absences payable	(717,523)	
Less: accrued interest on bonds and notes	(449,894)	
Less: unamortized premium on debt	<u>(2,887,801)</u>	(67,132,638)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 2,703,581	
Less: deferred inflows of resources related to pensions	(5,855,069)	
Add: deferred outflows of resources related to OPEB	360,501	
Less: deferred inflows of resources related to OPEB	<u>(927,636)</u>	(3,718,623)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		7,849,548
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>973,669</u>
Net position of governmental activities (Exhibit A)		<u>\$ 50,795,804</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, 2022

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 13,519,451	\$ 751,114	\$ 5,777,973	\$ 3,409,542	\$ 23,458,080
Licenses and Permits	150,096	3,553	14,457	40,029	208,135
Fines, Forfeitures, and Penalties	188,261	0	0	18,377	206,638
Charges for Current Services	401,243	7,873	0	174,756	583,872
Other Local Revenues	129,219	3,241	257,347	297,805	687,612
Fees Received From County Officials	2,282,360	0	0	0	2,282,360
State of Tennessee	2,906,697	2,864,766	0	24,550	5,796,013
Federal Government	4,804,168	0	0	39,945	4,844,113
Other Governments and Citizens Groups	162,524	0	0	50,143	212,667
Total Revenues	\$ 24,544,019	\$ 3,630,547	\$ 6,049,777	\$ 4,055,147	\$ 38,279,490
<u>Expenditures</u>					
Current:					
General Government	\$ 2,725,247	\$ 0	\$ 0	\$ 0	\$ 2,725,247
Finance	2,208,369	0	0	0	2,208,369
Administration of Justice	2,553,149	0	0	0	2,553,149
Public Safety	8,780,234	0	0	1,090,288	9,870,522
Public Health and Welfare	519,308	0	0	2,291,109	2,810,417
Social, Cultural, and Recreational Services	58,338	0	0	393,024	451,362
Agriculture and Natural Resources	152,595	0	0	0	152,595
Other Operations	2,671,967	0	0	165,632	2,837,599
Highways	0	3,118,737	0	0	3,118,737
Debt Service:					
Principal on Debt	0	47,385	3,653,505	0	3,700,890
Interest on Debt	0	6,082	2,310,413	0	2,316,495
Other Debt Service	0	0	88,771	0	88,771

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 682,359	\$ 0	\$ 0	\$ 341,390	\$ 1,023,749
Total Expenditures	\$ 20,351,566	\$ 3,172,204	\$ 6,052,689	\$ 4,281,443	\$ 33,857,902
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 4,192,453	 \$ 458,343	 \$ (2,912)	 \$ (226,296)	 \$ 4,421,588
<u>Other Financing Sources (Uses)</u>					
Proceeds from Sale of Capital Assets	\$ 9,019	\$ 4,893	\$ 0	\$ 90,930	\$ 104,842
Transfers In	10,606	0	135,000	0	145,606
Transfers Out	0	(3,803)	0	(141,803)	(145,606)
Total Other Financing Sources (Uses)	\$ 19,625	\$ 1,090	\$ 135,000	\$ (50,873)	\$ 104,842
 Net Change in Fund Balances	 \$ 4,212,078	 \$ 459,433	 \$ 132,088	 \$ (277,169)	 \$ 4,526,430
Fund Balance, July 1, 2021	12,571,645	3,867,756	3,370,161	2,990,424	22,799,986
 Fund Balance, June 30, 2022	 \$ 16,783,723	 \$ 4,327,189	 \$ 3,502,249	 \$ 2,713,255	 \$ 27,326,416

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, 2022

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)		\$ 4,526,430
(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	\$ 2,399,161	
Less: current-year depreciation expense	<u>(2,705,404)</u>	(306,243)
(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	\$ 50,000	
Less: book value of capital assets disposed	<u>(69,216)</u>	(19,216)
(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, 2022	\$ 973,669	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(787,303)</u>	186,366
(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.		
Add: principal payments on bonds	\$ 2,995,000	
Add: principal payments on notes	705,890	
Add: change in premium on debt issuance	<u>224,293</u>	3,925,183
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 27,661	
Change in OPEB liability	446,255	
Change in deferred outflows related to OPEB	(36,319)	
Change in deferred inflows related to OPEB	(425,010)	
Change in net pension liability/asset	5,495,692	
Change in deferred outflows related to pensions	1,093,959	
Change in deferred inflows related to pensions	(5,339,636)	
Change in compensated absences payable	(25,059)	
Change in landfill closure/postclosure care costs	<u>20,668</u>	1,258,211
Change in net position of governmental activities (Exhibit B)		<u>\$ 9,570,731</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, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 13,519,451	\$ 0	\$ 0	\$ 13,519,451	\$ 13,307,784	\$ 13,454,284	\$ 65,167
Licenses and Permits	150,096	0	0	150,096	125,550	162,850	(12,754)
Fines, Forfeitures, and Penalties	188,261	0	0	188,261	209,570	223,070	(34,809)
Charges for Current Services	401,243	0	0	401,243	429,095	462,833	(61,590)
Other Local Revenues	129,219	0	0	129,219	129,070	137,890	(8,671)
Fees Received From County Officials	2,282,360	0	0	2,282,360	2,168,200	2,343,129	(60,769)
State of Tennessee	2,906,697	0	0	2,906,697	2,593,595	2,782,885	123,812
Federal Government	4,804,168	0	0	4,804,168	1,192,004	5,970,943	(1,166,775)
Other Governments and Citizens Groups	162,524	0	0	162,524	219,000	222,666	(60,142)
Total Revenues	\$ 24,544,019	\$ 0	\$ 0	\$ 24,544,019	\$ 20,373,868	\$ 25,760,550	\$ (1,216,531)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 266,303	\$ (13,170)	\$ 12,202	\$ 265,335	\$ 343,253	\$ 360,999	\$ 95,664
Beer Board	966	0	0	966	625	1,225	259
County Mayor/Executive	196,170	(493)	0	195,677	201,089	201,089	5,412
County Attorney	10,800	0	0	10,800	10,800	10,800	0
Election Commission	253,425	0	921	254,346	259,972	259,972	5,626
Register of Deeds	326,482	(296)	4,581	330,767	369,412	369,412	38,645
Planning	156,516	(307)	5,001	161,210	162,726	162,726	1,516
County Buildings	1,340,619	(24,748)	24,501	1,340,372	1,272,708	1,551,248	210,876
Other General Administration	173,966	(70)	1,884	175,780	180,150	180,150	4,370
<u>Finance</u>							
Property Assessor's Office	568,526	(43,694)	5,354	530,186	658,756	658,756	128,570
County Trustee's Office	332,673	0	0	332,673	347,680	347,680	15,007
County Clerk's Office	607,210	(599)	0	606,611	641,784	657,784	51,173
Other Finance	699,960	(563)	819	700,216	741,119	741,119	40,903
<u>Administration of Justice</u>							
Circuit Court	1,003,243	0	396	1,003,639	1,036,707	1,045,707	42,068
General Sessions Court	317,150	0	226	317,376	320,421	321,321	3,945

(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 7/1/2021	Add: Encumbrances 6/30/2022	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	\$ 101,980	\$ 0	\$ 0	\$ 101,980	\$ 102,557	\$ 103,007	\$ 1,027
Chancery Court	232,697	0	388	233,085	243,311	243,659	10,574
Juvenile Court	133,129	0	0	133,129	137,802	137,803	4,674
Judicial Commissioners	156,341	0	450	156,791	171,590	171,590	14,799
Other Administration of Justice	452,839	0	0	452,839	510,000	1,096,569	643,730
Probation Services	155,770	0	0	155,770	159,759	159,759	3,989
<u>Public Safety</u>							
Sheriff's Department	4,331,524	(213,200)	56,039	4,174,363	4,236,346	4,257,631	83,268
Administration of the Sexual Offender Registry	18,428	(1,000)	1,000	18,428	17,735	21,995	3,567
Jail	2,947,812	(133,322)	40,956	2,855,446	3,301,640	3,297,379	441,933
Correctional Incentive Program Improvements	360,817	0	2,280	363,097	501,820	504,045	140,948
Juvenile Services	7,247	(475)	0	6,772	42,500	50,500	43,728
Civil Defense	161,024	(714)	691	161,001	167,713	167,713	6,712
Rescue Squad	42,298	(256)	0	42,042	35,000	52,899	10,857
Other Emergency Management	789,382	(2,408)	8,489	795,463	921,279	921,279	125,816
County Coroner/Medical Examiner	39,500	0	0	39,500	57,500	57,500	18,000
Public Safety Grants Program	40,071	0	0	40,071	33,978	86,409	46,338
Other Public Safety	42,131	0	3,750	45,881	50,000	50,000	4,119
<u>Public Health and Welfare</u>							
Local Health Center	23,670	(500)	3,029	26,199	33,800	36,121	9,922
Rabies and Animal Control	250,451	(3,972)	1,893	248,372	258,448	267,077	18,705
Other Local Health Services	96,470	0	0	96,470	193,157	193,157	96,687
Appropriation to State	0	0	29,946	29,946	30,646	30,646	700
General Welfare Assistance	17,775	0	0	17,775	17,775	17,775	0
Waste Pickup	92,267	(650)	0	91,617	101,792	101,792	10,175
Other Waste Collection	38,675	0	0	38,675	44,033	44,033	5,358
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	23,182	(450)	11,525	34,257	37,500	37,500	3,243
Parks and Fair Boards	35,156	0	1,866	37,022	48,935	48,935	11,913

(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 7/1/2021	Add: Encumbrances 6/30/2022	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	\$ 106,418	\$ 0	\$ 0	\$ 106,418	\$ 116,850	\$ 122,550	\$ 16,132
Soil Conservation	46,177	0	0	46,177	92,011	92,011	45,834
<u>Other Operations</u>							
Industrial Development	38,106	(289)	60	37,877	534,922	534,922	497,045
Other Economic and Community Development	151,330	(27,832)	27,832	151,330	506,355	506,355	355,025
Airport	20,621	(34,314)	13,693	0	0	31,000	31,000
Veterans' Services	93,767	(530)	0	93,237	93,656	99,561	6,324
Other Charges	868,143	0	0	868,143	1,004,925	1,002,378	134,235
American Rescue Plan Act Grant #1	1,500,000	0	0	1,500,000	0	1,500,000	0
<u>Capital Projects</u>							
Other General Government Projects	544,953	(26,953)	110,110	628,110	255,954	795,970	167,860
Highway and Street Capital Projects	137,406	(172,779)	170,795	135,422	180,403	153,000	17,578
Total Expenditures	\$ 20,351,566	\$ (703,584)	\$ 540,677	\$ 20,188,659	\$ 20,788,894	\$ 23,864,508	\$ 3,675,849
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 4,192,453	\$ 703,584	\$ (540,677)	\$ 4,355,360	\$ (415,026)	\$ 1,896,042	\$ 2,459,318
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 9,019	\$ 0	\$ 0	\$ 9,019	\$ 0	\$ 0	\$ 9,019
Transfers In	10,606	0	0	10,606	10,606	10,606	0
Total Other Financing Sources	\$ 19,625	\$ 0	\$ 0	\$ 19,625	\$ 10,606	\$ 10,606	\$ 9,019
Net Change in Fund Balance	\$ 4,212,078	\$ 703,584	\$ (540,677)	\$ 4,374,985	\$ (404,420)	\$ 1,906,648	\$ 2,468,337
Fund Balance, July 1, 2021	12,571,645	(703,584)	0	11,868,061	10,706,445	10,706,445	1,161,616
Fund Balance, June 30, 2022	\$ 16,783,723	\$ 0	\$ (540,677)	\$ 16,243,046	\$ 10,302,025	\$ 12,613,093	\$ 3,629,953

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
Highway/Public Works Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 751,114	\$ 0	\$ 0	\$ 751,114	\$ 741,188	\$ 748,943	\$ 2,171
Licenses and Permits	3,553	0	0	3,553	3,540	3,540	13
Charges for Current Services	7,873	0	0	7,873	15,080	15,080	(7,207)
Other Local Revenues	3,241	0	0	3,241	16,380	9,380	(6,139)
State of Tennessee	2,864,766	0	0	2,864,766	2,629,622	2,864,457	309
Total Revenues	\$ 3,630,547	\$ 0	\$ 0	\$ 3,630,547	\$ 3,405,810	\$ 3,641,400	\$ (10,853)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 345,281	\$ 0	\$ 467	\$ 345,748	\$ 361,177	\$ 361,177	\$ 15,429
Highway and Bridge Maintenance	968,928	(17,060)	30,419	982,287	1,091,150	1,071,150	88,863
Operation and Maintenance of Equipment	314,929	(34,216)	6,762	287,475	323,261	335,761	48,286
Quarry Operations	407,959	(91,516)	18,109	334,552	401,395	411,395	76,843
Other Charges	207,572	(84)	48	207,536	271,300	264,692	57,156
Capital Outlay	874,068	(102,652)	299,139	1,070,555	1,125,500	1,389,068	318,513
<u>Principal on Debt</u>							
Highways and Streets	47,385	0	0	47,385	42,390	49,290	1,905
<u>Interest on Debt</u>							
Highways and Streets	6,082	0	0	6,082	12,240	7,392	1,310
Total Expenditures	\$ 3,172,204	\$ (245,528)	\$ 354,944	\$ 3,281,620	\$ 3,628,413	\$ 3,889,925	\$ 608,305
Excess (Deficiency) of Revenues Over Expenditures	\$ 458,343	\$ 245,528	\$ (354,944)	\$ 348,927	\$ (222,603)	\$ (248,525)	\$ 597,452
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 4,893	\$ 0	\$ 0	\$ 4,893	\$ 0	\$ 4,900	\$ (7)
Transfers Out	(3,803)	0	0	(3,803)	(3,803)	(3,803)	0
Total Other Financing Sources	\$ 1,090	\$ 0	\$ 0	\$ 1,090	\$ (3,803)	\$ 1,097	\$ (7)

(Continued)

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 459,433	\$ 245,528	\$ (354,944)	\$ 350,017	\$ (226,406)	\$ (247,428)	\$ 597,445
Fund Balance, July 1, 2021	3,867,756	(245,528)	0	3,622,228	3,475,570	3,475,570	146,658
Fund Balance, June 30, 2022	\$ 4,327,189	\$ 0	\$ (354,944)	\$ 3,972,245	\$ 3,249,164	\$ 3,228,142	\$ 744,103

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

Franklin County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2022

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,428,956
Accounts Receivable	123
Due from Other Governments	<u>990,457</u>
Total Assets	<u>\$ 2,419,536</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 990,457</u>
Total Liabilities	<u>\$ 990,457</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,429,079</u>
Total Net Position	<u><u>\$ 1,429,079</u></u>

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

Franklin County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 5,502,601
Fines/Fees and Other Collections	<u>10,794,439</u>
Total Additions	<u>\$ 16,297,040</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 5,502,601
Payments to State	7,587,719
Payments to County/City	1,533,578
Payments to Individuals and Others	<u>1,973,653</u>
Total Deductions	<u>\$ 16,597,551</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ (300,511)
Net Position, July 1, 2021	<u>1,729,590</u>
Net Position, June 30, 2022	<u><u>\$ 1,429,079</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, 2022

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

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

Franklin County issues all debt for the discretely presented Franklin County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2022.

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. 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, including lease obligations, are recognized as fund liabilities when due or when

amounts have been accumulated in the General Debt Service Fund 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 funds 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes custodial funds.

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.

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.

Additionally, Franklin County reports the following fund types:

Capital Projects Fund – This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Franklin County.

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.

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

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

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

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY22) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY21) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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; the State Treasurer's Intermediate Term Investment Fund; 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. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, 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. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding

Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. Franklin County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

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 with 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.

3. Inventories

Inventories of Franklin County are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories 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 assets 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. These items are for pension and OPEB changes in experience, assumptions, and proportionate share of contributions, and employer contributions made to the pension and OPEB plans after the measurement date.

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 assets 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 and OPEB changes in experience and proportionate share, pension changes in investment earnings, 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, other postemployment benefits, and landfill postclosure cost, 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.

The government-wide Statement of Net Position reports \$16,306,916 of restricted net position, of which \$27,612 is restricted by enabling legislation.

As of June 30, 2022, Franklin County has \$46,055,000 in outstanding debt for capital purposes for the discretely presented Franklin County School Department. This debt is a liability of Franklin County, but 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 has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

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 Pension 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 Pension 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 Pension 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 and the school department's Internal School Fund (special revenue funds), which are not budgeted, and the capital projects funds which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, 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, 2022, Franklin County and the Franklin County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Funds:	
General	\$ 540,677
Highway/Public Works	354,944
Nonmajor Funds:	
Public Library	5,375
Solid Waste/Sanitation	60,304
Local Purpose Tax	45,000
Drug Control	12,531
School Department:	
Major Funds:	
General Purpose School	1,305,401
Central Cafeteria	80,160

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 three 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 90 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 fair 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.

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

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, the State Treasurer's Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. 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, 2022, 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	Maturities	Amortized Cost
State Treasurer's Investment Pool	1 to 44 days	N/A	\$ 1,247,239

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, 2022, Franklin County's investment in the State Treasurer's Investment Pool was unrated.

Further information concerning the legal provisions, investment policies, investment types, and credit risks for the State Treasurer's Investment Pool and the State Treasurer's Intermediate Term Investment Fund can be obtained by reviewing the State of Tennessee Annual Comprehensive Financial Report at <https://www.tn.gov/finance/rd-doa/fa-accfin-ar.html>.

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. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2022, the Franklin County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 110,420
Developed Market International Equity	N/A	N/A	49,867
Emerging Market International Equity	N/A	N/A	14,248
U.S. Fixed Income	N/A	N/A	71,239
Real Estate	N/A	N/A	35,619
Short-term Securities	N/A	N/A	3,562
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>71,238</u>
Total			<u><u>\$ 356,193</u></u>

For further information concerning the legal provisions, investment policies, investment types, and credit risks of 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/2022/ag21066.pdf>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2022, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 27,901,125	\$ 80,000	\$ 0	\$ 27,981,125
Construction in Progress	41,534	0	0	41,534
Total Capital Assets Not Depreciated	<u>\$ 27,942,659</u>	<u>\$ 80,000</u>	<u>\$ 0</u>	<u>\$ 28,022,659</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 46,453,810	\$ 408,001	\$ 0	\$ 46,861,811
Infrastructure	49,916,023	726,195	0	50,642,218
Other Capital Assets	17,514,715	1,234,965	(430,624)	18,319,056
Total Capital Assets Depreciated	<u>\$ 113,884,548</u>	<u>\$ 2,369,161</u>	<u>\$ (430,624)</u>	<u>\$ 115,823,085</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 9,936,413	\$ 837,406	\$ 0	\$ 10,773,819
Infrastructure	35,875,925	717,009	0	36,592,934
Other Capital Assets	10,191,978	1,150,989	(361,408)	10,981,559
Total Accumulated Depreciation	<u>\$ 56,004,316</u>	<u>\$ 2,705,404</u>	<u>\$ (361,408)</u>	<u>\$ 58,348,312</u>
Total Capital Assets Depreciated, Net	<u>\$ 57,880,232</u>	<u>\$ (336,243)</u>	<u>\$ (69,216)</u>	<u>\$ 57,474,773</u>
Governmental Activities Capital Assets, Net	<u>\$ 85,822,891</u>	<u>\$ (256,243)</u>	<u>\$ (69,216)</u>	<u>\$ 85,497,432</u>

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

Governmental Activities:

General Government	\$ 397,898
Finance	29,330
Administration of Justice	2,191
Public Safety	934,590
Public Health and Welfare	239,659
Social, Cultural, and Recreational Services	29,482
Agriculture and Natural Resources	9,862
Highways/Public Works	<u>1,062,392</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>2,705,404</u></u>

Net Investment in Capital Assets

Capital Assets	\$ 85,497,432
Less:	
Outstanding principal of capital debt and other capital borrowings	(14,173,232)
Outstanding principal balance of debt and other borrowing used to refund capital-related debt	(1,565,000)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(1,573,291)</u>
Net Investment of Capital Assets	<u><u>\$ 68,185,909</u></u>

Discretely Presented Franklin County School Department

Governmental Activities:

	Balance 7-1-21		Increases		Decreases		Balance 6-30-22
Capital Assets Not Depreciated:							
Land	\$ 5,469,959	\$	0	\$	0	\$	5,469,959
Total Capital Assets Not Depreciated	<u>\$ 5,469,959</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>5,469,959</u>
Capital Assets Depreciated:							
Buildings and Improvements	\$ 99,029,745	\$	416,192	\$	0	\$	99,445,937
Other Capital Assets	10,276,573		649,481		(79,614)		10,846,440
Total Capital Assets Depreciated	<u>\$ 109,306,318</u>	<u>\$</u>	<u>1,065,673</u>	<u>\$</u>	<u>(79,614)</u>	<u>\$</u>	<u>110,292,377</u>
Less Accumulated Depreciated For:							
Buildings and Improvements	\$ 30,311,143	\$	2,025,900	\$	0	\$	32,337,043
Other Capital Assets	5,960,309		504,829		(71,653)		6,393,485
Total Accumulated Depreciation	<u>\$ 36,271,452</u>	<u>\$</u>	<u>2,530,729</u>	<u>\$</u>	<u>(71,653)</u>	<u>\$</u>	<u>38,730,528</u>
Total Capital Assets Depreciated, Net	<u>\$ 73,034,866</u>	<u>\$</u>	<u>(1,465,056)</u>	<u>\$</u>	<u>(7,961)</u>	<u>\$</u>	<u>71,561,849</u>
Governmental Activities Capital Assets, Net	<u>\$ 78,504,825</u>	<u>\$</u>	<u>(1,465,056)</u>	<u>\$</u>	<u>(7,961)</u>	<u>\$</u>	<u>77,031,808</u>

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

Governmental Activities:

Instruction	\$ 1,263,512
Support Services	1,194,137
Operation of Non-instructional Services	<u>73,080</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,530,729</u></u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 4,593
General Debt Service	Highway/Public Works	2,052
Highway/Public Works	General	948
Discretely Presented School		
Department:		
General Purpose School	School Federal Projects	7,142
General Purpose School	Central Cafeteria	1,103
School Federal Projects	General Purpose School	34,666
Nonmajor governmental	General Purpose School	27,500

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Component Unit:		
School Department:		
General Purpose School	Primary Government: General	\$ 3,875

Interfund Transfers:

Interfund transfers for the year ended June 30, 2022, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		Purpose
	General Fund	General Debt Service	
Nonmajor governmental funds	\$ 6,803	\$ 0	Reimbursement
"	0	135,000	Debt Payment
Highway/Public Works	3,803	0	Reimbursement
Total	<u>\$ 10,606</u>	<u>\$ 135,000</u>	

Discretely Presented Franklin County School Department

Transfers Out	Transfers In		Purpose
	General Purpose School	School Federal Project	
General Purpose School	\$ 0	\$ 1,000,000	Cash flow
"	0	207,746	Reimbursement
School Federal Projects	203,313	0	"
Total	<u>\$ 203,313</u>	<u>\$ 1,207,746</u>	

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.

D. 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, 2022, will be retired from the General Debt Service Fund.

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, 2022, will be retired from the General Debt Service and Highway/Public Works funds.

General obligation bonds and notes outstanding as of June 30, 2022, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-22
General Obligation Bonds	2 to 5 %	5-1-44	\$ 62,425,000	\$ 57,865,000
General Obligation Bonds - Refunding	2 to 5	6-1-38	5,425,000	2,030,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	1.31 to 4.875	6-1-31	2,527,000	1,898,232

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2022, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2028-2032	15,910,000	6,402,075	22,312,075
2033-2037	11,790,000	4,075,430	15,865,430
2038-2042	12,630,000	2,226,869	14,856,869
2043-2044	5,620,000	286,031	5,906,031
Total	\$ 59,895,000	\$ 22,364,230	\$ 82,259,230

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2023	\$ 203,232	\$ 50,793	\$ 254,025
2024	190,000	44,969	234,969
2025	190,000	39,887	229,887
2026	200,000	34,807	234,807
2027	205,000	29,512	234,512
2028-2031	910,000	61,109	971,109
Total	\$ 1,898,232	\$ 261,077	\$ 2,159,309

There is \$3,502,249 available in the General Debt Service to service long-term debt. Bonded debt per capita totaled \$1,400, based on the 2020 federal census. Total debt per capita, including bonds, notes, and unamortized debt premiums, totaled \$1,508, based on the 2020 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2022, was as follows:

Governmental Activities:

	Bonds	Notes - Direct Placement
Balance, July 1, 2021	\$ 62,890,000	\$ 2,604,122
Reductions	(2,995,000)	(705,890)
Balance, June 30, 2022	<u>\$ 59,895,000</u>	<u>\$ 1,898,232</u>
Balance Due Within One Year	<u>\$ 3,120,000</u>	<u>\$ 203,232</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2022	\$ 61,793,232
Less: Balance Due Within One Year - Debt	(3,323,232)
Add: Unamortized Premium on Debt	<u>2,887,801</u>

Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 61,357,801</u>
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E. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2022, was as follows:

Governmental Activities:

	Landfill Postclosure Care Costs	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2021	\$ 94,267	\$ 1,656,844	\$ 692,464
Additions	2,899	181,483	684,338
Reductions	<u>(23,567)</u>	<u>(627,738)</u>	<u>(659,279)</u>
Balance, June 30, 2022	<u>\$ 73,599</u>	<u>\$ 1,210,589</u>	<u>\$ 717,523</u>
Balance Due Within One Year	<u>\$ 23,567</u>	<u>\$ 0</u>	<u>\$ 717,523</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2022	\$ 2,001,711
Less: Balance Due Within One Year - Other	<u>(741,090)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 1,260,621</u></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, 2022, was as follows:

Governmental Activities:

	Compensated Absences	Other Post-employment Benefits
Balance, July 1, 2021	\$ 233,259	\$ 7,634,516
Additions	156,793	1,754,152
Reductions	<u>(159,058)</u>	<u>(265,463)</u>
Balance, June 30, 2022	<u>\$ 230,994</u>	<u>\$ 9,123,205</u>
Balance Due Within One Year	<u>\$ 230,994</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2022	\$ 9,354,199
Less: Balance Due Within One Year - Other	<u>(230,994)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 9,123,205</u></u>

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

F. 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 Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2022, were \$102,745 and \$75,698, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

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 participates in 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 Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this 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 an annual premium 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 discretely presented Franklin County 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 Annual Comprehensive 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

GASB Statement No. 87, *Leases*, became effective for fiscal year ending June 30, 2022. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability, (2) an intangible asset representing the lessee's right to use the leased asset, (3) report the amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (4) interest expense on the lease liability and (5) note disclosures about the lease. A lessor must recognize (1) a lease receivable (measured at the present value of lease payments expected to be received during the lease term), (2) deferred inflow of resources, (3) interest revenue on the lease receivable and (4) note disclosures of leasing arrangements and the total inflows of resources recognized from leases. This statement provides exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements) and leases with related parties.

GASB Statement No. 92, *Omnibus 2020*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provision about the following:

- The effective date of GASB Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan

- The applicability of GASB Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of GASB Statement No. 84 to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

GASB Statement 93, *Replacement of Interbank Offered Rates*, became effective during the year. This statement was necessary due to the eventual ceasing of the London Interbank Offered Rate (LIBOR) and the replacement with another interbank offered rate (IBOR). The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (except for paragraphs 4 and 5 which became effective in the prior fiscal year) became effective during the year. This Statement (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). This statement also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans.

GASB Statement No 98, *The Comprehensive Annual Financial Report*, became effective during the year. This statement replaces the terms comprehensive annual financial report and comprehensive annual financial reports in NCGA and GASB pronouncements with annual comprehensive financial report and annual comprehensive financial reports, respectively. The associated acronyms in NCGA and GASB pronouncements are replaced with ACFR and ACFRs.

C. Contingent Liabilities

The county has received various federal and state grants and other assistance for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. County management is not aware of any potential disallowances and believes that reimbursements, if any, would not be material.

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

D. Landfill Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Franklin County closed its sanitary landfill in 1995. The \$73,599 reported as landfill postclosure care liability at June 30, 2022, represents amounts based on what it would cost to perform all postclosure care in 2022. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. Joint Ventures

The Interlocal Solid Waste Authority is jointly operated by the counties of Bedford, Franklin, Lincoln, and Moore and the municipalities of Tullahoma and Fayetteville for the purpose of developing a solid waste regional plan. Since inception, the municipalities of Shelbyville, Ardmere, 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, 2022.

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 including 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, 2022.

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

Administrative Offices:

Interlocal Solid Waste Authority
487 Joyce Lane
Winchester, TN 37398

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

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Franklin County and non-certified employees of the discretely presented Franklin County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 60.99 percent, the non-certified employees of the discretely presented school department comprise 39.01 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 <https://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 nonservice-related disability eligibility. The service-related and nonservice-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 automatic cost of living adjustments (COLAs) 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, 2021, the following employees were covered by the benefit terms:

	<u>Total</u>
Inactive Employees Currently Receiving Benefit Payments	389
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	433
Active Employees Eligible for Benefits	<u>481</u>
Total	<u><u>1,303</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, 2022, the employer contributions for Franklin County were \$1,342,933 based on a rate of eight 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, 2021, 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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation, were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to reflect more closely actual and expected future experience.

Changes of Assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

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, 2020, 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 asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	4.88	%	31	%
Developed Market				
International Equity	5.37		14	
Emerging Market				
International Equity	6.09		4	
Private Equity and				
Strategic Lending	6.57		20	
U.S. Fixed Income	1.20		20	
Real Estate	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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, 2020	\$ 53,163,690	\$ 57,078,302	\$ (3,914,612)
Changes for the Year:			
Service Cost	\$ 1,202,607	\$ 0	\$ 1,202,607
Interest	3,865,394	0	3,865,394
Differences Between Expected and Actual Experience	(1,405,933)	0	(1,405,933)
Changes in Assumptions	3,905,059	0	3,905,059
Contributions-Employer	0	1,877,599	(1,877,599)
Net Investment Income	0	14,689,839	(14,689,839)
Benefit Payments, Including Refunds of Employee Contributions	(2,101,041)	(2,101,041)	0
Administrative Expense	0	(44,702)	44,702
Net Changes	\$ 5,466,086	\$ 14,421,695	\$ (8,955,609)
Balance, June 30, 2021	\$ 58,629,776	\$ 71,499,997	\$ (12,870,221)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	60.99%	\$ 35,758,300	\$ 43,607,848	\$ (7,849,548)
School Department	39.01%	22,871,476	27,892,149	(5,020,673)
Total		\$ 58,629,776	\$ 71,499,997	\$ (12,870,221)

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 6.75 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 (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Franklin County	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ (5,056,788) \$ (12,870,221) \$ (19,343,384)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, Franklin County recognized (negative pension expense) of (\$725,646).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, 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	\$ 40,137	\$ 1,761,675
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	7,838,372
Changes in Assumptions	3,124,047	0
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	1,342,933	N/A
Total	<u>\$ 4,507,117</u>	<u>\$ 9,600,047</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2021,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 2,703,581	\$ 5,855,069
School Department	1,803,536	3,744,978
Total	<u>\$ 4,507,117</u>	<u>\$ 9,600,047</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
2023	\$ (1,660,623)
2024	(1,603,244)
2025	(1,559,540)
2026	(1,612,451)
2027	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 Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 60.99 percent and the non-certified employees of the discretely presented school department comprise 39.01 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 <https://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 nonservice-related disability eligibility. The service-related and nonservice-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 automatic cost of living adjustments (COLAs) 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 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 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, 2022, to the Teacher Retirement Plan were \$127,565, which is 2.04 percent of covered payroll. In addition, employer contributions of \$114,451, which is 1.83 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, 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2022, the school department reported a liability (asset) of (\$313,158) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, 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, 2021, the school department's proportion was .289101 percent. The proportion as of June 30, 2020, was .271831 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the Franklin County School Department recognized pension expense (negative pension expense) of \$38,637.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, 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	\$ 5,448	\$ 57,302
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	180,262
Changes in Assumptions	112,953	0
Changes in Proportion of Net Pension Liability (Asset)	12,496	8,613
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	127,565	N/A
Total	<u>\$ 258,462</u>	<u>\$ 246,177</u>

The school department's employer contributions of \$127,565, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2023. 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
2023	\$ (38,987)
2024	(38,001)
2025	(37,720)
2026	(42,256)
2027	5,825
Thereafter	35,859

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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to reflect more closely 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, 2020, 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 asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 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 6.75 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 (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 107,655 \$ (313,158) \$ (623,523)

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 <https://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 nonservice-related disability eligibility. The service-related and nonservice-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 automatic cost of living adjustments (COLAs) 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.

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, 2022, to the Teacher Legacy Pension Plan were \$1,788,936, which is 10.3 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). At June 30, 2022, the school department reported a liability (asset) of (\$22,945,172) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, 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, 2021, the school department's proportion was .531971 percent. The proportion measured at June 30, 2020, was .558947 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense (negative pension expense) of (\$3,532,390).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, 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	\$ 77,108	\$ 1,913,702
Changes in Assumptions	6,130,566	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	18,298,262
Changes in Proportion Net Pension Liability (Asset)	147,314	5,973
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	1,788,936	N/A
Total	<u>\$ 8,143,924</u>	<u>\$ 20,217,937</u>

The school department's employer contributions of \$1,788,936 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) in net pension liability (asset) in the year ending June 30, 2023. 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
2023	\$ (3,278,413)
2024	(3,105,742)
2025	(2,540,719)
2026	(4,938,174)
2027	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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to reflect more closely 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, 2020, 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 asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	4.88 %	31 %
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 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 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 6.75 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 (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ (4,083,469) \$ (22,945,172) \$ (38,641,871)

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 \$114,425 and teachers contributed \$89,922 to this deferred compensation pension plan.

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

Franklin County and the discretely presented Franklin County School Department provide OPEB benefits to its retirees under the state administered public entity risk pools. 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

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. Likewise, the school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Franklin County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

The county and the school department's total OPEB liability for each plan was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2021, 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, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.16%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 7.36% for the pre-65 retirees in the 2022 calendar year, and decreasing annually over a 10-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit	
Related Cost	Discussed under each plan

The discount rate was 2.16 percent, based on an average rating of AA/Aa as shown the Bond Buyer 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, 2021, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. 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 PUB-2010 Headcount-Weighted Employee mortality table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables for non-teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% to load for males and a 14% load for females, projected generationally from 2010 with MP-2020. Post-retirement tables for teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with

a 19 to load for males and a 18% load for females, projected generationally from 2010 with MP-2020. 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% load, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 2.21 percent as of the beginning of the measurement period to 2.16 percent as of the measurement date of June 30, 2021. The change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2022 plan year was revised from 9.02 percent to 7.36 percent. The assumed long term inflation rate was changed from 2.1 percent to 2.25 percent.

Local Government OPEB Plan (Primary Government)

Plan Description. Employees of Franklin County are provided with pre-65 retiree health insurance benefits through the closed Local Government Plan (LGPs) 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 LGPs.

Benefits Provided. Franklin County offers the LGPs 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 LGPs 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 LGPs. 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 LGPs, 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, 2021, the following employees were covered by the benefit terms:

	Franklin County	Hwy Dept	Total
Inactive Employees			
Currently Receiving Benefits	8	3	11
Inactive Employees Entitled To But Not Yet Receiving Benefits	0	0	0
Active Employees Eligible For Benefits	170	21	191
Total	178	24	202

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGPs 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, 2022, the county paid \$52,345 (Franklin County - \$34,697, Highway Dept - \$17,648) to the LGPs for OPEB benefits as they came due.

Changes in the Total OPEB Liability – As of the Measurement Date

	Franklin County	Hwy Dept	Total OPEB Liability
Balance July 1, 2020	\$ 1,458,992	\$ 197,852	\$ 1,656,844
Changes for the Year:			
Service Cost	\$ 121,589	\$ 13,491	\$ 135,080
Interest	34,759	4,512	39,271
Difference between Expected and Actuarial Experience	(135,027)	7,132	(127,895)
Changes in Assumption and Other Inputs	(402,724)	(59,847)	(462,571)
Benefit Payments	(15,673)	(14,467)	(30,140)
Net Changes	\$ (397,076)	\$ (49,179)	\$ (446,255)
Balance June 30, 2021	\$ 1,061,916	\$ 148,673	\$ 1,210,589

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the county recognized OPEB expense of \$67,419 (Franklin County - \$77,970, Highway Dept – (\$10,551). At June 30, 2022, 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 (DO - Franklin County \$162,778, Hwy \$5,911; DI - County \$310,571, Hwy \$52,268)	\$ 168,689	\$ 362,839
Changes of Assumptions/Inputs (DO - County \$128,586, Hwy \$10,881; DI - County \$475,290, Hwy \$89,507)	139,467	564,797
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2021 (DO - County \$34,697, Hwy \$17,648)	<u>52,345</u>	<u>0</u>
Total	<u><u>\$ 360,501</u></u>	<u><u>\$ 927,636</u></u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following measurement period.

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
2023	\$ (78,378)	\$ (28,554)	\$ (106,932)
2024	(78,378)	(28,554)	(106,932)
2025	(78,378)	(27,493)	(105,871)
2026	(78,378)	(25,459)	(103,837)
2027	(101,456)	(14,923)	(116,379)
Thereafter	(79,529)	0	(79,529)

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:

<u>Discount Rate</u>	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
County	\$ 1,142,655	\$ 1,061,916	\$ 985,222
Hwy	158,676	148,673	139,050
Total OPEB Liability	<u>\$ 1,301,331</u>	<u>\$ 1,210,589</u>	<u>\$ 1,124,272</u>

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

<u>Healthcare Cost Trend Rate</u>	1% Decrease 6.36 to 3.5%	Current Trend Rate 7.36 to 4.5%	1% Increase 8.36 to 5.5%
County	\$ 948,340	\$ 1,061,916	\$ 1,196,065
Hwy	133,816	148,673	166,139
Total OPEB Liability	<u>\$ 1,082,156</u>	<u>\$ 1,210,589</u>	<u>\$ 1,362,204</u>

Closed Local Education (LEP) OPEB Plan (Discretely Presented Franklin County 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 Section 8-27-301, *TCA*, 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. The Franklin County School Department does not provide a direct subsidy and is only subject to the implicit subsidy. 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, 25 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, 2021, the following employees were covered by the benefit terms:

	<u>Total</u>
Inactive Employees Currently Receiving Benefit Payments	26
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	1
Active Employees Eligible for Benefits	<u>458</u>
Total	<u><u>485</u></u>

A state insurance committee, created in accordance with Section 8-27-301, *TCA*, 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 \$253,721 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability – As of the Measurement Date

	Share of Collective Liability			
	Franklin County School Department 72.97%	State of TN 27.03%		Total OPEB Liability
Balance July 1, 2020	\$ 7,634,516	\$ 2,872,677	\$	10,507,193
Changes for the Year:				
Service Cost	406,123	150,424		556,547
Interest	175,506	65,005		240,511
Changes in				
Benefit Terms	215,047	79,651		294,698
Difference Between				
Expected and				
Actuarial Experience	861,145	318,958		1,180,103
Changes in Assumption				
and Other Inputs	63,538	23,534		87,072
Changes in Proportion	32,793	(32,793)		0
Benefit Payments	(265,463)	(98,325)		(363,788)
Net Changes	\$ 1,488,689	\$ 506,454	\$	1,995,143
Balance June 30, 2021	\$ 9,123,205	\$ 3,379,131	\$	12,502,336

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 \$273,982 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 72.97 percent and the State of Tennessee's share was 27.03 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department recognized OPEB expense of \$854,235, including the state's share of the expense. At June 30, 2022, 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	\$ 760,071	\$ 1,640,937
Changes of Assumptions and Other Inputs	747,235	529,131
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	271,360	473,757
Benefits Paid After the Measurement Date of June 30, 2021	253,721	0
Total	\$ 2,032,387	\$ 2,643,825

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following measurement period.

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
2023	\$ (216,423)
2024	(216,423)
2025	(216,423)
2026	(216,423)
2027	(186,415)
Thereafter	186,948

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 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
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Proportionate Share of the Collective Total OPEB Liability	\$ 9,749,331	\$ 9,123,205	\$ 8,514,639
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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 6.36 to 3.5%	Current Rate 7.36 to 4.5%	1% Increase 8.36 to 5.5%
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Proportionate Share of the Collective Total OPEB Liability	\$ 8,115,827	\$ 9,123,205	\$ 10,299,834
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H. Office of Central Accounting, Budgeting, and Purchasing

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

I. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by her to serve as the county purchasing agent. The finance director serves as the purchasing agent for Franklin County. All purchase orders are issued by the finance department. Purchases exceeding \$25,000 for the Office of County Mayor, the Office of the Superintendent of Highways, and the discretely presented school department are required to be competitively bid.

J. Subsequent Events

County Clerk Phillip Custer left office July 1, 2022, and was succeeded by Tina Sanders.

County Mayor David Alexander left office August 31, 2022, and was succeeded by Chris Guess.

Trustee Randy Kelley left office August 31, 2022, and was succeeded by Kristie Bell.

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	2019	2020	2021
Total Pension Liability								
Service Cost	\$ 934,637	\$ 986,760	\$ 1,016,893	\$ 1,063,243	\$ 1,169,906	\$ 1,171,754	\$ 1,242,174	\$ 1,202,607
Interest	2,724,212	2,849,313	2,978,769	3,137,383	3,320,351	3,530,549	3,727,801	3,865,394
Differences Between Actual and Expected Experience	(714,099)	(717,567)	(352,407)	184,310	200,689	(119,369)	(981,970)	(1,405,933)
Changes in Assumptions	0	0	0	1,153,166	0	0	0	3,905,059
Benefit Payments, Including Refunds of Employee Contributions	(1,326,831)	(1,330,894)	(1,514,230)	(1,635,261)	(1,721,930)	(1,865,085)	(2,000,185)	(2,101,041)
Net Change in Total Pension Liability	\$ 1,617,919	\$ 1,787,612	\$ 2,129,025	\$ 3,902,841	\$ 2,969,016	\$ 2,717,849	\$ 1,987,820	\$ 5,466,086
Total Pension Liability, Beginning	36,051,608	37,669,527	39,457,139	41,586,164	45,489,005	48,458,021	51,175,870	53,163,690
Total Pension Liability, Ending (a)	\$ 37,669,527	\$ 39,457,139	\$ 41,586,164	\$ 45,489,005	\$ 48,458,021	\$ 51,175,870	\$ 53,163,690	\$ 58,629,776
Plan Fiduciary Net Position								
Contributions - Employer	\$ 1,756,198	\$ 1,782,002	\$ 1,863,363	\$ 2,074,079	\$ 2,178,287	\$ 2,169,331	\$ 1,930,881	\$ 1,877,599
Net Investment Income	5,394,799	1,180,304	1,057,642	4,683,164	3,852,371	3,767,338	2,700,045	14,689,839
Benefit Payments, Including Refunds of Employee Contributions	(1,326,831)	(1,330,894)	(1,514,230)	(1,635,261)	(1,721,930)	(1,865,085)	(2,000,185)	(2,101,041)
Administrative Expense	(19,389)	(25,333)	(38,726)	(43,759)	(50,435)	(45,150)	(45,016)	(44,702)
Other	0	0	0	5,163	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 5,804,777	\$ 1,606,079	\$ 1,368,049	\$ 5,083,386	\$ 4,258,293	\$ 4,026,434	\$ 2,585,725	\$ 14,421,695
Plan Fiduciary Net Position, Beginning	32,345,559	38,150,336	39,756,415	41,124,464	46,207,850	50,466,143	54,492,577	57,078,302
Plan Fiduciary Net Position, Ending (b)	\$ 38,150,336	\$ 39,756,415	\$ 41,124,464	\$ 46,207,850	\$ 50,466,143	\$ 54,492,577	\$ 57,078,302	\$ 71,499,997
Net Pension Liability (Asset), Ending (a - b)	\$ (480,809)	\$ (299,276)	\$ 461,700	\$ (718,845)	\$ (2,008,122)	\$ (3,316,707)	\$ (3,914,612)	\$ (12,870,221)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.28%	100.76%	98.89%	101.58%	104.14%	106.48%	107.36%	121.95%
Covered Payroll	\$ 13,284,415	\$ 13,520,502	\$ 14,184,250	\$ 14,814,839	\$ 15,559,190	\$ 15,495,212	\$ 15,993,131	\$ 15,635,387
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(3.62)%	(2.21)%	3.26%	(4.85)%	(12.91)%	(21.40)%	(24.48)%	(82.31)%

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

Note 2: 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	2020	2021	2022
Actuarially Determined Contribution	\$ 1,756,198	\$ 1,782,002	\$ 1,863,363	\$ 1,951,114	\$ 2,175,175	\$ 2,167,781	\$ 1,924,444	\$ 1,755,555	\$ 1,342,933
Less: Contributions in Relation to the Actuarially Determined Contribution	(1,756,198)	(1,782,002)	(1,863,363)	(2,074,079)	(2,178,287)	(2,169,331)	(1,930,881)	(1,877,599)	(1,342,933)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (122,965)	\$ (3,112)	\$ (1,550)	\$ (6,437)	\$ (122,044)	\$ 0
Covered Payroll	\$ 13,284,415	\$ 13,520,502	\$ 14,184,250	\$ 14,814,839	\$ 15,559,190	\$ 15,495,212	\$ 15,993,131	\$ 15,635,387	\$ 16,788,789
Contributions as a Percentage of Covered Payroll	13.22%	13.18%	13.14%	14.00%	14.00%	14.00%	12.07%	12.01%	8.00%

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

Note 2: 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
Retirement Plan of TCRS
Discretely Presented Franklin County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 25,890	\$ 59,257	\$ 80,206	\$ 101,341	\$ 59,381	\$ 69,635	\$ 84,282	\$ 127,565
Less: Contributions in Relation to the Contractually Required Contribution	(25,890)	(59,257)	(80,206)	(101,341)	(59,381)	(69,635)	(84,282)	(127,565)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 647,261	\$ 1,481,438	\$ 2,005,148	\$ 2,533,521	\$ 3,060,894	\$ 3,430,280	\$ 4,172,374	\$ 6,253,633
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.04%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).
2019: Pension - 1.94%, SRT - 2.02%
2020: Pension - 2.03%, SRT - 1.97%
2021: Pension - 2.02%, SRT - 1.98%
2022: Pension - 2.01%, SRT - 1.99%

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	2020	2021	2022
Contractually Required Contribution	\$ 1,861,081	\$ 1,779,184	\$ 1,758,044	\$ 1,751,126	\$ 1,744,158	\$ 1,989,865	\$ 1,977,519	\$ 1,793,161	\$ 1,788,936
Less: Contributions in Relation to the Contractually Required Contribution	(1,861,081)	(1,779,184)	(1,758,044)	(1,751,126)	(1,744,158)	(1,989,865)	(1,977,519)	(1,793,161)	(1,788,936)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 20,958,110	\$ 19,681,280	\$ 19,447,359	\$ 19,370,899	\$ 19,208,753	\$ 19,023,543	\$ 18,595,123	\$ 17,460,187	\$ 17,373,974
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%

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 Retirement Plan of TCRS
Discretely Presented Franklin County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.533966%	0.305093%	0.336686%	0.305505%	0.289917%	0.289254%	0.271831%	0.289101%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ 86,767	\$ (12,532)	\$ (35,050)	\$ (80,604)	\$ (131,485)	\$ (163,280)	\$ (154,574)	\$ (313,158)
Covered Payroll	\$ 20,958,110	\$ 647,261	\$ 1,481,438	\$ 2,005,148	\$ 2,533,521	\$ 3,060,894	\$ 3,430,280	\$ 4,172,374
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.41%	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(5.33)%	(4.51)%	(7.51)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%

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	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.533966%	0.525744%	0.538739%	0.547981%	0.548560%	0.567335%	0.558947%	0.531971%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (86,767)	\$ 215,363	\$ 3,366,820	\$ (179,290)	\$ (1,930,336)	\$ (5,833,229)	\$ (4,262,381)	\$ (22,945,172)
Covered Payroll	\$ 20,958,110	\$ 19,681,280	\$ 19,447,359	\$ 19,370,899	\$ 19,208,753	\$ 19,023,543	\$ 18,595,123	\$ 17,460,187
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)%	(30.66)%	(22.92)%	(131.41)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%

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

Franklin County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plans
Primary Government
For the Fiscal Year Ended June 30

Franklin County Plan

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	\$ 67,834	\$ 62,479	\$ 74,409	\$ 89,065	\$ 121,589
Interest	35,144	42,025	38,712	52,299	34,759
Changes in Benefit Terms	0	58,327	0	0	0
Differences Between Actual and Expected Experience	0	(64,968)	275,038	(216,504)	(135,027)
Changes in Assumptions or Other Inputs	(62,243)	(181,825)	38,893	144,097	(402,724)
Benefit Payments	(59,139)	(57,757)	(20,541)	(21,641)	(15,673)
Net Change in Total OPEB Liability	\$ (18,404)	\$ (141,719)	\$ 406,511	\$ 47,316	\$ (397,076)
Total OPEB Liability, Beginning	1,165,288	1,146,884	1,005,165	1,411,676	1,458,992
Total OPEB Liability, Ending	<u>\$ 1,146,884</u>	<u>\$ 1,005,165</u>	<u>\$ 1,411,676</u>	<u>\$ 1,458,992</u>	<u>\$ 1,061,916</u>
Covered Employee Payroll	\$ 8,053,146	\$ 8,156,420	\$ 8,675,185	\$ 8,576,747	\$ 8,729,646
Net OPEB Liability as a Percentage of Covered Employee Payroll	14.24%	12.32%	16.27%	17.01%	12.16%

Highway Department Plan

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	\$ 15,922	\$ 14,627	\$ 12,095	\$ 13,123	\$ 13,491
Interest	8,505	10,669	7,293	6,957	4,512
Changes in Benefit Terms	0	1,916	0	0	0
Differences Between Actual and Expected Experience	0	(52,271)	(19,534)	(20,333)	7,132
Changes in Assumptions or Other Inputs	(13,043)	(67,396)	90	15,723	(59,847)
Benefit Payments	0	(3,333)	(3,154)	(5,353)	(14,467)
Net Change in Total OPEB Liability	\$ 11,384	\$ (95,788)	\$ (3,210)	\$ 10,117	\$ (49,179)
Total OPEB Liability, Beginning	275,349	286,733	190,945	187,735	197,852
Total OPEB Liability, Ending	<u>\$ 286,733</u>	<u>\$ 190,945</u>	<u>\$ 187,735</u>	<u>\$ 197,852</u>	<u>\$ 148,673</u>
Covered Employee Payroll	\$ 857,370	\$ 920,666	\$ 939,354	\$ 959,976	\$ 942,206
Net OPEB Liability as a Percentage of Covered Employee Payroll	33.44%	20.74%	19.99%	20.61%	15.78%

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

Note 2: Changes in assumptions.

(a) The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

For the 2019 plan year - from 5.4% to 6.75%
For the 2020 plan year - from 6.75% to 6.03%
For the 2021 plan year - from 6.03% to 9.02%
For the 2022 plan year - from 9.02% to 7.36%

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

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	2019	2020	2021
Total OPEB Liability					
Service Cost	\$ 690,876	\$ 639,011	\$ 586,492	\$ 503,837	\$ 556,547
Interest	357,976	439,661	413,748	366,685	240,511
Changes in Benefit Terms	0	(224,851)	0	0	294,698
Differences Between Actual and Expected Experience	0	(1,580,961)	(744,374)	(1,149,253)	1,180,103
Changes in Assumptions or Other Inputs	(546,251)	273,083	(735,566)	1,053,258	87,072
Benefit Payments	(311,888)	(408,418)	(423,241)	(417,155)	(363,788)
Net Change in Total OPEB Liability	\$ 190,713	\$ (862,475)	\$ (902,941)	\$ 357,372	\$ 1,995,143
Total OPEB Liability, Beginning	11,724,524	11,915,237	11,052,762	10,149,821	10,507,193
 Total OPEB Liability, Ending	 \$ 11,915,237	 \$ 11,052,762	 \$ 10,149,821	 \$ 10,507,193	 \$ 12,502,336
 Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	 \$ 2,865,436	 \$ 2,605,457	 \$ 3,000,733	 \$ 2,872,677	 \$ 3,379,131
Employer Proportionate Share of the Total OPEB Liability	9,049,801	8,447,305	7,149,088	7,634,516	9,123,205
 Covered Employee Payroll	 \$ 25,921,354	 \$ 28,502,562	 \$ 28,372,631	 \$ 27,731,245	 \$ 30,744,543
Net OPEB Liability as a Percentage of Covered Employee Payroll	34.91%	29.64%	25.20%	27.53%	29.67%

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

Note 2: Changes in assumptions.

(a) The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

For the 2019 plan year - from 5.4% to 6.75%
For the 2020 plan year - from 6.75% to 6.03%
For the 2021 plan year - from 6.03% to 9.02%
For the 2022 plan year - from 9.02% to 7.36%

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, 2022

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2022 were calculated based on the June 30, 2020, 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 of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified 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.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions involving solid waste collection.

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

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

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

Capital Projects Funds

Capital Projects Funds are 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 capital facilities and other capital assets.

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

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Exhibit F-1

Franklin County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 3,560	\$ 0	\$ 0
Equity in Pooled Cash and Investments	27,612	310,764	1,272,206	886,824	97,139
Accounts Receivable	0	1,089	58,947	22,689	34,418
Due from Other Governments	0	5,174	72	36,972	0
Property Taxes Receivable	0	407,569	1,819,470	432,558	0
Allowance for Uncollectible Property Taxes	0	(9,345)	(44,010)	(10,972)	0
Total Assets	\$ 27,612	\$ 715,251	\$ 3,110,245	\$ 1,368,071	\$ 131,557
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 3,821	\$ 10,699	\$ 0	\$ 65
Accrued Payroll	0	7,094	25,009	0	0
Due to Other Funds	0	0	0	0	0
Due to Litigants, Heirs, and Others	0	0	3,560	0	12,542
Total Liabilities	\$ 0	\$ 10,915	\$ 39,268	\$ 0	\$ 12,607
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 389,213	\$ 1,717,917	\$ 404,061	\$ 0
Deferred Delinquent Property Taxes	0	7,943	50,720	15,447	0
Total Deferred Inflows of Resources	\$ 0	\$ 397,156	\$ 1,768,637	\$ 419,508	\$ 0

(Continued)

Exhibit F-1

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

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 728,469	\$ 118,950
Restricted for Public Health and Welfare	0	0	954,955	0	0
Restricted for Social, Cultural, and Recreational Services	0	269,251	0	0	0
Restricted for Debt Service	27,612	0	0	0	0
Restricted for Capital Projects	0	0	0	0	0
Committed:					
Committed for Public Health and Welfare	0	0	347,385	0	0
Committed for Social, Cultural, and Recreational Services	0	37,929	0	0	0
Assigned:					
Assigned for Public Safety	0	0	0	220,094	0
Total Fund Balances	<u>\$ 27,612</u>	<u>\$ 307,180</u>	<u>\$ 1,302,340</u>	<u>\$ 948,563</u>	<u>\$ 118,950</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 27,612</u>	<u>\$ 715,251</u>	<u>\$ 3,110,245</u>	<u>\$ 1,368,071</u>	<u>\$ 131,557</u>

(Continued)

Exhibit F-1

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital Projects Fund</u>		
	Constitu -		Other		Total
	tional		Capital		Nonmajor
	Officers -		Projects		Governmental
	Fees	Total			Funds
<u>ASSETS</u>					
Cash	\$ 3,113	\$ 6,673	\$ 0	\$ 6,673	
Equity in Pooled Cash and Investments	0	2,594,545	8,610	2,603,155	
Accounts Receivable	1,480	118,623	0	118,623	
Due from Other Governments	0	42,218	0	42,218	
Property Taxes Receivable	0	2,659,597	0	2,659,597	
Allowance for Uncollectible Property Taxes	0	(64,327)	0	(64,327)	
Total Assets	\$ 4,593	\$ 5,357,329	\$ 8,610	\$ 5,365,939	
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 14,585	\$ 0	\$ 14,585	
Accrued Payroll	0	32,103	0	32,103	
Due to Other Funds	4,593	4,593	0	4,593	
Due to Litigants, Heirs, and Others	0	16,102	0	16,102	
Total Liabilities	\$ 4,593	\$ 67,383	\$ 0	\$ 67,383	
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 2,511,191	\$ 0	\$ 2,511,191	
Deferred Delinquent Property Taxes	0	74,110	0	74,110	
Total Deferred Inflows of Resources	\$ 0	\$ 2,585,301	\$ 0	\$ 2,585,301	

(Continued)

Exhibit F-1

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital Projects Fund</u>		
	Constitu -		Other		Total
	tional		Capital		Nonmajor
	Officers -		Projects		Governmental
	Fees	Total			Funds
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 847,419	\$ 0	\$	847,419
Restricted for Public Health and Welfare	0	954,955	0		954,955
Restricted for Social, Cultural, and Recreational Services	0	269,251	0		269,251
Restricted for Debt Service	0	27,612	0		27,612
Restricted for Capital Projects	0	0	8,610		8,610
Committed:					
Committed for Public Health and Welfare	0	347,385	0		347,385
Committed for Social, Cultural, and Recreational Services	0	37,929	0		37,929
Assigned:					
Assigned for Public Safety	0	220,094	0		220,094
Total Fund Balances	\$ 0	\$ 2,704,645	\$ 8,610	\$	2,713,255
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,593	\$ 5,357,329	\$ 8,610	\$	5,365,939

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, 2022

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>Revenues</u>					
Local Taxes	\$ 138,364	\$ 416,308	\$ 1,832,562	\$ 1,022,308	\$ 0
Licenses and Permits	0	2,142	13,717	24,170	0
Fines, Forfeitures, and Penalties	0	0	0	0	18,377
Charges for Current Services	0	7,956	165,543	0	1,200
Other Local Revenues	0	1,621	295,704	0	480
State of Tennessee	0	0	24,550	0	0
Federal Government	0	22,843	0	0	17,102
Other Governments and Citizens Groups	0	50,143	0	0	0
Total Revenues	<u>\$ 138,364</u>	<u>\$ 501,013</u>	<u>\$ 2,332,076</u>	<u>\$ 1,046,478</u>	<u>\$ 37,159</u>
<u>Expenditures</u>					
Current:					
Public Safety	\$ 0	\$ 0	\$ 0	\$ 1,042,593	\$ 47,638
Public Health and Welfare	0	0	2,291,109	0	0
Social, Cultural, and Recreational Services	0	393,024	0	0	0
Other Operations	1,422	66,354	97,681	0	175
Capital Projects	0	0	0	0	0
Total Expenditures	<u>\$ 1,422</u>	<u>\$ 459,378</u>	<u>\$ 2,388,790</u>	<u>\$ 1,042,593</u>	<u>\$ 47,813</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>\$ 136,942</u>	<u>\$ 41,635</u>	<u>\$ (56,714)</u>	<u>\$ 3,885</u>	<u>\$ (10,654)</u>

(Continued)

Exhibit F-2

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

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>Other Financing Sources (Uses)</u>					
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 50,625	\$ 3,650	\$ 36,655
Transfers Out	(135,000)	(3,000)	(3,803)	0	0
Total Other Financing Sources (Uses)	\$ (135,000)	\$ (3,000)	\$ 46,822	\$ 3,650	\$ 36,655
Net Change in Fund Balances	\$ 1,942	\$ 38,635	\$ (9,892)	\$ 7,535	\$ 26,001
Fund Balance, July 1, 2021	25,670	268,545	1,312,232	941,028	92,949
Fund Balance, June 30, 2022	\$ 27,612	\$ 307,180	\$ 1,302,340	\$ 948,563	\$ 118,950

(Continued)

Exhibit F-2

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

	Special Revenue Funds (Cont.)		Capital Projects Fund	
	Constitu - tional Officers - Fees	Total	Other Capital Projects	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 3,409,542	\$ 0	\$ 3,409,542
Licenses and Permits	0	40,029	0	40,029
Fines, Forfeitures, and Penalties	0	18,377	0	18,377
Charges for Current Services	57	174,756	0	174,756
Other Local Revenues	0	297,805	0	297,805
State of Tennessee	0	24,550	0	24,550
Federal Government	0	39,945	0	39,945
Other Governments and Citizens Groups	0	50,143	0	50,143
Total Revenues	\$ 57	\$ 4,055,147	\$ 0	\$ 4,055,147
<u>Expenditures</u>				
Current:				
Public Safety	\$ 57	\$ 1,090,288	\$ 0	\$ 1,090,288
Public Health and Welfare	0	2,291,109	0	2,291,109
Social, Cultural, and Recreational Services	0	393,024	0	393,024
Other Operations	0	165,632	0	165,632
Capital Projects	0	0	341,390	341,390
Total Expenditures	\$ 57	\$ 3,940,053	\$ 341,390	\$ 4,281,443
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 0	\$ 115,094	\$ (341,390)	\$ (226,296)

(Continued)

Exhibit F-2

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

	Special Revenue Funds (Cont.)		Capital Projects Fund	
	Constitu - tional Officers - Fees	Total	Other Capital Projects	Total Nonmajor Governmental Funds
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 0	\$ 90,930	\$ 0	\$ 90,930
Transfers Out	0	(141,803)	0	(141,803)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (50,873)</u>	<u>\$ 0</u>	<u>\$ (50,873)</u>
Net Change in Fund Balances	\$ 0	\$ 64,221	\$ (341,390)	\$ (277,169)
Fund Balance, July 1, 2021	<u>0</u>	<u>2,640,424</u>	<u>350,000</u>	<u>2,990,424</u>
Fund Balance, June 30, 2022	<u>\$ 0</u>	<u>\$ 2,704,645</u>	<u>\$ 8,610</u>	<u>\$ 2,713,255</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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 138,364	\$ 160,000	\$ 135,000	\$ 3,364
Total Revenues	\$ 138,364	\$ 160,000	\$ 135,000	\$ 3,364
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 1,422	\$ 1,650	\$ 1,650	\$ 228
Total Expenditures	\$ 1,422	\$ 1,650	\$ 1,650	\$ 228
Excess (Deficiency) of Revenues Over Expenditures	\$ 136,942	\$ 158,350	\$ 133,350	\$ 3,592
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (135,000)	\$ (160,000)	\$ (135,000)	\$ 0
Total Other Financing Sources	\$ (135,000)	\$ (160,000)	\$ (135,000)	\$ 0
Net Change in Fund Balance	\$ 1,942	\$ (1,650)	\$ (1,650)	\$ 3,592
Fund Balance, July 1, 2021	25,670	20,704	20,704	4,966
Fund Balance, June 30, 2022	\$ 27,612	\$ 19,054	\$ 19,054	\$ 8,558

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, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 416,308	\$ 0	\$ 0	\$ 416,308	\$ 415,015	\$ 415,015	\$ 1,293
Licenses and Permits	2,142	0	0	2,142	2,040	2,040	102
Charges for Current Services	7,956	0	0	7,956	10,000	10,000	(2,044)
Other Local Revenues	1,621	0	0	1,621	1,500	1,543	78
Federal Government	22,843	0	0	22,843	1,600	24,448	(1,605)
Other Governments and Citizens Groups	50,143	0	0	50,143	29,750	54,040	(3,897)
Total Revenues	\$ 501,013	\$ 0	\$ 0	\$ 501,013	\$ 459,905	\$ 507,086	\$ (6,073)
<u>Expenditures</u>							
<u>Social, Cultural, and Recreational Services</u>							
Libraries	\$ 393,024	\$ (10,611)	\$ 5,375	\$ 387,788	\$ 396,994	\$ 430,496	\$ 42,708
<u>Other Operations</u>							
Other Charges	39,162	0	0	39,162	45,450	44,450	5,288
American Rescue Plan Act Grant #1	27,192	0	0	27,192	0	27,236	44
Total Expenditures	\$ 459,378	\$ (10,611)	\$ 5,375	\$ 454,142	\$ 442,444	\$ 502,182	\$ 48,040
Excess (Deficiency) of Revenues Over Expenditures	\$ 41,635	\$ 10,611	\$ (5,375)	\$ 46,871	\$ 17,461	\$ 4,904	\$ 41,967
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (3,000)	\$ 0	\$ 0	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ 0
Total Other Financing Sources	\$ (3,000)	\$ 0	\$ 0	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ 0
Net Change in Fund Balance	\$ 38,635	\$ 10,611	\$ (5,375)	\$ 43,871	\$ 14,461	\$ 1,904	\$ 41,967
Fund Balance, July 1, 2021	268,545	(10,611)	0	257,934	253,199	253,199	4,735
Fund Balance, June 30, 2022	\$ 307,180	\$ 0	\$ (5,375)	\$ 301,805	\$ 267,660	\$ 255,103	\$ 46,702

Exhibit F-5

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,832,562	\$ 0	\$ 0	\$ 1,832,562	\$ 1,829,981	\$ 1,819,181	\$ 13,381
Licenses and Permits	13,717	0	0	13,717	14,000	14,000	(283)
Charges for Current Services	165,543	0	0	165,543	134,000	163,800	1,743
Other Local Revenues	295,704	0	0	295,704	191,500	311,500	(15,796)
State of Tennessee	24,550	0	0	24,550	23,000	28,000	(3,450)
Total Revenues	\$ 2,332,076	\$ 0	\$ 0	\$ 2,332,076	\$ 2,192,481	\$ 2,336,481	\$ (4,405)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 2,800	\$ (600)	\$ 0	\$ 2,200	\$ 3,200	\$ 3,200	\$ 1,000
Convenience Centers	368,969	(46,653)	250	322,566	372,469	356,469	33,903
Transfer Stations	1,912,513	(67,272)	54,245	1,899,486	1,875,506	1,939,506	40,020
Postclosure Care Costs	6,827	(3,519)	5,809	9,117	10,000	10,000	883
<u>Other Operations</u>							
Other Charges	97,681	0	0	97,681	111,550	113,550	15,869
Total Expenditures	\$ 2,388,790	\$ (118,044)	\$ 60,304	\$ 2,331,050	\$ 2,372,725	\$ 2,422,725	\$ 91,675
Excess (Deficiency) of Revenues Over Expenditures	\$ (56,714)	\$ 118,044	\$ (60,304)	\$ 1,026	\$ (180,244)	\$ (86,244)	\$ 87,270
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 50,625	\$ 0	\$ 0	\$ 50,625	\$ 0	\$ 0	\$ 50,625
Transfers Out	(3,803)	0	0	(3,803)	(3,803)	(3,803)	0
Total Other Financing Sources	\$ 46,822	\$ 0	\$ 0	\$ 46,822	\$ (3,803)	\$ (3,803)	\$ 50,625
Net Change in Fund Balance	\$ (9,892)	\$ 118,044	\$ (60,304)	\$ 47,848	\$ (184,047)	\$ (90,047)	\$ 137,895
Fund Balance, July 1, 2021	1,312,232	(118,044)	0	1,194,188	1,244,207	1,244,207	(50,019)
Fund Balance, June 30, 2022	\$ 1,302,340	\$ 0	\$ (60,304)	\$ 1,242,036	\$ 1,060,160	\$ 1,154,160	\$ 87,876

Exhibit F-6

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,022,308	\$ 0	\$ 0	\$ 1,022,308	\$ 751,148	\$ 1,030,748	\$ (8,440)
Licenses and Permits	24,170	0	0	24,170	24,119	24,119	51
Total Revenues	\$ 1,046,478	\$ 0	\$ 0	\$ 1,046,478	\$ 775,267	\$ 1,054,867	\$ (8,389)
<u>Expenditures</u>							
<u>Public Safety</u>							
Fire Prevention and Control	\$ 1,042,593	\$ (37,000)	\$ 45,000	\$ 1,050,593	\$ 1,080,100	\$ 1,083,800	\$ 33,207
Total Expenditures	\$ 1,042,593	\$ (37,000)	\$ 45,000	\$ 1,050,593	\$ 1,080,100	\$ 1,083,800	\$ 33,207
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,885	\$ 37,000	\$ (45,000)	\$ (4,115)	\$ (304,833)	\$ (28,933)	\$ 24,818
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 3,650	\$ 0	\$ 0	\$ 3,650	\$ 0	\$ 3,650	\$ 0
Total Other Financing Sources	\$ 3,650	\$ 0	\$ 0	\$ 3,650	\$ 0	\$ 3,650	\$ 0
Net Change in Fund Balance	\$ 7,535	\$ 37,000	\$ (45,000)	\$ (465)	\$ (304,833)	\$ (25,283)	\$ 24,818
Fund Balance, July 1, 2021	941,028	(37,000)	0	904,028	816,457	816,457	87,571
Fund Balance, June 30, 2022	\$ 948,563	\$ 0	\$ (45,000)	\$ 903,563	\$ 511,624	\$ 791,174	\$ 112,389

Exhibit F-7

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 18,377	\$ 0	\$ 0	\$ 18,377	\$ 26,175	\$ 27,475	\$ (9,098)
Charges for Current Services	1,200	0	0	1,200	2,500	2,500	(1,300)
Other Local Revenues	480	0	0	480	8,600	58,600	(58,120)
Federal Government	17,102	0	0	17,102	7,500	15,890	1,212
Other Governments and Citizens Groups	0	0	0	0	500	500	(500)
Total Revenues	\$ 37,159	\$ 0	\$ 0	\$ 37,159	\$ 45,275	\$ 104,965	\$ (67,806)
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 47,638	\$ (12,099)	\$ 12,531	\$ 48,070	\$ 71,500	\$ 128,925	\$ 80,855
<u>Other Operations</u>							
Other Charges	175	0	0	175	825	1,375	1,200
Total Expenditures	\$ 47,813	\$ (12,099)	\$ 12,531	\$ 48,245	\$ 72,325	\$ 130,300	\$ 82,055
Excess (Deficiency) of Revenues Over Expenditures	\$ (10,654)	\$ 12,099	\$ (12,531)	\$ (11,086)	\$ (27,050)	\$ (25,335)	\$ 14,249
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 36,655	\$ 0	\$ 0	\$ 36,655	\$ 0	\$ 0	\$ 36,655
Total Other Financing Sources	\$ 36,655	\$ 0	\$ 0	\$ 36,655	\$ 0	\$ 0	\$ 36,655
Net Change in Fund Balance	\$ 26,001	\$ 12,099	\$ (12,531)	\$ 25,569	\$ (27,050)	\$ (25,335)	\$ 50,904
Fund Balance, July 1, 2021	92,949	(12,099)	0	80,850	70,380	70,380	10,470
Fund Balance, June 30, 2022	\$ 118,950	\$ 0	\$ (12,531)	\$ 106,419	\$ 43,330	\$ 45,045	\$ 61,374

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,777,973	\$ 5,171,582	\$ 5,747,482	\$ 30,491
Licenses and Permits	14,457	13,500	13,500	957
Other Local Revenues	257,347	280,000	245,000	12,347
Total Revenues	\$ 6,049,777	\$ 5,465,082	\$ 6,005,982	\$ 43,795
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,665,648	\$ 1,665,648	\$ 1,665,698	\$ 50
Highways and Streets	427,857	457,857	494,327	66,470
Education	1,560,000	1,560,000	1,560,000	0
<u>Interest on Debt</u>				
General Government	655,568	655,540	655,600	32
Highways and Streets	9,826	14,411	13,899	4,073
Education	1,645,019	1,645,019	1,645,019	0
<u>Other Debt Service</u>				
General Government	88,371	101,500	101,500	13,129
Highways and Streets	0	1,500	1,500	1,500
Education	400	2,000	2,000	1,600
Total Expenditures	\$ 6,052,689	\$ 6,103,475	\$ 6,139,543	\$ 86,854
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,912)	\$ (638,393)	\$ (133,561)	\$ 130,649
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 135,000	\$ 160,000	\$ 160,000	\$ (25,000)
Total Other Financing Sources	\$ 135,000	\$ 160,000	\$ 160,000	\$ (25,000)
Net Change in Fund Balance	\$ 132,088	\$ (478,393)	\$ 26,439	\$ 105,649
Fund Balance, July 1, 2021	3,370,161	3,282,784	3,282,784	87,377
Fund Balance, June 30, 2022	\$ 3,502,249	\$ 2,804,391	\$ 3,309,223	\$ 193,026

Custodial Funds

Custodial Funds are used to account for assets held by the county in a custodial capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial fund reporting focuses on net position and changes in net position. Custodial funds are distinguished from trust funds by the absence of a trust agreement or equivalent arrangement.

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 - Custodial Fund – The Constitutional Officers – Custodial Fund is used to account for amounts collected in a custodial 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 Net Position
Custodial Funds
June 30, 2022

	<u>Custodial Funds</u>		
	Cities -	Constitu -	
	Sales	tional	
	Tax	Officers -	
		Custodial	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,428,956	\$ 1,428,956
Accounts Receivable	0	123	123
Due from Other Governments	990,457	0	990,457
Total Assets	<u>\$ 990,457</u>	<u>\$ 1,429,079</u>	<u>\$ 2,419,536</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 990,457	\$ 0	\$ 990,457
Total Liabilities	<u>\$ 990,457</u>	<u>\$ 0</u>	<u>\$ 990,457</u>
<u>NET POSITION</u>			
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 0</u>	<u>\$ 1,429,079</u>	<u>\$ 1,429,079</u>
Total Net Position	<u><u>\$ 0</u></u>	<u><u>\$ 1,429,079</u></u>	<u><u>\$ 1,429,079</u></u>

Exhibit H-2

Franklin County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2022

	<u>Custodial Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
<u>Additions</u>			
Sales Tax Collections for Other Governments	\$ 5,502,601	\$ 0	\$ 5,502,601
Fines/Fees and Other Collections	0	10,794,439	10,794,439
Total Additions	\$ 5,502,601	\$ 10,794,439	\$ 16,297,040
<u>Deductions</u>			
Payment of Sales Tax Collections for Other Governments	\$ 5,502,601	\$ 0	\$ 5,502,601
Payments to State	0	7,587,719	7,587,719
Payments to County/City	0	1,533,578	1,533,578
Payments to Individuals and Others	0	1,973,653	1,973,653
Total Deductions	\$ 5,502,601	\$ 11,094,950	\$ 16,597,551
Change in Net Position	\$ 0	\$ (300,511)	\$ (300,511)
Net Position July 1, 2021	0	1,729,590	1,729,590
Net Position June 30, 2022	\$ 0	\$ 1,429,079	\$ 1,429,079

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 school department uses a General Fund, three Special Revenue Funds, and one Capital Projects Fund.

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

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

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

Internal School Fund – The Internal School Fund is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities.

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, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental Activities:				
Instruction	\$ 27,845,644	\$ 0	\$ 7,340,272	\$ (20,505,372)
Support Services	19,211,769	54,801	1,849,211	(17,307,757)
Operation of Non-instructional Services	6,239,355	449,177	6,580,922	790,744
Total Governmental Activities	<u>\$ 53,296,768</u>	<u>\$ 503,978</u>	<u>\$ 15,770,405</u>	<u>\$ (37,022,385)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 11,407,235
Local Option Sales Taxes				7,294,456
Mixed Drink Tax				46,804
Grants and Contributions Not Restricted to Specific Programs				28,989,107
Unrestricted Investment Earnings				864
Miscellaneous				64,236
Donated Capital Assets				20,947
Total General Revenues				<u>\$ 47,823,649</u>
Change in Net Position				\$ 10,801,264
Net Position, July 1, 2021				<u>96,589,169</u>
Net Position, June 30, 2022				<u><u>\$ 107,390,433</u></u>

Exhibit I-2

Franklin County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Franklin County School Department
 June 30, 2022

	Major Funds			Nonmajor Funds	
	General Purpose School	School Federal Projects	Central Cafeteria	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 1,634	\$ 1,067,923	\$ 1,069,557
Equity in Pooled Cash and Investments	14,332,563	1,088,302	5,132,938	854,276	21,408,079
Inventories	0	0	0	2,691	2,691
Accounts Receivable	23,369	0	3,937	798	28,104
Due from Other Governments	2,942,996	13,062	297,562	0	3,253,620
Due from Other Funds	8,245	34,666	0	27,500	70,411
Due from Primary Government	3,875	0	0	0	3,875
Property Taxes Receivable	11,254,665	0	0	0	11,254,665
Allowance for Uncollectible Property Taxes	(258,047)	0	0	0	(258,047)
Restricted Assets	356,193	0	0	0	356,193
Total Assets	\$ 28,663,859	\$ 1,136,030	\$ 5,436,071	\$ 1,953,188	\$ 37,189,148
<u>LIABILITIES</u>					
Accounts Payable	\$ 192,146	\$ 13,687	\$ 0	\$ 0	\$ 205,833
Accrued Payroll	115,826	763	0	0	116,589
Due to Other Funds	62,166	7,142	1,103	0	70,411
Total Liabilities	\$ 370,138	\$ 21,592	\$ 1,103	\$ 0	\$ 392,833
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 10,747,786	\$ 0	\$ 0	\$ 0	\$ 10,747,786
Deferred Delinquent Property Taxes	219,327	0	0	0	219,327
Other Deferred/Unavailable Revenue	660,000	0	0	0	660,000
Total Deferred Inflows of Resources	\$ 11,627,113	\$ 0	\$ 0	\$ 0	\$ 11,627,113

(Continued)

Exhibit I-2

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

	Major Funds			Nonmajor Funds	
	General Purpose School	School Federal Projects	Central Cafeteria	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 0	\$ 0	\$ 2,691	\$ 2,691
Restricted:					
Restricted for Education	975,239	4,438	5,434,968	1,067,923	7,482,568
Restricted for Capital Outlay	0	0	0	882,574	882,574
Restricted for Hybrid Retirement Stabilization Funds	356,194	0	0	0	356,194
Committed:					
Committed for Education	3,019,522	1,110,000	0	0	4,129,522
Assigned:					
Assigned for Education	1,305,401	0	0	0	1,305,401
Unassigned	11,010,252	0	0	0	11,010,252
Total Fund Balances	<u>\$ 16,666,608</u>	<u>\$ 1,114,438</u>	<u>\$ 5,434,968</u>	<u>\$ 1,953,188</u>	<u>\$ 25,169,202</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 28,663,859</u>	<u>\$ 1,136,030</u>	<u>\$ 5,436,071</u>	<u>\$ 1,953,188</u>	<u>\$ 37,189,148</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, 2022

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)		\$ 25,169,202
(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: buildings and improvements net of accumulated depreciation	67,108,894	
Add: other capital assets net of accumulated depreciation	<u>4,452,955</u>	77,031,808
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (230,994)	
Less: net OPEB liability	<u>(9,123,205)</u>	(9,354,199)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 10,205,822	
Less: deferred inflows of resources related to pensions	(24,209,092)	
Add: deferred outflows of resources related to OPEB	2,032,387	
Less: deferred inflows of resources related to OPEB	<u>(2,643,825)</u>	(14,614,708)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 5,020,673	
Add: net pension asset - teacher retirement plan	313,158	
Add: net pension asset - teacher legacy pension plan	<u>22,945,172</u>	28,279,003
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>879,327</u>
Net position of governmental activities (Exhibit A)		<u>\$ 107,390,433</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, 2022

	Major Funds			Nonmajor Funds	
	General Purpose School	School Federal Projects	Central Cafeteria	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 18,675,153	\$ 0	\$ 0	\$ 0	\$ 18,675,153
Licenses and Permits	61,803	0	0	0	61,803
Charges for Current Services	236,326	0	218,114	0	454,440
Other Local Revenues	153,200	0	57,911	1,177,813	1,388,924
State of Tennessee	30,333,124	0	45,271	0	30,378,395
Federal Government	517,754	7,962,332	4,380,844	0	12,860,930
Other Governments and Citizens Groups	0	0	5,000	0	5,000
Total Revenues	<u>\$ 49,977,360</u>	<u>\$ 7,962,332</u>	<u>\$ 4,707,140</u>	<u>\$ 1,177,813</u>	<u>\$ 63,824,645</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 26,465,876	\$ 5,408,591	\$ 0	\$ 0	\$ 31,874,467
Support Services	16,536,157	2,546,070	0	0	19,082,227
Operation of Non-Instructional Services	1,851,453	0	3,147,767	1,223,210	6,222,430
Capital Outlay	279,933	8,000	0	0	287,933
Capital Projects	0	0	0	146,022	146,022
Total Expenditures	<u>\$ 45,133,419</u>	<u>\$ 7,962,661</u>	<u>\$ 3,147,767</u>	<u>\$ 1,369,232</u>	<u>\$ 57,613,079</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 4,843,941</u>	<u>\$ (329)</u>	<u>\$ 1,559,373</u>	<u>\$ (191,419)</u>	<u>\$ 6,211,566</u>
<u>Other Financing Sources (Uses)</u>					
Proceeds from Sale of Capital Assets	\$ 1,166	\$ 0	\$ 0	\$ 0	\$ 1,166
Transfers In	203,313	1,207,746	0	0	1,411,059
Transfers Out	(1,207,746)	(203,313)	0	0	(1,411,059)
Total Other Financing Sources (Uses)	<u>\$ (1,003,267)</u>	<u>\$ 1,004,433</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,166</u>

(Continued)

Exhibit I-4

Franklin County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Franklin County School Department (Cont.)

	Major Funds			Nonmajor Funds	
	General Purpose School	School Federal Projects	Central Cafeteria	Other Govern- mental Funds	Total Governmental Funds
Net Change in Fund Balances	\$ 3,840,674	\$ 1,004,104	\$ 1,559,373	\$ (191,419)	\$ 6,212,732
Fund Balance, July 1, 2021	12,825,934	110,334	3,875,595	2,144,607	18,956,470
Fund Balance, June 30, 2022	\$ 16,666,608	\$ 1,114,438	\$ 5,434,968	\$ 1,953,188	\$ 25,169,202

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, 2022

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)		\$ 6,212,732
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,044,726	
Less: current-year depreciation expense	<u>(2,530,729)</u>	(1,486,003)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 20,947	
Less: book value of capital assets disposed	<u>(7,961)</u>	12,986
(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, 2022	\$ 879,327	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(723,592)</u>	155,735
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ 2,265	
Change in net pension liability - agent plan	3,459,917	
Change in net pension liability - teacher retirement plan	158,584	
Change in net pension liability - teacher legacy pension plan	18,682,791	
Change in deferred outflows related to pensions	5,698,553	
Change in deferred inflows related to pensions	(21,769,764)	
Change in net OPEB liability	(1,488,689)	
Change in deferred outflows related to OPEB	686,241	
Change in deferred inflows related to OPEB	<u>475,916</u>	<u>5,905,814</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 10,801,264</u>

Exhibit I-6

Franklin County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Franklin County School Department
June 30, 2022

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Internal School	Education Capital Projects	
<u>ASSETS</u>			
Cash	\$ 1,067,923	\$ 0	\$ 1,067,923
Equity in Pooled Cash and Investments	0	854,276	854,276
Inventories	2,691	0	2,691
Accounts Receivable	0	798	798
Due from Other Funds	0	27,500	27,500
Total Assets	<u>\$ 1,070,614</u>	<u>\$ 882,574</u>	<u>\$ 1,953,188</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 2,691	\$ 0	\$ 2,691
Restricted:			
Restricted for Education	1,067,923	0	1,067,923
Restricted for Capital Outlay	0	882,574	882,574
Total Fund Balances	<u>\$ 1,070,614</u>	<u>\$ 882,574</u>	<u>\$ 1,953,188</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, 2022

	Special Revenue Fund	Capital Projects Fund Education Capital Projects	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Other Local Revenues	\$ 1,175,732	\$ 2,081	\$ 1,177,813
Total Revenues	\$ 1,175,732	\$ 2,081	\$ 1,177,813
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 1,223,210	\$ 0	\$ 1,223,210
Capital Projects	0	146,022	146,022
Total Expenditures	\$ 1,223,210	\$ 146,022	\$ 1,369,232
Excess (Deficiency) of Revenues Over Expenditures	\$ (47,478)	\$ (143,941)	\$ (191,419)
Net Change in Fund Balances	\$ (47,478)	\$ (143,941)	\$ (191,419)
Fund Balance, July 1, 2021	1,118,092	1,026,515	2,144,607
Fund Balance, June 30, 2022	\$ 1,070,614	\$ 882,574	\$ 1,953,188

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, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 18,675,153	\$ 0	\$ 0	\$ 18,675,153	\$ 17,329,264	\$ 18,593,957	\$ 81,196
Licenses and Permits	61,803	0	0	61,803	61,000	62,160	(357)
Charges for Current Services	236,326	0	0	236,326	220,000	220,000	16,326
Other Local Revenues	153,200	0	0	153,200	78,300	148,125	5,075
State of Tennessee	30,333,124	0	0	30,333,124	28,855,548	30,320,200	12,924
Federal Government	517,754	0	0	517,754	257,856	840,224	(322,470)
Total Revenues	\$ 49,977,360	\$ 0	\$ 0	\$ 49,977,360	\$ 46,801,968	\$ 50,184,666	\$ (207,306)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 20,603,451	\$ (159,985)	\$ 163,121	\$ 20,606,587	\$ 20,963,172	\$ 21,678,244	\$ 1,071,657
Alternative Instruction Program	194,304	0	0	194,304	208,147	208,147	13,843
Special Education Program	3,642,756	(2,249)	0	3,640,507	3,648,419	3,746,407	105,900
Career and Technical Education Program	1,522,187	(4,851)	1,300	1,518,636	1,665,165	1,665,165	146,529
Student Body Education Program	503,178	(5,998)	14,073	511,253	537,909	573,681	62,428
<u>Support Services</u>							
Attendance	250,785	0	0	250,785	254,426	254,426	3,641
Health Services	290,999	0	0	290,999	605,575	612,217	321,218
Other Student Support	1,212,930	(21,107)	45,428	1,237,251	1,351,618	1,440,439	203,188
Regular Instruction Program	1,276,764	(6,413)	24,042	1,294,393	1,397,727	1,442,410	148,017
Special Education Program	675,957	(259)	0	675,698	695,589	725,864	50,166
Career and Technical Education Program	130,120	0	0	130,120	137,720	137,720	7,600
Technology	1,028,007	(186,321)	133,512	975,198	1,068,099	1,185,663	210,465
Other Programs	178,443	0	0	178,443	210,000	210,000	31,557
Board of Education	1,028,564	(12,848)	6,294	1,022,010	1,216,194	1,158,604	136,594
Director of Schools	311,449	(3,574)	5,934	313,809	353,650	358,243	44,434
Office of the Principal	2,698,401	0	0	2,698,401	2,550,110	2,706,098	7,697
Fiscal Services	11,561	0	0	11,561	11,561	11,561	0
Human Services/Personnel	265,643	(610)	0	265,033	264,948	266,748	1,715

(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 7/1/2021	Add: Encumbrances 6/30/2022	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	\$ 3,451,158	\$ 0	\$ 1,871	\$ 3,453,029	\$ 3,493,426	\$ 3,530,468	\$ 77,439
Maintenance of Plant	1,180,169	(40,286)	55,634	1,195,517	1,386,565	1,420,946	225,429
Transportation	2,438,773	(30,900)	9,644	2,417,517	2,436,758	2,579,311	161,794
Central and Other	106,434	0	0	106,434	103,548	129,129	22,695
<u>Operation of Non-Instructional Services</u>							
Food Service	11,522	0	0	11,522	0	11,522	0
Community Services	839,951	(8,810)	9,987	841,128	580,031	1,381,979	540,851
Early Childhood Education	999,980	0	0	999,980	1,086,245	1,097,077	97,097
<u>Capital Outlay</u>							
Regular Capital Outlay	279,933	(50,019)	834,561	1,064,475	548,907	1,090,407	25,932
Total Expenditures	\$ 45,133,419	\$ (534,230)	\$ 1,305,401	\$ 45,904,590	\$ 46,775,509	\$ 49,622,476	\$ 3,717,886
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,843,941	\$ 534,230	\$ (1,305,401)	\$ 4,072,770	\$ 26,459	\$ 562,190	\$ 3,510,580
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 1,166	\$ 0	\$ 0	\$ 1,166	\$ 0	\$ 1,166	\$ 0
Transfers In	203,313	0	0	203,313	0	196,171	7,142
Transfers Out	(1,207,746)	0	0	(1,207,746)	0	(1,207,746)	0
Total Other Financing Sources	\$ (1,003,267)	\$ 0	\$ 0	\$ (1,003,267)	\$ 0	\$ (1,010,409)	\$ 7,142
Net Change in Fund Balance	\$ 3,840,674	\$ 534,230	\$ (1,305,401)	\$ 3,069,503	\$ 26,459	\$ (448,219)	\$ 3,517,722
Fund Balance, July 1, 2021	12,825,934	(534,230)	0	12,291,704	11,167,348	11,167,348	1,124,356
Fund Balance, June 30, 2022	\$ 16,666,608	\$ 0	\$ (1,305,401)	\$ 15,361,207	\$ 11,193,807	\$ 10,719,129	\$ 4,642,078

Exhibit I-9

Franklin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Franklin County School Department
School Federal Projects Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 7,962,332	\$ 3,379,284	\$ 19,843,676	\$ (11,881,344)
Total Revenues	\$ 7,962,332	\$ 3,379,284	\$ 19,843,676	\$ (11,881,344)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 4,166,880	\$ 1,320,463	\$ 7,338,506	\$ 3,171,626
Special Education Program	1,176,065	1,019,541	1,523,430	347,365
Career and Technical Education Program	65,646	67,934	65,646	0
<u>Support Services</u>				
Health Services	829,142	0	1,009,052	179,910
Other Student Support	94,200	60,837	311,219	217,019
Regular Instruction Program	946,762	339,667	1,466,577	519,815
Special Education Program	366,918	302,396	503,234	136,316
Career and Technical Education Program	3,400	2,500	3,400	0
Operation of Plant	34,894	0	2,555,976	2,521,082
Maintenance of Plant	7,515	0	125,680	118,165
Transportation	263,239	265,946	279,571	16,332
<u>Capital Outlay</u>				
Regular Capital Outlay	8,000	0	4,465,214	4,457,214
Total Expenditures	\$ 7,962,661	\$ 3,379,284	\$ 19,647,505	\$ 11,684,844
Excess (Deficiency) of Revenues Over Expenditures	\$ (329)	\$ 0	\$ 196,171	\$ (196,500)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 1,207,746	\$ 0	\$ 1,000,000	\$ 207,746
Transfers Out	(203,313)	0	(203,313)	0
Total Other Financing Sources	\$ 1,004,433	\$ 0	\$ 796,687	\$ 207,746
Net Change in Fund Balance	\$ 1,004,104	\$ 0	\$ 992,858	\$ 11,246
Fund Balance, July 1, 2021	110,334	111,140	111,140	(806)
Fund Balance, June 30, 2022	\$ 1,114,438	\$ 111,140	\$ 1,103,998	\$ 10,440

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, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 218,114	\$ 0	\$ 0	\$ 218,114	\$ 235,000	\$ 235,000	\$ (16,886)
Other Local Revenues	57,911	0	0	57,911	35,000	27,000	30,911
State of Tennessee	45,271	0	0	45,271	30,309	45,309	(38)
Federal Government	4,380,844	0	0	4,380,844	3,170,961	4,499,910	(119,066)
Other Governments and Citizens Groups	5,000	0	0	5,000	0	5,000	0
Total Revenues	\$ 4,707,140	\$ 0	\$ 0	\$ 4,707,140	\$ 3,471,270	\$ 4,812,219	\$ (105,079)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 3,147,767	\$ (342)	\$ 80,160	\$ 3,227,585	\$ 3,866,954	\$ 4,104,515	\$ 876,930
Total Expenditures	\$ 3,147,767	\$ (342)	\$ 80,160	\$ 3,227,585	\$ 3,866,954	\$ 4,104,515	\$ 876,930
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,559,373	\$ 342	\$ (80,160)	\$ 1,479,555	\$ (395,684)	\$ 707,704	\$ 771,851
Net Change in Fund Balance	\$ 1,559,373	\$ 342	\$ (80,160)	\$ 1,479,555	\$ (395,684)	\$ 707,704	\$ 771,851
Fund Balance, July 1, 2021	3,875,595	(342)	0	3,875,253	2,590,027	2,590,027	1,285,226
Fund Balance, June 30, 2022	\$ 5,434,968	\$ 0	\$ (80,160)	\$ 5,354,808	\$ 2,194,343	\$ 3,297,731	\$ 2,057,077

MISCELLANEOUS SCHEDULES

Exhibit J-1

Franklin County, Tennessee
Schedule of Changes in Long-term Bonds and Notes
For the Year Ended June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-21	Paid and/or Matured During Period	Outstanding 6-30-22
<u>BONDS PAYABLE</u>								
<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	\$ 6,835,000	\$ 500,000	\$ 6,335,000
General Obligation Improvements, Series 2017	7,200,000	2.59		12-27-17	6-1-33	6,345,000	405,000	5,940,000
General Obligation School Bonds, Series 2018	47,035,000	2 to 5		3-27-19	5-1-44	46,935,000	1,345,000	45,590,000
Refunding Bonds, Series 2017	4,160,000	2 to 5		6-27-17	6-1-38	2,095,000	530,000	1,565,000
School Refunding Bonds, Series 2017	1,265,000	2 to 5		6-27-17	6-2-24	680,000	215,000	465,000
Total Bonds Payable						<u>\$ 62,890,000</u>	<u>\$ 2,995,000</u>	<u>\$ 59,895,000</u>
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Industrial Development Board - Land	822,666	4.75		5-28-10	5-27-22	\$ 80,648	\$ 80,648	\$ 0
Highway and Road Improvements	2,000,000	2.33		1-6-15	4-1-22	285,000	285,000	0
Highway Capital Road Projects	1,000,000	2.23		5-11-15	4-1-22	142,857	142,857	0
Jail Construction/Remodel	2,000,000	2.93		7-12-19	6-1-31	1,710,000	150,000	1,560,000
Total Payable through General Debt Service Fund						<u>\$ 2,218,505</u>	<u>\$ 658,505</u>	<u>\$ 1,560,000</u>
<u>Payable through Highway/Public Works Fund</u>								
Quarry Land	177,000	4.875		11-10-11	2-1-23	\$ 35,617	\$ 17,385	\$ 18,232
Highway Equipment	(1) 350,000	1.31		5-20-21	5-1-31	350,000	30,000	320,000
Total Payable through Highway/Public Works Fund						<u>\$ 385,617</u>	<u>\$ 47,385</u>	<u>\$ 338,232</u>
Total Notes Payable						<u>\$ 2,604,122</u>	<u>\$ 705,890</u>	<u>\$ 1,898,232</u>

(1) This debt was reflected as payable through the General Debt Service Fund in the prior year, but it is being paid through the Highway/Public Works Fund.

Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	\$ 59,895,000	\$ 22,364,230	\$ 82,259,230

Year Ending June 30	Notes		
	Principal	Interest	Total
2023	\$ 203,232	\$ 50,793	\$ 254,025
2024	190,000	44,969	234,969
2025	190,000	39,887	229,887
2026	200,000	34,807	234,807
2027	205,000	29,512	234,512
2028	215,000	24,073	239,073
2029	225,000	18,337	243,337
2030	230,000	12,395	242,395
2031	240,000	6,304	246,304
Total	\$ 1,898,232	\$ 261,077	\$ 2,159,309

Exhibit J-3

Franklin County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Franklin County School Department

For the Year Ended June 30, 2022

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Solid Waste/Sanitation	General Fund	Reimbursement	\$ 3,803
Highway/Public Works	"	"	3,803
Public Library	"	"	3,000
Courthouse and Jail Maintenance	General Debt Service	Debt payments	<u>135,000</u>
Total Transfers Primary Government			<u><u>\$ 145,606</u></u>
<u>DISCRETELY PRESENTED FRANKLIN COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash flow	\$ 1,000,000
"	"	Reimbursement	207,746
School Federal Projects	General Purpose School	"	<u>203,313</u>
Total Transfers Discretely Presented Franklin County School Department			<u><u>\$ 1,411,059</u></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, 2022

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 98,425	(5)	Tennessee Risk Management Trust
Superintendent of Highways	Section 8-24-102, <i>TCA</i>	93,738 (1)	(5)	Tennessee Risk Management Trust
Director of Schools	and County Commission State Board of Education and Franklin County Board of Education	117,824 (2)	(5)	Tennessee Risk Management Trust
Finance Director	County Commission	85,216 (3)	(5)	"
Trustee	Section 8-24-102, <i>TCA</i>	85,216	(5)	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	85,216	(5)	"
County Clerk	Section 8-24-102, <i>TCA</i>	85,216	(5)	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	85,216	(5)	Tennessee Risk Management Trust
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	85,216	(5)	Tennessee Risk Management Trust
Register of Deeds	Section 8-24-102, <i>TCA</i>	85,216	(5)	"
Sheriff	Section 8-24-102, <i>TCA</i>	93,738 (4)	(5)	"
Other Bonds:				
Employee Fidelity - County Departments			\$ 400,000	Tennessee Risk Management Trust
Employee Fidelity - School Department			400,000	"

- (1) Does not include longevity payment of \$1,200 and a safety bonus of \$200.
(2) Does not include a chief executive officer training supplement of \$1,000.
(3) Does not include education incentives of \$950, longevity of \$1,200 and bonus of \$200.
(4) Does not include a law enforcement training supplement of \$800.
(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, 2022

	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	\$ 12,010,981	\$ 0	\$ 397,383	\$ 1,754,493	\$ 412,269	\$ 0
Trustee's Collections - Prior Year	208,081	0	6,821	27,483	6,798	0
Trustee's Collections - Bankruptcy	239	0	8	56	11	0
Circuit Clerk/Clerk and Master Collections - Prior Years	153,482	0	5,074	23,032	4,906	0
Interest and Penalty	41,736	0	1,372	5,524	1,358	0
Payments in-Lieu-of Taxes - T.V.A.	4,087	0	135	863	263	0
Payments in-Lieu-of Taxes - Local Utilities	43,712	0	1,449	0	0	0
Payments in-Lieu-of Taxes - Other	37,017	0	1,225	2,926	890	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	590,282	0
Litigation Tax - General	111,741	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	138,364	0	0	0	0
Business Tax	551,064	0	0	0	0	0
Mixed Drink Tax	46,804	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	86,107	0	2,841	18,185	5,531	0
Wholesale Beer Tax	223,899	0	0	0	0	0
Other Statutory Local Taxes	501	0	0	0	0	0
Total Local Taxes	\$ 13,519,451	\$ 138,364	\$ 416,308	\$ 1,832,562	\$ 1,022,308	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 64,919	\$ 0	\$ 2,142	\$ 13,717	\$ 4,170	\$ 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	\$ 4,914	\$ 0	\$ 0	\$ 0	\$ 0	0
Building Permits	76,475	0	0	0	20,000	0
Other Permits	3,788	0	0	0	0	0
Total Licenses and Permits	<u>\$ 150,096</u>	<u>\$ 0</u>	<u>\$ 2,142</u>	<u>\$ 13,717</u>	<u>\$ 24,170</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 5,462	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	19,533	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	1,306
Drug Court Fees	1,324	0	0	0	0	0
Jail Fees	3,810	0	0	0	0	0
DUI Treatment Fines	943	0	0	0	0	0
Data Entry Fee - Circuit Court	1,974	0	0	0	0	0
Courtroom Security Fee	115	0	0	0	0	0
Victims Assistance Assessments	2,554	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	9,255	0	0	0	0	0
Officers Costs	52,664	0	0	0	0	0
Game and Fish Fines	971	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	6,550
Drug Court Fees	8,762	0	0	0	0	0
Jail Fees	19,996	0	0	0	0	0
DUI Treatment Fines	7,916	0	0	0	0	0
Data Entry Fee - General Sessions Court	9,314	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>						
Courtroom Security Fee	\$ 1,338	\$ 0	\$ 0	\$ 0	\$ 0	0
Victims Assistance Assessments	24,598	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	332	0	0	0	0	0
Officers Costs	2,659	0	0	0	0	0
Data Entry Fee - Juvenile Court	2,788	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	950	0	0	0	0	0
Data Entry Fee - Chancery Court	3,478	0	0	0	0	0
<u>Other Courts - In-county</u>						
Drug Court Fees	6,965	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	10,521
Other Fines, Forfeitures, and Penalties	560	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 188,261	\$ 0	\$ 0	\$ 0	\$ 0	18,377
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 76,800	\$ 0	0
Transfer Waste Stations Collection Charge	0	0	0	14,000	0	0
Tipping Fees	0	0	0	66,796	0	0
Solid Waste Disposal Fee	0	0	0	7,947	0	0
Other General Service Charges	96,844	0	7,956	0	0	1,200
<u>Fees</u>						
Greenbelt Late Application Fee	50	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Telephone Commissions	\$ 82,357	\$ 0	\$ 0	\$ 0	\$ 0	0
Vending Machine Collections	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	21,722	0	0	0	0	0
Probation Fees	180,410	0	0	0	0	0
Data Processing Fee - Sheriff	3,063	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	8,700	0	0	0	0	0
Data Processing Fee - County Clerk	5,182	0	0	0	0	0
Vehicle Registration Reinstatement Fees	2,915	0	0	0	0	0
Total Charges for Current Services	\$ 401,243	\$ 0	\$ 7,956	\$ 165,543	\$ 0	\$ 1,200
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 9,279	\$ 0	\$ 704	\$ 0	\$ 0	0
Lease/Rentals	22,600	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0
Commissary Sales	24,684	0	0	0	0	0
Sale of Maps	25	0	0	0	0	0
Sale of Recycled Materials	780	0	0	295,704	0	0
Miscellaneous Refunds	17,237	0	39	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	0
Sale of Property	11,010	0	0	0	0	480
Contributions and Gifts	2,510	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>Other Local Revenues (Cont.)</u>						
<u>Other Local Revenues</u>						
Other Local Revenues	\$ 41,094	\$ 0	\$ 878	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 129,219	\$ 0	\$ 1,621	\$ 295,704	\$ 0	\$ 480
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 473,474	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	140,071	0	0	0	0	0
General Sessions Court Clerk	240,161	0	0	0	0	0
Clerk and Master	137,797	0	0	0	0	0
Juvenile Court Clerk	30,350	0	0	0	0	0
Register	349,557	0	0	0	0	0
Sheriff	17,665	0	0	0	0	0
Trustee	893,285	0	0	0	0	0
Total Fees Received From County Officials	\$ 2,282,360	\$ 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	3,000	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	33,600	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	94,927	0	0	0	0	0
<u>Public Works Grants</u>						
Litter Program	8,816	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Local Purpose Tax	Drug Control
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Beer Tax	19,194	0	0	0	0	0
Vehicle Certificate of Title Fees	9,180	0	0	0	0	0
Alcoholic Beverage Tax	118,305	0	0	0	0	0
State Revenue Sharing - T.V.A.	1,197,840	0	0	0	0	0
State Revenue Sharing - Telecommunications	75,701	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	23,750	0	0	0	0	0
Contracted Prisoner Boarding	614,562	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	483,244	0	0	0	0	0
Other State Revenues	414	0	0	24,550	0	0
Total State of Tennessee	\$ 2,906,697	\$ 0	\$ 0	\$ 24,550	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Disaster Relief	\$ 39,093	\$ 0	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	18,145	0	0	0	0	0
American Rescue Plan Act Grant #1	0	0	22,843	0	0	0
Other Federal through State	204,053	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Forest Service	1,471	0	0	0	0	0
American Rescue Plan Act Grant #6	4,099,204	0	0	0	0	0
Other Direct Federal Revenue	442,202	0	0	0	0	17,102
Total Federal Government	\$ 4,804,168	\$ 0	\$ 22,843	\$ 0	\$ 0	17,102

(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	\$ 123,632	\$ 0	\$ 28,500	\$ 0	\$ 0	\$ 0
<u>Citizens Groups</u>						
Donations	38,816	0	21,643	0	0	0
<u>Other</u>						
Other	76	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 162,524</u>	<u>\$ 0</u>	<u>\$ 50,143</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 24,544,019</u>	<u>\$ 138,364</u>	<u>\$ 501,013</u>	<u>\$ 2,332,076</u>	<u>\$ 1,046,478</u>	<u>\$ 37,159</u>

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service		Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 656,038	\$ 2,675,250	\$	17,906,414
Trustee's Collections - Prior Year	0	11,261	45,920		306,364
Trustee's Collections - Bankruptcy	0	14	65		393
Circuit Clerk/Clerk and Master Collections - Prior Years	0	8,394	34,182		229,070
Interest and Penalty	0	2,266	9,241		61,497
Payments in-Lieu-of Taxes - T.V.A.	0	224	910		6,482
Payments in-Lieu-of Taxes - Local Utilities	0	2,392	9,732		57,285
Payments in-Lieu-of Taxes - Other	0	2,026	1,256,866		1,300,950
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	1,654,741		1,654,741
Hotel/Motel Tax	0	0	0		590,282
Litigation Tax - General	0	0	71,891		183,632
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0		138,364
Business Tax	0	0	0		551,064
Mixed Drink Tax	0	0	0		46,804
Mineral Severance Tax	0	63,786	0		63,786
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	4,713	19,175		136,552
Wholesale Beer Tax	0	0	0		223,899
Other Statutory Local Taxes	0	0	0		501
Total Local Taxes	\$ 0	\$ 751,114	\$ 5,777,973	\$	23,458,080
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 3,553	\$ 14,457	\$	102,958

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service		Total
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 0	\$ 0	\$ 0	\$	4,914
Building Permits	0	0	0		96,475
Other Permits	0	0	0		3,788
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 3,553</u>	<u>\$ 14,457</u>	<u>\$</u>	<u>208,135</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$	5,462
Officers Costs	0	0	0		19,533
Drug Control Fines	0	0	0		1,306
Drug Court Fees	0	0	0		1,324
Jail Fees	0	0	0		3,810
DUI Treatment Fines	0	0	0		943
Data Entry Fee - Circuit Court	0	0	0		1,974
Courtroom Security Fee	0	0	0		115
Victims Assistance Assessments	0	0	0		2,554
<u>General Sessions Court</u>					
Fines	0	0	0		9,255
Officers Costs	0	0	0		52,664
Game and Fish Fines	0	0	0		971
Drug Control Fines	0	0	0		6,550
Drug Court Fees	0	0	0		8,762
Jail Fees	0	0	0		19,996
DUI Treatment Fines	0	0	0		7,916
Data Entry Fee - General Sessions Court	0	0	0		9,314

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service		Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Courtroom Security Fee	\$ 0	\$ 0	\$ 0	\$	1,338
Victims Assistance Assessments	0	0	0		24,598
<u>Juvenile Court</u>					
Fines	0	0	0		332
Officers Costs	0	0	0		2,659
Data Entry Fee - Juvenile Court	0	0	0		2,788
<u>Chancery Court</u>					
Officers Costs	0	0	0		950
Data Entry Fee - Chancery Court	0	0	0		3,478
<u>Other Courts - In-county</u>					
Drug Court Fees	0	0	0		6,965
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0		10,521
Other Fines, Forfeitures, and Penalties	0	0	0		560
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$	206,638
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$	76,800
Transfer Waste Stations Collection Charge	0	0	0		14,000
Tipping Fees	0	0	0		66,796
Solid Waste Disposal Fee	0	0	0		7,947
Other General Service Charges	0	7,857	0		113,857
<u>Fees</u>					
Greenbelt Late Application Fee	0	0	0		50

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service		Total
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Telephone Commissions	\$ 0	\$ 0	\$ 0	\$	82,357
Vending Machine Collections	0	16	0		16
Constitutional Officers' Fees and Commissions	57	0	0		57
Data Processing Fee - Register	0	0	0		21,722
Probation Fees	0	0	0		180,410
Data Processing Fee - Sheriff	0	0	0		3,063
Sexual Offender Registration Fee - Sheriff	0	0	0		8,700
Data Processing Fee - County Clerk	0	0	0		5,182
Vehicle Registration Reinstatement Fees	0	0	0		2,915
Total Charges for Current Services	\$ 57	\$ 7,873	\$ 0	\$	583,872
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 282	\$ 257,347	\$	267,612
Lease/Rentals	0	0	0		22,600
Sale of Materials and Supplies	0	1,249	0		1,249
Commissary Sales	0	0	0		24,684
Sale of Maps	0	0	0		25
Sale of Recycled Materials	0	0	0		296,484
Miscellaneous Refunds	0	314	0		17,590
<u>Nonrecurring Items</u>					
Sale of Equipment	0	1,396	0		1,396
Sale of Property	0	0	0		11,490
Contributions and Gifts	0	0	0		2,510

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service		Total
<u>Other Local Revenues (Cont.)</u>					
<u>Other Local Revenues</u>					
Other Local Revenues	\$ 0	\$ 0	\$ 0	\$	41,972
Total Other Local Revenues	\$ 0	\$ 3,241	\$ 257,347	\$	687,612
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$	473,474
Circuit Court Clerk	0	0	0		140,071
General Sessions Court Clerk	0	0	0		240,161
Clerk and Master	0	0	0		137,797
Juvenile Court Clerk	0	0	0		30,350
Register	0	0	0		349,557
Sheriff	0	0	0		17,665
Trustee	0	0	0		893,285
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$	2,282,360
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$	9,000
Other General Government Grants	0	0	0		3,000
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0		33,600
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0		94,927
<u>Public Works Grants</u>					
Litter Program	0	0	0		8,816

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service		Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Income Tax	\$ 0	\$ 0	\$ 0	\$	200,000
Beer Tax	0	0	0		19,194
Vehicle Certificate of Title Fees	0	0	0		9,180
Alcoholic Beverage Tax	0	0	0		118,305
State Revenue Sharing - T.V.A.	0	0	0		1,197,840
State Revenue Sharing - Telecommunications	0	0	0		75,701
State Shared Sports Gaming Privilege Tax	0	0	0		23,750
Contracted Prisoner Boarding	0	0	0		614,562
Gasoline and Motor Fuel Tax	0	2,836,211	0		2,836,211
Petroleum Special Tax	0	28,555	0		28,555
Registrar's Salary Supplement	0	0	0		15,164
Other State Grants	0	0	0		483,244
Other State Revenues	0	0	0		24,964
Total State of Tennessee	\$ 0	\$ 2,864,766	\$ 0	\$	5,796,013
<u>Federal Government</u>					
<u>Federal Through State</u>					
Disaster Relief	\$ 0	\$ 0	\$ 0	\$	39,093
Homeland Security Grants	0	0	0		18,145
American Rescue Plan Act Grant #1	0	0	0		22,843
Other Federal through State	0	0	0		204,053
<u>Direct Federal Revenue</u>					
Forest Service	0	0	0		1,471
American Rescue Plan Act Grant #6	0	0	0		4,099,204
Other Direct Federal Revenue	0	0	0		459,304
Total Federal Government	\$ 0	\$ 0	\$ 0	\$	4,844,113

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 0	\$ 0	\$ 0	\$ 152,132
<u>Citizens Groups</u>				
Donations	0	0	0	60,459
<u>Other</u>				
Other	0	0	0	76
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 212,667</u>
Total	<u>\$ 57</u>	<u>\$ 3,630,547</u>	<u>\$ 6,049,777</u>	<u>\$ 38,279,490</u>

Exhibit J-6

Franklin County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Franklin County School Department
 For the Year Ended June 30, 2022

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 10,973,213	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,973,213
Trustee's Collections - Prior Year	186,433	0	0	0	0	186,433
Trustee's Collections - Bankruptcy	239	0	0	0	0	239
Circuit Clerk/Clerk and Master Collections - Prior Years	140,218	0	0	0	0	140,218
Interest and Penalty	37,638	0	0	0	0	37,638
Payments in-Lieu-of Taxes - T.V.A.	3,733	0	0	0	0	3,733
Payments in-Lieu-of Taxes - Local Utilities	39,939	0	0	0	0	39,939
Payments in-Lieu-of Taxes - Other	33,820	0	0	0	0	33,820
<u>County Local Option Taxes</u>						
Local Option Sales Tax	7,134,456	0	0	0	0	7,134,456
Mixed Drink Tax	46,804	0	0	0	0	46,804
<u>Statutory Local Taxes</u>						
Bank Excise Tax	78,660	0	0	0	0	78,660
Total Local Taxes	\$ 18,675,153	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,675,153
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 2,498	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,498
Cable TV Franchise	59,305	0	0	0	0	59,305
Total Licenses and Permits	\$ 61,803	\$ 0	\$ 0	\$ 0	\$ 0	\$ 61,803
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Other	\$ 206,934	\$ 0	\$ 0	\$ 0	\$ 0	\$ 206,934

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 40,914	\$ 0	\$ 0	\$ 40,914
A la Carte Sales	0	0	177,200	0	0	177,200
School Based Health Services - FFS	28,545	0	0	0	0	28,545
Receipts from Individual Schools	847	0	0	0	0	847
Total Charges for Current Services	\$ 236,326	\$ 0	\$ 218,114	\$ 0	\$ 0	\$ 454,440
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ (1,217)	\$ 0	\$ 28,455	\$ 0	\$ 2,081	\$ 29,319
Lease/Rentals	26,256	0	0	0	0	26,256
Rebates	0	0	23,282	0	0	23,282
Miscellaneous Refunds	56,896	0	6,174	0	0	63,070
<u>Nonrecurring Items</u>						
Contributions and Gifts	71,265	0	0	0	0	71,265
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	1,175,732	0	1,175,732
Total Other Local Revenues	\$ 153,200	\$ 0	\$ 57,911	\$ 1,175,732	\$ 2,081	\$ 1,388,924
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 178,443	\$ 0	\$ 0	\$ 0	\$ 0	\$ 178,443
<u>State Education Funds</u>						
Basic Education Program	27,486,238	0	0	0	0	27,486,238
Early Childhood Education	916,008	0	0	0	0	916,008

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds (Cont.)</u>						
School Food Service	\$ 0	\$ 0	\$ 45,271	\$ 0	\$ 0	\$ 45,271
Other State Education Funds	1,618,589	0	0	0	0	1,618,589
Career Ladder Program	83,846	0	0	0	0	83,846
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	50,000	0	0	0	0	50,000
Total State of Tennessee	\$ 30,333,124	\$ 0	\$ 45,271	\$ 0	\$ 0	\$ 30,378,395
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,875,911	\$ 0	\$ 0	\$ 2,875,911
USDA - Commodities	0	0	109,214	0	0	109,214
Breakfast	0	0	1,190,192	0	0	1,190,192
USDA - Other	0	0	205,527	0	0	205,527
Vocational Education - Basic Grants to States	0	93,404	0	0	0	93,404
Title I Grants to Local Education Agencies	0	1,253,125	0	0	0	1,253,125
Special Education - Grants to States	68,860	1,320,894	0	0	0	1,389,754
Special Education Preschool Grants	0	114,999	0	0	0	114,999
English Language Acquisition Grants	0	16,887	0	0	0	16,887
Eisenhower Professional Development State Grants	0	207,644	0	0	0	207,644
COVID-19 Grant #1	0	249,530	0	0	0	249,530
COVID-19 Grant B	0	967,053	0	0	0	967,053
COVID-19 Grant D	0	235,672	0	0	0	235,672
American Rescue Plan Act Grant #1	0	2,485,904	0	0	0	2,485,904
American Rescue Plan Act Grant #2	0	274,636	0	0	0	274,636

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	Total
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
American Rescue Plan Act Grant #3	\$ 0	\$ 20,142	\$ 0	\$ 0	\$ 0	\$ 20,142
American Rescue Plan Act Grant #4	0	419	0	0	0	419
Other Federal through State	448,894	722,023	0	0	0	1,170,917
Total Federal Government	<u>\$ 517,754</u>	<u>\$ 7,962,332</u>	<u>\$ 4,380,844</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,860,930</u>
<u>Other Governments and Citizens Groups</u>						
<u>Citizens Groups</u>						
Donations	\$ 0	\$ 0	\$ 5,000	\$ 0	\$ 0	\$ 5,000
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,000</u>
Total	<u>\$ 49,977,360</u>	<u>\$ 7,962,332</u>	<u>\$ 4,707,140</u>	<u>\$ 1,175,732</u>	<u>\$ 2,081</u>	<u>\$ 63,824,645</u>

Exhibit J-7

Franklin County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2022

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	67,010	
Social Security		3,671	
Pensions		180	
Medical Insurance		422	
Unemployment Compensation		1	
Employer Medicare		969	
Audit Services		17,537	
Dues and Memberships		12,826	
Lease Payments		4,549	
Legal Services		12,090	
Legal Notices, Recording, and Court Costs		3,527	
Travel		5,290	
Other Contracted Services		4,500	
Office Supplies		10,232	
Refunds		11,686	
In Service/Staff Development		1,800	
Tax Relief Program		90,678	
Other Charges		19,335	
Total County Commission			\$ 266,303

Beer Board

Legal Notices, Recording, and Court Costs	\$	763	
Other Charges		203	
Total Beer Board			966

County Mayor/Executive

County Official/Administrative Officer	\$	98,425	
Assistant(s)		38,328	
Longevity Pay		360	
Other Salaries and Wages		15,579	
Social Security		9,303	
Pensions		12,089	
Life Insurance		114	
Medical Insurance		10,887	
Unemployment Compensation		29	
Employer Medicare		2,176	
Other Fringe Benefits		288	
Communication		34	
Dues and Memberships		1,800	
Lease Payments		3,317	
Travel		877	
Gasoline		696	
Office Supplies		142	
In Service/Staff Development		400	
Other Charges		1,326	
Total County Mayor/Executive			196,170

(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	\$	76,694	
Deputy(ies)		37,029	
Educational Incentive - Official/Admin Officer		950	
Longevity Pay		1,680	
Overtime Pay		3,805	
Other Salaries and Wages		12,820	
Election Commission		2,333	
Election Workers		16,178	
Social Security		8,984	
Pensions		9,521	
Life Insurance		77	
Medical Insurance		15,442	
Unemployment Compensation		119	
Employer Medicare		2,126	
Other Fringe Benefits		500	
Communication		359	
Data Processing Services		16,302	
Lease Payments		3,667	
Legal Notices, Recording, and Court Costs		24,719	
Maintenance Agreements		925	
Maintenance and Repair Services - Equipment		45	
Postal Charges		3,688	
Printing, Stationery, and Forms		2,504	
Travel		185	
Other Contracted Services		7,005	
Office Supplies		3,109	
Other Supplies and Materials		1,469	
In Service/Staff Development		100	
Other Charges		64	
Data Processing Equipment		1,026	
Total Election Commission			253,425

Register of Deeds

County Official/Administrative Officer	\$	85,216	
Deputy(ies)		127,778	
Educational Incentive - Other County Employees		1,900	
Longevity Pay		1,200	
Social Security		12,978	
Pensions		14,603	
Life Insurance		211	
Medical Insurance		30,884	
Unemployment Compensation		116	
Employer Medicare		3,035	

(Continued)

Exhibit J-7

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

General Fund (Cont.)General Government (Cont.)Register of Deeds (Cont.)

Other Fringe Benefits	\$	800	
Communication		414	
Data Processing Services		22,811	
Dues and Memberships		833	
Lease Payments		2,477	
Postal Charges		1,000	
Travel		789	
Other Contracted Services		13,431	
Office Supplies		5,451	
In Service/Staff Development		555	
Total Register of Deeds			\$ 326,482

Planning

Supervisor/Director	\$	68,063	
Deputy(ies)		42,282	
Educational Incentive - Official/Admin Officer		950	
Educational Incentive - Other County Employees		950	
Longevity Pay		2,100	
Social Security		7,011	
Pensions		9,180	
Life Insurance		94	
Medical Insurance		15,442	
Unemployment Compensation		42	
Employer Medicare		1,640	
Other Fringe Benefits		400	
Communication		202	
Dues and Memberships		25	
Lease Payments		2,559	
Legal Notices, Recording, and Court Costs		2,003	
Maintenance Agreements		1,313	
Maintenance and Repair Services - Vehicles		168	
Postal Charges		800	
Gasoline		474	
Office Supplies		618	
In Service/Staff Development		200	
Total Planning			156,516

County Buildings

Supervisor/Director	\$	35,141	
Custodial Personnel		174,733	
Maintenance Personnel		63,769	
Part-time Personnel		4,408	
Longevity Pay		3,780	
Overtime Pay		1,358	
Other Salaries and Wages		615	
Social Security		17,026	
Pensions		20,726	

(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.)

Life Insurance	\$	452	
Medical Insurance		75,428	
Unemployment Compensation		246	
Employer Medicare		3,982	
Other Fringe Benefits		2,100	
Communication		49,787	
Maintenance Agreements		69,129	
Maintenance and Repair Services - Buildings		88,938	
Maintenance and Repair Services - Equipment		10,421	
Maintenance and Repair Services - Vehicles		1,317	
Pest Control		10,425	
Disposal Fees		13,957	
Other Contracted Services		41,813	
Custodial Supplies		16,343	
Gasoline		2,654	
Uniforms		1,311	
Utilities		522,413	
Other Supplies and Materials		28,349	
Other Charges		3,678	
Maintenance Equipment		1,937	
Other Capital Outlay		74,383	
Total County Buildings			\$ 1,340,619

Other General Administration

Communication	\$	2,364	
Maintenance Agreements		14,557	
Other Contracted Services		148,299	
Data Processing Equipment		8,746	
Total Other General Administration			173,966

FinanceProperty Assessor's Office

County Official/Administrative Officer	\$	85,216	
Deputy(ies)		257,708	
Part-time Personnel		9,900	
Educational Incentive - Other County Employees		850	
Longevity Pay		720	
Overtime Pay		1,281	
Board and Committee Members Fees		4,380	
Social Security		20,948	
Pensions		21,420	
Life Insurance		379	
Medical Insurance		56,063	
Unemployment Compensation		304	
Employer Medicare		5,037	
Other Fringe Benefits		1,600	
Consultants		6,250	

(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.)

Contracts with Government Agencies	\$	20,743	
Contracts with Private Agencies		33,534	
Dues and Memberships		1,800	
Lease Payments		8,861	
Legal Notices, Recording, and Court Costs		335	
Maintenance Agreements		5,242	
Maintenance and Repair Services - Vehicles		161	
Postal Charges		13,573	
Travel		270	
Gasoline		2,437	
Office Supplies		5,230	
Premiums on Corporate Surety Bonds		100	
In Service/Staff Development		748	
Other Charges		1,076	
Office Equipment		2,360	
Total Property Assessor's Office			\$ 568,526

County Trustee's Office

County Official/Administrative Officer	\$	85,216	
Deputy(ies)		136,323	
Educational Incentive - Other County Employees		1,900	
Longevity Pay		1,500	
Other Salaries and Wages		1,554	
Social Security		13,384	
Pensions		16,851	
Life Insurance		222	
Medical Insurance		38,037	
Unemployment Compensation		104	
Employer Medicare		3,153	
Other Fringe Benefits		800	
Data Processing Services		9,219	
Dues and Memberships		978	
Lease Payments		1,298	
Postal Charges		10,098	
Travel		2,271	
Other Contracted Services		5,291	
Office Supplies		3,869	
In Service/Staff Development		605	
Total County Trustee's Office			332,673

County Clerk's Office

County Official/Administrative Officer	\$	85,216	
Deputy(ies)		312,687	
Educational Incentive - Other County Employees		5,700	
Longevity Pay		6,660	
Social Security		24,444	
Pensions		28,201	

(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	\$	433	
Medical Insurance		63,488	
Unemployment Compensation		246	
Employer Medicare		5,717	
Other Fringe Benefits		1,800	
Communication		548	
Data Processing Services		24,148	
Dues and Memberships		858	
Lease Payments		3,451	
Postal Charges		24,000	
Travel		638	
Other Contracted Services		1,275	
Office Supplies		10,654	
In Service/Staff Development		955	
Other Charges		591	
Data Processing Equipment		5,500	
Total County Clerk's Office			\$ 607,210

Other Finance

Supervisor/Director	\$	85,216	
Deputy(ies)		33,732	
Accountants/Bookkeepers		352,263	
Educational Incentive - Official/Admin Officer		950	
Educational Incentive - Other County Employees		4,750	
Longevity Pay		6,960	
Social Security		27,825	
Pensions		36,585	
Life Insurance		464	
Medical Insurance		72,715	
Unemployment Compensation		234	
Employer Medicare		6,507	
Other Fringe Benefits		2,000	
Communication		2,092	
Data Processing Services		26,208	
Dues and Memberships		2,549	
Lease Payments		6,726	
Postal Charges		4,088	
Travel		1,542	
Other Contracted Services		1,169	
Office Supplies		15,070	
Premiums on Corporate Surety Bonds		50	
In Service/Staff Development		1,950	
Other Charges		1,728	
Other Capital Outlay		6,587	
Total Other Finance			699,960

(Continued)

Exhibit J-7

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

General Fund (Cont.)Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	85,216	
Deputy(ies)		564,909	
Part-time Personnel		14,887	
Educational Incentive - Other County Employees		10,150	
Longevity Pay		10,680	
Jury and Witness Expense		3,080	
Social Security		40,896	
Pensions		50,045	
Life Insurance		686	
Medical Insurance		107,437	
Unemployment Compensation		337	
Employer Medicare		9,564	
Other Fringe Benefits		2,900	
Communication		977	
Data Processing Services		39,662	
Dues and Memberships		898	
Lease Payments		11,001	
Legal Notices, Recording, and Court Costs		470	
Postal Charges		7,299	
Travel		3,139	
Remittance of Revenue Collected		27,152	
Other Contracted Services		1,386	
Library Books/Media		729	
Office Supplies		7,703	
In Service/Staff Development		1,990	
Other Charges		50	
Total Circuit Court			\$ 1,003,243

General Sessions Court

County Official/Administrative Officer	\$	164,525	
Deputy(ies)		85,278	
Longevity Pay		780	
Social Security		14,140	
Pensions		20,079	
Life Insurance		140	
Medical Insurance		23,163	
Unemployment Compensation		42	
Employer Medicare		3,580	
Other Fringe Benefits		400	
Lease Payments		1,022	
Postal Charges		220	
Travel		1,123	
Library Books/Media		605	
Office Supplies		1,262	
In Service/Staff Development		200	
Other Charges		591	
Total General Sessions Court			317,150

(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	\$	50,629	
Longevity Pay		720	
Other Salaries and Wages		23,394	
Social Security		3,981	
Pensions		6,011	
Life Insurance		73	
Medical Insurance		15,449	
Unemployment Compensation		42	
Employer Medicare		931	
Other Fringe Benefits		400	
Communication		350	
Total Drug Court			\$ 101,980

Chancery Court

County Official/Administrative Officer	\$	85,216	
Deputy(ies)		74,347	
Social Security		9,668	
Pensions		12,797	
Life Insurance		140	
Medical Insurance		23,163	
Unemployment Compensation		63	
Employer Medicare		2,261	
Other Fringe Benefits		400	
Communication		32	
Data Processing Services		14,630	
Dues and Memberships		1,088	
Lease Payments		3,429	
Postal Charges		1,500	
Travel		693	
Other Contracted Services		957	
Library Books/Media		562	
Office Supplies		1,487	
Other Charges		264	
Total Chancery Court			232,697

Juvenile Court

Assistant(s)	\$	51,176	
Deputy(ies)		46,554	
Longevity Pay		2,220	
Social Security		5,514	
Pensions		8,028	
Life Insurance		94	
Medical Insurance		15,502	
Unemployment Compensation		42	
Employer Medicare		1,289	
Other Fringe Benefits		400	
Communication		596	

(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.)

Dues and Memberships	\$	80	
Travel		585	
Library Books/Media		630	
Office Supplies		215	
Other Charges		204	
Total Juvenile Court			\$ 133,129

Judicial Commissioners

County Official/Administrative Officer	\$	70,152	
Part-time Personnel		9,826	
Longevity Pay		1,740	
Overtime Pay		33,379	
Social Security		6,369	
Pensions		8,419	
Life Insurance		140	
Medical Insurance		23,223	
Unemployment Compensation		95	
Employer Medicare		1,489	
Other Fringe Benefits		800	
Dues and Memberships		500	
Office Supplies		209	
Total Judicial Commissioners			156,341

Other Administration of Justice

Contracts with Government Agencies	\$	236,587	
Contracts with Private Agencies		215,452	
Other Contracted Services		800	
Total Other Administration of Justice			452,839

Probation Services

Supervisor/Director	\$	48,463	
Deputy(ies)		62,177	
Longevity Pay		960	
Social Security		6,786	
Pensions		8,976	
Life Insurance		140	
Medical Insurance		23,163	
Unemployment Compensation		63	
Employer Medicare		1,587	
Other Fringe Benefits		600	
Communication		16	
Office Supplies		1,368	
Other Equipment		1,471	
Total Probation Services			155,770

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	93,738	
Assistant(s)		66,259	
Deputy(ies)		691,785	
Investigator(s)		348,984	
Captain(s)		123,848	
Sergeant(s)		215,651	
Accountants/Bookkeepers		84,142	
Instructional Computer Personnel		44,805	
Salary Supplements		48,600	
Mechanic(s)		43,961	
Guards		212,304	
Part-time Personnel		55,970	
School Resource Officer		541,810	
Educational Incentive - Other County Employees		950	
Longevity Pay		25,980	
Overtime Pay		113,501	
Other Salaries and Wages		60,116	
Social Security		166,116	
Pensions		191,185	
Life Insurance		2,219	
Medical Insurance		324,892	
Unemployment Compensation		1,418	
Employer Medicare		39,076	
Other Fringe Benefits		10,200	
Communication		26,815	
Contracts with Private Agencies		12,256	
Dues and Memberships		2,775	
Lease Payments		12,287	
Maintenance Agreements		9,929	
Maintenance and Repair Services - Equipment		4,981	
Maintenance and Repair Services - Vehicles		125,319	
Medical and Dental Services		800	
Postal Charges		227	
Travel		10,603	
Diesel Fuel		12,890	
Gasoline		188,785	
Law Enforcement Supplies		14,854	
Office Supplies		9,511	
Propane Gas		39	
Tires and Tubes		21,712	
Uniforms		20,101	
Other Supplies and Materials		1,139	
Premiums on Corporate Surety Bonds		136	
In Service/Staff Development		14,998	
Constitutional Officers' Operating Expenses		70	
Other Charges		38,935	
Motor Vehicles		262,044	
Other Equipment		32,808	
Total Sheriff's Department			\$ 4,331,524

(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	\$	14,259	
Social Security		890	
Unemployment Compensation		21	
Employer Medicare		208	
Other Fringe Benefits		100	
Remittance of Revenue Collected		2,950	
Total Administration of the Sexual Offender Registry	\$		18,428

Jail

Assistant(s)	\$	61,924	
Deputy(ies)		42,474	
Medical Personnel		7,049	
Salary Supplements		5,000	
Guards		953,357	
Cafeteria Personnel		51,137	
Maintenance Personnel		38,634	
Part-time Personnel		54,641	
Longevity Pay		5,940	
Overtime Pay		93,510	
Other Salaries and Wages		38,737	
Social Security		81,296	
Pensions		78,374	
Life Insurance		1,474	
Medical Insurance		195,863	
Unemployment Compensation		1,195	
Employer Medicare		19,077	
Other Fringe Benefits		6,200	
Maintenance Agreements		19,111	
Maintenance and Repair Services - Buildings		42,391	
Maintenance and Repair Services - Equipment		16,126	
Medical and Dental Services		7,700	
Pest Control		3,000	
Transportation - Other than Students		3,736	
Travel		3,080	
Disposal Fees		4,277	
Other Contracted Services		26,507	
Custodial Supplies		81,107	
Food Supplies		432,956	
Prisoners Clothing		11,350	
Uniforms		9,235	
Other Supplies and Materials		3,092	
Medical Claims		531,260	
In Service/Staff Development		500	
Other Charges		6,005	
Other Equipment		10,497	
Total Jail			2,947,812

(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	\$	8,840	
Assessment Personnel		8,512	
Part-time Personnel		14,910	
Other Salaries and Wages		246,421	
Social Security		16,370	
Pensions		18,830	
Life Insurance		257	
Medical Insurance		27,535	
Unemployment Compensation		165	
Employer Medicare		3,877	
Other Fringe Benefits		200	
Communication		79	
Lease Payments		2,812	
Travel		2,346	
Other Contracted Services		37	
Other Supplies and Materials		2,971	
Indirect Cost		4,777	
In Service/Staff Development		1,878	
Total Correctional Incentive Program Improvements			\$ 360,817

Juvenile Services

Contracts with Private Agencies	\$	1,225	
Other Contracted Services		5,722	
In Service/Staff Development		300	
Total Juvenile Services			7,247

Civil Defense

Supervisor/Director	\$	56,074	
Deputy(ies)		42,292	
Longevity Pay		360	
Social Security		5,953	
Pensions		7,930	
Life Insurance		94	
Medical Insurance		15,442	
Unemployment Compensation		42	
Employer Medicare		1,392	
Other Fringe Benefits		400	
Communication		3,209	
Dues and Memberships		110	
Lease Payments		2,952	
Maintenance and Repair Services - Buildings		352	
Maintenance and Repair Services - Equipment		2,965	
Maintenance and Repair Services - Vehicles		1,085	
Travel		889	
Other Contracted Services		6,302	
Diesel Fuel		553	
Gasoline		2,439	

(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.)

Office Supplies	\$	867	
Other Supplies and Materials		969	
In Service/Staff Development		1,020	
Other Charges		915	
Other Equipment		6,418	
Total Civil Defense			\$ 161,024

Rescue Squad

Dues and Memberships	\$	657	
Maintenance and Repair Services - Equipment		515	
Other Contracted Services		3,972	
Diesel Fuel		49	
Gasoline		106	
Other Supplies and Materials		3,532	
In Service/Staff Development		894	
Other Charges		516	
Other Equipment		5,898	
Other Capital Outlay		26,159	
Total Rescue Squad			42,298

Other Emergency Management

Assistant(s)	\$	44,831	
Supervisor/Director		60,000	
Dispatchers/Radio Operators		387,015	
Educational Incentive - Official/Admin Officer		950	
Educational Incentive - Other County Employees		3,700	
Longevity Pay		3,600	
Overtime Pay		62,955	
Other Salaries and Wages		19,677	
Social Security		34,900	
Pensions		40,068	
Life Insurance		616	
Medical Insurance		71,699	
Unemployment Compensation		390	
Employer Medicare		8,162	
Other Fringe Benefits		2,400	
Communication		13,825	
Contracts with Private Agencies		9,862	
Lease Payments		4,860	
Maintenance and Repair Services - Equipment		264	
Maintenance and Repair Services - Vehicles		1,622	
Postal Charges		58	
Travel		1,286	
Gasoline		520	
Office Supplies		5,534	
Uniforms		1,800	
In Service/Staff Development		4,959	

(Continued)

Exhibit J-7

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

General Fund (Cont.)Public Safety (Cont.)Other Emergency Management (Cont.)

Other Charges	\$	418	
Other Equipment		3,411	
Total Other Emergency Management			\$ 789,382

County Coroner/Medical Examiner

Other Contracted Services	\$	6,000	
Medical Claims		33,500	
Total County Coroner/Medical Examiner			39,500

Public Safety Grants Program

Overtime Pay	\$	12,854	
Social Security		759	
Pensions		1,028	
Medical Insurance		1,615	
Unemployment Compensation		5	
Employer Medicare		178	
Other Equipment		5,487	
Other Capital Outlay		18,145	
Total Public Safety Grants Program			40,071

Other Public Safety

Printing, Stationery, and Forms	\$	120	
Other Contracted Services		8,625	
Other Supplies and Materials		33,386	
Total Other Public Safety			42,131

Public Health and WelfareLocal Health Center

Communication	\$	1,270	
Dues and Memberships		200	
Maintenance and Repair Services - Buildings		210	
Disposal Fees		1,985	
Custodial Supplies		3,710	
Utilities		11,637	
Building and Contents Insurance		2,957	
Liability Insurance		472	
Other Charges		1,229	
Total Local Health Center			23,670

Rabies and Animal Control

Assistant(s)	\$	93,085	
Supervisor/Director		13,571	
Longevity Pay		840	
Overtime Pay		10,560	
Other Salaries and Wages		979	
Social Security		7,317	
Pensions		8,500	

(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.)

Life Insurance	\$	144	
Medical Insurance		14,242	
Unemployment Compensation		83	
Employer Medicare		1,711	
Other Fringe Benefits		600	
Communication		1,013	
Licenses		370	
Maintenance and Repair Services - Buildings		2,424	
Maintenance and Repair Services - Vehicles		766	
Postal Charges		368	
Other Contracted Services		66,891	
Animal Food and Supplies		5,515	
Diesel Fuel		1,579	
Drugs and Medical Supplies		1,423	
Gasoline		6,516	
Office Supplies		32	
Tires and Tubes		435	
Uniforms		594	
Other Supplies and Materials		9,033	
In Service/Staff Development		500	
Other Charges		786	
Other Equipment		574	
Total Rabies and Animal Control			\$ 250,451

Other Local Health Services

Social Workers	\$	33,743	
Secretary(ies)		40,535	
Longevity Pay		480	
Social Security		4,560	
Pensions		5,110	
Life Insurance		86	
Medical Insurance		7,721	
Unemployment Compensation		65	
Employer Medicare		1,066	
Other Fringe Benefits		400	
Travel		1,428	
Other Contracted Services		1,276	
Total Other Local Health Services			96,470

General Welfare Assistance

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

Waste Pickup

Laborers	\$	60,140	
Other Salaries and Wages		1,823	
Social Security		3,687	

(Continued)

Exhibit J-7

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

General Fund (Cont.)Public Health and Welfare (Cont.)Waste Pickup (Cont.)

Pensions	\$	5,047	
Life Insurance		78	
Medical Insurance		12,877	
Unemployment Compensation		41	
Employer Medicare		862	
Other Fringe Benefits		400	
Advertising		1,000	
Travel		40	
Disposal Fees		395	
Other Supplies and Materials		5,877	
Total Waste Pickup			\$ 92,267

Other Waste Collection

Laborers	\$	29,721	
Other Salaries and Wages		255	
Social Security		1,724	
Pensions		1,772	
Life Insurance		43	
Medical Insurance		4,143	
Unemployment Compensation		14	
Employer Medicare		403	
Other Fringe Benefits		100	
Other Supplies and Materials		500	
Total Other Waste Collection			38,675

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Other Contracted Services	\$	20,525	
Custodial Supplies		2,657	
Total Senior Citizens Assistance			23,182

Parks and Fair Boards

Supervisor/Director	\$	5,865	
Other Salaries and Wages		17,013	
Social Security		1,409	
Pensions		695	
Unemployment Compensation		21	
Employer Medicare		329	
Communication		268	
Maintenance Agreements		359	
Other Supplies and Materials		9,048	
Other Charges		149	
Total Parks and Fair Boards			35,156

Agriculture and Natural ResourcesAgricultural Extension Service

Other Salaries and Wages	\$	77,945	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)Agricultural Extension Service (Cont.)

Other Fringe Benefits	\$	22,326	
Communication		512	
Dues and Memberships		565	
Lease Payments		4,996	
Other Contracted Services		74	
Total Agricultural Extension Service			\$ 106,418

Soil Conservation

Secretary to Board	\$	28,839	
Other Salaries and Wages		2,000	
Social Security		1,826	
Pensions		2,643	
Life Insurance		47	
Medical Insurance		7,721	
Unemployment Compensation		21	
Employer Medicare		427	
Other Fringe Benefits		200	
Dues and Memberships		275	
Travel		1,763	
In Service/Staff Development		415	
Total Soil Conservation			46,177

Other OperationsIndustrial Development

Assistant(s)	\$	19,831	
Social Security		1,185	
Pensions		1,595	
Life Insurance		26	
Medical Insurance		4,249	
Unemployment Compensation		11	
Employer Medicare		277	
Other Fringe Benefits		112	
Advertising		670	
Communication		344	
Dues and Memberships		275	
Maintenance and Repair Services - Buildings		620	
Pest Control		900	
Travel		1,848	
Other Contracted Services		1,156	
Office Supplies		258	
Premiums on Corporate Surety Bonds		344	
In Service/Staff Development		1,165	
Other Charges		3,240	
Total Industrial Development			38,106

Other Economic and Community Development

Contracts with Government Agencies	\$	111,330	
Other Contracted Services		40,000	
Total Other Economic and Community Development			151,330

(Continued)

Exhibit J-7

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

General Fund (Cont.)Other Operations (Cont.)Airport

Other Contracted Services	\$	20,621	
Total Airport			\$ 20,621

Veterans' Services

Assistant(s)	\$	34,498	
Supervisor/Director		18,437	
Part-time Personnel		13,242	
Longevity Pay		360	
Social Security		2,986	
Pensions		2,805	
Life Insurance		47	
Medical Insurance		6,224	
Unemployment Compensation		62	
Employer Medicare		967	
Other Fringe Benefits		400	
Communication		480	
Contracts with Private Agencies		898	
Lease Payments		2,230	
Transportation - Other than Students		5,541	
Office Supplies		1,372	
Other Charges		3,218	
Total Veterans' Services			93,767

Other Charges

Other Fringe Benefits	\$	65,486	
Medical and Dental Services		3,455	
Building and Contents Insurance		89,265	
Liability Insurance		142,195	
Medical Claims		15,249	
Trustee's Commission		280,583	
Vehicle and Equipment Insurance		54,447	
Workers' Compensation Insurance		195,441	
Other Self-insured Claims		11,660	
Other Charges		10,362	
Total Other Charges			868,143

American Rescue Plan Act Grant #1

Other Capital Outlay	\$	1,500,000	
Total American Rescue Plan Act Grant #1			1,500,000

Capital ProjectsOther General Government Projects

Other Equipment	\$	30,009	
Other Capital Outlay		514,944	
Total Other General Government Projects			544,953

(Continued)

Exhibit J-7

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

General Fund (Cont.)Capital Projects (Cont.)Highway and Street Capital Projects

Other Capital Outlay	\$ 137,406	
Total Highway and Street Capital Projects		\$ 137,406

Total General Fund \$ 20,351,566

Courthouse and Jail Maintenance FundOther OperationsOther Charges

Trustee's Commission	\$ 1,422	
Total Other Charges		\$ 1,422

Total Courthouse and Jail Maintenance Fund 1,422

Public Library FundSocial, Cultural, and Recreational ServicesLibraries

Assistant(s)	\$ 99,987	
Supervisor/Director	50,973	
Education Media Personnel	38,299	
Part-time Personnel	31,710	
Educational Incentive - Official/Admin Officer	950	
Longevity Pay	1,860	
Other Salaries and Wages	158	
Social Security	13,572	
Pensions	14,819	
Life Insurance	234	
Medical Insurance	36,502	
Unemployment Compensation	188	
Employer Medicare	3,174	
Other Fringe Benefits	1,450	
Communication	2,039	
Dues and Memberships	75	
Lease Payments	4,921	
Maintenance and Repair Services - Buildings	19,951	
Travel	1,035	
Other Contracted Services	2,406	
Custodial Supplies	941	
Library Books/Media	35,177	
Office Supplies	1,871	
Periodicals	838	
Other Supplies and Materials	7,958	
In Service/Staff Development	100	
Other Charges	9,389	
Data Processing Equipment	236	
Other Capital Outlay	12,211	
Total Libraries		\$ 393,024

(Continued)

Exhibit J-7

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

Public Library Fund (Cont.)

Other Operations

Other Charges

Pest Control	\$	600	
Disposal Fees		1,884	
Utilities		20,642	
Building and Contents Insurance		3,002	
Liability Insurance		1,028	
Trustee's Commission		8,319	
Workers' Compensation Insurance		3,687	
Total Other Charges			\$ 39,162

American Rescue Plan Act Grant #1

Other Equipment	\$	20,342	
Other Capital Outlay		6,850	
Total American Rescue Plan Act Grant #1			27,192

Total Public Library Fund \$ 459,378

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Advertising	\$	1,800	
Other Supplies and Materials		1,000	
Total Sanitation Education/Information			\$ 2,800

Convenience Centers

Laborers	\$	215,960	
Overtime Pay		114	
Social Security		12,059	
Unemployment Compensation		484	
Employer Medicare		3,167	
Other Fringe Benefits		2,325	
Communication		5,735	
Lease Payments		1,158	
Maintenance and Repair Services - Buildings		650	
Maintenance and Repair Services - Equipment		18,072	
Other Contracted Services		4,555	
Utilities		18,594	
Other Supplies and Materials		2,913	
Building Construction		5,440	
Solid Waste Equipment		22,695	
Other Capital Outlay		55,048	
Total Convenience Centers			368,969

Transfer Stations

Supervisor/Director	\$	68,961	
Deputy(ies)		37,297	
Foremen		54,953	
Equipment Operators - Light		66,518	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Transfer Stations (Cont.)

Truck Drivers	\$	231,443	
Laborers		63,602	
Part-time Personnel		25,553	
Educational Incentive - Official/Admin Officer		950	
Educational Incentive - Other County Employees		1,900	
Longevity Pay		2,460	
Overtime Pay		628	
Other Salaries and Wages		526	
Social Security		33,465	
Pensions		34,947	
Life Insurance		591	
Medical Insurance		80,414	
Unemployment Compensation		463	
Employer Medicare		7,900	
Other Fringe Benefits		2,875	
Communication		2,308	
Contracts with Government Agencies		540,141	
Contracts with Private Agencies		107,280	
Dues and Memberships		1,231	
Lease Payments		2,478	
Maintenance Agreements		180	
Maintenance and Repair Services - Buildings		1,148	
Maintenance and Repair Services - Equipment		65,158	
Maintenance and Repair Services - Vehicles		21,661	
Pest Control		960	
Postal Charges		160	
Travel		2,067	
Permits		180	
Diesel Fuel		62,095	
Equipment and Machinery Parts		15,834	
Garage Supplies		1,340	
Gasoline		3,332	
Lubricants		3,432	
Office Supplies		2,037	
Tires and Tubes		7,712	
Uniforms		4,244	
Utilities		15,277	
Vehicle Parts		11,426	
Other Supplies and Materials		20,176	
In Service/Staff Development		2,284	
Other Charges		3,949	
Solid Waste Equipment		298,977	
Total Transfer Stations			\$ 1,912,513

Postclosure Care Costs

Contracts with Private Agencies	\$	6,827	
Total Postclosure Care Costs			6,827

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)Other OperationsOther Charges

Medical and Dental Services	\$	535	
Building and Contents Insurance		13,300	
Liability Insurance		15,516	
Medical Claims		1,347	
Trustee's Commission		37,776	
Vehicle and Equipment Insurance		16,309	
Workers' Compensation Insurance		12,633	
Other Charges		265	
Total Other Charges			\$ 97,681

Total Solid Waste/Sanitation Fund \$ 2,388,790

Local Purpose Tax FundPublic SafetyFire Prevention and Control

Contracts with Government Agencies	\$	2,000	
Other Contracted Services		1,024,000	
Other Supplies and Materials		518	
Trustee's Commission		14,675	
In Service/Staff Development		1,400	
Total Fire Prevention and Control			\$ 1,042,593

Total Local Purpose Tax Fund 1,042,593

Drug Control FundPublic SafetyDrug Enforcement

Contributions	\$	125	
Other Contracted Services		8,146	
Animal Food and Supplies		1,358	
Instructional Supplies and Materials		3,475	
Law Enforcement Supplies		400	
Refunds		850	
In Service/Staff Development		1,600	
Other Charges		14,125	
Law Enforcement Equipment		101	
Motor Vehicles		15,900	
Other Equipment		1,558	
Total Drug Enforcement			\$ 47,638

Other OperationsOther Charges

Trustee's Commission	\$	175	
Total Other Charges			175

Total Drug Control Fund 47,813

(Continued)

Exhibit J-7

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

Constitutional Officers - Fees FundPublic SafetySheriff's Department

Constitutional Officers' Operating Expenses	\$	57	
Total Sheriff's Department			\$ 57

Total Constitutional Officers - Fees Fund \$ 57

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	93,738	
Assistant(s)		130,262	
Educational Incentive - Other County Employees		950	
Longevity Pay		2,400	
Overtime Pay		2,915	
Other Salaries and Wages		1,507	
Board and Committee Members Fees		21,600	
Social Security		15,310	
Pensions		19,170	
Life Insurance		187	
Medical Insurance		30,937	
Dental Insurance		1,028	
Employer Medicare		3,677	
Other Fringe Benefits		937	
Dues and Memberships		4,846	
Lease Payments		2,445	
Legal Services		450	
Legal Notices, Recording, and Court Costs		175	
Travel		1,811	
Other Contracted Services		6,182	
Office Supplies		1,192	
In Service/Staff Development		2,389	
Other Charges		1,173	
Total Administration			\$ 345,281

Highway and Bridge Maintenance

Foremen	\$	44,407	
Equipment Operators - Heavy		164,072	
Equipment Operators - Light		99,316	
Truck Drivers		253,938	
Longevity Pay		6,480	
Overtime Pay		9,453	
Other Salaries and Wages		17,624	
Social Security		32,595	
Pensions		45,701	
Life Insurance		728	
Medical Insurance		121,301	
Dental Insurance		4,050	
Employer Medicare		7,992	

(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	\$	3,789	
Other Contracted Services		7,400	
Asphalt - Liquid		28,559	
Crushed Stone		29,696	
General Construction Materials		212	
Pipe		64,510	
Propane Gas		92	
Road Signs		24,127	
Small Tools		165	
Other Supplies and Materials		2,721	
Total Highway and Bridge Maintenance			\$ 968,928

Operation and Maintenance of Equipment

Foremen	\$	47,215	
Longevity Pay		540	
Overtime Pay		1,426	
Other Salaries and Wages		938	
Social Security		3,098	
Pensions		4,099	
Life Insurance		47	
Medical Insurance		7,734	
Dental Insurance		257	
Employer Medicare		724	
Other Fringe Benefits		247	
Maintenance and Repair Services - Buildings		210	
Maintenance and Repair Services - Equipment		24,424	
Diesel Fuel		100,620	
Equipment and Machinery Parts		47,460	
Garage Supplies		16,112	
Gasoline		19,016	
Lubricants		8,874	
Small Tools		188	
Tires and Tubes		31,700	
Total Operation and Maintenance of Equipment			314,929

Quarry Operations

Foremen	\$	38,339	
Equipment Operators - Heavy		42,044	
Equipment Operators - Light		712	
Truck Drivers		15,903	
Longevity Pay		2,400	
Overtime Pay		2,773	
Other Salaries and Wages		4,544	
Social Security		6,416	
Pensions		8,702	
Life Insurance		107	
Medical Insurance		19,580	

(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.)

Dental Insurance	\$	637	
Employer Medicare		1,501	
Other Fringe Benefits		493	
Communication		392	
Engineering Services		251	
Explosive and Drilling Services		25,790	
Lease Payments		10,800	
Maintenance and Repair Services - Buildings		83	
Maintenance and Repair Services - Equipment		141,543	
Rentals		1,006	
Diesel Fuel		10,054	
Electricity		45,548	
Equipment and Machinery Parts		15,992	
Garage Supplies		2,620	
Lubricants		620	
Tires and Tubes		7,907	
Water and Sewer		1,089	
Other Supplies and Materials		113	
Total Quarry Operations			\$ 407,959

Other Charges

Other Fringe Benefits	\$	23,085	
Communication		8,866	
Medical and Dental Services		240	
Pest Control		320	
Disposal Fees		2,918	
Permits		2,224	
Uniforms		6,517	
Utilities		18,299	
Building and Contents Insurance		24,181	
Liability Insurance		28,211	
Medical Claims		151	
Trustee's Commission		42,969	
Vehicle and Equipment Insurance		28,211	
Workers' Compensation Insurance		19,934	
Other Charges		1,446	
Total Other Charges			207,572

Capital Outlay

Communication Equipment	\$	7,300	
Highway Construction		791,534	
Other Equipment		37,939	
Other Construction		34,815	
Other Capital Outlay		2,480	
Total Capital Outlay			874,068

(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	\$ 47,385	
Total Highways and Streets		\$ 47,385

Interest on Debt

Highways and Streets

Interest on Notes	\$ 6,082	
Total Highways and Streets		6,082

Total Highway/Public Works Fund		\$ 3,172,204
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General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 1,435,000	
Principal on Notes	230,648	
Total General Government		\$ 1,665,648

Highways and Streets

Principal on Notes	\$ 427,857	
Total Highways and Streets		427,857

Education

Principal on Bonds	\$ 1,560,000	
Total Education		1,560,000

Interest on Debt

General Government

Interest on Bonds	\$ 603,506	
Interest on Notes	52,062	
Total General Government		655,568

Highways and Streets

Interest on Notes	\$ 9,826	
Total Highways and Streets		9,826

Education

Interest on Bonds	\$ 1,645,019	
Total Education		1,645,019

Other Debt Service

General Government

Trustee's Commission	\$ 87,429	
Other Debt Service	942	
Total General Government		88,371

Education

Other Debt Service	\$ 400	
Total Education		400

Total General Debt Service Fund		6,052,689
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(Continued)

Exhibit J-7

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

<u>Other Capital Projects #1 Fund</u>			
<u>Capital Projects</u>			
<u>Highway and Street Capital Projects</u>			
Highway Equipment	\$	341,390	
Total Highway and Street Capital Projects			\$ 341,390
Total Other Capital Projects #1 Fund			\$ 341,390
Total Governmental Funds - Primary Government			\$ 33,857,902

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, 2022

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 13,340,500	
Career Ladder Program	48,748	
Homebound Teachers	94,181	
Educational Assistants	643,097	
Bonus Payments	77,058	
Certified Substitute Teachers	89,642	
Non-certified Substitute Teachers	231,846	
Social Security	846,111	
Pensions	1,318,626	
Medical Insurance	2,239,451	
Employer Medicare	199,488	
Other Fringe Benefits	8,017	
Lease Payments	39,063	
Tuition	325,771	
Other Contracted Services	24,815	
Instructional Supplies and Materials	464,656	
Textbooks - Bound	27,216	
Software	129,000	
Fee Waivers	97,950	
Other Charges	3,710	
Regular Instruction Equipment	354,505	
Total Regular Instruction Program		\$ 20,603,451

Alternative Instruction Program

Teachers	\$ 46,869	
Career Ladder Program	1,000	
Bonus Payments	1,810	
Other Salaries and Wages	92,490	
Certified Substitute Teachers	180	
Non-certified Substitute Teachers	3,930	
Social Security	7,256	
Pensions	11,876	
Medical Insurance	25,371	
Employer Medicare	2,019	
Other Fringe Benefits	129	
Lease Payments	683	
Instructional Supplies and Materials	392	
Other Supplies and Materials	299	
Total Alternative Instruction Program		194,304

Special Education Program

Teachers	\$ 1,263,211	
Career Ladder Program	7,000	
Homebound Teachers	59,398	
Educational Assistants	500,189	
Speech Pathologist	512,586	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)Instruction (Cont.)Special Education Program (Cont.)

Bonus Payments	\$	13,003	
Certified Substitute Teachers		19,033	
Non-certified Substitute Teachers		30,185	
Social Security		137,677	
Pensions		218,634	
Medical Insurance		403,644	
Employer Medicare		32,002	
Retirement - Hybrid Stabilization		16	
Other Fringe Benefits		2,426	
Other Contracted Services		30,818	
Instructional Supplies and Materials		332,420	
Other Supplies and Materials		53,857	
Special Education Equipment		26,657	
Total Special Education Program			\$ 3,642,756

Career and Technical Education Program

Teachers	\$	1,085,834	
Bonus Payments		7,122	
Certified Substitute Teachers		765	
Non-certified Substitute Teachers		12,865	
Social Security		64,354	
Pensions		97,486	
Medical Insurance		175,274	
Employer Medicare		15,066	
Other Fringe Benefits		438	
Other Contracted Services		2,425	
Instructional Supplies and Materials		21,813	
Other Supplies and Materials		5,630	
Other Charges		2,118	
Vocational Instruction Equipment		30,997	
Total Career and Technical Education Program			1,522,187

Student Body Education Program

Other Salaries and Wages	\$	338,579	
Social Security		19,416	
Pensions		22,588	
Employer Medicare		4,731	
Other Contracted Services		85,316	
Other Supplies and Materials		2,834	
Other Charges		29,714	
Total Student Body Education Program			503,178

Support ServicesAttendance

Clerical Personnel	\$	101,606	
Bonus Payments		776	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Attendance (Cont.)

Other Salaries and Wages	\$	52,806	
Social Security		8,918	
Pensions		12,415	
Medical Insurance		42,178	
Employer Medicare		2,086	
Other Fringe Benefits		774	
Travel		193	
Software		28,574	
Other Supplies and Materials		59	
In Service/Staff Development		400	
Total Attendance			\$ 250,785

Health Services

Supervisor/Director	\$	74,767	
Medical Personnel		116,397	
Certified Substitute Teachers		255	
Non-certified Substitute Teachers		10,838	
Social Security		11,803	
Pensions		16,545	
Medical Insurance		27,707	
Employer Medicare		2,764	
Other Fringe Benefits		784	
Travel		443	
Other Supplies and Materials		24,754	
In Service/Staff Development		3,942	
Total Health Services			290,999

Other Student Support

Career Ladder Program	\$	4,000	
Guidance Personnel		634,799	
Social Workers		111,662	
Secretary(ies)		76,107	
Bonus Payments		4,672	
Certified Substitute Teachers		180	
Non-certified Substitute Teachers		640	
Social Security		48,103	
Pensions		73,674	
Medical Insurance		121,907	
Employer Medicare		11,503	
Other Fringe Benefits		875	
Contracts with Government Agencies		37,000	
Evaluation and Testing		28,601	
Travel		1,749	
Other Contracted Services		3,513	
Other Supplies and Materials		1,756	
In Service/Staff Development		675	

(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 Charges	\$	14,204	
Other Equipment		37,310	
Total Other Student Support			\$ 1,212,930

Regular Instruction Program

Supervisor/Director	\$	227,831	
Career Ladder Program		6,000	
Librarians		591,073	
Clerical Personnel		42,067	
Educational Assistants		15,784	
Bonus Payments		7,021	
Other Salaries and Wages		71,850	
Certified Substitute Teachers		315	
Non-certified Substitute Teachers		2,050	
Social Security		55,183	
Pensions		91,985	
Medical Insurance		122,526	
Employer Medicare		13,230	
Other Fringe Benefits		511	
Dues and Memberships		1,450	
Travel		5,219	
Other Supplies and Materials		2,441	
In Service/Staff Development		18,407	
Other Charges		1,821	
Total Regular Instruction Program			1,276,764

Special Education Program

Supervisor/Director	\$	96,769	
Psychological Personnel		25,870	
Medical Personnel		119,482	
Clerical Personnel		30,782	
Bonus Payments		29,761	
Other Salaries and Wages		59,475	
Social Security		21,489	
Pensions		32,044	
Medical Insurance		55,202	
Employer Medicare		5,033	
Other Fringe Benefits		631	
Dues and Memberships		875	
Maintenance and Repair Services - Equipment		1,917	
Travel		7,914	
Other Contracted Services		111,013	
Instructional Supplies and Materials		45	
Other Supplies and Materials		10,508	
In Service/Staff Development		13,934	
Other Charges		9,771	
Special Education Equipment		43,442	
Total Special Education Program			675,957

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Career and Technical Education Program

Supervisor/Director	\$	46,318	
Secretary(ies)		42,058	
Bonus Payments		776	
Social Security		5,300	
Pensions		8,235	
Medical Insurance		14,500	
Employer Medicare		1,240	
Other Fringe Benefits		231	
Travel		1,611	
Other Contracted Services		6,300	
Other Supplies and Materials		93	
In Service/Staff Development		3,258	
Other Charges		200	
Total Career and Technical Education Program			\$ 130,120

Technology

Supervisor/Director	\$	83,556	
Clerical Personnel		30,760	
Bonus Payments		3,655	
Other Salaries and Wages		287,053	
Social Security		22,769	
Pensions		34,341	
Medical Insurance		68,550	
Employer Medicare		5,325	
Other Fringe Benefits		1,669	
Dues and Memberships		240	
Lease Payments		4,781	
Internet Connectivity		88,079	
Travel		3,896	
Other Contracted Services		134,605	
Software		38,064	
Other Supplies and Materials		22,707	
In Service/Staff Development		3,895	
Other Equipment		194,062	
Total Technology			1,028,007

Other Programs

On-behalf Payments to OPEB	\$	178,443	
Total Other Programs			178,443

Board of Education

Secretary to Board	\$	787	
Board and Committee Members Fees		31,200	
Social Security		1,258	
Pensions		63	
Employer Medicare		464	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Board of Education (Cont.)

Other Fringe Benefits	\$	88,113	
Audit Services		19,925	
Dues and Memberships		11,419	
Legal Services		21,704	
Other Contracted Services		6,270	
Other Supplies and Materials		3,271	
Liability Insurance		123,115	
Trustee's Commission		365,563	
Workers' Compensation Insurance		334,570	
In Service/Staff Development		6,824	
Criminal Investigation of Applicants - TBI		10,495	
Other Charges		3,523	
Total Board of Education			\$ 1,028,564

Director of Schools

County Official/Administrative Officer	\$	117,824	
Career Ladder Program		1,000	
Secretary(ies)		40,528	
Clerical Personnel		32,767	
Bonus Payments		1,550	
Social Security		11,363	
Pensions		18,116	
Medical Insurance		18,014	
Employer Medicare		2,688	
Other Fringe Benefits		393	
Communication		18,857	
Dues and Memberships		3,855	
Lease Payments		12,631	
Postal Charges		900	
Travel		2,584	
Other Contracted Services		9,509	
Office Supplies		5,657	
Other Supplies and Materials		2,492	
In Service/Staff Development		7,317	
Other Charges		3,404	
Total Director of Schools			311,449

Office of the Principal

Principals	\$	943,608	
Career Ladder Program		6,000	
Accountants/Bookkeepers		275,944	
Assistant Principals		640,462	
Secretary(ies)		128,287	
Bonus Payments		12,450	
Other Salaries and Wages		49,852	
Non-certified Substitute Teachers		280	

(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.)

Social Security	\$	116,628	
Pensions		191,564	
Medical Insurance		301,389	
Employer Medicare		28,028	
Other Fringe Benefits		2,530	
Travel		1,379	
Total Office of the Principal			\$ 2,698,401

Fiscal Services

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

Human Services/Personnel

Supervisor/Director	\$	94,592	
Clerical Personnel		87,529	
Bonus Payments		2,326	
Social Security		11,272	
Pensions		16,949	
Medical Insurance		22,086	
Employer Medicare		2,636	
Other Fringe Benefits		456	
Lease Payments		5,751	
Travel		161	
Other Contracted Services		4,200	
Software		16,809	
In Service/Staff Development		876	
Total Human Services/Personnel			265,643

Operation of Plant

Custodial Personnel	\$	859,603	
Bonus Payments		6,864	
Non-certified Substitute Teachers		400	
Social Security		50,856	
Pensions		64,201	
Medical Insurance		208,890	
Unemployment Compensation		60	
Employer Medicare		11,911	
Other Fringe Benefits		3,703	
Disposal Fees		50,902	
Custodial Supplies		208,129	
Electricity		1,422,423	
Natural Gas		136,488	
Propane Gas		21,346	
Water and Sewer		136,760	
Boiler Insurance		8,937	
Building and Contents Insurance		259,685	
Total Operation of Plant			3,451,158

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

Supervisor/Director	\$	42,278	
Maintenance Personnel		460,171	
Overtime Pay		618	
Bonus Payments		2,604	
Other Salaries and Wages		45,773	
Social Security		31,585	
Pensions		43,856	
Medical Insurance		78,229	
Employer Medicare		7,387	
Other Fringe Benefits		2,466	
Laundry Service		1,475	
Lease Payments		1,244	
Maintenance and Repair Services - Buildings		151,446	
Maintenance and Repair Services - Equipment		19,508	
Maintenance and Repair Services - Vehicles		35,717	
Other Contracted Services		160,025	
Gasoline		27,165	
Other Supplies and Materials		17,773	
Other Charges		1,849	
Building Improvements		49,000	
Total Maintenance of Plant			\$ 1,180,169

Transportation

Supervisor/Director	\$	43,178	
Bus Drivers		213,403	
Other Salaries and Wages		32,762	
Non-certified Substitute Teachers		5,795	
Social Security		16,695	
Pensions		24,096	
Medical Insurance		59,711	
Employer Medicare		3,910	
Other Fringe Benefits		1,172	
Communication		1,061	
Contracts with Vehicle Owners		1,750,429	
Maintenance and Repair Services - Vehicles		111,641	
Other Contracted Services		6,524	
Diesel Fuel		7,500	
Gasoline		41,779	
Tires and Tubes		3,200	
Other Supplies and Materials		622	
Vehicle and Equipment Insurance		108,276	
In Service/Staff Development		1,526	
Other Charges		4,186	
Transportation Equipment		1,307	
Total Transportation			2,438,773

(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.)Central and Other

Other Salaries and Wages	\$	73,024	
Social Security		4,429	
Pensions		6,852	
Medical Insurance		20,974	
Employer Medicare		1,029	
Other Fringe Benefits		126	
Total Central and Other			\$ 106,434

Operation of Non-Instructional ServicesFood Service

Cafeteria Personnel	\$	9,963	
Social Security		618	
Pensions		797	
Employer Medicare		144	
Total Food Service			11,522

Community Services

Supervisor/Director	\$	11,109	
Other Salaries and Wages		218,136	
Social Security		13,316	
Pensions		11,113	
Medical Insurance		7,270	
Employer Medicare		3,284	
Other Fringe Benefits		448	
Communication		521	
Lease Payments		4,598	
Travel		8,185	
Other Contracted Services		345,578	
Other Supplies and Materials		67,103	
Indirect Cost		13,272	
In Service/Staff Development		7,750	
Other Charges		73,503	
Other Equipment		54,765	
Total Community Services			839,951

Early Childhood Education

Teachers	\$	520,375	
Educational Assistants		187,683	
Bonus Payments		4,161	
Certified Substitute Teachers		315	
Non-certified Substitute Teachers		12,645	
Social Security		41,388	
Pensions		67,713	
Medical Insurance		150,060	
Employer Medicare		9,691	
Other Fringe Benefits		1,096	
Instructional Supplies and Materials		4,853	
Total Early Childhood Education			999,980

(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.)Capital OutlayRegular Capital Outlay

Other Contracted Services	\$	11,290	
Building Improvements		156,262	
Other Capital Outlay		<u>112,381</u>	
Total Regular Capital Outlay			<u>\$ 279,933</u>

Total General Purpose School Fund

\$ 45,133,419

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$	1,051,908	
Educational Assistants		401,277	
Bonus Payments		185,874	
Other Salaries and Wages		113,000	
Social Security		105,700	
Pensions		168,659	
Medical Insurance		352,556	
Employer Medicare		25,485	
Other Fringe Benefits		2,008	
Other Contracted Services		73,000	
Instructional Supplies and Materials		465,923	
Other Supplies and Materials		31,157	
In Service/Staff Development		72	
Other Charges		17,504	
Regular Instruction Equipment		<u>1,172,757</u>	
Total Regular Instruction Program			<u>\$ 4,166,880</u>

Special Education Program

Educational Assistants	\$	434,825	
Speech Pathologist		16,884	
Other Salaries and Wages		43,550	
Social Security		29,218	
Pensions		39,659	
Medical Insurance		135,517	
Employer Medicare		6,833	
Other Fringe Benefits		1,975	
Maintenance and Repair Services - Equipment		15,098	
Instructional Supplies and Materials		325,922	
Other Supplies and Materials		90,933	
Other Charges		478	
Special Education Equipment		<u>35,173</u>	
Total Special Education Program			<u>1,176,065</u>

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$	1,400	
Instructional Supplies and Materials		5,240	

(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.)Career and Technical Education Program (Cont.)

Other Supplies and Materials	\$	827	
Vocational Instruction Equipment		58,179	
Total Career and Technical Education Program			\$ 65,646

Support ServicesHealth Services

Medical Personnel	\$	228,366	
Bonus Payments		39,000	
Social Security		15,253	
Pensions		20,341	
Medical Insurance		42,185	
Employer Medicare		3,567	
Other Fringe Benefits		599	
Contracts with Private Agencies		55,000	
Drugs and Medical Supplies		140,401	
Other Supplies and Materials		131,546	
Other Charges		6,703	
Health Equipment		146,181	
Total Health Services			829,142

Other Student Support

Bus Drivers	\$	299	
Other Salaries and Wages		1,753	
Social Security		127	
Pensions		123	
Employer Medicare		30	
Travel		17,763	
Other Contracted Services		714	
Other Supplies and Materials		40,357	
In Service/Staff Development		3,968	
Other Charges		26,100	
Other Equipment		2,966	
Total Other Student Support			94,200

Regular Instruction Program

Supervisor/Director	\$	45,796	
Other Salaries and Wages		534,141	
Social Security		20,285	
Pensions		29,781	
Medical Insurance		31,111	
Employer Medicare		4,744	
Other Fringe Benefits		67	
Travel		4,107	
Other Contracted Services		40,000	
Instructional Supplies and Materials		104,609	
Library Books/Media		60,758	

(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.)

Other Supplies and Materials	\$	42,503	
In Service/Staff Development		28,310	
Other Charges		550	
Total Regular Instruction Program			\$ 946,762

Special Education Program

Medical Personnel	\$	38,544	
Clerical Personnel		40,841	
Bonus Payments		776	
Other Salaries and Wages		36,955	
Social Security		7,125	
Pensions		9,060	
Medical Insurance		11,033	
Employer Medicare		1,666	
Other Fringe Benefits		412	
Contracts with Private Agencies		4,209	
Other Supplies and Materials		40,297	
In Service/Staff Development		31,246	
Other Charges		33,388	
Other Equipment		111,366	
Total Special Education Program			366,918

Career and Technical Education Program

In Service/Staff Development	\$	3,400	
Total Career and Technical Education Program			3,400

Operation of Plant

Maintenance and Repair Services - Equipment	\$	32,026	
Other Supplies and Materials		2,868	
Total Operation of Plant			34,894

Maintenance of Plant

Other Salaries and Wages	\$	6,813	
Social Security		422	
Pensions		181	
Employer Medicare		99	
Total Maintenance of Plant			7,515

Transportation

Other Salaries and Wages	\$	173,068	
Social Security		10,150	
Pensions		13,845	
Medical Insurance		62,921	
Employer Medicare		2,374	
Other Fringe Benefits		881	
Total Transportation			263,239

(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.)

Capital Outlay

Regular Capital Outlay

Building Construction	\$ 8,000	
Total Regular Capital Outlay		\$ 8,000

Total School Federal Projects Fund \$ 7,962,661

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 53,089	
Clerical Personnel	23,811	
Cafeteria Personnel	854,189	
Bonus Payments	277	
Other Salaries and Wages	66,354	
In-service Training	2,258	
Social Security	58,490	
Pensions	71,403	
Medical Insurance	230,355	
Employer Medicare	14,026	
Other Fringe Benefits	4,447	
Maintenance and Repair Services - Equipment	8,227	
Travel	654	
Disposal Fees	33,015	
Other Contracted Services	30,044	
Food Supplies	1,532,852	
Gasoline	432	
Office Supplies	509	
USDA - Commodities	109,214	
Other Supplies and Materials	18,138	
In Service/Staff Development	18,116	
Other Charges	14,030	
Food Service Equipment	3,837	
Total Food Service		\$ 3,147,767

Total Central Cafeteria Fund 3,147,767

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$ 1,223,210	
Total Community Services		\$ 1,223,210

Total Internal School Fund 1,223,210

(Continued)

Exhibit J-8

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

<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Engineering Services	\$	973
Other Charges		893
Building Construction		2,115
Other Equipment		17,871
Other Construction		83,359
Other Capital Outlay		40,811
Total Education Capital Projects		<u>\$ 146,022</u>
Total Education Capital Projects Fund		<u>\$ 146,022</u>
Total Governmental Funds - Franklin County School Department		<u><u>\$ 57,613,079</u></u>

Exhibit J-9

Franklin County, Tennessee
Schedule of Detailed Additions, Deductions,
and Changes in Net Position - City Custodial Fund
For the Year Ended June 30, 2022

	Cities - Sales Tax Fund
<u>Additions</u>	
Local Option Sales Tax	\$ 5,502,601
Total Additions	<u>\$ 5,502,601</u>
<u>Deductions</u>	
Remittance of Revenues Collected	\$ 5,448,358
Trustee's Commission	54,243
Total Deductions	<u>\$ 5,502,601</u>
Excess of Additions Over (Under) Deductions	\$ 0
Net Position, July 1, 2021	<u>0</u>
Net Position, June 30, 2022	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JASON E. MUMPOWER
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, 2022, 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 January 31, 2023. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the Franklin County School Department (a discretely presented component unit), as described in our report on Franklin County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on 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 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2022-001.

Franklin County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Franklin County's response to the finding identified in our audit, which is described in the accompanying Schedule of Findings and Questioned Costs. Franklin County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 31, 2023

JEM/tg



JASON E. MUMPOWER
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

Opinion on 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Franklin County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to

provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Franklin County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Franklin County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Franklin County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Franklin County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Franklin County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Franklin County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2022, and the related notes to the financial statements, which collectively comprise Franklin County's basic financial statements. We issued our report thereon dated January 31, 2023, 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,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 31, 2023

JEM/tg

Franklin County, Tennessee and the Franklin County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (7)
For the Year Ended June 30, 2022

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Passed-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Agriculture:				
Passed-through State Department of Education:				
Child Nutrition Cluster: (4)				
School Breakfast Program	10.553	N/A	\$ 0	\$ 1,190,192
National School Lunch Program	10.555	N/A	0	2,902,784 (5)
National School Lunch Program - Supply Chain Assistance	10.555	225TN333N8903	0	100,096 (5)
Fresh Fruit and Vegetable Program	10.582	N/A	0	67,744
COVID 19 - Pandemic EBT Administrative Costs	10.649	215TN100S9009	0	3,063
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (4)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	0	116,965 (5)(6)
Total U.S. Department of Agriculture				<u>\$ 4,380,844</u>
U.S. Department of Justice:				
Direct Program:				
Equitable Sharing Program	16.922	N/A	0	\$ 17,102
Passed-through State Department of Finance and Administration:				
Crime Victim Assistance	16.575	(3)	0	166,362
Drug Court Discretionary Grant Program	16.585	(3)	0	14,923
Passed-through Tennessee Bureau of Investigation:				
Opioid Affected Youth Initiative	16.842	(3)	0	43,370
Total U.S. Department of Justice				<u>\$ 241,757</u>
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Airport Improvement Program	20.106	(3)	21,621	\$ 21,621 (8)
Passed-through State Department of Safety and Homeland Security:				
Alcohol Open Container Requirements	20.607	(3)	0	16,070
Total U.S. Department of Transportation				<u>\$ 37,691</u>
U.S. Department of Treasury:				
Direct Program:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	<u>\$ 4,099,204</u>
Institute of Museum and Library Services:				
Passed-through Tennessee Secretary of State:				
Grants to States	45.310	(3)	0	<u>\$ 22,843</u>
U.S. Department of Education:				
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	(3)	0	\$ 1,251,033
Special Education Cluster: (4)				
Special Education - Grants to States	84.027	(3)	0	1,648,048 (5)
COVID 19 - Special Education - Grants to States	84.027	(3)	0	273,200 (5)
Special Education - Preschool Grants	84.173	(3)	0	64,785 (5)
COVID 19 - Special Education - Preschool Grants	84.173	(3)	0	20,142 (5)
Career and Technical Education - Basic Grants to States	84.048	(3)	0	93,404
English Language Acquisition State Grants	84.365	(3)	0	16,888
Improving Teacher Quality State Grants	84.367	(3)	0	207,689
Striving Readers	84.371	(3)	0	82,672
Student Support and Academic Enrichment Program	84.424	(3)	0	30,527
COVID 19 - Education Stabilization Fund Program - Rethink K12 Education				
Models Grant	84.425B	(3)	0	40,000 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary				
School Emergency Relief Fund (ESSER I)	84.425D	(3)	0	249,530 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary				
School Emergency Relief Fund (ESSER II)	84.425D	(3)	0	1,301,176 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary				
School Emergency Relief Fund (ESSER ARP)	84.425U	(3)	0	2,264,427 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary				
School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	(3)	0	419 (5)
Passed-through State Department of Human Services:				
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	(3)	0	84,376
Total U.S. Department of Education				<u>\$ 7,628,316</u>

(Continued)

Franklin County, Tennessee and the Franklin County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (7) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listings Number	Passed-through Entity Identifying Number	Amount Passed-through to Subrecipients	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	\$ 0	\$ 414,214
Passed-through State Department of Education:				
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	(3)	0	690,894
Temporary Assistance for Needy Families	93.558	(3)	0	616,593
Passed-through State Department of Mental Health and Substance Abuse Services:				
Opioid STR	93.788	(3)	0	38,652
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(3)	0	359,101
Total U.S. Department of Health and Human Services				<u>\$ 2,119,454</u>
U.S. Executive Office of the President:				
Passed-through Financial Commission for Appalachia:				
High Intensity Drug Trafficking Areas Program	95.001	(3)	0	<u>\$ 10,265</u>
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Emergency Management Performance Grants	97.042	(3)	0	\$ 39,093
Homeland Security Grant Program	97.067	(3)	0	<u>18,145</u>
U.S. Department of Homeland Security				<u>\$ 57,238</u>
Total Expenditures of Federal Awards				<u>\$ 18,597,612</u>

		Contract Number	
State Grants			
Juvenile Services Program - State Department of Children's Services	N/A	(3)	\$ 9,000
Early Childhood Education - State Department of Education	N/A	(3)	916,008
Family Resource Center - State Department of Education	N/A	(3)	29,612
Safe Schools Act - State Department of Education	N/A	(3)	41,909
Litter Program - State Department of Transportation	N/A	(3)	8,816
County Re-Entry and Recidivism Reduction Services - State Department of Correction	N/A	(3)	40,096
Fair Merit Award - State Department of Agriculture	N/A	(3)	3,000
Lifeline Peer Project - State Department of Mental Health and Substance Abuse Services	N/A	(3)	59,867
Summer Learning Camps - State Department of Education	N/A	(3)	306,252
Learning Camp Transportation - State Department of Education	N/A	(3)	74,293
Stream Learning - State Department of Education	N/A	(3)	112,361
Bridge Summer Learning - State Department of Education	N/A	(3)	113,868
Rural Local Health Services - State Department of Health	N/A	(3)	94,927
Coordinated School Health - State Department of Education	N/A	(3)	123,911
State Direct Appropriation Grant FY 2021 - State Department of Finance and Administration	N/A	(3)	<u>443,148</u>
Total State Grants			<u>\$ 2,377,068</u>

FAL = Federal Assistance Listing
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 \$4,377,781; Special Education Cluster total \$2,006,175.
- (5) Total for FAL No. 10.555 is \$3,119,845; Total for FAL No. 84.027 is \$1,921,248; Total for FAL No. 84.173 is \$84,927; Total for FAL No. 84.425 is \$3,855,552.
- (6) Commodities - Noncash Assistance \$109,214; Commodities Distribution Rebates \$7,751.
- (7) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:	Federal Assistance Listing Number	Amount Provided to Consolidated Administration
Program Title		
Title I Grants to Local Educational Agencies	84.010	\$ 46,731
English Language Acquisition State Grants	84.365	335
Improving Teacher Quality State Grants	84.367	13,438
Student Support and Academic Enrichment Program	84.424	<u>1,461</u>
Total amounts consolidated for administration purposes		<u>\$ 61,965</u>

(8) SUBRECIPIENT AMOUNTS	Federal Assistance Listing Number	Amount Provided to Subrecipient
The following amounts were paid to subrecipients from the Airport Improvement Program Grants:		
Subrecipient		
The University of the South	20.106	\$ 21,621

Franklin County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2022

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, 2022.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
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OFFICE OF FINANCE DIRECTOR

2021	215	2021-001	Expenditures exceeded appropriations in salary accounts in various funds.	N/A	Corrected
2021	215	2021-002	Subsidiary accounting records were not closed and available for audit by August 31, 2021.	N/A	Not Corrected - See Explanation on Corrective Action Plan

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, 2022

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? **NONE REPORTED**
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:
 - * Assistance Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds
 - * Assistance Listing Number: 84.010 Title I Grants to Local Educational Agencies
 - * Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund
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

A finding and recommendation, as a result of our audit, are presented below. We reviewed the finding and recommendation with management to provide an opportunity for their response. A written response for the finding is paraphrased and presented following the finding and recommendation. Management's corrective action plan, whether related to the financial statements or federal awards, is presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF FINANCE DIRECTOR

FINDING 2022-001

SUBSIDIARY ACCOUNTING RECORDS WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2022

(Noncompliance Under *Government Auditing Standards*)

Subsidiary capital asset accounting records were not closed and available for audit by August 31, 2022, as required by Section 9-2-102, *Tennessee Code Annotated*. This statute provides that records should be available for audit no later than two months after the close of the June 30 fiscal year. The capital asset accounting records were made available to auditors on January 9, 2023. The failure to maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of accounting controls, and increases the risk that errors will not be discovered and corrected in a timely manner. This deficiency can be attributed to a lack of management oversight, management's failure to correct the findings noted in the prior-year audit report, and the failure to implement their corrective action plan.

RECOMMENDATION

Management should close its subsidiary capital asset accounting records and have those records available for audit by the following August 31.

MANAGEMENT'S RESPONSE

I concur with this finding.

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, 2022.

Franklin County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2022

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as 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). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF FINANCE DIRECTOR

2022-001	Subsidiary accounting records were not closed and available for audit by August 31, 2022.	219
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FRANKLIN COUNTY GOVERNMENT
FINANCE DEPARTMENT

Andrea L. Smith, Finance Director

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Corrective Action Plan

**FINDING: 2022-001 SUBSIDIARY ACCOUNTING RECORDS WERE NOT
CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31,
2022**

Response and Corrective Action Plan Prepared by:
Andrea L. Smith, Finance Director

Person Responsible for Implementing the Corrective Action:
Andrea L. Smith, Finance Director

Anticipated Completion Date of Corrective Action:

Beginning February 6, 2023 and full implementation by August 31, 2023

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:

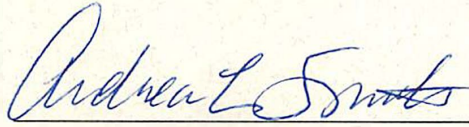
Lack of Appropriate Support Staff

Planned Corrective Action:

Currently, I handle the budget process for all funds, until I can train my deputy to take over the school accounts completely. Also, myself and my deputy director are tasked with the duties of purchasing, bids, etc. The Franklin County Finance Committee and County Legislative Body has approved my request for an additional employee with the title of Purchasing Agent. With the addition of the position

and staff member, both myself and the deputy director will have the time to process fixed assets monthly throughout the year, instead of waiting until year end. I look forward to the restructure of the finance office and the positive results from that.

Signature:

A handwritten signature in blue ink, appearing to read "Andrea L. Smith", written over a horizontal line.

Finance Director