



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT**

SUITE 1500

JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

March 16, 2017

Honorable Mayor and Board
City of Franklin
PO Box 305
109 Third Avenue South
Franklin, TN 37065

Honorable Mayor and Board:

I have performed a limited review of the annual financial report on the City of Franklin for the fiscal year ended June 30, 2016, as audited by Crosslin and Associates, Certified Public Accountants. This report has been filed as part of the public records of the State of Tennessee.

The financial statement of the multi-purpose capital project fund reflected a deficit fund balance of \$(7,887,886) at year end. Per Note 2 (page 42) to the financial statements, the deficit is due to capital outlays in advance of debt financing and reimbursements from other funds and bonds are expected to fund the deficit. Municipal officials should continue to monitor the fund to ensure that it is being operated in a fiscally responsible matter.

In addition to the above, I would like to bring a certain applicable reporting requirement to your attention. Although current financial report revisions are not being required, responsible officials should ensure that future financial reports comply with the following reporting requirement.

Note 4 to the financial statements regarding the city's defined contribution plan did not include all pension plan disclosures required by current guidance. Please refer to the *Codification of Governmental Accounting and Financial Reporting Standards* (2015-2016 Edition), Section P20.226, for guidance.

If you have any questions concerning the above, please contact this office.

Sincerely

Timothy M. Hardy, CPA, CFE
Division of Local Government Audit

Honorable Mayor and Board
City of Franklin
March 16, 2017
Page 2 of 2

1683

xc: Crosslin and Associates
Certified Public Accountants
3803 Bedford Avenue, Suite 103
Nashville, TN 37215