

JAN 26 2015

Finance



cc: Russ
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**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
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NASHVILLE, TENNESSEE 37243-1402
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January 7, 2015

Honorable Board of Mayor and Aldermen
City of Franklin
109 Third Avenue South
Franklin, TN 37064

Dear Mayor Moore and Members of the Board:

Please include this letter in the minutes of the next meeting of the Board of Mayor and Aldermen and provide a copy to each alderman.

This letter acknowledges receipt of a certified copy of the 2015 fiscal year budget for the City of Franklin (the "City").

We have reviewed the City's budget and have determined that projected revenues and other available funds are sufficient to meet anticipated expenditures. Our review of the budget is based solely on the information we have received and is for the purpose of determining that the budget appears to be balanced. With regard to programs included in the budget such as education, roads, and corrections, we have not made any attempt to determine that the local government in compliance with specific program statutes or guidelines, or with any financing requirements prescribed by any state or federal agency. A property tax rate may be included in this budget, and we would recommend that local government officials be certain that all program requirements have been met before initiating the tax collection process.

This letter constitutes approval, by this office, for the City's 2015 fiscal year budget as adopted by the governing body.

CONSIDERATIONS CONCERNING THE BUDGET

The Office of State and Local Finance has determined that the City's budget meets basic statutory requirements. We would, however, bring an issue to your attention that could potentially lead to financial problems for a particular fund in the future.

Fund Balance for the Sanitation and Environmental Services Fund

The City's fiscal year 2015 budget projects the Sanitation and Environmental Services Fund to end the year with a fund balance less than one month's average appropriations. These funds are special revenue funds with the primary funding source being charges for services.

Fund	Beginning Fund Balance (per FY2014 Audited Financial Statements)	Projected Annual Revenues	Projected Annual Expenditures	Projected Revenues Over/(Under) Projected Expenditures	Projected Ending Fund Balance	Projected Ending Fund Balance as of Percentage of Projected Annual Expenditures
Sanitation & Environmental Services Fund	\$405,119	\$8,148,820	\$8,148,820	\$0	\$405,119	5.0%

The Board should review the working capital requirements for these funds to determine the necessary level of cash needed to sustain the fund's operations. Please report to this Office the results of your review regarding the sufficiency of the fund's available cash.

If you should have any questions or we may be of assistance, please feel free to call.

Sincerely,



Sandra Thompson

Director of the Office of State and Local Finance

Cc: Mr. Jim Arnette, Director of Local Government Audit