

**FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2016**

**Matlock Clements**  
Certified Public Accountants

## **INTRODUCTORY SECTION**

**FRANKLIN SPECIAL SCHOOL DISTRICT - INTERNAL SCHOOL FUNDS**  
**ANNUAL FINANCIAL REPORT**  
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**FRANKLIN SPECIALSCHOOL DISTRICT – INTERNAL SCHOOL FUNDS  
DIRECTORY OF OFFICIALS**

**Elected Officials**

Board of Education: Tim Stillings (Chairman)  
Robert Blair (Vice-Chair)  
Alicia Spencer Barker  
Allena Bell  
Robin Newman  
Kevin Townsel

**Management Officials**

Director of Schools: David L. Snowden, Ph. D.  
Associate Director for Finance and Administration: John D. McAdams

**School Officials**

**Individual School**

Franklin Elementary School

**Principal**

David Esslinger, Ed. D.

**Bookkeeper**

Vikki Saleem

Freedom Intermediate School

Joel Hoag, Ed. D.

Marie Shelton

Freedom Middle School

Dr. Kristi Jefferson

Jayne Thames

Johnson Elementary School

Tosha Robinson Baugh

Julie Duel

Liberty Elementary School

Dr. Cheryl Robey

Lou Ann Bart

Moore Elementary School

Lisa Burgin

Jetza Nunez

Poplar Grove Elementary School

Alisha Erickson

Janet Hall

Poplar Grove Middle School

Christopher Treadway

Leena Sathe

## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education and  
The Director of Schools  
Franklin Special School District  
Franklin, Tennessee

### **Report on the Financial Statements**

We have audited the accompanying combined balance sheet – regulatory basis of Franklin Special School District's Internal School Funds as of June 30, 2016, and the related combined statement of revenues, expenditures and changes in fund balances – regulatory basis for the year then ended, and the related notes to the financial statements, which collectively comprise Franklin Special School District's Internal School Funds basic financial statements, as listed in the table of contents. We also have audited the individual school balance sheets – regulatory basis, and the individual school statements of revenues, expenditures and changes in fund balances – regulatory basis presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying individual school financial statements as of and for the year ended June 30, 2016, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*. Management is also responsible 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note A of the financial statements, the financial statements are prepared by Franklin Special School District's Internal School Funds on the basis of the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Tennessee.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Franklin Special School District’s Internal School Funds as of June 30, 2016, or changes in financial position for the year then ended.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances of Franklin Special School District’s Internal School Funds as of June 30, 2016, and the related revenue, expenditures and changes in fund balances for the year then ended, in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual* described in Note A. In addition, in our opinion, the individual school financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances of Franklin Special School District’s Internal School Funds as of June 30, 2016, and the related revenue, expenditures and changes in fund balances for the year then ended, in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual* described in Note A.

#### ***Other Matters***

##### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the combined financial statements—regulatory basis that collectively comprise the Franklin Special School District’s Internal School Funds’ basic financial statements. In addition, our audit was conducted for the purpose of forming an opinion on the individual school financial statements – regulatory basis, presented as supplementary information, as defined by the Government Accounting Standards Board. The supplemental schedules and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements – regulatory basis of the schools. As described in Note D of the financial statements, the supplementary schedules and other information, as listed in the table of contents, are prepared by Franklin Special School District’s Internal School Funds on the basis of the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The supplemental schedules and other information, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements – regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements – regulatory basis 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 – regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules and other information, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements – regulatory basis as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated, September 16, 2016, on our consideration of the Franklin Special School District's Internal School Funds 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 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 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 Special School District's Internal School Funds internal control over financial reporting and compliance.



Matlock Clements, P.C.  
Murfreesboro, Tennessee  
September 16, 2016

**FRANKLIN SPECIAL SCHOOL DISTRICT-INTERNAL SCHOOL FUNDS**  
**COMBINED BALANCE SHEET-REGULATORY BASIS-ALL SCHOOLS**  
**JUNE 30, 2016**

	Franklin Elementary School	Freedom Intermediate School	Freedom Middle School	Johnson Elementary School	Liberty Elementary School	Moore Elementary School	Poplar Grove Elementary School	Poplar Grove Middle School	Total
<b>ASSETS</b>									
Cash in Bank-Checking	\$ 82,128	\$ 93,653	\$ 43,310	\$ 20,089	\$ 13,375	\$ 55,006	\$ 25,049	\$ 44,475	\$ 377,085
Accounts Receivable	93	-	-	385	20	150	-	-	648
Inventory	-	119	-	-	3,187	2,710	-	-	6,016
<b>Total Assets</b>	<b>\$ 82,221</b>	<b>\$ 93,772</b>	<b>\$ 43,310</b>	<b>\$ 20,474</b>	<b>\$ 16,582</b>	<b>\$ 57,866</b>	<b>\$ 25,049</b>	<b>\$ 44,475</b>	<b>\$ 383,749</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Fund Balances:									
General Fund:									
Nonspendable	\$ -	\$ 119	\$ -	\$ -	\$ 3,187	\$ 2,710	\$ 18,578	\$ 26,915	\$ 6,016
Unassigned	64,017	84,426	6,066	14,273	4,777	53,530	-	-	272,582
<b>Total General Fund</b>	<b>\$ 64,017</b>	<b>\$ 84,545</b>	<b>\$ 6,066</b>	<b>\$ 14,273</b>	<b>\$ 7,964</b>	<b>\$ 56,240</b>	<b>\$ 18,578</b>	<b>\$ 26,915</b>	<b>\$ 278,598</b>
Restricted fund:									
Restricted	\$ 455	\$ 2,390	\$ 10	\$ 3,104	\$ 1,144	\$ -	\$ 4,098	\$ 351	\$ 11,552
Assigned	17,749	6,837	37,234	3,097	7,513	1,626	2,373	17,209	93,638
Unassigned	-	-	-	-	(39)	-	-	-	(39)
<b>Total Restricted Fund</b>	<b>\$ 18,204</b>	<b>\$ 9,227</b>	<b>\$ 37,244</b>	<b>\$ 6,201</b>	<b>\$ 8,618</b>	<b>\$ 1,626</b>	<b>\$ 6,471</b>	<b>\$ 17,560</b>	<b>\$ 105,151</b>
Total Fund Balances	\$ 82,221	\$ 93,772	\$ 43,310	\$ 20,474	\$ 16,582	\$ 57,866	\$ 25,049	\$ 44,475	\$ 383,749
<b>Total Liabilities and Fund Balances</b>	<b>\$ 82,221</b>	<b>\$ 93,772</b>	<b>\$ 43,310</b>	<b>\$ 20,474</b>	<b>\$ 16,582</b>	<b>\$ 57,866</b>	<b>\$ 25,049</b>	<b>\$ 44,475</b>	<b>\$ 383,749</b>

**FRANKLIN SPECIAL SCHOOL DISTRICT-INTERNAL SCHOOL FUNDS**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES-ALL SCHOOLS-REGULATORY BASIS-ALL SCHOOLS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Franklin Elementary School	Freedom Intermediate School	Freedom Middle School	Johnson Elementary School	Liberty Elementary School	Moore Elementary School	Poplar Grove Elementary School	Poplar Grove Middle School	Total
\$ 68,887	\$ 82,841	\$ 14,572	\$ 14,089	\$ 15,427	\$ 68,223	\$ 20,931	\$ 47,661	\$ 332,631	
Fund Balances, July 1, 2015	-	-	-	-	-	-	-	-	-
Prior Period Adjustments									
<b>Adjusted Fund Balances, July 1, 2015</b>	<b>\$ 68,887</b>	<b>\$ 82,841</b>	<b>\$ 14,572</b>	<b>\$ 14,089</b>	<b>\$ 15,427</b>	<b>\$ 68,223</b>	<b>\$ 20,931</b>	<b>\$ 47,661</b>	<b>\$ 332,631</b>
Revenues	\$ 79,344	\$ 191,126	\$ 149,328	\$ 52,338	\$ 135,668	\$ 169,744	\$ 90,735	\$ 136,159	\$ 1,004,442
Expenditures	66,010	180,314	120,590	45,953	135,169	180,083	86,617	139,345	954,081
Excess of Revenues Over (Under) Expenditures	\$ 13,334	\$ 10,812	\$ 28,738	\$ 6,385	\$ 499	\$ (10,339)	\$ 4,118	\$ (3,186)	\$ 50,361
Other Financing Sources (Uses):									
Changes [Increase (Decrease)] in Inventory	\$ -	\$ 119	\$ -	\$ -	\$ 656	\$ (18)	\$ -	\$ -	\$ 757
Operating Transfers In	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 119</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 656</b>	<b>\$ (18)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 757</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 13,334	\$ 10,931	\$ 28,738	\$ 6,385	\$ 1,155	\$ (10,357)	\$ 4,118	\$ (3,186)	\$ 51,118
<b>Fund Balances, June 30, 2016</b>	<b>\$ 82,221</b>	<b>\$ 93,772</b>	<b>\$ 43,310</b>	<b>\$ 20,474</b>	<b>\$ 16,582</b>	<b>\$ 57,866</b>	<b>\$ 25,049</b>	<b>\$ 44,475</b>	<b>\$ 383,749</b>

**FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Background**

Section 49-2-110, *Tennessee Code Annotated*, provides for internal school funds, establishes responsibility for those funds, and requires schools to adopt and follow a uniform accounting manual.

**Note A – Summary of Significant Accounting Policies**

**1. Financial Reporting Entity**

This report includes only the internal school funds of Franklin Special School District. Internal school funds consist of financial resources accounted for at the individual schools.

**Internal School Funds**

Internal school funds reported in the accompanying financial statements include donations and grants made to the individual schools; fees collected by schools; funds received from the local board of education; funds raised through cooperative agreements; rental fees; and student activity funds.

**Student Activity Funds**

Student activity funds include all money received from any source for school-sponsored student activities or school-sponsored events held at or in connection with a school, and specifically include, but are not limited to funds:

- Derived from a school-sponsored academic, art, athletic or social event involving students;
- Raised by school-sponsored clubs involving students;
- Raised by school-sponsored fundraisers involving students who are under the supervision of a school employee;
- Received from a commission for the direct sale of items to students pursuant to a cooperative agreement between the school and an outside organization;
- Received for the direct sale of items to students from a school-run bookstore located on school grounds;
- Raised from fees charged to students;
- Obtained from interest from any account that contains student activity funds;
- Obtained from any related school-sponsored activity that involves the use of school personnel, students, and property during the school day.

**2. Other Comprehensive Basis of Accounting (OCBOA)**

The accounting and financial reporting requirements for internal school funds are set forth in the *Tennessee Internal School Uniform Accounting Policy Manual*, issued by the Tennessee Department of Education. The requirements established in the *Tennessee Internal School Uniform Accounting Policy Manual* differ from generally accepted accounting principles primarily in the presentation of the financial statements and restricted fund revenue and expenditure accounting and reporting. The following is a summary of the basic requirements of this other comprehensive basis of accounting.

**FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note A – Summary of Significant Accounting Policies – (Continued)**

**2. Other Comprehensive Basis of Accounting (OCBOA) – (Continued)**

The financial statements consist of balance sheets and statements of revenues, expenditures and changes in fund balances.

The combined financial statements present all of the individual schools in a columnar format and are required to be presented before the notes to the financial statements. These statements focus on each of the individual schools rather than the funds within the schools. In keeping with that focus, the columnar headings identify the individual schools rather than the funds.

The individual school financial statements present the detailed fund activity in each school and are included after the notes to the financial statements.

Revenues are classified by source and expenditures are classified by either function or object for the general fund but not the restricted fund. Revenues and expenditures of the restricted fund are recorded based on the specific group or activity which will benefit or expend the funds. The activity in the restricted “accounts” is presented as total revenues and transfers in and total expenditures and transfers out for each account. A corresponding “fund balance” is presented for each account. Although the restricted fund is a single fund, each account within the fund must present its portion of the restricted fund balance. Transfers reported on the financial statements represent authorized movement of funds between restricted accounts as well as between the general fund and restricted fund.

**3. Measurement Focus and Basis of Accounting**

The accompanying financial statements are reported using the current financial resources measurement focus. Accordingly, only current assets and current liabilities are included on the balance sheets and the fund balances report only spendable resources. Internal school funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Management policies define available as collectible within 60 days after the fiscal year end. Expenditures are generally recognized when the related fund liability is incurred, if measurable.

**4. Fund Structure**

The accounts of the individual schools are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of the fund’s assets, liabilities, fund equity, revenues and expenditures. The funds are grouped in the accompanying financial statements as follows:

**FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note A – Summary of Significant Accounting Policies – (Continued)**

**5. Fund Structure – (Continued)**

**General Fund**

The general fund is used to account for all money to be used for the general operation of the school or for the welfare of the student body. Revenues and expenditures in this fund are not restricted to any specific group or activity.

**Restricted Fund**

The restricted fund is used to account for money that is restricted for the use of a specific segment of the school population or legally restricted for a specific purpose and not intended to benefit the general school population.

**6. Inventory**

Inventories are stated at lower of cost (first-in, first-out) or market (net realizable value). The purchases method is used to account for inventories. Under the purchases method, inventories are reported as an expenditure when purchased (or when received for donated items) rather than being capitalized as an asset. However, significant amounts of inventory, if any, on hand at year-end are reported as an asset in the financial statements.

In accordance with generally accepted accounting principles, the fair value of donated goods and supplies are recognized as revenues and expenditures in the financial statements. For the current year no significant amounts of such donations were received.

**7. Fund Balances**

**Nonspendable Fund Balance**

Fund balances reported as nonspendable in the accompanying financial statements represent amounts for inventory in the general fund.

**Restricted Fund Balance**

Fund balances reported as restricted in the accompanying financial statements are the result of externally imposed restrictions placed upon certain resources accounted for in the restricted funds. This includes BEP (Basic Education Program) funds and grant funds.

When both restricted and unrestricted resources are available for us, it is the school system's policy to use restricted resources first, then unrestricted resources as they are needed.

**Assigned Fund Balance**

Amounts that are constrained by each school's intent to be used for specific purposes are reflected as assigned in the accompanying financial statements. This includes accounts reported in the restricted fund at each school, except for those that account for externally restricted resources as described above. Inventory amounts for restricted accounts are reflected as assigned

**FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note A – Summary of Significant Accounting Policies – (Continued)**

**6. Fund Balances – (Continued)**

because the use of the proceeds from the sale of those inventories is assigned. Board of Education allocation amounts not spent by the end of the fiscal year are reflected as assigned in the general fund because the Board's intent is for those resources to be expended for instruction, administration, and/or operations and maintenance.

The Board of Education is authorized to assign amounts for specific purposes with respect to the amounts they allocate to the individual schools. The principal is the official authorized to assign all other amounts to a specific purpose. Authorization is established by the *Tennessee Internal School Uniform Accounting Policy Manual*.

**Unassigned Fund Balance**

In accordance with generally accepted accounting principles, the general fund is the only fund at each school that reports amounts for unassigned fund balance. This classification represents fund balance that is not restricted and has not been assigned to specific purposes within the general fund. When both assigned and unassigned resources are available for use, it is the school system's policy to use assigned resources first, then unassigned resources as they are needed.

The fund balance detail for Franklin Special School District is reflected in Table 1, located after Note F. Additional detail is provided on the individual school financial statements.

**Note B – Deposits**

**Cash Deposits**

Cash in bank represents funds on deposit in various depositories.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the school's deposits may not be returned to it. None of the school's deposits were exposed to custodial credit risk because all balances were entirely insured by the FDIC or through the Bank Collateral Pool with the State of Tennessee.

**Legal Provisions**

All deposits with financial institutions in excess of FDIC limits are required to be secured by one of two methods. Excess funds can be deposited with a financial institution(s) that participates in the State of Tennessee Bank Collateral Pool administered by the state treasurer. For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits.

**FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note C- Capital Assets**

Capital assets acquired by the individual schools are recorded as expenditures at the time of purchase. Title and accountability for capital assets purchased pass automatically to the board of education.

**Note D- Supplementary Information**

All information contained in the section of this report under the table of contents heading of Supplementary information was subjected to the same audit standards as the combined and individual financial statements and was prepared in conformity with the accounting practices prescribed by the *Tennessee Internal School Uniform Policy Manual*, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

**Note E- Deficit Fund Balance**

One school ended the year with a deficit balance. The school and fund were as follows:

Liberty Elementary School	Target Field Trip Grant	\$ (39)
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**Note F- Subsequent Events**

Subsequent events have been evaluated through September 16, 2016, the date which the financial statements were available to be issued.

**FRANKLIN SPECIAL SCHOOL DISTRICT - INTERNAL SCHOOL FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**(Table 1 - Fund Balance Detail)**

		Franklin Elementary School			Freedom Intermediate School			Johnson Elementary School			Liberty Elementary School			Moore Elementary School			Poplar Grove Elementary School		
Fund Balances:		General Fund	Restricted Fund	General Fund	Restricted Fund	General Fund	Restricted Fund	General Fund	Restricted Fund	General Fund	Restricted Fund	General Fund	Restricted Fund	General Fund	Restricted Fund	General Fund	Restricted Fund		
<b>Nonspendable:</b>																			
Inventory	\$ -	\$ -	\$ 119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,187	\$ -	\$ 2,710	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Restricted for:</b>																			
Grant Funds	-	455	-	128	-	10	-	13	-	1,098	-	-	-	-	-	-	-	-	
Other Purposes	-	-	-	2,262	-	-	-	3,091	-	46	-	-	-	-	-	-	-	4,098	
<b>Assigned to:</b>																			
Athletic Accounts	-	-	-	-	-	18,784	-	-	-	-	-	-	-	-	-	-	-	-	
Class Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Club Accounts	-	-	-	-	-	-	-	25	-	-	-	-	-	-	-	-	-	-	
Other Accounts	-	17,749	-	6,837	-	18,425	-	3,097	-	7,513	-	1,626	-	-	-	-	-	2,373	
<b>Unassigned:</b>		64,017	-	84,426	-	6,066	-	14,273	-	4,777	(39)	53,530	-	18,578	-	-	-	-	
<b>Total Fund Balances:</b>		<u>\$ 64,017</u>	<u>\$ 18,204</u>	<u>\$ 84,545</u>	<u>\$ 9,227</u>	<u>\$ 6,066</u>	<u>\$ 37,244</u>	<u>\$ 14,273</u>	<u>\$ 6,201</u>	<u>\$ 7,964</u>	<u>\$ 8,618</u>	<u>\$ 56,240</u>	<u>\$ 1,626</u>	<u>\$ 18,578</u>	<u>\$ 1,626</u>	<u>\$ 6,471</u>			
Poplar Grove Middle School																			
<b>Fund Balances:</b>																			
<b>Nonspendable:</b>																			
Inventory		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Restricted for:</b>																			
Grant Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Purposes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Assigned to:</b>																			
Athletic Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Class Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Club Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Unassigned:</b>																			
<b>Total Fund Balances:</b>		<u>\$ 26,915</u>																<u>\$ 17,560</u>	

**FRANKLIN SPECIAL SCHOOL DISTRICT**  
**FRANKLIN ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**BALANCE SHEET - REGULATORY BASIS**  
**JUNE 30, 2016**

	ASSETS						LIABILITIES AND FUND BALANCES							
	Cash on Hand	Cash in Bank - Checking	Cash in Bank Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non- Spendable	Restricted	Assigned	Unassigned	Total Fund Balances
General Fund	\$ -	\$ 63,924	\$ -	\$ 93	\$ -	\$ -	\$ 64,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,017	\$ 64,017
Restricted Fund														
Other Accounts:														
CARTER - Instructional Equip & Supplies	\$ -	\$ 157	\$ -	\$ -	\$ -	\$ -	\$ 157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157
Coordinated School Health Grant	-	401	-	-	-	-	401	-	-	-	-	401	-	401
Donations - Elks Club	-	602	-	-	-	-	602	-	-	-	-	-	602	602
Fuel Up to Play Grant	-	53	-	-	-	-	53	-	-	-	-	53	-	53
Mu Alpha Theta FHS Mathematics	-	154	-	-	-	-	154	-	-	-	-	154	-	154
PRO Staff Apreciation	-	783	-	-	-	-	783	-	-	-	-	783	-	783
Restricted Donations - Playground	-	12,958	-	-	-	-	12,958	-	-	-	-	12,958	-	12,958
St. Paul's Millennium Development Goal	-	1,083	-	-	-	-	1,083	-	-	-	-	1,083	-	1,083
Sunshine Fund	-	2,012	-	-	-	-	2,012	-	-	-	-	2,012	-	2,012
TEEA Grant	-	1	-	-	-	-	1	-	-	-	-	1	-	1
Total Restricted	\$ -	\$ 18,204	\$ -	\$ -	\$ -	\$ -	\$ 18,204	\$ -	\$ -	\$ -	\$ -	\$ 455	\$ 17,749	\$ 18,204
Total General and Restricted	\$ -	\$ 82,128	\$ -	\$ 93	\$ -	\$ -	\$ 82,221	\$ -	\$ -	\$ -	\$ -	\$ 455	\$ 17,749	\$ 82,221

**FRANKLIN SPECIAL SCHOOL DISTRICT**  
**FRANKLIN ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Fund Balances 7/1/2015	Prior Period Adjustments	Adjusted Fund Balances 7/1/2015	Revenues	Expenditures	Transfers In	Transfers Out	(Decrease) in Inventory	Residual Equity Transfer In (Out)	Change Increase in Fund Balances 6/30/2016
<b>General Fund</b>										
Administration				\$ 13,944		\$ 4,227				
Field Trips				12,799						
Fines, Fees & Dues		44								
Fundraising			37,553		12,244					
Gifts, Bequests, Donations			3,118							
Instruction			-		22,924					
Interest				3						
Operations & Maintenance				-	3,147					
Pictures			685							
Recycling/Beautification			3,045		160					
Student Rewards			-		2,720					
Yearbook				1,304		1,322				
Total General	\$ 63,864		\$ 63,864	\$ 59,696	\$ 59,543					\$ 64,017
<b>Restricted Fund</b>										
Other Accounts:										
CARTER- Instructional Equip & Supplies	\$ 157	\$ -	\$ 157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157
Coordinated School Health Grant	-	-	-	750		349				401
Dollar General Literacy Grant	-	-	-	2,250		2,250				-
Donations - Elks Club	602	-	602	-						602
Fuel Up to Play Grant	-	-	-	1,500		1,447				53
Mu Alpha Theta FHS Mathematics	284	-	284	-		130				154
PTO Staff Appreciation	710	-	710	1,375		1,302				783
Restricted Donations - Playground	-	-	-	12,958		-				12,958
St. Paul's Millennium Development Goal	1,083	-	1,083	-						1,083
Sunshine Fund	2,186	-	2,186	600		774				2,012
Teacher's Lounge Vending	-	-	-	215		215				-

**FRANKLIN SPECIAL SCHOOL DISTRICT**  
**FRANKLIN ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Fund Balances 7/1/2015	Prior Period Adjustments	Adjusted Fund Balances 7/1/2015	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2016
TEEA Grant	1	-	1	-	-	-	-	-	-	1
Total Restricted	\$ 5,023	\$ -	\$ 5,023	\$ 19,648	\$ 6,467	\$ -	\$ -	\$ -	\$ -	\$ 18,204
Total General and Restricted	\$ 68,887	\$ -	\$ 68,887	\$ 79,344	\$ 66,010	\$ -	\$ -	\$ -	\$ -	\$ 82,221

**FRANKLIN SPECIAL SCHOOL DISTRICT  
FREEDOM INTERMEDIATE SCHOOL - INTERNAL SCHOOL FUNDS  
BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2016**

	ASSETS						LIABILITIES AND FUND BALANCES						FUND BALANCES	
	Cash on Hand	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non-Spendable	Restricted	Assigned	Unassigned	Total Fund Balances
													FUND BALANCES	
General Fund	\$ -	\$ 84,426	\$ -	\$ -	\$ 119	\$ -	\$ 84,545	\$ -	\$ -	\$ 119	\$ -	\$ -	\$ 84,426	\$ 84,545
Restricted Fund														
Other Accounts:														
Band	\$ -	\$ 797	\$ -	\$ -	\$ -	\$ -	\$ 797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 797	\$ 797
Chorus/Drama	-	2,437	-	-	-	-	-	2,437	-	-	-	-	-	2,437
FIS Bulldog Council	-	2,317	-	-	-	-	-	2,317	-	-	-	-	-	2,317
Library Donations	-	309	-	-	-	-	-	309	-	-	-	-	-	309
Restricted Donations	-	250	-	-	-	-	-	250	-	-	-	-	-	250
Scholarships	-	2,012	-	-	-	-	-	2,012	-	-	-	-	-	2,012
Sunshine Fund	-	836	-	-	-	-	-	836	-	-	-	-	-	836
Teacher Grant - Parker	-	128	-	-	-	-	-	128	-	-	-	-	-	128
Teacher Memorial Fund	-	141	-	-	-	-	-	141	-	-	-	-	-	141
Total Restricted	\$ -	\$ 9,227	\$ -	\$ -	\$ -	\$ -	\$ 9,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,227
Total General and Restricted	\$ -	<u>\$ 93,653</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119</u>	<u>\$ -</u>	<u>\$ 93,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119</u>	<u>\$ 2,390</u>	<u>\$ 6,837</u>	<u>\$ 84,426</u>	<u>\$ 93,772</u>

**FRANKLIN SPECIAL SCHOOL DISTRICT**  
**FREEDOM INTERMEDIATE SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Fund Balances 7/1/2015	Prior Period Adjustments	Adjusted Fund Balances 7/1/2015	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2016
<b>General Fund</b>										
Administration			\$ 1,000	\$ 1,000				\$ 707		
Destination Imagination			38,673						1,000	
Field Trips				767					38,847	
Fines & Fees					71,133					-
Fundraising					61,768					
Gifts, Bequests, Donations			1,580							
Instruction						3,992				
Interest					269					
Library						1,847				
Marine Lab						34,425				
Operation and Maintenance						35,330				
Pictures						4,932				
Student Workbooks						996				
Yearbook						4,544				
Total General	\$ 74,408			\$ 74,408		\$ 158,319		\$ 148,301		\$ 119
										\$ 84,545
<b>Restricted Fund</b>										
Other Accounts:										
Band	\$ 872	\$ -	\$ 872			\$ 5,195		\$ 5,270		\$ -
Chorus/Drama	1,329		1,329			11,480		10,372		
FIS Bulldog Council	1,599		1,599			12,904		12,186		
Fuel up to Play Grant						500		500		
Library Donations	154		154			270		115		
Restricted Donations						1,450		1,200		
Scholarships	3,669		3,669			70		1,727		
Sunshine Fund	541		541			938		643		
Teacher Grant - Parker	128				128					
Teacher Memorial Fund	141					141				

**FRANKLIN SPECIAL SCHOOL DISTRICT**  
**FREEDOM INTERMEDIATE SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Fund Balances 7/1/2015	Prior Period Adjustments	Adjusted Fund Balances 7/1/2015	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2016
\$ 8,433	\$ -	\$ 8,433	\$ 32,807	\$ 32,013	\$ -	\$ -	\$ -	\$ -	\$ 9,227
Total Restricted									
Total General and Restricted	\$ 82,841	\$ -	\$ 82,841	\$ 191,126	\$ 180,314	\$ -	\$ 119	\$ -	\$ 93,772

**FRANKLIN SPECIAL SCHOOL DISTRICT  
FREEDOM MIDDLE SCHOOL - INTERNAL SCHOOL FUNDS  
BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2016**

	ASSETS						LIABILITIES AND FUND BALANCES						Total Liabilities and Fund Balances	
	Cash on Hand	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non-Spendable	Restricted	Assigned	Unassigned	
General Fund	\$ 6,066	\$ -	\$ -	\$ -	\$ -	\$ 6,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,066	\$ 6,066
Restricted Fund														
Athletic Accounts:														
Athletics	\$ -	\$ 17,733	\$ -	\$ -	\$ -	\$ -	\$ 17,733	\$ -	\$ -	\$ -	\$ -	\$ 17,733	\$ -	\$ 17,733
Cheerleaders		1,051	-				1,051					1,051	-	1,051
Club Accounts:														
Best Buddies Club		18	-				18					18	-	18
Outdoor Environmental Club		7	-				7					7	-	7
Other Accounts:														
Art		459	-				459					459	-	459
Band		7,558	-				7,558					7,558	-	7,558
Chorus		3,268	-				3,268					3,268	-	3,268
Dollar General Literacy Grant		5	-				5					5	-	5
Drama		593	-				593					593	-	593
Freedom Families		863	-				863					863	-	863
NJHS		518	-				518					518	-	518
Stem Grant-Leadership Academy		5	-				5					5	-	5
Student Council		4,336	-				4,336					4,336	-	4,336
Sunshine Fund		162	-				162					162	-	162
Teacher's Lounge Vending		668	-				668					668	-	668
Total Restricted	\$ -	\$ 37,244	\$ -	\$ -	\$ -	\$ -	\$ 37,244	\$ -	\$ -	\$ -	\$ -	\$ 37,244	\$ -	\$ 37,244
Total General and Restricted	\$ -	\$ 43,310	\$ -	\$ -	\$ -	\$ -	\$ 43,310	\$ -	\$ -	\$ -	\$ -	\$ 43,310	\$ -	\$ 43,310

**FRANKLIN SPECIAL SCHOOL DISTRICT**  
**FREEDOM MIDDLE SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Fund Balances 7/1/2015	Prior Period Adjustments	Adjusted Fund Balances 7/1/2015	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2016
<b>General Fund</b>										
Administration				\$ -	\$ -	\$ 2,936				
Field Trips						\$ 5,160		\$ 4,020		
Fines, Fees, & Dues						\$ 1,764				
Fundraising						\$ 33,412		\$ 6,049		
Gifts, Bequests, Donations						\$ 2,101				
Instruction								\$ 14,483		
Interest								\$ 100		
Operations & Maintenance										
Pictures								\$ 306		
Student Rewards								\$ 146		
								\$ 564		
								<u>\$ 4,669</u>		
Total General	\$ (4,718)	\$ -	\$ -	\$ (4,718)	\$ 43,247	\$ \$ 32,463	\$ -	\$ -	\$ -	\$ 6,066
<b>Restricted Fund</b>										
Athletic Accounts:										
Athletics	\$ 4,584	\$ -	\$ -	\$ 4,584	\$ 60,281	\$ 47,132	\$ -	\$ -	\$ -	\$ 17,733
Cheerleaders	279	-		279	4,359	3,587				1,051
Club Accounts:										
Best Buddies Club	18	-		18	-					
Outdoor Environmental Club	7	-		7	-					
Other Accounts:										
Art	-									459
Band	3,376	-								7,558
Chorus	2,283	-								3,268
Dollar General Literacy Grant	5	-								5
Drama	1,057	-								593
Freedom Families	863	-								863

**FRANKLIN SPECIAL SCHOOL DISTRICT**  
**FREEDOM MIDDLE SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Fund Balances 7/1/2015	Prior Period Adjustments	Adjusted Fund Balances 7/1/2015	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2016
NJHS	318	-	318	3,220	3,020	-	-	-	-	518
Pencil Grant	-	-	-	-	-	-	-	-	-	-
Stem Grant-Leadership Academy	5	-	5	-	-	-	-	-	-	5
Student Council	5,440	-	5,440	-	1,104	-	-	-	-	4,336
Sunshine Fund	265	-	265	2,686	2,789	-	-	-	-	162
Teacher's Lounge Vending	790	-	790	1,368	1,490	-	-	-	-	668
Total Restricted	\$ 19,290	\$ -	\$ 19,290	\$ 106,081	\$ 88,127	\$ -	\$ -	\$ -	\$ -	\$ 37,244
Total General and Restricted	<u>\$ 14,572</u>	<u>\$ -</u>	<u>\$ 14,572</u>	<u>\$ 149,328</u>	<u>\$ 120,590</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,310</u>

**FRANKLIN SPECIAL SCHOOL DISTRICT  
JOHNSON ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS  
BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2016**

	ASSETS				LIABILITIES AND FUND BALANCES				LIABILITIES AND FUND BALANCES				LIABILITIES AND FUND BALANCES		
	Cash on Hand	Cash in Bank - Checking	Bank - Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non-Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ 13,888	\$ -	\$ 385	\$ -	\$ -	\$ 14,273	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,273	\$ 14,273
Restricted Fund															
Other Accounts:															
Art Grant	\$ -	\$ 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13	\$ -	\$ -	\$ -	\$ -	\$ 13	\$ 13
Recycling Fund		2,400	-	-	-	-	-	2,400	-	-	-	-	-	2,400	2,400
Restricted Donations - Library	-	825	-	-	-	-	-	825	-	-	-	-	-	825	825
Restricted Donations - PE	-	2,266	-	-	-	-	-	2,266	-	-	-	-	-	2,266	2,266
Sunshine Fund	-	444	-	-	-	-	-	444	-	-	-	-	-	444	444
Teacher Appreciation	-	80	-	-	-	-	-	80	-	-	-	-	-	80	80
Teacher's Lounge Vending	-	173	-	-	-	-	-	173	-	-	-	-	-	173	173
Total Restricted	\$ -	\$ 6,201	\$ -	\$ -	\$ -	\$ -	\$ 6,201	\$ -	\$ -	\$ 3,104	\$ 3,097	\$ -	\$ -	\$ 6,201	\$ 6,201
Total General and Restricted	\$ -	\$ 20,089	\$ -	\$ 385	\$ -	\$ -	\$ 20,474	\$ -	\$ -	\$ 3,104	\$ 3,097	\$ -	\$ -	\$ 20,474	\$ 20,474

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

See Independent Auditor's Report.

**FRANKLIN SPECIAL SCHOOL DISTRICT**  
**JOHNSON ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Fund Balances 7/1/2015	Prior Period Adjustments	Adjusted Fund Balances 7/1/2015	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2016
<b>General Fund</b>										
Administration			\$ 11,620		\$ 11,356			\$ 1,599		
Field Trips			22,105		21,724					
Fundraising			6,117		-					
Gifts, Bequests, Donations			-		2,826					
Instruction			58		-					
Interest			191		120					
Library			-		-					
Memory Books			-		-					
Operations & Maintenance			600		-					
Pictures			-		1,504					
T-Shirts			2,922		2,764					
Total General	\$ 12,553	\$ -	\$ 12,553	\$ 43,613	\$ 41,893	\$ -	\$ -	\$ -	\$ -	\$ 14,273
<b>Restricted Fund</b>										
Other Accounts:										
Art Grant	\$ 33	\$ -	\$ 33	\$ 211	\$ 231	\$ -	\$ -	\$ -	\$ -	\$ 13
Recycling Fund	1,077	\$ -	1,077	1,323	-					2,400
Restricted Donations - Library	-	\$ -	-	825	-					825
Restricted Donations - PE	-	\$ -	-	3,797	1,531	\$ -				2,266
Sunshine Fund	303	\$ -	303	860	719	\$ -				444
Teacher Appreciation	71	\$ -	71	1,415	1,406	\$ -				80
Teacher's Lounge Vending	52	\$ -	52	294	173	\$ -				173
Total Restricted	\$ 1,536	\$ -	\$ 1,536	\$ 8,725	\$ 4,060	\$ -	\$ -	\$ -	\$ -	\$ 6,201
Total General and Restricted	\$ 14,089	\$ -	\$ 14,089	\$ 52,338	\$ 45,953	\$ -	\$ -	\$ -	\$ -	\$ 20,474

**FRANKLIN SPECIAL SCHOOL DISTRICT  
LIBERTY ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS  
BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2016**

	ASSETS				LIABILITIES				LIABILITIES AND FUND BALANCES						
	Cash on Hand	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non-Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ 4,757	\$ -	\$ 20	\$ 3,187	\$ -	\$ 7,964	\$ -	\$ 3,187	\$ -	\$ -	\$ -	\$ 4,777	\$ 7,964	\$ 7,964
Restricted Fund															
Other Accounts:															
Art Grant	\$ -	\$ 7	\$ -	\$ -	\$ -	\$ -	\$ 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7	\$ 7
Coordinated School Health Grant	-	197	-	-	-	-	197	-	-	-	197	-	-	197	197
D. Williams CHS Project	-	3	-	-	-	-	3	-	-	-	3	-	-	3	3
Dollar General Literacy Grant	-	50	-	-	-	-	50	-	-	-	50	-	-	50	50
Drama/Music Funds	-	4,352	-	-	-	-	4,352	-	-	-	4,352	-	-	4,352	4,352
Elks Club Donation	-	4	-	-	-	-	4	-	-	-	4	-	-	4	4
Field Trip Safety Shirts	-	2,482	-	-	-	-	2,482	-	-	-	2,482	-	-	2,482	2,482
Restricted Donations - Gracework	-	46	-	-	-	-	46	-	-	-	46	-	-	46	46
State P.M.A. Dest. Imag.	-	109	-	-	-	-	109	-	-	-	109	-	-	109	109
Sunshine Fund	-	530	-	-	-	-	530	-	-	-	530	-	-	530	530
Target Field Trip Grant	-	(39)	-	-	-	-	(39)	-	-	-	(39)	-	-	(39)	(39)
Walk Across Williamson/PE	-	33	-	-	-	-	33	-	-	-	33	-	-	33	33
WLES Grant	-	844	-	-	-	-	844	-	-	-	844	-	-	844	844
Total Restricted	\$ -	\$ 8,618	\$ -	\$ -	\$ -	\$ -	\$ 8,618	\$ -	\$ -	\$ -	\$ 1,144	\$ 7,513	\$ 8,618	\$ 8,618	\$ 8,618
Total General and Restricted	\$ -	\$ 13,375	\$ -	\$ 20	\$ 3,187	\$ -	\$ 16,582	\$ -	\$ -	\$ 3,187	\$ 1,144	\$ 7,513	\$ 4,738	\$ 16,582	\$ 16,582

**FRANKLIN SPECIAL SCHOOL DISTRICT**  
**LIBERTY ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Other Financing Sources (Uses)									
	Fund Balances 7/1/2015	Prior Period Adjustments	Adjusted Fund Balances 7/1/2015	Revenues	Expenditures	Transfers In	Transfers Out	Change (Decrease) in Inventory	Residual Equity Transfer In (Out)
<b>General Fund</b>									
Administration			\$ 14,048		\$ 1,259				
Bookstore			3,064		1,883				
Events, Dances, Etc.			17,287		17,161				
Field Trips			56,598		47,531				
Fundraising			9,603		-				
Gifts, Bequests, Donations			-		39,087				
Instruction			15		-				
Interest			70		145				
Library			-		50				
Operations & Maintenance			6,668		-				
Pictures			10,568		10,618				
Recycling			-		110				
Student Rewards			-		-				
Total General	\$ 7,231	\$ -	\$ 7,231	\$ 117,921	\$ 117,844	\$ -	\$ -	\$ 656	\$ -
Restricted Fund									\$ 7,964
Other Accounts:									
Art Grant	\$ 7	\$ -	\$ 7	\$ 622	\$ 622	\$ -	\$ -	\$ -	\$ 7
Coordinated School Health Grant	-	-	-	750	553	-	-	-	197
D. Williams CHS Project	3	-	3	-	-	-	-	-	3
Dollar General Literacy Grant	-	-	-	2,000	1,950	-	-	-	50
Drama/Music Funds	3,059	-	3,059	7,499	6,206	-	-	-	4,352
Elks Club Donation	4	-	4	-	-	-	-	-	4
Field Trip Safety Shirts	3,290	-	3,290	3,032	3,840	-	-	-	2,482
Fuel up to Play Grant	-	-	-	500	500	-	-	-	-

**FRANKLIN SPECIAL SCHOOL DISTRICT**  
**LIBERTY ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Other Financing Sources (Uses)						
	Fund Balances 7/1/2015	Prior Period Adjustments	Adjusted Fund Balances 7/1/2015	Revenues	Expenditures	Transfers In	Change Increase (Decrease) in Inventory
							Residual Equity Transfer In (Out)
<b>Other Financing Sources (Uses)</b>							
Restricted Donations - Gracework	-	-	-	200	154	-	-
Skate P.M./Dest. Imag.	309	-	309	-	200	-	-
Sunshine Fund	379	-	379	685	534	-	-
Target Field Trip Grant	-	-	-	700	739	-	-
Walk Across Williamson/PE	1,000	-	1,000	1,000	1,967	-	-
WLES Grant	145	-	145	759	60	-	-
Total Restricted	\$ 8,196	\$ -	\$ 8,196	\$ 17,747	\$ 17,325	\$ -	\$ -
Total General and Restricted	\$ 15,427	\$ -	\$ 15,427	\$ 135,668	\$ 135,169	\$ -	\$ 656
							\$ 16,582

**FRANKLIN SPECIAL SCHOOL DISTRICT**  
**MOORE ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**BALANCE SHEET - REGULATORY BASIS**  
**JUNE 30, 2016**

	ASSETS						LIABILITIES AND FUND BALANCES								
	Cash on Hand	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non- Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ 53,380	\$ -	\$ 150	\$ 2,710	\$ -	\$ 56,240	\$ -	\$ -	\$ 2,710	\$ -	\$ -	\$ 53,530	\$ 56,240	\$ 56,240
Restricted Fund															
Other Accounts:															
Cleveland - Donation - Instructional	\$ -	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ 50
Teacher Activity	-	423	-	-	-	-	423	-	-	-	-	423	-	423	423
Teacher Appreciation	-	977	-	-	-	-	977	-	-	-	-	977	-	977	977
Teacher's Lounge Vending	-	176	-	-	-	-	176	-	-	-	-	176	-	176	176
Total Restricted	\$ -	\$ 1,626	\$ -	\$ -	\$ -	\$ -	\$ 1,626	\$ -	\$ -	\$ -	\$ -	\$ 1,626	\$ -	\$ 1,626	\$ 1,626
Total General and Restricted	\$ -	\$ 55,006	\$ -	\$ 150	\$ 2,710	\$ -	\$ 57,866	\$ -	\$ -	\$ 2,710	\$ -	\$ 1,626	\$ 53,530	\$ 57,866	\$ 57,866

**FRANKLIN SPECIAL SCHOOL DISTRICT**  
**MOORE ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Fund Balances 7/1/2015	Prior Period Adjustments	Adjusted Fund Balances 7/1/2015	Revenues			Expenditures			Transfers			Change in Residual Equity			Fund Balances 6/30/2016
				In	Out	Inventory	In	Out	Transfer	In	Decrease) in Inventory	Transfer In (Out)	Increase	Residual Equity Transfer In (Out)	Change Increase	
General Fund																
Administration				\$ 953	\$ 953		\$ 788									
Bookstore				512												
Book Fair				340			340									
Field Trips				21,600			20,880									
Fines, Fees, Etc.				312			-									
Fundraising				103,462			47,849									
Gifts, Bequests, Donations				8,238			-									
Instruction				-			78,113									
Interest				183			-									
Operations & Maintenance				-			341									
Pictures				8,018			-									
Playground				-			6,842									
Student Supply Packs				9,260			9,186									
T-Shirts & Other Resale				5,684			4,637									
Yearbook				4,992			4,338									
Total General	\$ 67,042	\$ -	\$ 67,042	\$ 163,042	\$ 173,826	\$ -	\$ -	\$ -	\$ -	\$ (18)	\$ -	\$ -	\$ -	\$ -	\$ 56,240	
Restricted Fund																
Other Accounts:																
Cleveland - Donation - Instructional	\$ 50	\$ -	\$ 50	\$ -	\$ 50		\$ -	\$ -	\$ 500		\$ 500					\$ 50
Fuel Up to Play Grant	-	-	-	-	-				1,000		1,000					-
Impact School Grant	-	-	-	-	-				3,556		3,235					-
Teacher Activity	102	-	-	102			1,470		1,322		-					423
Teacher Appreciation	829	-	-	829			200		176		200		-			977
Teacher's Lounge Vending	200	-	-													176
Total Restricted	\$ 1,181	\$ -	\$ 1,181	\$ 6,702	\$ 6,257	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,626
Total General and Restricted	\$ 68,223	\$ -	\$ 68,223	\$ 169,744	\$ 180,083	\$ -	\$ -	\$ -	\$ -	\$ (18)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,866

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

See Independent Auditor's Report.

**FRANKLIN SPECIAL SCHOOL DISTRICT  
POPLAR GROVE ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS  
BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2016**

		ASSETS				LIABILITIES				LIABILITIES AND FUND BALANCES						
		Cash on Hand	Cash in Bank - Checking	Bank Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non-Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ 18,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,578	\$ 18,578	
Restricted Fund																
Other Accounts:																
Franklin Kids Arts Fest	\$ -	\$ 36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36	
Restricted Donations - Butterfly Garden	-	249	-	-	-	-	-	249	-	-	-	249	-	-	249	
Restricted Donations - PE	-	3,849	-	-	-	-	-	3,849	-	-	-	3,849	-	-	3,849	
Staff Appreciation	-	614	-	-	-	-	-	614	-	-	-	614	-	-	614	
Sunshine Fund	-	1,721	-	-	-	-	-	1,721	-	-	-	1,721	-	-	1,721	
Teacher's Lounge Vending	-	2	-	-	-	-	-	2	-	-	-	2	-	-	2	
Total Restricted	\$ -	\$ 6,471	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,471	\$ -	\$ -	\$ -	\$ 4,098	\$ 2,373	\$ -	\$ 6,471	
Total General and Restricted	\$ -	<b>\$ 25,049</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,049</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,098</b>	<b>\$ 2,373</b>	<b>\$ 18,578</b>	<b>\$ 25,049</b>	

**FRANKLIN SPECIAL SCHOOL DISTRICT**  
**POPLAR GROVE ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Other Financing Sources (Uses)											
	Fund Balances 7/1/2015	Prior Period Adjustments	Adjusted Fund Balances 7/1/2015	Revenues	Expenditures	Transfers In Out					
						Change Increase (Decrease) in Inventory					
General Fund						Residual Equity Transfer In (Out)					
Administration			\$ 9,659	\$ 1,884							
Book Fair			16,986	8,279							
Field Trips				15,891							
Fines, Fees & Dues			294	-							
Fundraising			41,971	16,785							
Gifts, Bequests, Donations			436	-							
Instruction			-	30,509							
Interest			66	-							
Library			-	90							
Operations & Maintenance			-	967							
Pictures				4,499							
Total General			\$ 19,072	\$ -	\$ 19,072	\$ 73,911 \$ 74,405 \$ - \$ - \$ - \$ 18,578					
Restricted Fund											
Class Accounts:											
2nd Grade Class	\$ 55	\$ -	\$ -	\$ -	\$ 1,355	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3rd Grade Class	11	-	-	55	1,207	1,262	-	-	-	-	-
Kindergarten Class				11	-	11	-	-	-	-	-
Other Accounts:											
ExxonMobil Educational Grant	-	-	-	-	-	-	-	-	-	-	-
Franklin Kids Arts Fest	-	-	-	-	500	464	-	-	-	-	36
Restricted Donations - Butterfly Garden	-	-	-	-	249	-	-	-	-	-	249
Restricted Donations - PE	-	-	-	-	6,187	2,338	-	-	-	-	3,849
Staff Appreciation	-	-	-	-	3,606	2,992	-	-	-	-	614

**FRANKLIN SPECIAL SCHOOL DISTRICT**  
**POPLAR GROVE ELEMENTARY SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Other Financing Sources (Uses)							
Fund Balances 7/1/2015	Prior Period Adjustments	Adjusted Fund Balances 7/1/2015	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory Residual Equity Transfer In (Out) Fund Balances 6/30/2016
1,692	-	1,692	895	866	-	-	-
-	-	-	700	700	-	-	-
101	-	101	1,625	1,724	-	-	-
-	-	-	500	500	-	-	-
<b>\$ 1,859</b>	<b>\$ -</b>	<b>\$ 1,859</b>	<b>\$ 16,824</b>	<b>\$ 12,212</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,471</b>
<b>\$ 20,931</b>	<b>\$ -</b>	<b>\$ 20,931</b>	<b>\$ 90,735</b>	<b>\$ 86,617</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,049</b>

**FRANKLIN SPECIAL SCHOOL DISTRICT  
POPLAR GROVE MIDDLE SCHOOL - INTERNAL SCHOOL FUNDS  
BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2016**

	ASSETS				LIABILITIES				LIABILITIES AND FUND BALANCES						
	Cash on Hand	Cash in Bank - Checking	Cash in Bank - Savings	Accounts Receivable	Inventory	Other Assets	Total Assets	Accounts Payable	Total Liabilities	Non-Spendable	Restricted	Assigned	Unassigned	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	\$ -	\$ 26,915	\$ -	\$ -	\$ -	\$ -	\$ 26,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,915	\$ 26,915
Restricted Fund															
Athletic Accounts:															
Athletics	\$ -	\$ 1,930	\$ -	\$ -	\$ -	\$ -	\$ 1,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,930	\$ 1,930
Cheerleading	-	2,488	-	-	-	-	2,488	-	-	-	-	-	2,488	-	2,488
Class Accounts:															
6th Grade Class	-	116	-	-	-	-	116	-	-	-	-	-	116	-	116
Eric Ellison Class	-	64	-	-	-	-	64	-	-	-	-	-	64	-	64
Club Accounts:															
Beta Club	-	356	-	-	-	-	356	-	-	-	-	-	356	-	356
Drama Club	-	3,344	-	-	-	-	3,344	-	-	-	-	-	3,344	-	3,344
Middle School Art Club	-	8	-	-	-	-	8	-	-	-	-	-	8	-	8
Other Accounts:															
Farm Bureau Grant - Outdoor Garden	-	68	-	-	-	-	68	-	-	-	-	-	68	-	68
Fuel Up to Play Grant	-	33	-	-	-	-	33	-	-	-	-	-	33	-	33
Grant - Language Arts	-	50	-	-	-	-	50	-	-	-	-	-	50	-	50
Green Team	-	2,654	-	-	-	-	2,654	-	-	-	-	-	2,654	-	2,654
Music	-	3,305	-	-	-	-	3,305	-	-	-	-	-	3,305	-	3,305
Restricted Donations - PE	-	200	-	-	-	-	200	-	-	-	-	-	200	-	200
Staff Appreciation	-	20	-	-	-	-	20	-	-	-	-	-	20	-	20
Student Council	-	840	-	-	-	-	840	-	-	-	-	-	840	-	840
Sunshine Fund	-	1,312	-	-	-	-	1,312	-	-	-	-	-	1,312	-	1,312
Teacher's Lounge Vending	-	772	-	-	-	-	772	-	-	-	-	-	772	-	772
Total Restricted		\$ 17,560	\$ -	\$ -	\$ -	\$ -	\$ 17,560	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,560	\$ -	\$ 17,560
Total General and Restricted		\$ 44,475	\$ -	\$ -	\$ -	\$ -	\$ 44,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,475	\$ -	\$ 44,475

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

See Independent Auditor's Report.

**FRANKLIN SPECIAL SCHOOL DISTRICT**  
**POPLAR GROVE MIDDLE SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Fund Balances 7/1/15	Prior Period Adjustments	Adjusted Fund Balances 7/1/15	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2016
<b>General Fund</b>										
Administration			\$ 21,870		\$ 96					
Field Trips			554		21,082					
Fines, Fees, & Dues			19,982		7,127					
Fundraising			345		-					
Gifts, Bequests, Donations			-		9,828					
Instruction			-		29					
Interest			-		749					
Operations & Maintenance			-		2,914					
Pictures			-		8,774					
Yearbook			-		7,210					
Total General	\$ 18,539		\$ 18,539	\$ 54,468	\$ 46,092			\$ -	\$ -	\$ 26,915
<b>Restricted Fund</b>										
Athletic Accounts:										
Athletics	\$ 1,565	\$ -	\$ 1,565	\$ 10,164	\$ 9,799	\$ -		\$ -	\$ -	\$ 1,930
Cheerleading	11,388	-	11,388	46,504	55,404	-		-	-	2,488
Class Accounts:										
6th Grade Class	116	-	116	-	-	-		-	-	116
Eric Ellison Class	64	-	64	-	-	-		-	-	64
Club Accounts:										
Beta Club	387	-	387	1,163	1,194	-		-	-	356
Drama Club	6,856	8	6,856	7,193	10,705	-		-	-	3,344
Middle School Art Club	8	-	8	-	-	-		-	-	8
Other Accounts:										
Farm Bureau Grant - Outdoor Garden	68	-	68	-	-	-		-	-	68
Fuel Up to Play Grant	-	-	-	500	467	-		-	-	33
Grant - Language Arts	50	-	50	-	-	-		-	-	50

**FRANKLIN SPECIAL SCHOOL DISTRICT**  
**POPLAR GROVE MIDDLE SCHOOL - INTERNAL SCHOOL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Fund Balances 7/1/15	Prior Period Adjustments	Adjusted Fund Balances 7/1/15	Revenues	Expenditures	Transfers In	Transfers Out	Change Increase (Decrease) in Inventory	Residual Equity Transfer In (Out)	Fund Balances 6/30/2016
Green Team	2,143	-	2,143	3,396	2,885	-	-	-	-	2,654
Music	3,800	-	3,800	10,562	11,057	-	-	-	-	3,305
Restricted Donations - PE	-	-	-	200	-	-	-	-	-	200
Staff Appreciation	20	-	20	-	-	-	-	-	-	20
Student Council	344	-	344	1,179	683	-	-	-	-	840
Sunshine Fund	1,601	-	1,601	770	1,059	-	-	-	-	1,312
Teacher's Lounge Vending	712	-	712	60	-	-	-	-	-	772
Total Restricted	\$ 29,122	\$ -	\$ 29,122	\$ 81,691	\$ 93,253	\$ -	\$ -	\$ -	\$ -	\$ 17,560
Total General and Restricted	\$ 47,661	\$ -	\$ 47,661	\$ 136,159	\$ 139,345	\$ -	\$ -	\$ -	\$ -	\$ 44,475

**FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS  
SCHEDULE OF FIDELITY BOND COVERAGE  
JUNE 30, 2016**

**SURETY BOND**

Type of Coverage: Official Statutory Bond – Treasurer or Fiscal Agent for Local Education Agency

Insurer: The Ohio Casualty Insurance Company

Amount of Coverage: \$1,143,081 -- Dr. David L. Snowden, Director of Schools

Policy Term: 7.1.2015 – 7.1.2016

**COMMERCIAL CRIME COVERAGE**

Type of Coverage: Government Employee Theft – Per Loss

Insurer: Catlin Indemnity Company

Amount of Coverage \$100,000

Policy Term: 7.1.2015 – 7.1.2016

Type of Coverage: Government Forgery or Alteration

Insurer: Catlin Indemnity Company

Amount of Coverage \$100,000

Policy Term: 7.1.2015 – 7.1.2016

Type of Coverage: Government Inside the Premises – Theft of Money and Securities

Insurer: Catlin Indemnity Company

Amount of Coverage \$100,000

Policy Term: 7.1.2015 – 7.1.2016

Type of Coverage: Government Outside the Premises

Insurer: Catlin Indemnity Company

Amount of Coverage \$100,000

Policy Term: 7.1.2015 – 7.1.2016

**FRANKLIN SPECIAL SCHOOL DISTRICT - INTERNAL SCHOOL FUNDS  
SCHEDULE OF SALARY SUPPLEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

<u>School</u>	<u>Amount</u>	<u>Source of Funds</u>	<u>Board Approved?</u>	<u>Proper Withholding?</u>
<u>Poplar Grove Middle School</u>				
Elaine Bailey-Fryd	<u>\$ 175</u>	Music	Yes	Yes
<b>Total</b>	<b><u>\$ 175</u></b>			

**FRANKLIN SPECIAL SCHOOL DISTRICT - INTERNAL SCHOOL FUNDS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2016**

<u>Federal Grantor/Pass-Through Grantor</u>	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Beginning (Accrued) Deferred</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending (Accrued) Deferred</u>
<u>State Awards</u>						
TN Arts Commission - Liberty Elementary	N/A	3335723	-	555	555	-
TN Arts Commission - Liberty Elementary	N/A	334766	-	622	622	-
TN Arts Commission - Poplar Grove Elementary	N/A	334769	-	500	500	-
<b>TOTAL STATE AWARDS:</b>			<b>\$ -</b>	<b>\$ 1,677</b>	<b>\$ 1,677</b>	<b>\$ -</b>
<u>Federal Awards</u>						
		N/A				

\*Note 1 - This schedule is prepared on the modified accrual basis of accounting.

\*Note 2 - The above grants are earned when cash is received and not when expenditures are made. As a result, deferred revenue is not reflected in the financial statements. However, the grant resources are restricted for art expenditures by the grant contract. Any unspent funds are reflected as restricted fund balance in the accompanying financial statements.

See Independent Auditor's Report.

## **INTERNAL CONTROL AND COMPLIANCE SECTION**

## **INDEPENDENT AUDITOR'S 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**

Members of the Board of Education and  
the Director of Schools  
Franklin Special School District  
Franklin, Tennessee

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the combined and individual financial statements of the Internal School Funds of the Franklin Special School District, Franklin, Tennessee as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Franklin Special School District Internal School Funds' basic financial statements and have issued our report thereon dated September 16, 2016.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Franklin Special School District Internal School Funds' 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 combined and individual financial statements, but not for the purpose of expressing an opinion on the effectiveness of Franklin Special School District Internal School Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the Franklin Special School District Internal School Funds' 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Franklin Special School District Internal School Funds' combined and individual financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of Franklin Special School District Internal School Funds, in a separate management letter dated September 16, 2016.

### **Franklin Special School District's Response to Findings**

Franklin Special School District Internal School Fund's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Franklin Special School District Internal School Fund'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 results 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 the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Matlock Clements, P.C.  
Murfreesboro, Tennessee  
September 16, 2016

**FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2016**

**Summary of Auditor's Results**

**Financial Statements**

- |  |             |
|--|-------------|
| 1. Type of auditor's report issued:  | Unqualified |
| 2. Internal control over financial reporting   |             |
| a. Material weaknesses identified?   | No          |
| b. Significant Deficiencies identified that are not<br>considered to be material weaknesses? | No          |
| 3. Noncompliance material to financial statements noted                                      | No          |

**Financial Statement Findings – Required to be reported in Accordance  
With Government Auditing Standards.**

**There were no findings reported.**

**FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2016**

**Prior Year Financial Statement Findings – Required to be reported in Accordance  
With Government Auditing Standards.**

**Significant Deficiencies – Prior Year  
(SD-2015-001)**

**Deficiencies in Purchasing/Disbursements Cycle**

It was noted during the fieldwork that checks cleared the bank without two signatures at Freedom Intermediate School.

**Recommendation**

According to the *Tennessee Internal School Uniform Accounting Policy Manual*, Section 6; Title 3, two signatures are required for all checks. It is recommended that policies and procedures be put in place to ensure that all checks properly contain two signatures.

**Management Response**

Schools were reminded to know the specifics outlined in the TN Internal School Uniform Accounting Policy Manual. The principal and bookkeeper know that no future checks should ever be relinquished without dual signatures. As such, the principal will require that she is always the first to sign the checks rather than the bookkeeper signing them first.

No checks will be issued without two signatures.

**Current Year Status**

This issue was corrected during the current year at this school.

**Material Instance of Non-Compliance  
(MNC-2015-001)**

**Material Instance of Non-Compliance**

It was noted during the fieldwork that the general fund balance at Freedom Middle School incurred and ended with a general fund balance deficit during the year. The general fund ended the year with a deficit of (\$4,718).

**Recommendation**

According to the *Tennessee Internal School Uniform Policy Manual*, Section 4; Title 1, a deficit balance in the general fund (representing the net total of all account balances in the general fund) is not allowable. It is recommended that policies and procedures be put in place to ensure that the total general fund expenditures do not exceed the beginning fund balance plus current year revenue.

**Management Response**

Schools were reminded to know the specifics outlined in the TN Internal School Uniform Accounting Policy Manual. Additionally, with the capabilities of our new financial software, Skyward, we at the central office are able to more closely monitor the activity funds of the schools and will provide an additional check and balance for those funds.

Overspending of Freedom Middle School's general fund balance will not occur in the future.

**FRANKLIN SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2016**

**(MNC-2015-001)- (Continued)**

**Current Year Status**

This issue was corrected during the current year at this school.