

# Presentation to the Committee of the Whole of the City of Franklin

May 6, 2019

1. Objective of the audit was to express our opinion on your financial statements
2. Reports issued
  - a. Financial statements
    - i. Unmodified opinion, commonly referred to as a “clean” opinion
    - ii. Highest level of assurance you can receive from your auditor
  - b. Communication to those charged with governance and management
    - i. Includes all communications required under professional standards
    - ii. Includes comments and recommendations resulting from our audit
    - iii. Includes information applicable to future audits

3. Financial highlights (in thousands)

a. Government-Wide

	<u>Governmental Activities</u>		<u>Business-typeActivities</u>	
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
Expenses	\$ (33,471)	\$ (42,786)	\$ (11,154)	\$ (11,464)
Program revenues	10,734	11,539	9,371	9,666
General revenues	25,883	27,034	615	683
Transfers	990	1,011	(990)	(1,011)
Change in net position	<u>\$ 4,136</u>	<u>\$ (3,202)</u>	<u>\$ (2,158)</u>	<u>\$ (2,126)</u>
<b>Net position</b>				
Net investment in capital assets	\$ 115,418	\$ 113,401	\$ 86,585	\$ 85,170
Restricted	10,896	25,989	20,193	18,800
Unrestricted (deficit)	11,303	(4,975)	4,179	4,861
Total net position	<u>\$ 137,617</u>	<u>\$ 134,415</u>	<u>\$ 110,957</u>	<u>\$ 108,831</u>



b. Governmental Funds

	General Fund	Debt Service	TIF Districts	Nonmajor Governmental Funds
Current year activity				
Revenues and other sources	\$ 25,666	\$ 1,726	\$ 26,854	\$ 9,591
Expenditures and other uses	24,917	1,479	16,659	6,983
Change in fund balances	<u>\$ 749</u>	<u>\$ 247</u>	<u>\$ 10,195</u>	<u>\$ 2,608</u>
Fund Balance				
Nonspendable	\$ 180	\$ -	\$ -	\$ -
Restricted	-	983	12,430	9,709
Assigned	272	-	-	6,793
Unassigned (deficit)	6,884	-	(13)	-
Total	<u>\$ 7,336</u>	<u>\$ 983</u>	<u>\$ 12,417</u>	<u>\$ 16,502</u>

c. Enterprise Funds

	Water	Sanitary Sewer
Current year operations		
Revenues and other sources	\$ 6,116	\$ 4,232
Expenses and other uses	6,521	5,953
Change in net position	<u>\$ (405)</u>	<u>\$ (1,721)</u>
Cash flow activities		
Operating	\$ 2,096	\$ 121
Noncapital financing	(1,008)	(3)
Capital and related financing	(299)	(926)
Investing	43	504
	<u>\$ 832</u>	<u>\$ (304)</u>

d. Budgetary compliance

Details of individual funds actual results to budget can be found in the city's year-end budget to actual report. A summary of the general fund budget to actual amounts on a budgetary basis were as follows:

	Final Budget	Actual (Budgetary Basis)	Variance: Favorable (unfavorable)
Revenues	\$ 24,994	\$ 25,666	\$ 672
Expenditures	26,362	24,955	1,407
Excess (deficiency)	(1,368)	711	2,079
Other financing uses	(84)	(84)	-
Net change in fund balance - budgetary bases	<u>\$ (1,452)</u>	<u>\$ 627</u>	<u>\$ 2,079</u>

e. Long-term obligations

Type of obligation	Governmental Activities	Business-type Activites	Total
General obligation bonds and notes	\$ 30,010	\$ 19,870	\$ 49,880
Compensated absences	2,009	151	2,160
Net pension obligation - Defined Benefit Retirement Plan	254	124	378
Net OPEB obligation	2,456	49	2,505
	\$ 34,729	\$ 20,194	\$ 54,923
	Statutory Debt Limit	City Policy Debt Limit	
Statutory debt limit (5% of equalized value)	\$ 201,147	\$ 80,459	
Capacity for additional general obligation debt	151,267	30,579	
Percentage of capacity to debt limit	75%	38%	

4. Questions?