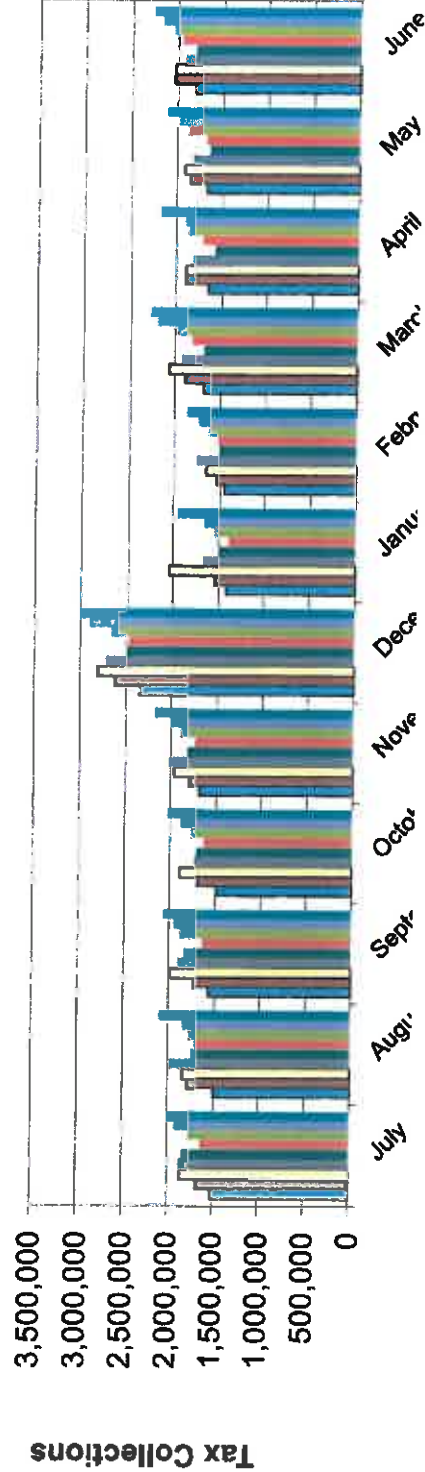


**Local Sales Tax Revenue Comparison**

Month	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	% over prior yr	\$ over prior yr
July	1,448,615	1,520,851	1,676,862	1,857,805	1,876,318	1,842,160	1,646,449	1,689,523	1,925,195	2,003,719	4.1%	78,324
August	1,381,099	1,498,953	1,788,477	1,837,563	1,985,123	1,747,507	1,711,487	1,774,021	1,843,928	2,101,518	14.0%	257,591
September	1,423,877	1,567,311	1,724,983	1,977,557	1,900,808	1,834,296	1,645,241	1,808,909	1,946,970	2,055,482	6.1%	118,432
October	1,433,786	1,484,549	1,695,501	1,887,613	1,734,361	1,707,123	1,639,767	1,707,137	1,867,069	2,028,865	7.7%	145,766
November	1,571,854	1,686,900	1,787,276	1,960,370	2,018,105	1,816,125	1,736,146	1,892,149	1,998,725	2,176,371	8.9%	177,648
December	2,245,611	2,348,329	2,617,849	2,806,905	2,730,286	2,491,017	2,479,640	2,670,494	2,902,675	3,012,755	3.8%	110,084
January	1,241,700	1,415,392	1,544,557	2,034,121	1,664,281	1,502,087	1,401,398	1,557,324	1,664,215	1,848,752	17.1%	284,471
February	1,351,992	1,445,409	1,526,301	1,649,397	1,752,131	1,507,868	1,401,398	1,528,745	1,728,067	1,856,748	7.4%	127,746
March	1,572,431	1,682,707	1,880,654	2,054,793	1,925,296	1,688,794	1,619,395	1,575,080	2,191,905	2,255,006	3.4%	73,601
April	1,553,462	1,649,228	1,883,777	1,885,024	1,812,244	1,572,824	1,719,674	1,898,188	1,897,749	2,198,372	14.3%	270,631
May	1,524,900	1,674,495	1,846,229	1,909,074	1,824,127	1,642,271	1,586,758	1,881,376	1,800,977	2,100,923	6.1%	120,446
June	1,547,355	1,812,106	2,033,237	2,025,044	1,926,353	1,809,044	1,951,270	2,107,650	2,108,008	2,280,287	4.3%	92,202
<b>Total Budgeted</b>	<b>18,296,682</b>	<b>19,786,230</b>	<b>22,005,703</b>	<b>23,885,264</b>	<b>23,149,433</b>	<b>21,152,117</b>	<b>20,968,821</b>	<b>22,720,667</b>	<b>24,138,792</b>	<b>25,995,732</b>	<b>24,138,792</b>	<b>1,856,940</b>
	Up 11.6%	Up 8.1%	Up 11.2%	Up 8.5%	Down -3.1%	Down -8.6%	Down -0.9%	year to date 8.4%	year to date 6.2%	year to date 7.7%	last yr YTD 24,138,792	YTD difference 24,138,792

**Local Sales Taxes**



**ADMINISTRATION**

**Russell B. Truell**  
Assistant City Administrator, CFO  
Finance



**Dr. Ken Moore**  
Mayor

**Eric S. Stuckey**  
City Administrator

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**MEMORANDUM**

**HISTORIC  
FRANKLIN  
TENNESSEE**

August 11, 2013

TO: Eric Stuckey, City Administrator  
FROM: Russ Truell, ACA/CFO  
RE: Local Sales Tax Report

The local sales tax remittance from the State of Tennessee for August was \$2,260,297 compared to \$2,168,095 for the same month in 2012, an increase of \$92,202, or 4.3%. [The August remittance is for sales tax collected during the month of June, representing the twelfth month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 3.4% from the prior year.

Year-to-date, the City has received \$25.9 million compared to \$24.1 million in the previous year, a difference of \$1,856,940 or 7.7%. The State of Tennessee sales tax collections, year-to-date, are \$7.03 billion compared to \$6.89 billion in the prior year, a difference of \$126.1 million or 1.8%.

For budget comparisons, the City anticipated collections of \$25.2 million through the twelve months of the fiscal year. Through June, the City is \$753,132 above budgeted collections. As a further comparison, the June collection of \$2.26 million compares to \$1.92 million in 2008, \$1.80 million in 2009, \$1.96 million in 2010 and \$2.04 million in 2011.

The City experienced many months of negative growth in sales tax revenue on a year-over-year basis during the "great recession." Beginning in August, 2007, twenty-eight of the following thirty-two months showed declining revenue on a comparative basis. Since January, 2010, local sales tax collection for the City has shown positive growth for forty-three consecutive months.



# TENNESSEE DEPARTMENT OF REVENUE

COUNTY EXECUTIVE/MAYOR  
 WILLIAMSON COUNTY  
 1320 W MAIN ST STE 125  
 FRANKLIN TN 37064-3700

August 9, 2013  
 Month of: JULY  
 Tot. Collections: \$7,659,012.30  
 Cost of Admin: \$86,163.90  
 Net Collections: \$7,572,848.40

The Department of Revenue has collected and allocated the above total during the month indicated from Local Option Sales Tax as follows:

COUNTY/CITY NAME	TOTAL COLLECTIONS	LESS ADMIN. COSTS	NET COLLECTIONS
WILLIAMSON COUNTY	\$229,213.12	\$2,578.65	\$226,634.47
FRANKLIN	\$4,618,210.47	\$51,954.87	\$4,566,255.60
FAIRVIEW	\$147,891.40	\$1,663.78	\$146,227.62
BRENTWOOD	\$2,294,770.87	\$25,816.17	\$2,268,954.70
SPRING HILL	\$202,183.80	\$2,274.57	\$199,909.23
THOMPSON STATION	\$110,147.35	\$1,239.16	\$108,908.19
NOLENSVILLE	\$56,595.29	\$636.70	\$55,958.59

Note that we have deducted 1.125% state cost of administration leaving the net collections. The Department of Finance and Administration has been notified to issue a payment to the Trustee of your county in the amount of the net collections.

Please be aware that normal Local Option Sales Tax collections may fluctuate. This could be due to additional collections on assessments or reductions as a result of taxpayer refunds or returned checks. Should your collection amount increase significantly, it might be the result of an audit assessment.

For additional information regarding the allocation you may call the Division of Fiscal Services at (615) 741-1028 between 8:00 a.m. and 4:30 p.m., Monday through Friday, holidays excepted. If you need information concerning other matters, please see the back of this notice for our local offices and phone numbers.

c: County Trustee; City Mayor  
 Director of Accounts: County, F & A

$$4566255.60 \div 2 = 2283127.80$$

$$(-) \times 1\% = 22831.27$$

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$$2,260,296.53$$



# MEDIA RELEASE

STATE OF TENNESSEE  
DEPARTMENT OF FINANCE & ADMINISTRATION

**FOR IMMEDIATE RELEASE  
FRIDAY, AUGUST 9, 2013**

**CONTACT: LOLA POTTER  
615.532.8560 (OFFICE)**

## JULY REVENUES

**NASHVILLE** – Tennessee revenue collections continued an upward trend in July, ending the state’s fiscal year positively, but in the midst of a still-uncertain economy. Finance and Administration Commissioner Larry Martin today announced a net positive growth of 4.42% over July collections of one year ago. Overall July revenues were \$919.8 million, which is \$19.0 million more than the state budgeted.

“We continue to see positive growth in sales and corporate tax collections, and we’re certainly pleased with that, but overall growth is fairly slow,” Martin said. “While we’ve had positive growth every month for the fiscal year, we must continue to monitor results nationally and be alert to the impact national conditions may have on Tennessee’s economy.”

July sales tax collections represent consumer spending that took place in the month of June.

On an accrual basis, July is the 12th month in the 2012-2013 fiscal year.

The general fund was over collected by \$19.3 million, and the four other funds were under collected by \$0.3 million.

Sales tax collections were \$4.6 million more than the estimate for July. The July growth rate was 3.42%. For 12 months, revenues are under collected by \$23.2 million. The year-to-date growth rate for 12 months was positive 1.83%.

Franchise and excise taxes combined were \$13.8 million over the budgeted estimate of \$52.7 million. The growth rate for July was positive 21.54%. For 12 months revenues are over collected by \$292.7 million and the year-to-date growth rate was positive 9.13%.

Inheritance and estate tax collections were \$0.9 million below the July estimate. For 12 months, collections are \$34.5 million above the budgeted estimate.

Privilege tax collections were \$0.9 million below the July budgeted estimate. For 12 months, collections are \$29.2 million more than the budgeted estimate, and the year-to date growth rate was positive 8.34%.

Business tax collections were \$20,000 less than the July estimate. Year-to-date collections for 12 months are \$1.4 million above the budgeted estimate.

Tobacco tax collections were \$1.3 million above the budgeted estimate of \$24.7 million. For 12 months, revenues are under collected by \$9.7 million.

Gasoline and motor fuel tax collections for July were over collected by \$2.5 million. For 12 months, revenues are under collected by \$20.0 million, and the growth rate is negative 0.68%.

Year-to-date collections for twelve months were \$341.8 million more than the budgeted estimate. The general fund was over collected by \$347.9 million and the four other funds were under collected by \$6.1 million. The FY 2013 revised budget assumed an over collection of \$305.9 million in General Fund Taxes. Therefore, the amount of over collection, August through July, compared to what's in the revised FY 2013 budget is \$42.0 million (\$347.9 million minus \$305.9 million).

The budgeted revenue estimates for 2012-2013 are based on the State Funding Board's consensus recommendation of December 19th, 2011 and adopted by the second session of the 107th General Assembly in April 2012. They are available on the state's website at <http://www.tn.gov/finance/bud/budget.html> ([../bud/budget.html](http://www.tn.gov/finance/bud/budget.html)).

The State Funding Board met on December 14, 2012 to hear updated revenue projections from the state's various economists. The board met again on December 19th and adopted revised revenue ranges for 2012-2013. The revised ranges assume an over collection from the July 2012 budgeted estimate in the amount of \$203.0 million to \$287.3 million in total taxes and in the amount of \$224.2 million to \$305.9 million in general fund taxes for the current fiscal year.

Year-to-date collections for 2012-2013 are subject to final accrual adjustments.

[VIEW COLLECTION TABLES \(Documents/2013-07Tables.xlsx\)](#)

**Table 2**  
**Revenue Collections by Fund**  
**Year-to-Date**  
**August - July**  
**2012-2013**

Fund	2012-2013				2011-2012 Actual	2012-2013	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$9,751,484,000	\$9,403,800,000	\$347,884,000	3.70%	\$9,416,209,000	\$335,275,000	3.56%
Highway Fund	687,937,000	699,800,000	(11,863,000)	-1.70%	689,001,000	(1,064,000)	-0.15%
Sinking Fund	402,046,000	402,200,000	(154,000)	-0.04%	392,643,000	9,403,000	2.39%
City & County Fund	885,040,000	879,100,000	5,940,000	0.68%	863,818,000	21,222,000	2.46%
Earmarked Fund	34,799,000	34,800,000	(1,000)	0.00%	26,101,000	8,698,000	33.32%
<b>Total</b>	<b>\$11,761,306,000</b>	<b>\$11,419,500,000</b>	<b>\$341,806,000</b>	<b>2.99%</b>	<b>\$11,387,772,000</b>	<b>\$373,534,000</b>	<b>3.28%</b>

**Revenue Collections by Tax**  
**Year-to-Date**  
**August - July**  
**2012-2013**

Tax Source	2012-2013				2011-2012 Actual	2012-2013	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$2,026,015,000	\$1,733,300,000	\$292,715,000	16.89%	\$1,856,476,000	\$169,539,000	9.13%
Income	263,236,000	215,000,000	48,236,000	22.44%	183,398,000	79,838,000	43.53%
Inheritance & Estate	117,555,000	83,100,000	34,455,000	41.46%	148,395,000	(30,840,000)	-20.78%
Gasoline	616,298,000	622,100,000	(5,802,000)	-0.93%	617,639,000	(1,341,000)	-0.22%
Petroleum Special	62,945,000	65,000,000	(2,055,000)	-3.16%	63,405,000	(460,000)	-0.73%
Tobacco	277,104,000	286,800,000	(9,696,000)	-3.38%	276,870,000	234,000	0.08%
Beer	17,890,000	18,400,000	(510,000)	-2.77%	17,985,000	(95,000)	-0.53%
Motor Vehicle Registration	255,594,000	257,300,000	(1,706,000)	-0.66%	246,777,000	8,817,000	3.57%
Motor Vehicle Title	11,914,000	11,800,000	114,000	0.97%	12,037,000	(123,000)	-1.02%
Mixed Drink	70,254,000	64,000,000	6,254,000	9.77%	65,336,000	4,918,000	7.53%
Business	136,190,000	134,800,000	1,390,000	1.03%	126,715,000	9,475,000	7.48%
Privilege	304,336,000	275,100,000	29,236,000	10.63%	280,917,000	23,419,000	8.34%
Gross Receipts	25,598,000	28,100,000	(2,502,000)	-8.90%	31,498,000	(5,900,000)	-18.73%
TVA - In Lieu of Tax Payments	337,384,000	351,900,000	(14,516,000)	-4.13%	344,980,000	(7,596,000)	-2.20%
Alcoholic Beverage	53,269,000	52,000,000	1,269,000	2.44%	51,841,000	1,428,000	2.75%
Sales and Use	7,025,996,000	7,049,200,000	(23,204,000)	-0.33%	6,899,944,000	126,052,000	1.83%
Motor Vehicle Fuel	156,936,000	169,100,000	(12,164,000)	-7.19%	160,873,000	(3,937,000)	-2.45%
Severance	2,497,000	2,200,000	297,000	13.50%	2,441,000	56,000	2.29%
Coin-operated Amusement	291,000	300,000	(9,000)	-3.00%	264,000	27,000	10.23%
Unauthorized Substance	4,000	0	4,000	NA	(19,000)	23,000	NA
<b>Total</b>	<b>\$11,761,306,000</b>	<b>\$11,419,500,000</b>	<b>\$341,806,000</b>	<b>2.99%</b>	<b>\$11,387,772,000</b>	<b>\$373,534,000</b>	<b>3.28%</b>

**Table 1**  
**Revenue Collections by Fund**  
**July**  
**2012-2013**

Fund	2013				2012 Actual	2013	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$751,170,000	\$731,840,000	\$19,330,000	2.64%	\$711,117,000	\$40,053,000	5.63%
Highway Fund	59,718,000	61,388,000	(1,670,000)	-2.72%	63,431,000	(3,713,000)	-5.85%
Sinking Fund	33,952,000	33,831,000	121,000	0.36%	32,977,000	975,000	2.96%
City & County Fund	72,087,000	70,837,000	1,250,000	1.76%	71,217,000	870,000	1.22%
Earmarked Fund	2,900,000	2,900,000	0	0.00%	2,175,000	725,000	33.33%
<b>Total</b>	<b>\$919,827,000</b>	<b>\$900,796,000</b>	<b>\$19,031,000</b>	<b>2.11%</b>	<b>\$880,917,000</b>	<b>\$38,910,000</b>	<b>4.42%</b>

**Revenue Collections by Tax**  
**July**  
**2012-2013**

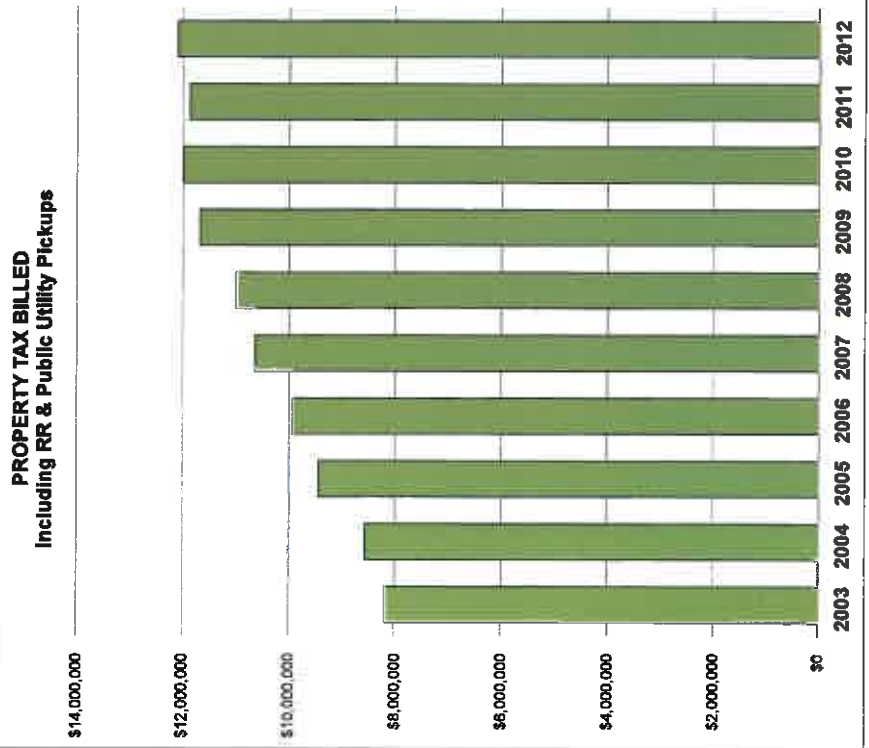
Tax Source	2013				2012 Actual	2013	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$66,530,000	\$52,700,000	\$13,830,000	26.24%	\$54,737,000	\$11,793,000	21.54%
Income	1,396,000	1,074,000	322,000	29.98%	1,001,000	395,000	39.46%
Inheritance & Estate	10,017,000	10,925,000	(908,000)	-8.31%	6,654,000	3,363,000	50.54%
Gasoline	57,417,000	52,817,000	4,600,000	8.71%	55,036,000	2,381,000	4.33%
Petroleum Special	5,693,000	5,592,000	101,000	1.81%	5,543,000	150,000	2.71%
Tobacco	25,985,000	24,697,000	1,288,000	5.22%	23,351,000	2,634,000	11.28%
Beer	1,482,000	1,738,000	(256,000)	-14.73%	1,572,000	(90,000)	-5.73%
Motor Vehicle Registration	21,135,000	21,565,000	(430,000)	-1.99%	20,170,000	965,000	4.78%
Motor Vehicle Title	1,333,000	1,016,000	317,000	31.20%	975,000	358,000	36.72%
Mixed Drink	6,327,000	5,721,000	606,000	10.59%	6,137,000	190,000	3.10%
Business	4,589,000	4,609,000	(20,000)	-0.43%	4,131,000	458,000	11.09%
Privilege	21,377,000	22,275,000	(898,000)	-4.03%	22,188,000	(811,000)	-3.66%
Gross Receipts	14,103,000	13,906,000	197,000	1.42%	15,140,000	(1,037,000)	-6.85%
TVA - In Lieu of Tax Payments	27,297,000	29,385,000	(2,088,000)	-7.11%	28,662,000	(1,365,000)	-4.76%
Alcoholic Beverage	4,735,000	4,837,000	(102,000)	-2.11%	4,810,000	(75,000)	-1.56%
Sales and Use	634,842,000	630,200,000	4,642,000	0.74%	613,858,000	20,984,000	3.42%
Motor Vehicle Fuel	15,268,000	17,472,000	(2,204,000)	-12.61%	16,622,000	(1,354,000)	-8.15%
Severance	192,000	189,000	3,000	1.59%	198,000	(6,000)	-3.03%
Coin-operated Amusement	109,000	78,000	31,000	39.74%	132,000	(23,000)	-17.42%
Unauthorized Substance	0	0	0	NA	0	0	NA
<b>Total</b>	<b>\$919,827,000</b>	<b>\$900,796,000</b>	<b>\$19,031,000</b>	<b>2.11%</b>	<b>\$880,917,000</b>	<b>\$38,910,000</b>	<b>4.42%</b>

# CITY of FRANKLIN PROPERTY TAX COLLECTIONS

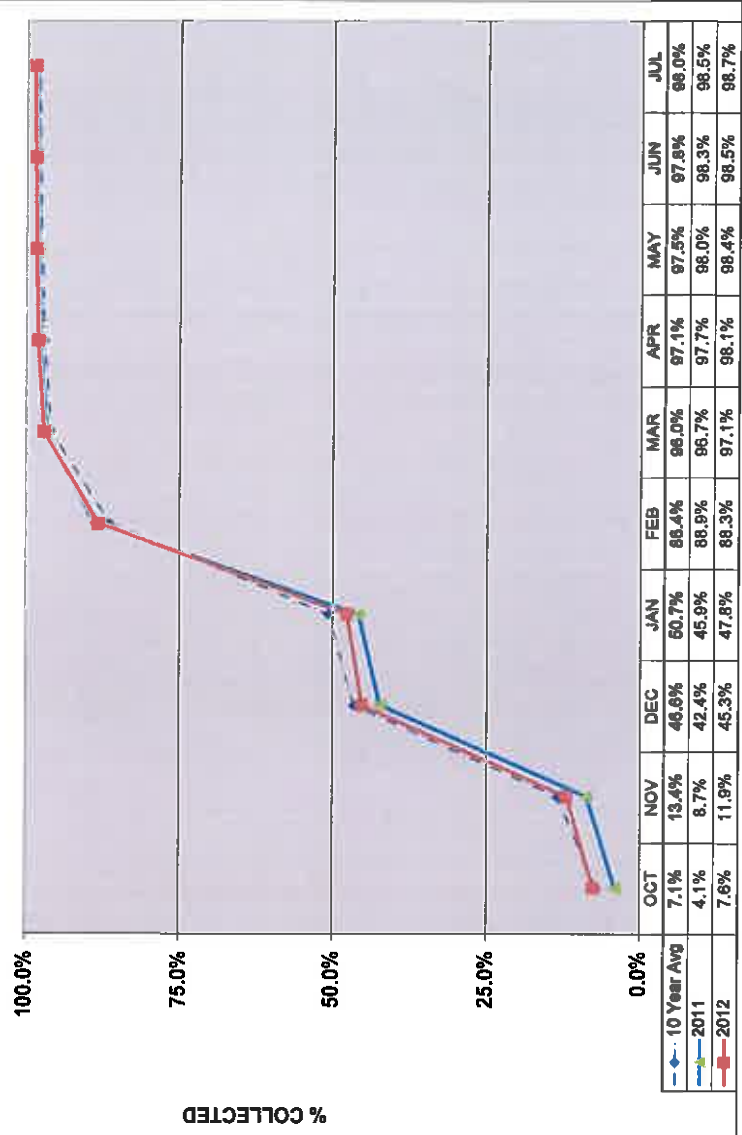
**As of JULY 31, 2013**

YEAR	Beginning Balance	160 Corrections	600 Refunds	400 Adjustments	100 Pickups	210 Cleanup	700 Returned Checks	200 Receipts	AR Balance
2012	\$11,902,186	(\$26,328)	\$121,274	(\$167)	\$218,665	\$0	\$154	(\$12,054,300)	\$161,485
2011	\$11,718,525	(\$60,910)	\$174,721	(\$120)	\$214,106	\$0	\$1,259	(\$12,001,074)	\$46,508
2010	\$11,785,700	(\$28,124)	\$156,551	(\$2,348)	\$237,079	\$0	\$6,203	(\$12,134,974)	\$20,088
Prior Years (2003 - 2009)	\$67,407,600	(\$72,626)	\$670,300	(\$18,302)	\$1,753,933	(\$675)	\$20,492	(\$69,718,154)	\$42,568

Beginning Balance does not include RR & Public Utilities added later, rollbacks & other adjustments  
 RR and Public Utilities typically added in January (reflected in 100 PICKUPS); typically about \$200k annually  
 2011 and earlier have been turned over to Clerk & Master to initiate legal action for collection  
 Some prior years are hidden but are included in Prior Years  
 Receipts include penalty & interest (bills are issued in October and Penalty/Interest apply starting the following March)



**PROPERTY TAX COLLECTIONS**  
% Collected - FIRST YEAR (Oct - July)  
2012 is thru 7/31/13



Property Tax Monthly AR report/TOTAL AR



Finance Committee Meeting

Wednesday, August 28, 2013

Item # 11 C

Conference Center Report Unavailable at Press Time

### Building Permits

Month	FY2014	FY2013	BUDGET	Variance from Last Year	Variance from Budget
July	95,116	73,574	65,697	21,542	29,419
August	0	82,899	74,024		
September	0	75,308	67,246		
October	0	69,935	62,448		
November	0	105,351	94,073		
December	0	79,751	71,213		
January	0	78,044	69,689		
February	0	63,047	56,297		
March	0	79,413	70,911		
April	0	85,360	76,222		
May	0	146,054	130,418		
June	0	108,362	96,761		
<b>Total (year-to-date)</b>	<b>95,116</b>	<b>1,047,098</b>	<b>935,000</b>	<b>21,542</b>	<b>29,419</b>

\* seasonality based on last year's results  
110-32120

**Road Impact fees**

Month	FY2014	FY2013	BUDGET	Variance from Last Year	Variance from Budget
July	153,724	101,547	87,326	52,177	66,398
August	0	243,928	209,768		
September	0	115,034	98,924		
October	0	155,759	133,946		
November	0	475,078	408,547		
December	0	309,281	265,969		
January	0	170,291	146,443		
February	0	123,224	105,967		
March	0	155,557	133,772		
April	0	138,340	118,967		
May	0	375,885	323,245		
June	0	1,124,620	967,126		
<b>Total (year-to-date)</b>	<b>153,724</b>	<b>3,488,544</b>	<b>3,000,000</b>	<b>52,177</b>	<b>66,398</b>

\* seasonality based on last year's results  
128-32800

**Facilities Tax**

Month	FY2014	FY2013	BUDGET	Variance from Last Year	Variance from Budget
July	188,335	129,034	98,599	59,301	89,736
August	0	156,599	119,663		
September	0	171,951	131,394		
October	0	158,433	121,064		
November	0	282,226	215,659		
December	0	263,070	201,021		
January	0	154,265	117,879		
February	0	124,139	94,859		
March	0	192,990	147,470		
April	0	192,337	146,971		
May	0	313,792	239,779		
June	0	478,503	365,641		
<b>Total (year-to-date)</b>	<b>188,335</b>	<b>2,617,339</b>	<b>2,000,000</b>	<b>59,301</b>	<b>89,736</b>

\* seasonality based on last year's results  
130-31600

**Williamson County Facilities Tax**

Month	FY2014	FY2013	BUDGET	Variance from Last Year	Variance from Budget
July	71,175	76,369	77,414	(5,194)	(6,239)
August	0	64,697	65,582		
September	0	61,027	61,863		
October	0	57,646	58,435		
November	0	76,951	78,004		
December	0	75,856	76,895		
January	0	55,700	56,463		
February	0	61,515	62,357		
March	0	65,701	66,601		
April	0	54,332	55,076		
May	0	106,107	107,559		
June	0	82,622	83,752		
<b>Total (year-to-date)</b>	<b>71,175</b>	<b>838,523</b>	<b>850,000</b>	<b>-5,194</b>	<b>-6,239</b>

\* seasonality based on last year's results budgeted in Capital Projects Fund beginning with FY11  
310-31600

Results of Fuel Hedging contract, FY2013-2014, through month of July

Group commitment = 168,000 252,000  
 Franklin commitment = 12,000 8,314

Gas Price	Contract	Spread	Price	Contract	Spread	Month	Gas Contracts		Total
							12,000 gallons	9,700 gallons	
\$3.0048	\$2.7500	\$0.255	\$2.9831	\$2.9600	\$0.023	July	\$3,057.71	\$192.05	\$3,249.76
0.0000	0.0000	0.000	0.0000	0.0000	0.000	August	0.00	0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	September	0.00	0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	October	0.00	0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	November	0.00	0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	December	0.00	0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	January	0.00	0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	February	0.00	0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	March	0.00	0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	April	0.00	0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	May	0.00	0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	June	0.00	0.00	0.00
0.2504	2.5500	-2.300	0.2486	2.9600	-2.711	<b>Fiscal Yr Total</b>	<b>3,057.71</b>	<b>192.05</b>	<b>3,249.76</b>

Contract schedule:

Contract	Trade Date	Effective Date	Termination Date	Price	Gallons
Diesel	2/27/13	7/1/13	6/30/14	3.000	84,000
Diesel	4/5/13	7/1/13	6/30/13	2.940	168,000
Gasoline	2/28/13	7/1/13	6/30/13	2.750	84,000
Gasoline	9/30/11	7/1/12	6/30/13	2.750	84,000
Diesel					
Diesel	Total				252,000
Gasoline	Total				168,000

# CITY OF FRANKLIN CORE

July 31, 2013



**Davidson**  
**Fixed Income Management**

REGISTERED INVESTMENT ADVISER

*We urge you to compare the information contained in this periodic statement with the account statement(s) you receive directly from the custodian that holds your account(s). Please notify us immediately if you identify any discrepancies or have any questions.*



MONTHLY MARKET COMMENTARY

JULY 2013

Treasury yields were mixed in May with prices moving down in bonds with maturities from seven to thirty years and prices rallying in the seven year and shorter part of the curve. The increase in yields in the longer part of the curve was due to a combination of economic optimism and anticipation that the Fed will begin to reduce its purchasing program of securities. The possibility of less government intervention in the Treasury market led to a severe steepening in the yield curve. One year ago, the spread between five-year and ten-year treasury notes was only 86 basis points. The spread ended the month of July at plus 122 basis points between five-year and ten-year U.S. Treasuries. Contributing to the increase in yields in July was the stronger than expected gain of 202,000 in non-farm payrolls and upward revisions to the previous two months. The jobs data also revealed upside surprises for hours-worked and wages. This reinforced the market perception that the Fed may begin to taper their asset purchases as early as September.

Economic Indicators

The Philadelphia Fed Index in July rose to 19.8 vs. 12.5 the previous month. A decline to 8.0 was expected. This is the highest reading since March 2011. In other good news, the Fed's Beige Book depicted an economy that has had "modest to moderate" growth. Consumer spending gained in most areas, wage pressures are "generally" contained, banking conditions improved and commercial and residential real estate continued to improve. Quarter Two 2013 GDP rose to a stronger than expected 1.7% annual rate.

The FOMC

The minutes of the June 18-19 FOMC meeting released in July said that "many" members wanted further improvement in the labor market before embarking on tapering its current \$85 billion per month asset purchases. "Several" members thought tapering would be needed soon. Some members also want further evidence of economic acceleration. About half of the 19 participants wanted tapering to begin late this year, many say 2014 as the likely time frame and a "few" wanted immediate action. Low inflation remains a concern. The bottom line was summed up by Ian Shepherdson, chief economist at Pantheon Macroeconomics, "Ambiguities abound...The FOMC minutes reveal a very broad spread of opinions on just about every aspect of policy and the state of the economy."

TREASURY YIELD CURVE TOTAL RETURNS OVER THE LAST 12 MONTHS\*

<u>Maturity</u>	<u>Total Return (trailing 12 months)</u>
3 month Bill	0.11
1 year Note	0.26
2 year Note	0.20
3 year Note	-0.13
5 year note	-1.95

Source: Bloomberg

CHANGES IN THE TREASURY MARKET OVER THE PAST QUARTER (ABSOLUTE YIELD LEVELS):

	<u>05/31/13</u>	<u>06/30/13</u>	<u>07/31/13</u>	<u>Chg July</u>
3-month bill	0.03	0.03	0.04	+0.01
6-month bill	0.06	0.09	0.07	-0.02
2-year note	0.30	0.36	0.31	-0.05
3-year note	0.49	0.65	0.59	-0.06
5-year note	1.02	1.40	1.38	-0.02
10-year note	2.13	2.49	2.58	+0.09
30-year bond	3.28	3.50	3.64	+0.14

Source: Bloomberg

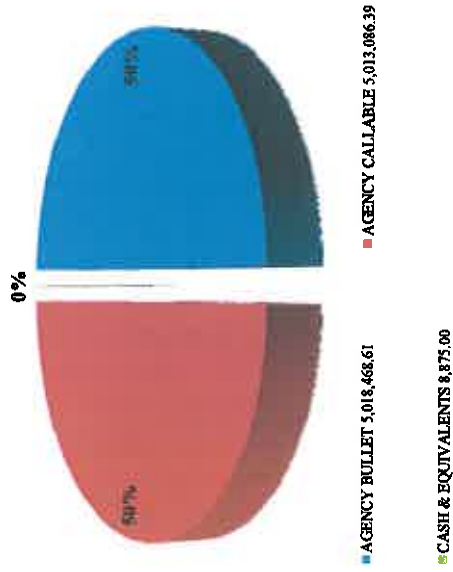
\*This information herein has been obtained from sources which we believe to be reliable, but do not guarantee its accuracy.





**CITY OF FRANKLIN CORE**

DISTRIBUTION BY ASSET CLASS



DISTRIBUTION BY MATURITY



DISTRIBUTION BY ISSUER

Industry Groups	Market Value	Pct.
FHLB	5,018,468.61	49.98
FHLMC	2,515,282.22	25.05
FFCB	2,497,804.17	24.88
CASH & EQUIVALENTS	875,000	0.09
<b>Total</b>	<b>10,040,430.00</b>	<b>100.00</b>

\*This information herein has been obtained from sources which we believe to be reliable, but do not guarantee its accuracy.



**Securities Summary Report**  
**CITY OF FRANKLIN CORE**  
 July 31, 2013

	Par Value	Purchase Cost	Amortized Cost	Market Value	Unrealized Gain/Loss	Weighted Days to Maturity	% Portfolio	Weighted Average Yield	Weighted Average Duration to Maturity	Weighted Average Duration to Call
AGENCY BULLET	5,000,000	4,994,575.00	4,996,536.17	5,009,170.00	12,633.83	794	50.03	0.5	2.2	0.0
AGENCY CALLABLE	5,000,000	5,001,406.25	5,000,177.23	5,003,772.50	3,595.27	1,010	49.97	0.7	2.7	0.3
<b>TOTAL</b>	<b>10,000,000</b>	<b>9,995,981.25</b>	<b>9,996,713.39</b>	<b>10,012,942.50</b>	<b>16,229.11</b>	<b>903</b>	<b>100.00</b>	<b>0.6</b>	<b>2.4</b>	<b>0.3</b>

**Securities Summary Report**  
**CITY OF FRANKLIN CORE**  
 July 31, 2013

	Par Value	Purchase Cost	Amortized Cost	Market Value	Unrealized Gain/Loss	Weighted Days to Maturity	% Portfolio	Weighted Average Yield	Weighted Average Duration to Maturity	Weighted Average Duration to Call
FHLB	5,000,000	4,994,575.00	4,996,536.17	5,009,170.00	12,633.83	794	50.03	0.5	2.2	0.0
FHLMC	2,500,000	2,500,625.00	2,500,177.23	2,506,560.00	6,382.77	938	25.03	0.7	2.5	0.6
FFCB	2,500,000	2,500,781.25	2,500,000.00	2,497,212.50	-2,787.50	1,084	24.94	0.7	2.9	0.0
<b>TOTAL</b>	<b>10,000,000</b>	<b>9,995,981.25</b>	<b>9,996,713.39</b>	<b>10,012,942.50</b>	<b>16,229.11</b>	<b>903</b>	<b>100.00</b>	<b>0.6</b>	<b>2.4</b>	<b>0.3</b>

\* This information herein has been obtained from sources which we believe to be reliable, but do not guarantee its accuracy.



**SUMMARY OF AMORTIZED COST BASIS  
 RETURN FOR THE PERIOD  
 CITY OF FRANKLIN CORE**  
 June 30, 2013 to July 31, 2013

Interest Earned	<u>5,577.37</u>
Accretion/Amortization	64.85
Realized Gain/Loss on Sales	0.00
Total Income on Portfolio	5,642.21
Average Daily Historical Cost	10,348,349.77
Return	0.05%
Annualized Return	0.64%
Annualized Return Net of Fees	0.64%
Weighted Duration to Maturity in Years	2.44
Weighted Days to Maturity	903

**DETAIL AMORTIZATION COST RETURN  
 CITY OF FRANKLIN CORE**

From 06-30-13 to 07-31-13

<b>CURRENT HOLDINGS</b>	<b>Interest Earned</b>	<b>Accretion (Amortization)</b>	<b>Realized Gain/Loss</b>	<b>Total Income</b>
AGENCY BULLET	1,847.22	131.57	0.00	1,978.79
AGENCY CALLABLE	3,250.69	-66.72	0.00	3,183.97
CASH & EQUIVALENTS	479.45	0.00	0.00	479.45
<b>TOTAL</b>	<b>5,577.37</b>	<b>64.85</b>	<b>0.00</b>	<b>5,642.21</b>

\* This information herein has been obtained from sources which we believe to be reliable, but do not guarantee its accuracy.



**DETAIL ON MARKET VALUE RETURN**  
**CITY OF FRANKLIN CORE**

From 06-30-13 to 07-31-13

<b>Current Holdings</b>	<b>Interest Earned</b>	<b>Change in Market Value</b>	<b>Total Income</b>
AGENCY BULLET	1,847.22	2,205.00	4,052.22
AGENCY CALLABLE	3,250.69	6,920.00	10,170.69
CASH & EQUIVALENTS	479.45	0.00	479.45
<b>TOTAL</b>	<b>5,577.37</b>	<b>9,125.00</b>	<b>14,702.37</b>

**PERFORMANCE REPORT**  
**CITY OF FRANKLIN CORE**

From 06-30-13 to 07-31-13

Portfolio Value on 06-30-13 10,004,417.50  
 Accrued Interest 20,479.86

Contributions 2,501,309.72

Withdrawals -2,500,479.45

Market Value Change in Period 9,125.00

Interest Earned in Period 5,577.37

Portfolio Value on 07-31-13 10,021,817.50  
 Accrued Interest 18,612.50

Weighted Portfolio Value 10,348,349.77

Total Return 14,702.37

Return For Period 0.12

Return For Period Annualized 1.45

\* This information herein has been obtained from sources which we believe to be reliable, but do not guarantee its accuracy.



**CITY OF FRANKLIN, TN  
 PORTFOLIO RETURNS  
 NET OF FEES**

Target Benchmark: Treas 0-3 Year  
 From 06-30-13 to 07-31-13  
 Inception Date: 01-31-12

Market Value and Return						Duration Comparison			
Period Ending	Beginning Value	Contribution/Withdrawal	Principal Change	Interest Earnings	Ending Value	Total Return	Portfolio Duration	Treas 0-3 Year Duration	Difference
06/30/2013	10,024,897.36	830.27	9,125.00	5,577.37	10,024,897.36	14,702.37	1.79	1.46	0.331
07/31/2013		830.27	9,125.00	5,577.37	10,040,430.00	14,702.37			
Total									
Cumulative Return									
Date	Price Return	Interest Return	Portfolio Return	Treas 0-3 Year Return	YTD Portfolio	YTD Treas 0-3 Year	Difference	Since Inception Portfolio	Since Inception Treas 0-3 Year
07/31/2013	0.088%	0.054%	0.122%	0.132%	0.122%	1.569%	-0.010%	0.781%	0.435%
					1.445%		-0.123%	0.520%	0.290%

\* This information herein has been obtained from sources which we believe to be reliable, but do not guarantee its accuracy.



**CITY OF FRANKLIN CORE  
PORTFOLIO HOLDINGS**

July 31, 2013

Security Symbol	Quantity	Security	Call Date	Pur Date	Amort Price	Book Yield	Market Price	Market Yield	Market Value	Accrued Interest	Total Value	Unrealized Gain/Loss	Pct. Assets	Dur Mat	Dur Call
<b>AGENCY BULLET</b>															
313378CN9	2,500,000	FEDERAL HOME LN BKS 0.600% Due 08-17-15		03-12-12	99.88	0.66	100.38	0.41	2,509,387.50	6,833.33	2,516,220.83	12,263.24	25.0	2.03	2.03
313380L96	2,500,000	FEDERAL HOME LN BKS 0.500% Due 11-20-15		07-11-13	99.98	0.51	99.99	0.50	2,499,782.50	2,465.28	2,502,247.78	370.59	24.9	2.29	2.29
	5,000,000					0.58		0.46	5,009,170.00	9,298.61	5,018,468.61	12,633.83	50.0	2.16	2.16
<b>AGENCY CALLABLE</b>															
31343MXS	2,500,000	FEDERAL HOME LN MTG CORP 0.800% Due 02-24-16	02-24-14	02-01-12	100.01	0.79	100.26	0.70	2,506,560.00	8,722.22	2,515,282.22	6,382.77	25.0	2.53	0.56
3133EAYQ5	2,500,000	FEDERAL FARM CR BKS CONS 0.710% Due 07-19-16	08-12-13	08-01-12	100.00	0.70	99.89	0.75	2,497,212.50	591.67	2,497,804.17	-2,787.50	24.9	2.93	0.03
	5,000,000					0.75		0.72	5,003,772.50	9,313.89	5,013,086.39	3,595.27	49.9	2.73	0.30
<b>CASH &amp; EQUIVALENTS</b>															
cash		Cash Account				0.50			8,875.00		8,875.00		0.1		
<b>TOTAL</b>	<b>10,000,000</b>					<b>0.67</b>		<b>0.59</b>	<b>10,021,817.50</b>	<b>18,612.50</b>	<b>10,040,430.00</b>	<b>16,229.11</b>	<b>100.0</b>	<b>2.44</b>	<b>1.23</b>

\*This information herein has been obtained from sources which we believe to be reliable, but do not guarantee its accuracy.

Special note: At this time AXXYS does not correctly calculate book or market yields for variable rate, floating rate, or mortgage backed securities.



**CITY OF FRANKLIN CORE  
 TRANSACTION SUMMARY**

From 07-01-13 To 07-31-13

Trade Date	Settle Date	Cusip	Quantity	Security	Call Date	Amount	Broker
<b>Buy long</b>							
07-11-13	07-15-13	313380L96	2,500,000	FEDERAL HOME LN BKS		2,499,400.00	WELLS FAR
				0.500% Due 11-20-15			
<b>Deposit</b>							
07-31-13	07-31-13	manféc		Management Fee		2,083.33	
<b>Interest</b>							
07-19-13	07-19-13	3133EAYQ5		FEDERAL FARM CR BKS CONS	08-12-13	8,875.00	
				0.710% Due 07-19-16			
07-31-13	07-31-13	FRNKCASH		FRANKLIN CASH		479.45	
				0.500% Due 08-01-13			
						9,354.45	
<b>Purchased Accrued Interest</b>							
07-11-13	07-15-13	313380L96		FEDERAL HOME LN BKS		1,909.72	
				0.500% Due 11-20-15			
<b>Sell long</b>							
07-15-13	07-15-13	FRNKCASH	2,500,000	FRANKLIN CASH		2,500,000.00	
				0.500% Due 08-01-13			

\* This information herein has been obtained from sources which we believe to be reliable, but do not guarantee its accuracy.



**AMORTIZATION AND ACCRETION - SETTLED TRADES**  
**CITY OF FRANKLIN CORE**  
 July 31, 2013

Purchase Information				Amortization/Accretion Information					
Quantity	Lot	Purchase Date	Price	Total Cost	Month To Date	Year To Date	Total To Date	Balance	Adjusted Cost
<b>FHLB(Straight Line)</b>									
		FEDERAL HOME LN BKS 0.600% Due 08-17-15 (313378CN9)			119.66	818.30	1,949.26	2,875.74	2,497,124.26
2,500,000	1	03-12-12	99.807	2,495,175.00					
		FEDERAL HOME LN BKS 0.500% Due 11-20-15 (313380L96)			11.91	11.91	11.91	588.09	2,499,411.91
2,500,000	1	07-11-13	99.976	2,499,400.00					
<b>Total</b>				<b>4,994,575.00</b>	<b>131.57</b>	<b>830.21</b>	<b>1,961.17</b>	<b>3,463.83</b>	<b>4,996,536.17</b>
<b>FFCB CALLABLE(Straight Line)</b>									
		FEDERAL FARM CR BKS CONS 0.710% Due 07-19-16 (3133EAYQ5)			-40.18	-444.20	-781.25	0.00	2,500,000.00
2,500,000	1	08-01-12	100.031	2,500,781.25					
<b>FHLMC CALLABLE(Straight Line)</b>									
		FEDERAL HOME LN MTG CORP 0.800% Due 02-24-16 (3134G3MX5)			-26.54	-181.38	-447.77	-177.23	2,500,177.23
2,500,000	1	02-01-12	100.025	2,500,625.00					
<b>GRAND TOTAL</b>				<b>9,995,981.25</b>	<b>64.85</b>	<b>204.63</b>	<b>732.14</b>	<b>3,286.61</b>	<b>9,996,713.39</b>

\*This information herein has been obtained from sources which we believe to be reliable, but do not guarantee its accuracy.  
 Special Note: If a security matures or is sold between prior month end and this report it will not be included on this table. Please make adjustments as needed.





DA Davidson  
**INTEREST ACCRUALS**  
**CITY OF FRANKLIN CORE**  
From 06-30-13 To 07-31-13

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Earned Interest	Ending Accrued Interest
<b>AGENCY</b>							
<b>AGENCY BULLET</b>							
FHLB 313378CN9	FEDERAL HOME LN BKS 0.600% Due 08-17-15	5,541.67	0.00	0.00	0.00	1,291.67	6,833.33
313380L96	FEDERAL HOME LN BKS 0.500% Due 11-20-15	0.00	1,909.72	0.00	0.00	555.56	2,465.28
		5,541.67	1,909.72	0.00	0.00	1,847.22	9,298.61
	<b>AGENCY BULLET Total</b>	5,541.67	1,909.72	0.00	0.00	1,847.22	9,298.61
<b>AGENCY CALLABLE</b>							
FHLMC 3134G3MX5	FEDERAL HOME LN MTG CORP 0.800% Due 02-24-16	7,000.00	0.00	0.00	0.00	1,722.22	8,722.22
		7,000.00	0.00	0.00	0.00	1,722.22	8,722.22
FFCB 3133EAYQ5	FEDERAL FARM CR BKS CONS 0.710% Due 07-19-16	7,938.19	0.00	0.00	-8,875.00	1,528.47	591.67
		7,938.19	0.00	0.00	-8,875.00	1,528.47	591.67
	<b>AGENCY CALLABLE Total</b>	14,938.19	0.00	0.00	-8,875.00	3,250.69	9,313.89
	<b>AGENCY Total</b>	20,479.86	1,909.72	0.00	-8,875.00	5,097.92	18,612.50



DA Davidson  
**INTEREST ACCRUALS**  
**CITY OF FRANKLIN CORE**  
 From 06-30-13 To 07-31-13

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Earned Interest	Ending Accrued Interest
<b>CASH</b>							
<b>CASH &amp; EQUIVALENTS</b>							
<b>CASH &amp; EQUIVALENTS</b>							
FRNKCASH	FRANKLIN CASH 0.500% Due 08-01-13	0.00	0.00	0.00	-479.45	479.45	0.00
		0.00	0.00	0.00	-479.45	479.45	0.00
	<b>CASH &amp; EQUIVALENTS Total</b>	0.00	0.00	0.00	-479.45	479.45	0.00
	<b>CASH Total</b>	0.00	0.00	0.00	-479.45	479.45	0.00
	<b>TOTAL PORTFOLIO</b>	<b>20,479.86</b>	<b>1,909.72</b>	<b>0.00</b>	<b>-9,354.45</b>	<b>5,577.37</b>	<b>18,612.50</b>



**PROJECTED FIXED INCOME CASH FLOWS**  
**CITY OF FRANKLIN CORE**  
 Beginning July 31, 2013

Security	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
<b>AGENCY</b>													
FEDERAL HOME LN BKS		7,500.00						7,500.00					15,000.00
0.600% Due 08-17-15													
FEDERAL HOME LN BKS					6,250.00						6,250.00		12,500.00
0.500% Due 11-20-15													
FEDERAL HOME LN MTG CORP		10,000.00						10,000.00					20,000.00
0.800% Due 02-24-16							8,875.00						8,875.00
FEDERAL FARM CR BKS CONS													
0.710% Due 07-19-16													
<b>TOTAL</b>		<b>17,500.00</b>			<b>6,250.00</b>		<b>8,875.00</b>	<b>17,500.00</b>			<b>6,250.00</b>		<b>56,375.00</b>
<b>GRAND TOTAL</b>		<b>17,500.00</b>			<b>6,250.00</b>		<b>8,875.00</b>	<b>17,500.00</b>			<b>6,250.00</b>		<b>56,375.00</b>

\* This information herein has been obtained from sources which we believe to be reliable, but do not guarantee its accuracy.