

# City of Franklin, Tennessee

## Annual Comprehensive Financial Report



For the Fiscal Year Ended June 30, 2021

**CITY OF FRANKLIN, TENNESSEE**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2021**

**Prepared by:**  
**City of Franklin**  
**Department of Finance**

**CITY OF FRANKLIN, TENNESSEE**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**INTRODUCTORY SECTION**



HISTORIC  
**F R A N K L I N**  
TENNESSEE

ADMINISTRATION

Dr. Ken Moore  
MayorEric S. Stuckey  
City Administrator

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 HISTORIC  
 FRANKLIN  
 TENNESSEE
 

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December 14, 2021

To the Honorable Mayor & Aldermen and Citizens of Franklin, Tennessee:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with U.S. generally accepted accounting principles (GAAP). Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Franklin, Tennessee for the fiscal year ended June 30, 2021.

This report consists of management's representations concerning the finances of the City of Franklin. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Franklin has established a comprehensive internal control framework designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Franklin's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, the City of Franklin's comprehensive framework of internal controls is designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Crosslin, PLLC, a firm of licensed certified public accountants, has audited the City of Franklin's financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City of Franklin for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Franklin's financial statements for the year ended June 30, 2021 are fairly presented in all material respects in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Franklin's MD&A can be found immediately following the report of the independent auditor.

### **Profile of the government**

The City of Franklin, incorporated in 1799, is located in Middle Tennessee. The local economy is a well-balanced blend of financial, agricultural, wholesale, retail, manufacturing, and service industries. No single industry is critical to the region's economy. The City covers an area of 44 square miles, and serves a population of 83,454 according to the 2020 census. The City is one of the fastest growing municipalities in the State of Tennessee, with the population increasing by 18% since the 2017 special census of 70,908. The City is empowered to levy both real and personal properties located within its boundaries. In addition, it is empowered by State statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing board and upon request of the property owner.

The City has operated under a Mayor/Board of Aldermen form of government under State charter since 1903. Policy-making and legislative authority are vested in a governing board consisting of the Mayor and eight other members (Aldermen). The

Board is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the government's Administrator. The Administrator's responsibilities include carrying out the policies and ordinances of the governing board, preparing an annual budget, and overseeing the day-to-day operations of the government. The Board is elected on a non-partisan basis. Board members serve four year staggered terms, with four Aldermen elected at large and the remaining four elected by ward two years later. The Aldermen elected by wards must live within the ward they represent. The Mayor also serves a term of four years.

The City provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; pickup and disposal of solid waste; planning and codes; operation of a city court; implementation of stormwater regulations and remedies; an inner-city transit system; and a citywide park system. The City also has its own water, sanitary sewer, and reclaimed water system.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for budget appropriations to the Administrator in the first quarter of the calendar year. The Administrator, in concert with the Chief Financial Officer, uses these requests as a starting point for developing a proposed budget. After numerous meetings with department heads, the Administrator presents the budget to the Board of Mayor and Aldermen for approval.

Three meetings of the full board and a public hearing are necessary for approving the budget. The legal level of budgetary control, the level at which management cannot overspend the without the approval of the governing body, is the fund level. Although the legal level of budgetary control is at the fund level, the budget is prepared by fund, function, and department. Additional appropriations in a fund have three readings by the Board, one of which is a public hearing. Budget-to-actual comparisons are provided within this report for each individual governmental fund for which a budget has been adopted. For the General Fund and Road Impact Fund, this comparison is presented on pages 30-38 as part of the basic financial statements. For the other governmental funds with appropriated annual budgets, the comparisons are presented beginning on page 96.

### **Local economy**

The City of Franklin generally enjoys a favorable economic environment and local indicators point to continued stability. The region has a varied commercial and industrial base, which adds to employment stability with the State's 2nd lowest rate of unemployment (of cities with a population of 25,000 or more). The local economy is a well-balanced blend of financial, agricultural, wholesale, retail, manufacturing and service industries. Residential and commercial development in the area has spurred continuing growth.

Since the 1991 opening of the Cool Springs Galleria, one of Tennessee's largest retail-shopping facilities with over one million square feet, the mall area has continued to develop with over 180 stores and restaurants. It is anchored by Belk, Dillard's, JCPenney, and Macy's. There has been expansion to the mall area with the arrival of Lush Cosmetics, Lovisa, and California Pizza Kitchen. Like other businesses, the mall was closed during the first of the COVID-19 pandemic but reopened in May 2020.

Sufficient vacant property, zoned for retail use, is available for further development. According to Commercial Cafe, the area has a low commercial vacancy rate of 20.47% with new "Class A" office space continuing to be developed. The surrounding road network has been vastly improved with many of the upgrades at developer cost.

Several well-known corporations have their national, regional, or state headquarters in Franklin; among them are: Community Health Systems, Nissan North America, Mars Petcare, Tivity Health, eviCore Healthcare, Medhost, Jackson National Life, Franklin American Mortgage, Schneider Electric, Ramsey Solutions, Mitsubishi Motors North America, Medacta USA, Acadia Healthcare, Parallon Business Solutions, CKE Restaurants, Iasis Healthcare, Capella Healthcare, and Lutheran Health Network. In July 2021, Kaiser Aluminum announced it will relocate its corporate headquarters to Franklin.

The City has a city-only tax abatement for Franklin Housing Authority that provides affordable housing to families and individuals. Also, with Williamson County, there are city/county abatement for Nissan offered for its relocation from California and for Ramsey Solutions to expand and add jobs by moving from Cool Springs to Berry Farms in the City.

### **Long-term financial planning and major initiatives**

In FY 2019, the governing body completed the second review of its ten-year capital investment plan (CIP). The ultimate intent of this 10-year CIP (FY 2019-2028) is to match available funding with needed projects and to highlight any funding shortfalls. Staff compiled a comprehensive list of projects anticipated within the next ten (10) years and scored these projects

using objective questions based on the City's strategic plan, **FranklinForward**. The projects were then listed in the following project tiers: Top 25%, Top 50%, Bottom 50%, and Bottom 25%. Ultimately, the Board selected the projects to be funded in the initial phase of the 10-year CIP. The Board funded projects were referred to as "5-star" high priority projects. The CIP document will be continually adjusted every two years to reflect the Board's final decisions. In the first CIP, FY 2017-2026, the governing body prioritized the nine (9) projects for funding.

1. East McEwen (Phase IV)
2. East / Southeast Multipurpose Park
3. Sidewalk "Gaps"
4. Fire Station 7
5. Franklin Road Improvements
6. Goose Creek Interchange Lighting
7. Major Street Resurfacing
8. Public Safety Communications System
9. Mallory Station / Royal Oaks / Liberty Pike Intersection Improvements (Phase 1)

In FY2020, the governing body amended the budget to approve funding for twenty-two (22) additional projects. These projects were included in the FY 2019-2028 CIP:

1. Southeast Park (Phase 1)
2. Long Ln and Old Peytonsville Rd Connector
3. Bicentennial Park
4. 5th Ave Parking Lot
5. Mallory/N. Royal Oaks & Liberty Pike Intersection Improvements
6. Greenway & Bridge (Harlinsdale to Chestnut Bend)
7. Lockwood Glen Park
8. Jordan Road (Aspen Grove Dr-Mallory Ln)
9. Lewisburg Ave Sidewalk Improvements
10. FSSD (Freedom Middle/Poplar Grove)
11. Maplewood Stormwater Project
12. Liberty Pike Improvements
13. Main Barn, Harlinsdale
14. Eastern Flank Circle Road
15. Greenway Aspen Grove Park to Mack Hatcher
16. McEwen Drive Interchange Modifications
17. Church St. (Columbia to 2nd Ave S.)
18. Pratt Ln Bridge Replacements
19. USACE - Home Raising Project
20. West Main Bridge Widening Project
21. Thompson Alley Neighborhood Park
22. Main St. Sidewalk Repair Project

In addition, construction continued during FY 2021 of the third leg of the loop around Franklin, Mack Hatcher NW, funded primarily by the State of Tennessee. Ribbon cutting is scheduled for December 13, 2021.

In FY 2021, due to the COVID-19 pandemic, the City did not proactively budget capital investments until later in the fiscal year. As of the end of fiscal 2021, 6 projects have been completed, 8 are in some form of active construction and the balance are in either design and/or right of way acquisition stages. The Board of Mayor and Alderman received status updates on all projects in Spring 2021 and will review an update to the financial model in Fall 2021.

### **Relevant financial policies**

The City has adopted financial policies related to investments, General Fund reserves, debt management, tax compliance on debt, utilization of reserve funds, pension funding, cash receipting, and disbursements. The investment policy, updated in December 2011, provides for the primary objectives, in order of priority, of investment activities of non-pension funds shall be safety, liquidity, and return. The reserve policy established an emergency and cash flow reserve of a minimum of 33% of budgeted General Fund expenditures (which is \$25.4 million in 2021). As of September 2014, the reserve policy also includes a capital funding reserve for fund balance in excess of 45% of budgeted General Fund expenditures (which is \$29.4



million in 2021). The debt policy provides written guidance and restrictions for the amount and type of debt the City will issue, the issuance process, and the management of the debt portfolio. In August 2012, the City adopted a policy for the utilization and replacement of committed funds. In October 2014, the City adopted a pension funding policy. The City also adopted a cash receipting policy in November 2014. In fiscal year 2017, the City adopted a disbursements policy, approved documentation of its internal controls, and closed its books within 60 days of fiscal year end. In fiscal year 2018, policies relating to travel, purchasing, disbursements and human resources were updated. In fiscal year 2019, a capital asset policy was approved. In fiscal year 2020, a grant policy was approved and the Human Resources Manual was revised. Also, policies relating to purchasing, vendor protest procedures, alternative payments, and investments were updated. In fiscal year 2021, a lease accounting and reporting policy was approved. Also, the investment policy for non-pension assets, Purchasing Policy and Purchasing-Vendor Protest Procedures were updated.


The City continues to explore adopting additional best practice financial policies including budgeting, revenues, economic development, enterprise risk management, capital improvements, and reserves for funds other than the General Fund.

### **Awards and acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Franklin for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2020. This was the thirtieth (30<sup>th</sup>) consecutive year that the government received this prestigious award. In order to be awarded a Certificate of Achievement, the government is required to publish an easily readable and efficiently organized ACFR. This report satisfies both GAAP and applicable legal requirements. The Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In closing, the preparation of this report would not have been possible without first, the leadership and support of the Mayor and Board of Aldermen, and second, the efficient and dedicated services of the entire staff of the Finance Department.

Respectively submitted,



Eric S. Stuckey  
City Administrator

**CITY OF FRANKLIN, TENNESSEE  
GFOA CERTIFICATE OF ACHIEVEMENT**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Franklin  
Tennessee**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

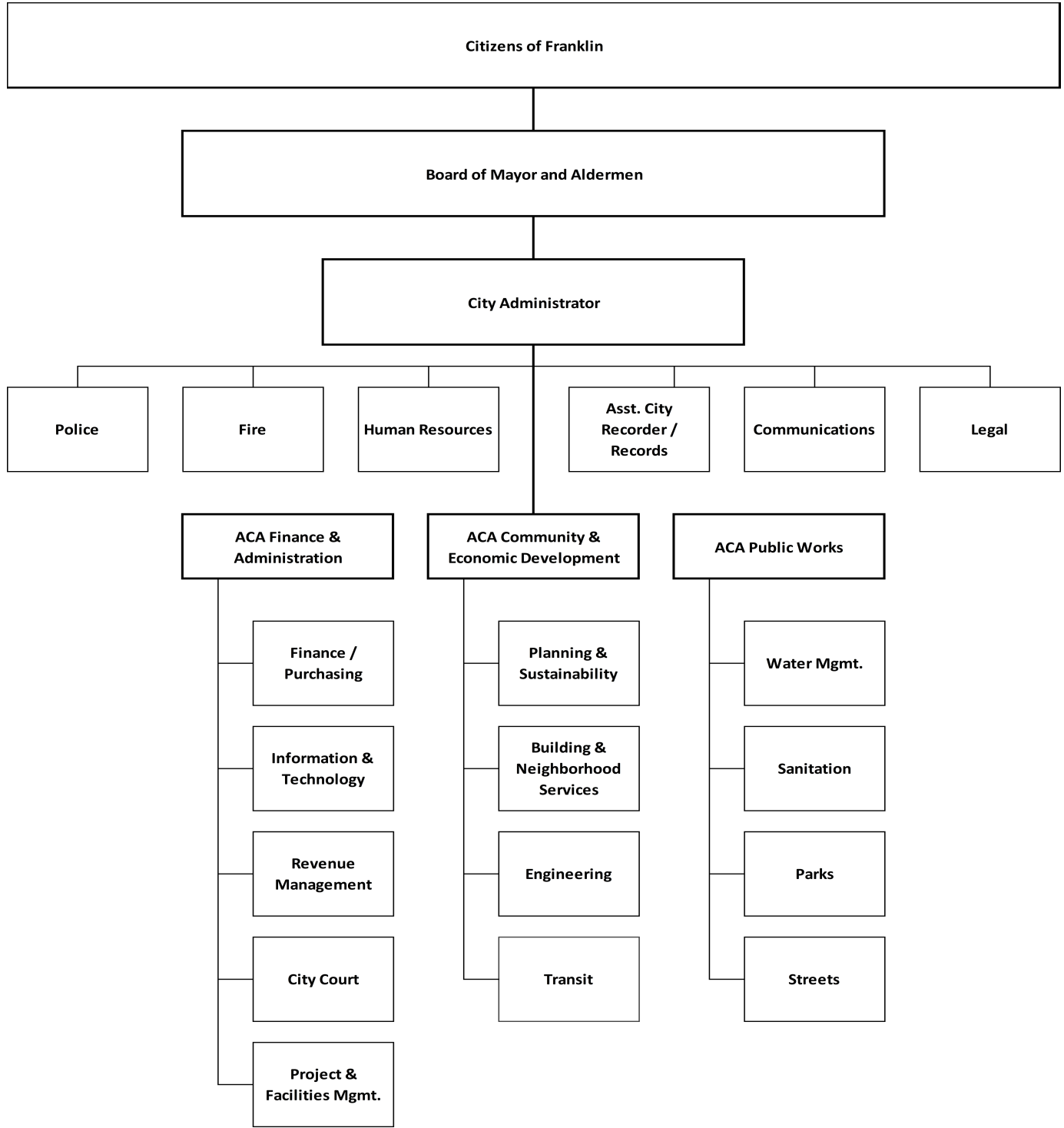
June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

# CITY OF FRANKLIN, TENNESSEE ORGANIZATIONAL CHART

FOR THE FISCAL YEAR ENDED JUNE 30, 2021



**CITY OF FRANKLIN, TENNESSEE**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
 JUNE 30, 2021

**Elected Officials**

Mayor	Dr. Ken Moore
Alderman – 1 <sup>st</sup> Ward (Vice-Mayor)	Beverly Burger
Alderman – 2 <sup>nd</sup> Ward	Dana McLendon
Alderman – 3 <sup>rd</sup> Ward	Scott Speedy
Alderman – 4 <sup>th</sup> Ward	Margaret Martin
Alderman – At Large	Clyde Barnhill
Alderman – At Large	Brandy Blanton
Alderman – At Large	John Schroer
Alderman – At Large	Ann Petersen

**Appointed Officials**

City Administrator	Eric Stuckey
Assistant City Administrator / Chief Financial Officer	Kristine Brock (CPFO)
Assistant City Administrator / Community & Economic Development	Vernon Gerth
Assistant City Administrator / Public Works	Mark Hilty
Building & Neighborhood Services (BNS) Director	Tom Marsh
City Attorney	Shauna Billingsley
Engineering Director	Paul Holzen, P.E.
Fire Chief	Glenn Johnson
Human Resources Director	Kevin Townsel
Information Technology (IT) Director	Jason Potts
Parks Director	Lisa Clayton
Planning & Sustainability Director	Emily Wright
Police Chief	Deb Faulkner
Sanitation & Environmental Services (SES) Director	Jack Tucker
Streets Director	Steve Grubb
Water Management Director	Michelle Hatcher, P.E.

**FINANCIAL SECTION**



HISTORIC  
**FRANKLIN**  
TENNESSEE

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Mayor and Aldermen  
City of Franklin, Tennessee

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin, Tennessee (the "City") as of and for the year ended June 30, 2021, (except for the Fiduciary Pension Fund, which is as of December 31, 2020 and for the year then ended) and the related notes to the financial statements, which collectively comprise the City's basic financial statements 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 accounting principles generally accepted in the United States of America; this includes 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 opinions 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 opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin, Tennessee, as of June 30, 2021 (except for the Fiduciary Pension Fund which is as of December 31, 2020), and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the general fund and road impact fee fund for the year then ended (except for the Fiduciary Pension Fund, which is for the year ended December 31, 2020), in accordance with accounting principles generally accepted in the United States of America.

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### ***Other Matters***

The financial statements of the City include summarized prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended June 30, 2020, from which the summarized information was derived. We have previously audited the City's 2020 financial statements, and we expressed an unmodified opinion on those statements in our report, dated December 8, 2020. In our opinion, the summarized comparative information presented herein as of and for the year end June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 through 17, the schedule of changes in the net pension liability and related ratios – pension plan on pages 83 and 86, the schedule of employer contributions - pension plan on pages 84 and 87, the schedule of investment returns - pension plan on page 85, the schedule of changes in total OPEB liability and related ratios on page 88, and the schedule of employer contributions - OPEB on page 89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Franklin, Tennessee's basic financial statements. The introductory section, combining and individual fund financial statements and schedules as listed in the table of contents, the schedules on pages 109 through 119 and 144 through 148, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of Tennessee and are also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, the supplementary schedules on pages 109 through 114 and page 146, and the schedules of expenditures of federal awards and state financial assistance 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the supplementary schedules on pages 109 through 114 and page 146, and the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, the supplementary schedules on pages 115 through 120, the schedules on pages 144 through 145 and pages 147 through 149, and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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To the Board of Mayor and Aldermen  
City of Franklin, Tennessee

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of the City of Franklin, Tennessee's 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 solely 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 the effectiveness of the City of Franklin, Tennessee's 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 the City's internal control over financial reporting and compliance.

Nashville, Tennessee  
December 14, 2021

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**CITY OF FRANKLIN, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

As management of the City of Franklin, Tennessee (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. We encourage readers to consider the information presented here in conjunction with the Letter of Transmittal, which can be found on pages iii through vi of this report, and in conjunction with the basic financial statements, starting on page 20 of this report.

**Financial Highlights**

- **Recovery from COVID-19.** In fiscal year 2020, the City and its residents felt the impact of the public health crisis. Operations of the City had to change to respond to the emergency. Fire and police personnel responded to COVID-19 related calls. City staff transitioned to remote work where possible as City facilities were closed at the start of the pandemic. City facilities were open but with reduced in-person staffing. Expenses for personal protection equipment, social distancing, and remote work were necessary. Public meetings of the City were held electronically as allowed by the State. Prior to March 2020, revenues were trending upward. From March through June 2020, revenues such as local sales taxes, state shared sales taxes, state shared fuel taxes, and hotel/motel taxes declined. However, development revenues like road impact fees and facilities taxes continued strong during the period.

In fiscal year 2021, the City and its residents saw recovery. Operations of the City began to return to pre-pandemic conditions. City staff transitioned back to in person work when possible. Public meetings of the City returned to in person in May 2021. The City received recovery grants to aid in lost revenues and cover expenses incurred during the pandemic.

- **Net Position.** The assets and deferred outflows of resources of the City of Franklin exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$928,323,131, compared to \$887,145,118 in the previous fiscal year. Of this amount, \$97,483,694 (unrestricted net position) may be used to meet government's ongoing obligations to citizens and creditors.
- **Fund Balances.** At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$153,978,623. In the prior year, this amount was \$146,878,940. There is an increase in fund balances of \$7,099,683 due to several reasons, including increases in local taxes, state shared sales taxes, state shared fuel taxes, and COVID related grants. Also, most departments had less expenditures due to cost containment in the 2021 COVID impacted budget and vacancies in several departments.
- **General Fund – Fund Balance.** At the end of the current fiscal year, fund balance in the General Fund is \$65,481,510, or 96% of General Fund expenditures (including transfers to other funds) of \$68,295,229. The fund balance increased \$12,265,224 from the prior year. After essentially breaking even in 2020 (with a \$14,312 surplus), the fund had an unprecedented surplus of \$12 million due primarily to one-time COVID recovery grants and increased local sales tax collections, with the months of April through June 2021 each exceeding \$4 million. (April 2021 was the first month the City began receiving its 1/2 share of an additional 0.5 cent increase in local sales tax after going to the county by agreement for a period of 3 years). The highest surplus previously had been \$6 million in 2018.
- **Budget.** Approved during the first months of the pandemic, the City's 2021 original General Fund budget had a draw of \$2,786,481 from accumulated fund balance as it was unknown how long lower revenues would continue in 2021. Although the final budget included the draw, actual results showed an increase in fund balance of \$12 million.
- **Capital Assets.** The City continued working on several infrastructure projects including major road resurfacing, Fire Station 7 construction, and wastewater plan improvements.
- **Debt.** The City's debt (bonds and bond premiums) increased by \$33,404,770 (from \$245,634,639 to \$279,039,409) during the current fiscal year. There was \$48,647,933 in new bonds, loans, and premiums. A total of \$15,070,968 (\$10,324,497 governmental and \$4,746,471 business-type) in debt was repaid and \$1,111,692 in premiums was amortized during the year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**CITY OF FRANKLIN, TENNESSEE  
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YEAR ENDED JUNE 30, 2021**

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflow of resources, liabilities, and deferred inflow of resources, with the difference reported as net position. Over periods of time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Franklin include general government, public safety, highways and streets, sanitation, economic development, and cultural and recreation.

The *government-wide financial statements* can be found on pages 20 through 23 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are funds used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains fourteen (14) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Road Impact Fee Fund, Debt Service Fund, and the Multi-Purpose Capital Project Fund, which are considered to be major funds. Data from the other nonmajor governmental funds is combined into a single, aggregated presentation in the form of combining statements on pages 94 and 95 of this report.

The City of Franklin, Tennessee adopts an annual appropriated budget for its General Fund, Special Revenue Funds, and Debt Service Fund. A budgetary comparison has been provided for the General Fund on pages 30 through 37, Road Impact Fee Fund on page 38, special revenue funds (excluding Road Impact Fee Fund) on pages 96 through 105, and the Debt Service Fund on page 106 to demonstrate compliance.

The *basic governmental fund financial statements* can be found on pages 24 through 29 of this report.

**Proprietary Funds.** The City of Franklin maintains one (1) proprietary fund. A proprietary fund is used to report the same functions presented in the business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water, sewer, and reclaimed water operations. No internal service funds were used during the year covered by this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Sewer Fund, which is considered to be a major fund. The *basic proprietary fund financial statements* can be found on pages 39 through 42 of this report.

**CITY OF FRANKLIN, TENNESSEE  
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**Fiduciary Funds.** A fiduciary fund is used to account for resources held for the benefit of parties outside the government. The City uses a fiduciary fund to account for the City of Franklin Employees' Pension Plan (closed plan). The fiduciary fund is not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used in proprietary funds. The *fiduciary fund financial statements* can be found on pages 43 through 44 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45 through 80 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 83 through 89 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pension and OPEB. Combining and individual fund statements and schedules can be found on pages 93 through 106 of this report.

### **Government-wide Overall Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$928,323,131 at the close of the most recent fiscal year.

#### *City of Franklin's Net Position*

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 203,932,256	\$ 190,927,931	\$ 59,795,142	\$ 60,679,468	\$ 263,727,398	\$ 251,607,399
Capital assets, net of accumulated depreciation	723,831,972	704,819,282	314,896,606	261,639,169	1,038,728,578	966,458,451
<b>Total assets</b>	<u>927,764,228</u>	<u>895,747,213</u>	<u>374,691,748</u>	<u>322,318,637</u>	<u>1,302,455,976</u>	<u>1,218,065,850</u>
<b>Deferred outflows of resources</b>	<u>28,011,541</u>	<u>26,886,653</u>	<u>4,004,482</u>	<u>4,104,848</u>	<u>32,016,023</u>	<u>30,991,501</u>
Current and other liabilities	23,051,872	18,156,506	10,521,972	11,575,568	33,573,844	29,732,074
Long-term liabilities outstanding	206,092,528	213,597,143	136,240,862	92,154,445	342,333,390	305,751,588
<b>Total liabilities</b>	<u>229,144,400</u>	<u>231,753,649</u>	<u>146,762,834</u>	<u>103,730,013</u>	<u>375,907,234</u>	<u>335,483,662</u>
<b>Deferred inflows of resources</b>	<u>29,168,073</u>	<u>25,685,069</u>	<u>1,073,561</u>	<u>743,502</u>	<u>30,241,634</u>	<u>26,428,571</u>
<b>Net position:</b>						
Net investment in capital assets	600,239,617	581,817,963	186,313,737	176,897,094	786,553,354	758,715,057
Restricted	33,501,096	40,400,685	10,784,987	10,882,442	44,286,083	51,283,127
Unrestricted	63,722,583	42,976,500	33,761,111	34,170,434	97,483,694	77,146,934
<b>Total net position</b>	<u>\$ 697,463,296</u>	<u>\$ 665,195,148</u>	<u>\$ 230,859,835</u>	<u>\$ 221,949,970</u>	<u>\$ 928,323,131</u>	<u>\$ 887,145,118</u>

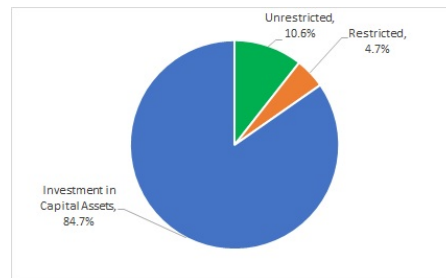
The government's net position increased by \$41,178,013. A portion of the increase is attributed to the acquisition of capital assets (less depreciation and new debt). A significant portion of the remaining increase is revenues from COVID recovery grants, increased revenues from local sales tax, state shared taxes, and hotel/motel taxes, and controlled spending to reduce expenses during the COVID-19 period.

Governmental policy continues to recognize that local revenue sources must be the foundation for providing basic public services rather than depending on uncertain federal and state sources. To this end, it is vitally important to continue efforts to seek balanced diversity, equity, and efficiency in local revenue systems to better accommodate future change.

By far, the largest portion of the City's net position, \$786,553,354, or 84.7%, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less the portion of related debt outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to repay these liabilities. A portion of the City's net position, \$44,286,083, or 4.8%, represents resources that are subject to external

**CITY OF FRANKLIN, TENNESSEE  
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restriction on how they may be used. The remaining balance of \$97,483,694, or 10.5%, is unrestricted net position that may be used to meet the government's ongoing obligations to citizens and creditors.



Governmental and business-type activities increased the City's net position by \$32,268,148 and \$8,909,865, respectively. Key elements of this increase are as follows:

***City of Franklin's Changes in Net Position***

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
<b>Program revenues:</b>						
Charges for services	\$ 15,916,177	\$ 15,534,906	\$ 35,215,744	\$ 32,254,195	\$ 51,131,921	\$ 47,789,101
Operating grants & contributions	6,733,287	3,810,803	316,897	-	7,050,184	3,810,803
Capital grants & contributions	27,390,120	26,519,429	7,210,932	9,027,798	34,601,052	35,547,227
<b>General Revenues:</b>						
Property taxes	20,586,971	20,084,308	-	-	20,586,971	20,084,308
Sales taxes	41,999,727	35,453,379	-	-	41,999,727	35,453,379
Other taxes and fees	39,058,149	43,979,564	138,951	1,346,001	39,197,100	45,325,565
Other	158,068	4,682,564	(12,282)	3,410	145,786	4,685,974
<b>Total revenues</b>	<b>151,842,499</b>	<b>150,064,953</b>	<b>42,870,242</b>	<b>42,631,404</b>	<b>194,712,741</b>	<b>192,696,357</b>
<b>Expenses:</b>						
<b>General government:</b>						
Elected officials	297,949	358,690	-	-	297,949	358,690
Administration	1,279,793	1,313,132	-	-	1,279,793	1,313,132
Human resources	1,271,113	1,373,293	-	-	1,271,113	1,373,293
Legal	587,620	560,168	-	-	587,620	560,168
Communications	401,782	373,353	-	-	401,782	373,353
Project & facilities management	1,348,841	1,201,740	-	-	1,348,841	1,201,740
Revenue management	196,001	164,454	-	-	196,001	164,454
Finance	946,786	953,767	-	-	946,786	953,767
Information & technology	4,187,327	4,553,022	-	-	4,187,327	4,553,022
Purchasing	243,065	269,962	-	-	243,065	269,962
Court	323,406	287,357	-	-	323,406	287,357
Building & neighborhood services	2,943,051	3,154,457	-	-	2,943,051	3,154,457
Planning	1,498,484	1,429,692	-	-	1,498,484	1,429,692
Engineering	1,448,597	1,507,041	-	-	1,448,597	1,507,041
Traffic operations center	762,937	1,085,967	-	-	762,937	1,085,967
General	4,644,218	6,392,927	-	-	4,644,218	6,392,927
Police	18,322,992	18,484,182	-	-	18,322,992	18,484,182
Fire	21,150,380	20,499,375	-	-	21,150,380	20,499,375
Parks	6,037,842	6,906,698	-	-	6,037,842	6,906,698
Streets-maintenance	28,323,552	27,291,660	-	-	28,323,552	27,291,660
Streets-traffic	1,418,557	1,744,863	-	-	1,418,557	1,744,863
Streets-fleet	775,178	931,275	-	-	775,178	931,275
Sanitation	10,622,594	10,211,325	-	-	10,622,594	10,211,325
Stormwater	2,988,541	2,728,992	-	-	2,988,541	2,728,992
Transit	2,839,032	2,566,793	-	-	2,839,032	2,566,793
Interest expense on long-term debt:	4,914,713	4,484,444	-	-	4,914,713	4,484,444
Water & sewer:	-	-	33,760,377	29,702,843	33,760,377	29,702,843
<b>Total expenses</b>	<b>119,774,351</b>	<b>120,828,629</b>	<b>33,760,377</b>	<b>29,702,843</b>	<b>153,534,728</b>	<b>150,531,472</b>
Income before transfers	32,068,148	29,236,324	9,109,865	12,928,561	41,178,013	42,164,885
Transfers	200,000	(365,000)	(200,000)	365,000	-	-
<b>Changes in net position</b>	<b>32,268,148</b>	<b>28,871,324</b>	<b>8,909,865</b>	<b>13,293,561</b>	<b>41,178,013</b>	<b>42,164,885</b>
<b>Net position, beginning of year</b>	<b>665,195,148</b>	<b>636,323,824</b>	<b>221,949,970</b>	<b>208,656,409</b>	<b>887,145,118</b>	<b>844,980,233</b>
<b>Net position, end of year</b>	<b>\$ 697,463,296</b>	<b>\$ 665,195,148</b>	<b>\$ 230,859,835</b>	<b>\$ 221,949,970</b>	<b>\$ 928,323,131</b>	<b>\$ 887,145,118</b>



**CITY OF FRANKLIN, TENNESSEE  
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YEAR ENDED JUNE 30, 2021**

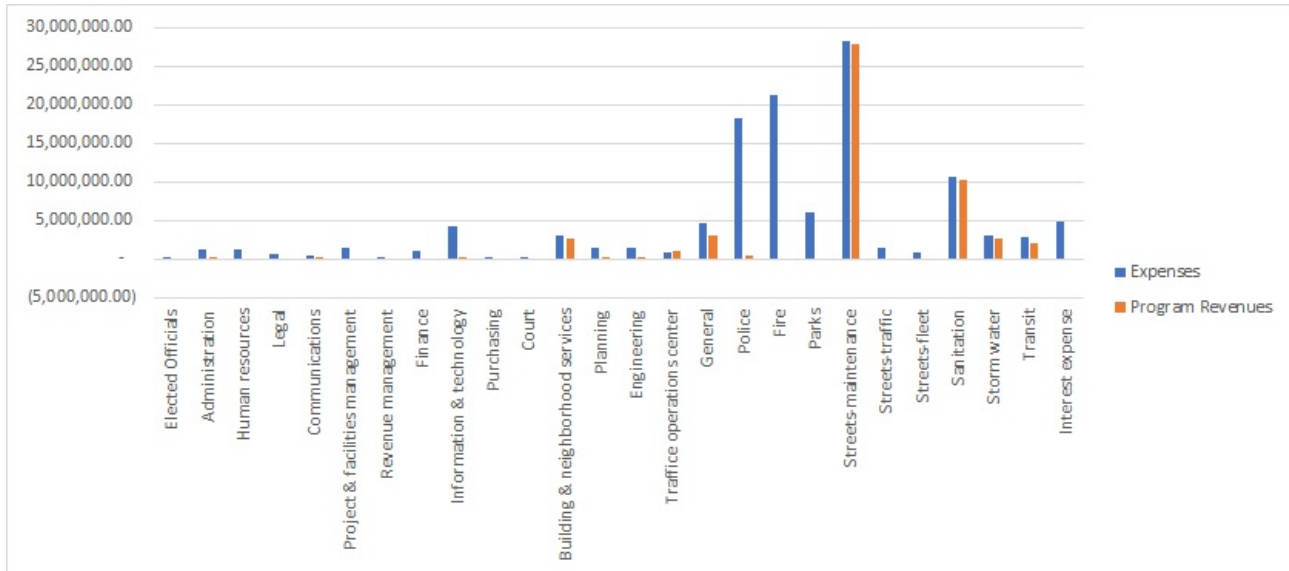
Governmental Activities

Revenues for governmental activities increased approximately 1.2% due to several factors including additional local sales tax, state shared taxes, grants, and property tax. The overall decrease in current expenses of governmental activities amounted to approximately (0.9)%. A significant portion of the decrease is due to cost containment in the 2021 budget due to the pandemic and vacancies in several departments.

Business-Type Activities

Revenues for business-type activities increased 0.6%. The primary factor underlying the increase was planned rate increases and interest income revenue in 2021 compared to 2020. Expenses of the business-type activities increased approximately 13.7% due to additional expenses in water distribution, sewer plant, and depreciation.

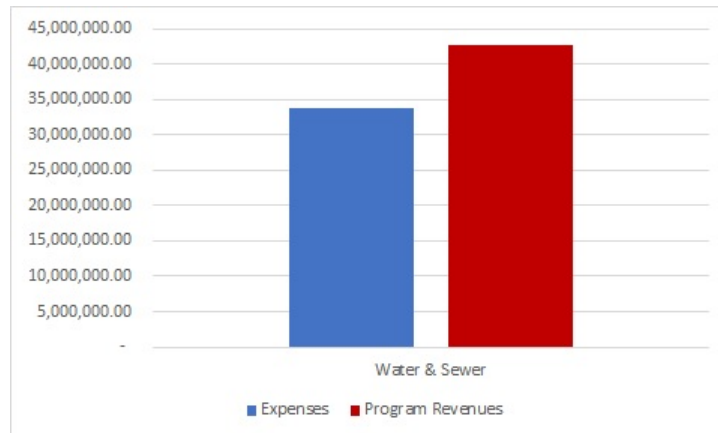
***Expenses and Program Revenues – Governmental Activities***



Governmental Activities

Expenses for governmental activities were \$119,774,351. Expenses were offset by \$50,039,584 in program revenues. The remainder of \$69,734,767 was covered by \$101,802,915 in general revenues such as property, sales, and other taxes and \$200,000 net from the Water and Sewer fund for its portion of the public works facility. The amount of \$32,268,148 represents the improvement in net position in 2021.

***Expenses and Program Revenues – Business-type Activities***



**CITY OF FRANKLIN, TENNESSEE  
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Business-Type Activities

Expenses for business-type activities were \$33,760,377. Expenses were offset by \$42,870,242 in program and general revenues. (Program revenues include \$35.2 million in charges for services). There is also the net \$(200,000) transfer mentioned above and \$126,669 in other income. The amount of \$8,909,865 represents the improvement in net position in 2021.

**Financial Analysis of Governmental Funds**

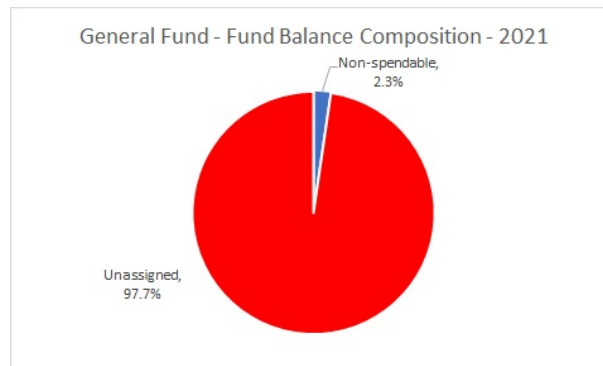
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

*Governmental Funds*

The focus of the City of Franklin's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance that has not yet been limited to use for a particular purpose.

At June 30, 2021, the City's governmental funds reported combined ending fund balances of \$153,978,623, an increase of \$7,099,683 in comparison with the prior year of \$146,878,940. The increase is due primarily to increased revenues from taxes and grants and reductions in expenditures due to COVID-19 cost containment in the budget and vacancies.

The General Fund is the chief operating fund of the City. The 2021 ending fund balance of \$65,481,510 has the following composition: An amount of \$1,484,303, or 2.3%, is non-spendable for inventory and prepaid items. The remainder of \$63,997,207, or 97.7%, is unassigned. (Additional information on fund balance can be found in the notes to the financial statements on page 77).



The most significant continuing revenue sources in the General Fund are derived from taxes. Of total General Fund revenues, \$56,158,931, or 69.7%, was from taxes. Local option sales tax increased by \$6,546,348 (from \$35,453,379 to \$41,999,727). The increase in local option sales tax is a sign of the economic rebound after the impact of COVID-19 in the region and beginning April 2021, the result of the City receiving its portion of the additional .5% local sales tax increase approved by voters in 2018. (Per a 3-year interlocal agreement with Williamson County beginning in April 2018, the City contributed its portion of the increased rate to the County to help fund school debt service.) This revenue has been the City's most significant due to the retail success in the Cool Springs area and continued growth of commercial properties, including new corporate and regional headquarters in the area. Property taxes for the General Fund increased by \$599,482 (from \$7,888,706 to \$8,488,188).

The Debt Service Fund, which receives property taxes for debt previously paid by the General Fund, and transfers from the Sanitation Fund, Road Impact Fund, and Hotel/Motel Tax Fund for their portion of debt, had a fund balance of \$937,169. This amount is higher than normal with the City's goal to have a minimal cash and fund balance for paying annual debt service.

The Road Impact Fee Fund had another strong year of collection and ended with a fund balance of \$25,741,274. The Facilities Tax Fund saw its fund balance increase from \$10,694,849 to \$11,022,953. Over \$2,700,000 was spent from the fund for growth-related capital expenditures in the fire (\$2,689,466) and parks (\$43,737) departments. Construction on the new fire station in the Goose Creek area is included in the fire expenditures from this fund.

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The Multi-Purpose Capital Project Fund had a decrease in fund balance from \$34,491,104 to \$25,520,920 as a result of expenses related to ongoing capital projects.

In the Hotel/Motel Tax Fund, the fund balance decreased during the pandemic due primarily to reduced collections from less travel and a net loss at the conference center owned jointly with Williamson County. The fund balance decreased from \$7,503,829 to \$5,927,371. The County Facilities Tax Fund, established in 2017 with prior year county facilities taxes received by the City, had an increase in fund balance from \$3,673,984 to \$4,498,831 due to an increase in facilities tax received.

### **Budgetary Highlights**

In accordance with state law, the City's governing body approves a budget for the General Fund, Special Revenue Funds, and the Debt Service Fund.

#### *Original budget compared to final budget*

The original and final budgets (both including transfers to other funds) is as follows:

<b>Fund</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Change</b>
General	\$ 70,221,303	\$ 76,961,962	\$ 6,740,659
Street Aid	\$ 3,619,749	\$ 3,619,749	\$ -
Sanitation	\$ 9,272,770	\$ 10,475,934	\$ 1,203,164
Roan Impact	\$ 3,000,000	\$ 3,000,000	\$ -
Facilities Tax	\$ 1,544,480	\$ 3,070,480	\$ 1,526,000
County Facilities Tax	\$ 125,000	\$ 125,000	\$ -
Stormwater	\$ 3,898,886	\$ 4,014,388	\$ 115,502
Drug	\$ 117,500	\$ 117,500	\$ -
Hotel/Motel	\$ 1,294,529	\$ 1,294,529	\$ -
Parkland Dedication	\$ 1,361,850	\$ 1,511,850	\$ 150,000
Transit	\$ 3,250,679	\$ 3,250,679	\$ -
CDBG	\$ 513,000	\$ 826,000	\$ 313,000
Debt Service	\$ 15,478,652	\$ 15,331,144	\$(147,508)
	\$ 113,698,398	\$ 123,599,215	\$ 9,900,817

The original General Fund budget was \$70,221,303. The final budget (including transfers) was increased by \$6,740,659 to \$76,961,962. During the year, the budget was amended to include \$1,494,000 for the Fire Station 7 construction, \$636,010 for Phase 1 of City Hall Architectural Services, and \$313,000 for reimbursement to the Community Development Block Grant Fund in response to COVID-19 related relief to outside agencies, \$1,093,874 for miscellaneous projects.

#### *Final budget compared to actual results*

In the General Fund, the final budget (including transfers) of \$76.9 million anticipated \$74.2 million in current revenues and a \$2.8 million allocation from fund balance. Actual results showed an increase in fund balance of \$12,265,224.

Actual revenues were almost \$81 million. This was \$3.6 million more than anticipated current revenues. The revenue was due primarily to the increase in local sales tax collections between April and June 2021 and COVID related grants.

In conjunction with the increased revenue, the City finished the year with \$68.3 million in expenditures (including transfers). Expenditures were less due to cost containment measures in the 2021 budget and vacancies.

### **Capital Asset and Debt Administration**

#### *Capital Assets*

The City of Franklin's investment in capital assets from its governmental and business-type activities as of June 30, 2021, is \$1,038,728,578 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, park facilities, roads, highways and bridges.

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***City of Franklin's Capital Assets***  
(net of depreciation)

	<b>Governmental</b>	<b>Business-Type</b>	
	<b><u>Activities</u></b>	<b><u>Activities</u></b>	<b><u>Total</u></b>
<b>Land</b>	\$ 61,602,893	\$ 5,948,524	\$ 67,551,417
<b>Construction in progress</b>	43,705,674	131,284,027	174,989,701
<b>Buildings and improvements</b>	52,213,917	15,185,387	67,399,304
<b>Improvements other than buildings</b>	11,841,970	-	11,841,970
<b>Utility plant in service</b>	-	161,609,777	161,609,777
<b>Infrastructure</b>	533,995,945	-	533,995,945
<b>Machinery &amp; equipment</b>	20,471,573	868,891	21,340,464
<b>Total capital assets</b>	<u>\$ 723,831,972</u>	<u>\$ 314,896,606</u>	<u>\$ 1,038,728,578</u>

Major capital asset events during the current fiscal year included the following:

- The City's governmental activities received \$26,074,678 in developer-contributed assets.
- Construction on Fire Station 7 at Goose Creek was completed. The station opened on June 29, 2021.
- Major road resurfacing on N Royal Oakes-London Lane to Liberty Pike.
- Design on a new City Hall continued.
- Construction on Franklin Road Improvements continued.
- Battle Avenue Drainage Improvements continued.
- Design of Bicentennial Park Improvements continued.
- Design of Harlinsdale Park Path continued.
- Construction on Municipal Services Complex Improvements was completed.
- Design on Sanitary Sewer Main Rehabilitation continued.
- Design of Jordan Road Improvements continued.
- Construction on the Wastewater Reclamation Plant continued.
- Advanced Metering Program continued.
- Design and Planning on Southeast Park and Bridge continued.
- Construction started on Carothers Parkway Widening and Southeast Complex Entrance.
- Construction on the East McEwen Drive Roundabout continued.
- Construction started on SR-96 W Multi Use Trail.
- Design was completed on Robinson Lake.
- Design on Harlinsdale Barn continued.
- Construction completed on Holiday Court Pump Station Replacements.
- Spencer Creek Sanitary Sewer construction continued.
- Design on Goose Creek/Redwing Reclaimed Water continued.
- Water Model Update completed.
- SE Wastewater Capacity Evaluation continued.
- Work on Westhaven Street and Traffic Signal continued.
- Construction on Fifth Avenue Parking Lot was completed.

Additional information on the City of Franklin's capital assets can be found in the notes to the financial statements section of this report beginning on page 58.

***Long-term Debt***

At the end of the current year, the City of Franklin had bonded debt (including premiums) of \$279,039,409. Of this amount, \$150,034,179 comprises general obligation bonds backed by the full faith and credit of the government. Of the \$129,005,230 of business-type activities debt, \$117,687,826 is Revenue and Tax Bonds secured by both the taxing power of the City and specific revenue sources (i.e., revenue and tax bonds) of the Water & Sewer fund, and \$11,317,404 is secured by Water and Sewer fund revenues.

**CITY OF FRANKLIN, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

*City of Franklin's Outstanding Debt*

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
General Obligation Bonds - Capital *	\$ 146,759,179	\$ -	\$ 146,759,179
General Obligation Bonds - Pension *	3,275,000	-	3,275,000
Revenue and Tax Bonds *	-	129,005,230	129,005,230
<b>Total Outstanding Debt</b>	<u>\$ 150,034,179</u>	<u>\$ 129,005,230</u>	<u>\$ 279,039,409</u>

\* Includes unamortized premiums

The City's debt (bonds and bond premiums) increased by \$33,404,770 (from \$245,634,639 to \$279,039,409) during the current fiscal year.

There was no new governmental debt. Water and Sewer had \$48,647,933 in new debt (in state revolving fund loans). A total of \$12,070,000 (\$8,355,000 GO bonds-capital, \$1,030,000 GO bonds-pension, and \$2,685,000 business-type bonds) was repaid during the year. A total of \$1,111,692 (\$939,497 GO bonds-capital and \$172,195 business-type bonds) in premiums were amortized during the year.

The City of Franklin maintains an "Aaa/AAA" Rating for general obligation debt. This rating was first received by Moody's in 2000 and last affirmed in November 2019 by both Moody's and Standard & Poor's. The most recent business-type debt issue backed by system revenues only was issued a rating by Moody's of Aa2 (its third highest rating) in August 2021. State statutes impose no debt limit on the amount of general obligation debt a governmental entity may issue. The City's debt policy establishes debt capacity ranges.

Additional information on the City of Franklin's long-term debt can be found in the notes to the financial statements section of this report beginning on page 72.

**Economic Factors and Next Year's Budget and Rates**

The unemployment rate (not seasonally adjusted) for June 2021 for the City of Franklin was 3.4%, compared to the State of Tennessee's rate of 5.6% and a national average of 5.9%. In addition to the unemployment rate, factors considered in preparing the City's budget for fiscal year 2022 included:

1. Reduction by the State of the Hall income tax from 1% to 0%. The 2022 budget includes \$0 for this revenue, a reduction from \$250,000 in the 2021 budget. This limitation may significantly affect the availability of fund resources for future use.
2. The property tax rate for fiscal year 2022 of 32.61 cents per \$100 of assessed value allows payment of debt service, streets maintenance, and funding for capital projects. The property tax rate remains unchanged from the previous year.
3. On February 6, 2018, voters in Williamson County approved by referendum an increase in the county-wide local option sales tax of 0.50%, from 2.25% to 2.75%. The tax became effective April 1, 2018. The City of Franklin entered into an interlocal agreement with Williamson County to contribute the City's portion of this tax increase for the purposes of funding school debt service for a period of three years. The City's General Fund began receiving funds from the tax increase beginning April 2021.
4. The City received \$4.6 million of ARPA funds in May 2021. \$661,000 was spent in July 2021 on premium pay and amount of revenue loss items are listed in 2022 budget. An additional \$4.6 million is anticipated in May 2022.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Franklin, Tennessee's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Department of Finance, City of Franklin, P.O. Box 305, Franklin, TN 37065-0305

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**BASIC FINANCIAL STATEMENTS**



HISTORIC  
**F R A N K L I N**  
TENNESSEE

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF NET POSITION**  
 JUNE 30, 2021  
 With Comparative Totals as of June 30, 2020

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>2020</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 41,114,610	\$ 3,484,783	\$ 44,599,393	\$ 29,372,691
Cash and cash equivalents-restricted	16,940,890	1,359,786	18,300,676	10,786,250
Investments	84,332,232	28,058,825	112,391,057	100,936,843
Investments-restricted	9,775,709	9,425,201	19,200,910	40,496,877
Receivables (net of allowance for uncollectibles)	44,976,786	16,814,491	61,791,277	61,410,442
Inventory	1,279,106	641,056	1,920,162	2,758,864
Prepaid items and other assets	269,529	11,000	280,529	418,202
Net investment in joint venture - Conference Center	5,243,394	-	5,243,394	5,427,230
Capital assets, not being depreciated:				
Land	61,602,893	5,948,524	67,551,417	66,492,926
Construction in progress	43,705,674	131,284,027	174,989,701	102,370,195
Capital assets, net of accumulated depreciation				
Buildings and improvements	52,213,917	15,185,386	67,399,303	69,830,745
Improvements other than buildings	11,841,970	-	11,841,970	12,676,890
Utility plant in service	-	161,609,778	161,609,778	168,905,093
Infrastructure	533,995,945	-	533,995,945	523,457,336
Machinery and equipment	20,471,573	868,891	21,340,464	22,725,266
<b>Total assets</b>	<b>927,764,228</b>	<b>374,691,748</b>	<b>1,302,455,976</b>	<b>1,218,065,850</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refundings	262,209	422,361	684,570	810,811
OPEB	7,800,033	1,063,636	8,863,669	10,956,109
Pensions	19,949,299	2,518,485	22,467,784	19,224,581
<b>Total deferred outflows of resources</b>	<b>28,011,541</b>	<b>4,004,482</b>	<b>32,016,023</b>	<b>30,991,501</b>

The accompanying notes are an integral part of the financial statements.



**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF NET POSITION (Cont.)**  
 JUNE 30, 2021  
 With Comparative Totals as of June 30, 2020

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>2020</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 12,453,160	\$ 10,246,515	\$ 22,699,675	\$ 23,555,122
Accrued liabilities	3,618,942	-	3,618,942	3,561,298
Accrued interest payable	1,411,525	275,457	1,686,982	1,818,218
Unearned revenue	5,568,245	-	5,568,245	797,436
Long-term liabilities:				
Due within one year	15,095,186	7,581,696	22,676,882	19,067,320
Due in more than one year	146,418,244	122,580,201	268,998,445	237,971,605
Derivatives - interest rate swap	-	-	-	1,070
OPEB liability	19,451,564	2,652,483	22,104,047	20,873,087
Net pension liability	25,127,534	3,426,482	28,554,016	27,838,506
<b>Total liabilities</b>	<b>229,144,400</b>	<b>146,762,834</b>	<b>375,907,234</b>	<b>335,483,662</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
January 1 property tax levy	21,295,283	-	21,295,283	20,232,709
OPEB	1,046,393	142,688	1,189,081	1,278,886
Pension	6,826,397	930,873	7,757,270	4,916,976
<b>Total deferred inflows of resources</b>	<b>29,168,073</b>	<b>1,073,561</b>	<b>30,241,634</b>	<b>26,428,571</b>
<b>NET POSITION</b>				
Net investment in capital assets	600,239,617	186,313,737	786,553,354	758,715,057
Restricted for:				
State street aid	771,402	-	771,402	601,819
Sanitation use	1,992,796	-	1,992,796	1,000,240
Drug fund use	602,402	-	602,402	520,472
CDBG program use	114,745	-	114,745	113,066
Development	30,019,751	-	30,019,751	38,165,088
Water and sewer	-	10,784,987	10,784,987	10,882,442
Unrestricted	63,722,583	33,761,111	97,483,694	77,146,934
<b>Total net position</b>	<b>\$ 697,463,296</b>	<b>\$ 230,859,835</b>	<b>\$ 928,323,131</b>	<b>\$ 887,145,118</b>

The accompanying notes are an integral part of the financial statements.

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**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF ACTIVITIES**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
With Comparative Totals for the Fiscal Year Ended June 30, 2020

Functions/Program:	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total	2020
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		
<b>Primary Government</b>						
<b>Governmental activities:</b>						
Communication	\$ 401,782	\$ -	\$ -	\$(399,082)	\$ -	\$(370,657)
Information and technology	4,187,327	-	-	(4,185,707)	-	(4,549,462)
Elected officials	297,949	-	-	(297,949)	-	(358,690)
Administration	1,279,793	15	-	(1,279,778)	-	(1,313,132)
Human resources	1,271,113	-	-	(1,271,113)	-	(1,373,293)
Legal	587,620	-	-	(587,620)	-	(560,168)
Project & facilities management	1,348,841	-	-	(1,348,841)	-	(1,201,740)
Revenue management	196,001	-	-	(196,001)	-	(164,454)
Finance	946,786	-	-	(946,786)	-	(953,767)
Purchasing	243,065	-	-	(243,065)	-	(269,962)
Court	323,406	-	-	(323,406)	-	(287,357)
Building & neighborhood services	2,943,051	-	-	(368,860)	-	(672,326)
Planning	1,498,484	-	-	(1,285,713)	-	(1,233,395)
Engineering	1,448,597	-	-	(1,443,897)	-	(1,503,341)
Traffic operations center	762,937	982,354	-	219,417	-	(1,001,564)
General government	4,644,218	3,277,235	-	(1,663,248)	-	(5,989,133)
Public safety:						
Police	18,322,992	18,511	-	(17,833,525)	-	(17,896,706)
Fire	21,150,380	(139,556)	-	(21,289,936)	-	(20,246,770)
Parks	6,037,842	-	-	(6,037,842)	-	(6,159,418)
Streets-maintenance	28,323,552	844,640	27,063,854	(393,778)	-	(404,495)
Streets-traffic	1,418,557	-	-	(1,418,557)	-	(1,748,863)
Streets-fleet	775,178	-	-	(775,178)	-	(931,275)
Sanitation	10,622,594	-	-	(424,358)	-	(732,153)
Storm water	2,988,541	-	-	(295,648)	-	(156,360)
Transit	2,839,032	1,750,103	326,266	(729,583)	-	(404,566)
Interest and amortization on long-term debt	4,914,713	-	-	(4,914,713)	-	(4,484,444)
	119,774,351	6,733,287	27,390,120	(69,734,767)	-	(74,963,491)
<b>Business-type activities:</b>						
Water and sewer	33,760,377	316,897	7,210,932	8,983,196	8,983,196	11,579,150
	\$ 153,534,728	\$ 7,050,184	\$ 34,601,052	\$ (69,734,767)	\$ 8,983,196	\$ (63,384,341)
<b>Total primary government</b>						
General revenues						
Property taxes				20,586,971	-	20,586,971
Sales taxes				41,999,727	-	41,999,727
Wholesale privilege tax				1,956,503	-	1,956,503
Beer privilege tax				21,394	-	21,394
Wholesale liquor tax				1,868,263	-	1,868,263
Liquor privilege tax				84,107	-	84,107
Hotel/motel tax				2,600,807	-	2,600,807
Intergovernmental				18,654,225	-	18,654,225
Impact fees and taxes				11,393,647	-	11,393,647
Franchise taxes				2,479,203	-	2,479,203
Investment earnings				158,068	138,951	297,019
Other				(12,282)	(12,282)	3,410
Total general revenues				101,802,915	126,669	101,929,584
Transfers				200,000	(200,000)	-
Total general revenues and transfers				102,002,915	(73,331)	101,929,584
Change in net position				32,268,148	8,909,865	42,164,885
Net position - beginning of year				665,195,148	221,949,970	887,145,118
Net position - end of year				\$ 697,463,296	\$ 230,859,835	\$ 928,323,131

The accompanying notes are an integral part of the financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**  
**With Comparative Totals as of June 30, 2020**

						<u>Total Governmental Funds</u>	
	<u>General</u>	<u>Multi-Purpose Capital Project Fund</u>	<u>Road Impact Fee Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental</u>	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 40,928,914	\$ 8,960,714	\$ 3,223,103	\$ 117,344	\$ 4,825,425	\$ 58,055,500	\$ 32,809,953
Investments	22,930,709	18,919,663	22,447,694	817,259	28,992,616	94,107,941	109,320,005
Receivables (net of allowance for uncollectibles)	27,368,377	307,693	70,477	12,032,155	5,198,084	44,976,786	41,680,089
Inventory and prepaid	1,222,774	-	-	-	56,332	1,279,106	1,272,452
Prepaid items	261,529	-	-	-	8,000	269,529	418,202
<b>Total assets</b>	<b>\$ 92,712,303</b>	<b>\$ 28,188,070</b>	<b>\$ 25,741,274</b>	<b>\$ 12,966,758</b>	<b>\$ 39,080,457</b>	<b>\$ 198,688,862</b>	<b>\$ 185,500,701</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 8,736,573	\$ 2,402,021	\$ -	\$ -	\$ 1,314,566	\$ 12,453,160	\$ 12,290,935
Accrued liabilities	3,618,942	-	-	-	-	3,618,942	3,561,298
Unearned revenue	5,283,693	-	-	-	284,552	5,568,245	797,436
<b>Total liabilities</b>	<b>17,639,208</b>	<b>2,402,021</b>	<b>-</b>	<b>-</b>	<b>1,599,118</b>	<b>21,640,347</b>	<b>16,649,669</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue-property tax-Jan. 1 levy	8,170,103	-	-	12,029,589	1,095,591	21,295,283	20,232,709
Unavailable revenue-property taxes	146,984	-	-	-	-	146,984	184,730
Unavailable revenue-assessments	53,762	-	-	-	-	53,762	53,762
Unavailable revenue-grant proceeds	528,034	265,129	-	-	10,658	803,821	721,832
Unavailable revenue-court fines	226,705	-	-	-	-	226,705	201,728
Unavailable revenue-franchise fees	465,997	-	-	-	-	465,997	484,201
Unavailable revenue-hotel/motel Tax	-	-	-	-	77,340	77,340	93,130
<b>Total deferred inflows of resources</b>	<b>9,591,585</b>	<b>265,129</b>	<b>-</b>	<b>12,029,589</b>	<b>1,183,589</b>	<b>23,069,892</b>	<b>21,972,092</b>
<b>FUND BALANCES</b>							
Non-spendable	1,484,303	-	-	-	64,332	1,548,635	1,690,654
Restricted	-	25,520,920	-	-	7,980,176	33,501,096	40,400,685
Committed	-	-	25,741,274	937,169	17,488,810	44,167,253	41,255,928
Assigned	-	-	-	-	10,764,432	10,764,432	11,940,200
Unassigned	63,997,207	-	-	-	-	63,997,207	51,591,473
<b>Total fund balances</b>	<b>65,481,510</b>	<b>25,520,920</b>	<b>25,741,274</b>	<b>937,169</b>	<b>36,297,750</b>	<b>153,978,623</b>	<b>146,878,940</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 92,712,303</b>	<b>\$ 28,188,070</b>	<b>\$ 25,741,274</b>	<b>\$ 12,966,758</b>	<b>\$ 39,080,457</b>	<b>\$ 198,688,862</b>	<b>\$ 185,500,701</b>

The accompanying notes are an integral part of the financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**

JUNE 30, 2021

With Comparative Totals as of June 30, 2020

Amounts reported for the governmental activities in the Statement of Net Position (Pages 20 and 21) are different because:

	2021		2020	
<b>Fund balance - total governmental funds (Page 24)</b>	\$ 153,978,623		\$ 146,878,940	
Capital and other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds				
Capital assets, at cost	1,037,574,404		996,542,466	
Less related accumulated depreciation	(313,742,432)		(291,723,184)	
Investment in joint venture - conference center	5,243,394	729,075,366	5,427,230	710,246,512
Receivables not available to pay for current expenditures and, therefore are unavailable in the funds				
Property taxes	146,984		184,730	
Assessments	53,762		53,762	
Franchise fees	465,997		484,201	
Court fines	226,705		201,728	
Hotel/motel tax	77,340		93,130	
Grant revenues	803,821	1,774,609	721,832	1,739,383
Long-term items, including bonds and leases payable, are not due in the current period and, therefore, are not reported in the governmental funds				
Bonds outstanding	(131,720,000)		(141,105,000)	
Bond premiums	(18,314,179)		(19,253,676)	
Deferred loss on refunding	262,209		276,923	
Derivative instruments	-		(1,070)	
Net pension liability	(25,127,534)		(24,497,886)	
Deferred outflows of resources - pensions	19,949,299		16,968,355	
Deferred inflows of resources - pensions	(6,826,397)		(4,326,939)	
Total OPEB liability	(19,451,564)		(18,368,316)	
Deferred outflows of resources - OPEB	7,800,033		9,641,375	
Deferred inflows of resources - OPEB	(1,046,393)		(1,125,421)	
Compensated absences	(11,264,967)	(185,739,493)	(9,942,625)	(191,734,280)
Payables, such as accrued interest payable and park acquisition agreement, are not due and payable in the current period and, therefore, are not reported in the funds				
Accrued interest payable	(1,411,525)		(1,506,837)	
Park acquisition agreement	(214,284)	(1,625,809)	(428,570)	(1,935,407)
<b>Net position - governmental activities (Page 21)</b>	<b>\$ 697,463,296</b>		<b>\$ 665,195,148</b>	

The accompanying notes are an integral part of the financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

						<u>Total Governmental Funds</u>	
	<u>General</u>	<u>Multi-Purpose Capital Project Fund</u>	<u>Road Impact Fee Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental</u>	<u>2021</u>	<u>2020</u>
<b>Revenues:</b>							
Taxes	\$ 56,158,931	\$ -	\$ -	\$ 10,918,504	\$ 809,178	\$ 67,886,613	\$ 60,136,595
Hotel/ motel tax	-	-	-	-	2,575,830	2,575,830	3,138,814
Facilities tax	-	-	-	-	3,617,950	3,617,950	3,940,537
Licenses and permits	5,282,618	-	6,975,153	-	800,544	13,058,315	18,877,383
Fines and fees	308,139	-	-	-	133,930	442,069	560,779
Intergovernmental	14,465,436	900,927	-	-	-	15,366,363	15,387,064
Gas & motor fuel	-	-	-	-	1,317,475	1,317,475	1,290,479
Petroleum special	-	-	-	-	140,774	140,774	140,774
Gas 1989	-	-	-	-	205,398	205,398	204,037
Gas 3 cent	-	-	-	-	380,588	380,588	378,067
Gas 2018	-	-	-	-	662,660	662,660	647,388
Short term vacation rental tax	-	-	-	-	133,521	133,521	-
Grants	3,683,809	-	-	-	2,411,752	6,095,561	3,238,419
Charges for services	81,438	-	-	-	12,890,009	12,971,447	12,166,255
Use of money and property	316,706	-	86,592	17,914	14,329	435,541	4,087,802
Miscellaneous and other	263,376	196,042	-	-	640,000	1,099,418	2,809,455
<b>Total revenues</b>	<b>80,560,453</b>	<b>1,096,969</b>	<b>7,061,745</b>	<b>10,936,418</b>	<b>26,733,938</b>	<b>126,389,523</b>	<b>127,003,848</b>
<b>Expenditures:</b>							
Governance and Management:							
Elected officials	297,949	-	-	-	-	297,949	358,690
Administration	1,208,674	-	-	-	-	1,208,674	1,261,084
Human resources	1,148,280	-	-	-	-	1,148,280	1,270,498
Legal	553,316	-	-	-	-	553,316	548,969
Communication	390,120	-	-	-	-	390,120	377,977
Public Safety:							
Police	16,564,982	-	-	-	91,700	16,656,682	16,724,525
Fire	19,067,336	81,849	-	-	287,578	19,436,763	19,251,818
Finance and Administration:							
Finance	916,947	-	-	-	-	916,947	931,572
Purchasing	232,342	-	-	-	-	232,342	260,486
Information and technology	3,419,835	-	-	-	-	3,419,835	3,835,596
Revenue management	206,308	-	-	-	-	206,308	135,472
Court	314,530	-	-	-	-	314,530	276,896
Project & facilities management	1,281,459	-	-	-	-	1,281,459	1,154,390
Community & Economic Development:							
Building & neighborhood services	2,840,548	-	-	-	-	2,840,548	3,145,299
Planning	1,467,393	-	-	-	-	1,467,393	1,395,702
Engineering	1,377,052	-	-	-	-	1,377,052	1,449,218
Traffic operations center	546,114	-	-	-	-	546,114	846,202
Economic development	71,261	-	-	-	-	71,261	90,844
Public Works:							
Parks	4,470,817	19,744	-	-	9,554	4,500,115	5,384,004
Streets-traffic	1,407,195	-	-	-	-	1,407,195	1,731,460
Streets-fleet	741,051	-	-	-	-	741,051	942,337
Highways and streets	3,973,542	4,939,569	889,026	-	3,597,697	13,399,834	12,314,445
Other General Government:							
General expenses	(751,576)	28,460	-	-	1,376,406	653,290	(679,827)
Appropriations	446,247	-	-	-	-	446,247	486,738
Storm water	-	-	-	-	2,408,374	2,408,374	2,555,688
Sanitation	-	53	-	-	9,368,173	9,368,226	9,217,636
Transit	-	-	-	-	2,693,184	2,693,184	2,446,053
Principal	-	-	-	9,385,000	-	9,385,000	9,520,000
Interest	-	-	-	5,932,143	-	5,932,143	5,720,563
Debt Service Fees	-	-	-	2,665	-	2,665	2,804,902
Capital outlay	2,676,386	9,606,062	43,968	-	3,860,528	16,186,944	22,747,397
<b>Total expenditures</b>	<b>64,868,108</b>	<b>14,675,737</b>	<b>932,994</b>	<b>15,319,808</b>	<b>23,693,194</b>	<b>119,489,841</b>	<b>128,506,634</b>

The accompanying notes are an integral part of the financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Cont.)**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

						<u>Total Governmental Funds</u>	
	<u>General</u>	<u>Multi-Purpose Capital Project Fund</u>	<u>Road Impact Fee Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental</u>	<u>2021</u>	<u>2020</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 15,692,345	\$ (13,578,768)	\$ 6,128,751	\$ (4,383,390)	\$ 3,040,744	\$ 6,899,682	\$ (1,502,786)
<b>Other financing sources (uses):</b>							
Issuance of refunding debt	-	-	-	-	-	-	31,550,000
Premium on debt issuance	-	-	-	-	-	-	7,080,224
Transfers from other funds	-	3,041,734	-	94,896	1,927,341	5,063,971	9,228,483
From Water & Sewer	-	-	-	200,000	-	200,000	200,000
From Sanitation	-	-	-	209,081	-	209,081	208,317
From Road Impact	-	100,000	-	2,730,454	-	2,830,454	4,976,836
From Hotel/Motel	-	1,466,850	-	1,281,521	-	2,748,371	2,147,023
Transfers to other funds	(3,427,121)	-	(2,830,454)	-	(4,594,301)	(10,851,876)	(17,125,659)
<b>Other financing uses-issuance of refunding debt:</b>							
Refunding of debt	-	-	-	-	-	-	(35,725,000)
Refunding of debt-additional to escrow agent	-	-	-	-	-	-	(328,518)
Payment of swap	-	-	-	-	-	-	(2,263,300)
<b>Total other financing sources (uses)</b>	<u>(3,427,121)</u>	<u>4,608,584</u>	<u>(2,830,454)</u>	<u>4,515,952</u>	<u>(2,666,960)</u>	<u>200,001</u>	<u>(51,594)</u>
Net changes in fund balances	12,265,224	(8,970,184)	3,298,297	132,562	373,784	7,099,683	(1,554,380)
<b>Fund balances (deficits) - beginning</b>	<u>53,216,286</u>	<u>34,491,104</u>	<u>22,442,977</u>	<u>804,607</u>	<u>35,923,966</u>	<u>146,878,940</u>	<u>148,433,320</u>
<b>Fund balances (deficits) - ending</b>	<u>\$ 65,481,510</u>	<u>\$ 25,520,920</u>	<u>\$ 25,741,274</u>	<u>\$ 937,169</u>	<u>\$ 36,297,750</u>	<u>\$ 153,978,623</u>	<u>\$ 146,878,940</u>

The accompanying notes are an integral part of the financial statements.

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**CITY OF FRANKLIN, TENNESSEE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

Amounts reported for the governmental activities in the Statement of Net Activities (Page 23) are different because:

	<b>2021</b>	<b>2020</b>		<b>2020</b>
<b>Net changes in fund balances - total governmental funds (Page 27)</b>	<b>\$ 7,099,683</b>			<b>\$ (1,554,380)</b>
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense in the current period. Specifically these items are as follows:				
Acquisition of capital assets	15,972,658			22,433,983
Disposals, adjustments and reclassifications of capital assets	(825,532)			(2,068,465)
Depreciation expense	(22,209,114)			(21,382,817)
Change in park acquisition agreement	214,286			214,286
Change in investment in joint venture - Conference Center	(183,836)	(7,031,538)		(90,398)
				(893,411)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds for:				
Property taxes	(37,746)			604
Franchise fees	(18,204)			(11,341)
Court fines	24,977			(16,826)
Hotel/motel tax	(15,790)			(35,165)
Grant revenues and reimbursements	81,989			(669,402)
Contributed capital assets	26,074,678	26,109,904		24,946,237
				24,214,107
The issuances of long-term debt and related items provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Specifically, these items are as follows:				
Bond issuance	-			(31,550,000)
Bond refunding	-			36,053,518
Bond payments	9,385,000			9,520,000
Change in fair value of derivative instruments	1,070			(64,062)
Redemption of swap	-	9,386,070		4,763,300
				18,722,756
Governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities for:				
Bond premiums	-			(7,080,224)
Amortization of bond premiums	939,497			939,497
Deferred refunding amounts	(14,714)	924,783		(14,714)
				(6,155,441)
Expenses and losses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds and certain expenditures in the governmental funds are capitalized:				
Accrued absences	(1,322,342)			(778,096)
Accrued interest	95,312			282,285
Pension expense (closed plan)	(1,354,160)			(2,594,697)
Pension expense (TCRS plan)	(274,425)			(102,339)
Contributions subsequent to measurement date (closed plan)	1,000,000			-
Contributions subsequent to measurement date (TCRS plan)	480,423			422,700
OPEB expense	(2,845,562)	(4,220,754)		(2,692,160)
				(5,462,307)
<b>Change in net position of governmental activities (Page 23)</b>	<b>\$ 32,268,148</b>			<b>\$ 28,871,324</b>

The accompanying notes are an integral part of the financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	June 30, 2021				
	Budgeted Amounts		Actual	Variance with Final Budget	2020
	Original	Final			
<b>Revenues:</b>					
<b>Taxes:</b>					
Real and personal property taxes	\$ 8,376,691	\$ 8,376,691	\$ 8,488,188	\$ 111,497	\$ 7,888,706
Penalty and interest	36,888	36,888	54,878	17,990	58,579
In lieu of tax	221,990	221,990	353,969	131,979	398,936
Sales tax	33,055,387	38,261,586	41,999,727	3,738,141	35,453,379
Wholesale beer tax	1,738,547	1,738,547	1,956,503	217,956	1,905,377
Beer privilege tax	24,084	24,084	21,394	(2,690)	21,740
Wholesale liquor tax	1,514,589	1,514,589	1,868,263	353,674	1,761,915
Liquor privilege tax	115,347	115,347	84,107	(31,240)	84,371
Mixed drink tax	1,061,200	1,061,200	1,331,902	270,702	826,109
	<u>46,144,723</u>	<u>51,350,922</u>	<u>56,158,931</u>	<u>4,808,009</u>	<u>48,399,112</u>
<b>Licenses and permits:</b>					
Mechanical licenses	3,042	3,042	5,075	2,033	4,475
Mechanical permits	118,342	118,342	113,732	(4,610)	107,589
Building permits	1,739,284	1,739,284	1,796,670	57,386	1,714,700
Technology fee	79,410	79,410	65,714	(13,696)	61,730
Plumbing permits	108,893	108,893	74,574	(34,319)	76,747
Electric permits	264,216	264,216	247,267	(16,949)	232,907
Inspection fees	506,325	506,325	192,540	(313,785)	206,990
Site review, rezoning and submittal fees	188,332	188,332	211,020	22,688	190,613
Beer permits and licenses	14,653	14,653	11,050	(3,603)	12,660
Yard sale permits	4,227	4,227	5,030	803	3,750
Business license	11,567	11,567	15,204	3,637	16,163
Alarm permits	24,497	24,497	26,385	1,888	26,140
Miscellaneous permits	5,258	5,258	20,950	15,692	18,280
Franchise fees	2,495,185	2,495,185	2,497,407	2,222	2,489,287
	<u>5,563,231</u>	<u>5,563,231</u>	<u>5,282,618</u>	<u>(280,613)</u>	<u>5,162,031</u>
<b>Intergovernmental:</b>					
State income tax	425,000	425,000	743,846	318,846	636,288
Sales tax	5,186,215	5,491,287	7,553,994	2,062,707	5,787,947
State beer tax	32,707	32,707	18,536	(14,171)	33,215
State excise tax	218,305	218,305	316,397	98,092	281,061
Cemetery excise tax	-	-	1,418	1,418	-
Sports wagering privilege tax	-	-	41,063	41,063	-
In lieu of tax - TVA	709,267	709,267	810,662	101,395	872,269
Business tax from State	3,823,941	3,823,941	4,536,119	712,178	4,703,004
Business tax recording fee	378,131	378,131	467,993	89,862	475,283
Federal & State grants	3,645,000	4,874,388	3,659,217	(1,215,171)	1,529,076
	<u>14,418,566</u>	<u>15,953,026</u>	<u>18,149,245</u>	<u>2,196,219</u>	<u>14,318,143</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL (Cont.)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	June 30, 2021				2020
	Budgeted Amounts		Actual	Variance with Final Budget	
	Original	Final			
<b>Revenues:</b>					
<b>Charges for services:</b>					
Regional fire training	-	-	695	695	3,810
Maps sold	2,829	2,829	1,620	(1,209)	3,560
Plans sold	2,806	2,806	4,700	1,894	3,700
Records sold	1,380	1,380	1,766	386	914
Special event services fee	1,743	1,743	2,700	957	2,696
Traffic impact analysis review fee	51,632	51,632	-	(51,632)	-
Accident reports	1,642	1,642	581	(1,061)	755
Offender registry	1,634	1,634	2,100	466	2,100
License seizure fees	844	844	595	(249)	905
3rd party billable overtime	48,018	48,018	45,401	(2,617)	35,535
Compost vouchers	18,206	18,206	21,280	3,074	18,800
	<u>130,734</u>	<u>130,734</u>	<u>81,438</u>	<u>(49,296)</u>	<u>72,775</u>
<b>Fines and fees:</b>					
Fines - city court	189,022	189,022	96,836	(92,186)	161,984
Fines - general sessions/circuit court	114,266	114,266	155,456	41,190	160,594
Parking fines	69,423	69,423	36,768	(32,655)	66,090
Technology fee - court	43,045	43,045	-	(43,045)	-
Confiscated goods - state	-	-	15,079	15,079	-
Beer board violations	1,000	1,000	4,000	3,000	-
Building & street standards appeals fees	1,000	1,000	-	(1,000)	-
Business tax fees	4,646	4,646	-	(4,646)	-
Tree bank fees	15,148	15,148	-	(15,148)	-
	<u>437,550</u>	<u>437,550</u>	<u>308,139</u>	<u>(129,411)</u>	<u>388,668</u>
<b>Use of money and property:</b>					
Interest income	438,750	438,750	93,916	(344,834)	1,208,681
Rebates on purchases	68,980	68,980	82,168	13,188	91,858
Rent - mall and other	12,001	12,001	18,001	6,000	9,001
Park concessions and rentals	83,116	83,116	85,827	2,711	82,365
Christmas Tree Lighting Donations	20,000	20,000	15,000	(5,000)	18,000
Sale of surplus assets	97,229	97,229	21,392	(75,837)	128,067
Electric Charging Stations-Garages	-	-	402	402	456
	<u>720,076</u>	<u>720,076</u>	<u>316,706</u>	<u>(403,370)</u>	<u>1,538,428</u>
<b>Miscellaneous:</b>					
Miscellaneous income	19,942	19,942	89,876	69,934	77,423
Contributions	-	-	173,500	173,500	-
Allocation from fund balance	2,786,481	2,786,481	-	(2,786,481)	-
	<u>2,806,423</u>	<u>2,806,423</u>	<u>263,376</u>	<u>(2,543,047)</u>	<u>77,423</u>
<b>Total revenues</b>	<u>\$ 70,221,303</u>	<u>\$ 76,961,962</u>	<u>\$ 80,560,453</u>	<u>\$ 3,598,491</u>	<u>\$ 69,956,580</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL (Cont.)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	June 30, 2021				
	Budgeted Amounts		Actual	Variance with Final Budget	2020
	Original	Final			
<b>Expenditures:</b>					
<b>Governance &amp; Management:</b>					
<b>Elected officials:</b>					
Personnel	264,610	265,890	256,864	9,026	252,555
Services	74,110	74,110	32,921	41,189	99,834
Supplies	18,900	18,900	5,175	13,725	3,739
Business expenses	2,691	2,691	2,989	(298)	2,562
	<u>360,311</u>	<u>361,591</u>	<u>297,949</u>	<u>63,642</u>	<u>358,690</u>
<b>Administration:</b>					
Personnel	1,297,372	1,409,544	1,386,625	22,919	1,314,698
Services	146,120	146,120	67,868	78,252	109,994
Supplies	62,414	62,414	40,909	21,505	85,494
Business expenses	13,632	13,632	11,910	1,722	11,796
Reimbursement of interfund services	(266,116)	(266,116)	(298,638)	32,522	(260,898)
	<u>1,253,422</u>	<u>1,365,594</u>	<u>1,208,674</u>	<u>156,920</u>	<u>1,261,084</u>
<b>Human resources:</b>					
Personnel	1,121,867	1,130,125	1,081,775	48,350	1,119,992
Services	507,543	507,543	315,336	192,207	389,261
Supplies	81,570	81,570	23,492	58,078	54,067
Business expenses	20,908	20,908	18,216	2,692	8,687
Reimbursement of interfund services	(307,539)	(307,539)	(290,539)	(17,000)	(301,509)
	<u>1,424,349</u>	<u>1,432,607</u>	<u>1,148,280</u>	<u>284,327</u>	<u>1,270,498</u>
<b>Legal:</b>					
Personnel	601,468	610,312	627,768	(17,456)	583,738
Services	174,500	174,500	69,633	104,867	94,449
Supplies	22,150	22,150	5,261	16,889	17,991
Business expenses	12,004	12,004	6,575	5,429	6,016
Reimbursement of interfund services	(156,290)	(156,290)	(155,921)	(369)	(153,225)
	<u>653,832</u>	<u>662,676</u>	<u>553,316</u>	<u>109,360</u>	<u>548,969</u>
<b>Communications:</b>					
Personnel	410,458	425,910	419,299	6,611	398,806
Services	88,950	88,950	46,754	42,196	55,855
Supplies	34,040	34,040	23,142	10,898	15,959
Operational units	4,700	4,700	4,446	254	2,779
Business expenses	5,653	5,653	5,015	638	5,810
Reimbursement of interfund services	(103,563)	(103,563)	(108,536)	4,973	(101,232)
	<u>440,238</u>	<u>455,690</u>	<u>390,120</u>	<u>65,570</u>	<u>377,977</u>
<b>Total Governance &amp; Management</b>	<u>4,132,152</u>	<u>4,278,158</u>	<u>3,598,339</u>	<u>679,819</u>	<u>3,817,218</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL (Cont.)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	June 30, 2021				2020
	Budgeted Amounts		Actual	Variance with Final Budget	
	Original	Final			
<b>Expenditures:</b>					
<b>Public Safety:</b>					
<b>Police department-administration:</b>					
Personnel	2,182,692	2,327,525	2,078,355	249,170	1,652,782
Services	1,781,836	1,781,836	1,603,475	178,361	1,607,028
Supplies	849,510	943,510	739,122	204,388	868,766
Operational units	21,242	21,242	24,609	(3,367)	19,088
Business expenses	197,203	197,203	104,113	93,090	135,802
	<u>5,032,483</u>	<u>5,271,316</u>	<u>4,549,674</u>	<u>721,642</u>	<u>4,283,466</u>
<b>Police department-criminal investigations:</b>					
Personnel	2,458,787	2,526,840	2,169,246	357,594	2,904,374
Services	91,855	91,855	80,823	11,032	65,276
Supplies	-	-	15,107	(15,107)	3,500
Operational units	19,741	19,741	15,401	4,340	15,060
Business expenses	111,996	111,996	72,471	39,525	101,154
	<u>2,682,379</u>	<u>2,750,432</u>	<u>2,353,048</u>	<u>397,384</u>	<u>3,089,364</u>
<b>Police department-patrol:</b>					
Personnel	8,662,648	8,848,878	9,081,750	(232,872)	8,767,644
Services	64,873	64,873	77,430	(12,557)	69,949
Supplies	88,440	88,440	101,628	(13,188)	149,635
Operational units	43,109	43,109	89,982	(46,873)	32,673
Business expenses	254,399	254,399	311,470	(57,071)	231,122
	<u>9,113,469</u>	<u>9,299,699</u>	<u>9,662,260</u>	<u>(362,561)</u>	<u>9,251,023</u>
<b>Fire department:</b>					
Personnel	16,805,492	17,686,039	17,026,377	659,662	17,097,984
Services	1,261,158	1,261,158	1,097,172	163,986	1,027,240
Supplies	717,470	717,470	803,939	(86,469)	620,979
Operational units	6,000	6,000	294	5,706	421
Business expenses	149,837	149,837	139,554	10,283	142,807
	<u>18,939,957</u>	<u>19,820,504</u>	<u>19,067,336</u>	<u>753,168</u>	<u>18,889,431</u>
<b>Total Public Safety</b>	<u>35,768,288</u>	<u>37,141,951</u>	<u>35,632,318</u>	<u>1,509,633</u>	<u>35,513,284</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL (Cont.)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	June 30, 2021					2020
	Budgeted Amounts		Actual	Variance with Final Budget		
	Original	Final				
<b>Expenditures:</b>						
<b>Finance &amp; Administration:</b>						
<b>Finance:</b>						
Personnel	1,016,035	1,012,828	984,314	28,514	976,306	
Services	46,270	49,477	34,924	14,553	76,401	
Supplies	23,150	23,150	33,511	(10,361)	20,775	
Business expenses	101,060	101,060	96,629	4,431	92,919	
Reimbursement of interfund services	(234,985)	(234,985)	(232,431)	(2,554)	(234,829)	
	<u>951,530</u>	<u>951,530</u>	<u>916,947</u>	<u>34,583</u>	<u>931,572</u>	
<b>Purchasing:</b>						
Personnel	280,709	300,241	293,250	6,991	290,706	
Services	48,540	48,540	17,682	30,858	23,179	
Supplies	12,325	12,325	4,850	7,475	3,050	
Business expenses	2,638	2,638	2,082	556	2,513	
Reimbursement of interfund services	(60,731)	(60,731)	(85,522)	24,791	(58,962)	
	<u>283,481</u>	<u>303,013</u>	<u>232,342</u>	<u>70,671</u>	<u>260,486</u>	
<b>Information technology:</b>						
Personnel	2,366,371	2,459,198	2,291,028	168,170	2,418,277	
Services	1,916,173	1,997,923	1,791,541	206,382	1,616,453	
Supplies	282,900	282,900	260,040	22,860	427,394	
Business expenses	46,055	46,055	34,110	11,945	36,759	
Reimbursement of interfund services	(956,884)	(956,884)	(956,884)	-	(663,287)	
	<u>3,654,615</u>	<u>3,829,192</u>	<u>3,419,835</u>	<u>409,357</u>	<u>3,835,596</u>	
<b>Revenue management:</b>						
Personnel	978,991	1,056,972	1,068,002	(11,030)	1,020,658	
Services	33,750	33,750	21,653	12,097	19,106	
Supplies	36,900	36,900	26,050	10,850	21,923	
Business expenses	421,617	421,617	394,692	26,925	416,270	
Reimbursement of interfund services	(1,369,335)	(1,369,335)	(1,304,089)	(65,246)	(1,342,485)	
	<u>101,923</u>	<u>179,904</u>	<u>206,308</u>	<u>(26,404)</u>	<u>135,472</u>	
<b>Court:</b>						
Personnel	257,794	281,391	256,268	25,123	214,025	
Services	56,225	56,225	49,002	7,223	50,021	
Supplies	9,700	9,700	3,793	5,907	7,564	
Business expenses	6,043	6,043	5,467	576	5,286	
	<u>329,762</u>	<u>353,359</u>	<u>314,530</u>	<u>38,829</u>	<u>276,896</u>	

The accompanying notes are an integral part of the financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL (Cont.)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	June 30, 2021				2020
	Budgeted Amounts		Actual	Variance with Final Budget	
	Original	Final			
<b>Expenditures:</b>					
<b>Project &amp; facilities management:</b>					
Personnel	457,338	498,647	480,964	17,683	448,962
Services	915,804	924,495	999,249	(74,754)	918,790
Supplies	67,550	67,550	96,720	(29,170)	83,801
Business expenses	28,351	28,351	25,718	2,633	33,839
Reimbursement of interfund services	(337,622)	(337,622)	(321,192)	(16,430)	(331,002)
	<u>1,131,421</u>	<u>1,181,421</u>	<u>1,281,459</u>	<u>(100,038)</u>	<u>1,154,390</u>
<b>Total Finance &amp; Administration</b>	<u>6,452,732</u>	<u>6,798,419</u>	<u>6,371,421</u>	<u>426,998</u>	<u>6,594,412</u>
<b>Community &amp; Economic Development:</b>					
<b>Building &amp; neighborhood services:</b>					
Personnel	2,818,296	2,932,937	2,660,000	272,937	2,868,867
Services	225,405	225,405	78,781	146,624	139,960
Supplies	63,950	63,950	46,882	17,068	100,427
Business expenses	27,076	27,076	54,885	(27,809)	36,045
	<u>3,134,727</u>	<u>3,249,368</u>	<u>2,840,548</u>	<u>408,820</u>	<u>3,145,299</u>
<b>Planning &amp; sustainability:</b>					
Personnel	1,332,561	1,368,236	1,307,853	60,383	1,261,300
Services	140,100	140,100	89,543	50,557	100,312
Supplies	53,200	53,200	61,700	(8,500)	25,733
Operational units	-	-	-	-	450
Business expenses	8,808	8,808	8,297	511	7,907
	<u>1,534,669</u>	<u>1,570,344</u>	<u>1,467,393</u>	<u>102,951</u>	<u>1,395,702</u>
<b>Engineering:</b>					
Personnel	1,554,343	1,693,296	1,676,643	16,653	1,609,579
Services	124,411	124,411	35,372	89,039	91,485
Supplies	31,469	31,469	10,390	21,079	52,794
Business expenses	15,885	15,885	8,861	7,024	10,577
Reimbursement of interfund services	(321,521)	(321,521)	(354,214)	32,693	(315,217)
	<u>1,404,587</u>	<u>1,543,540</u>	<u>1,377,052</u>	<u>166,488</u>	<u>1,449,218</u>
<b>Traffic operations center:</b>					
Personnel	375,872	400,455	319,114	81,341	362,636
Services	398,853	398,853	146,718	252,135	332,951
Supplies	114,174	114,174	67,951	46,223	135,870
Business expenses	17,035	17,035	12,331	4,704	14,745
	<u>905,934</u>	<u>930,517</u>	<u>546,114</u>	<u>384,403</u>	<u>846,202</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL (Cont.)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	June 30, 2021				2020
	Budgeted Amounts		Actual	Variance with Final Budget	
	Original	Final			
<b>Expenditures:</b>					
<b>Economic Development:</b>					
Appropriations	90,748	90,748	71,261	19,487	90,844
	<u>90,748</u>	<u>90,748</u>	<u>71,261</u>	<u>19,487</u>	<u>90,844</u>
<b>Total Community &amp; Economic Development</b>	<u>7,070,665</u>	<u>7,384,517</u>	<u>6,302,368</u>	<u>1,082,149</u>	<u>6,927,265</u>
<b>Public Works:</b>					
<b>Streets-Maintenance:</b>					
Personnel	2,789,281	2,782,985	2,779,206	3,779	2,792,189
Services	865,320	865,320	724,486	140,834	842,106
Supplies	355,125	355,125	354,377	748	259,673
Operational units	-	-	-	-	226
Business expenses	157,608	157,608	115,473	42,135	121,398
	<u>4,167,334</u>	<u>4,161,038</u>	<u>3,973,542</u>	<u>187,496</u>	<u>4,015,592</u>
<b>Streets-Traffic:</b>					
Personnel	934,342	941,855	927,719	14,136	923,716
Services	188,200	188,200	129,500	58,700	128,846
Supplies	403,197	403,197	288,567	114,630	325,688
Business expenses	60,987	60,987	61,409	(422)	53,284
	<u>1,586,726</u>	<u>1,594,239</u>	<u>1,407,195</u>	<u>187,044</u>	<u>1,431,534</u>
<b>Streets-Fleet:</b>					
Personnel	727,256	773,094	750,108	22,986	847,312
Services	381,025	381,025	375,911	5,114	305,972
Supplies	(310,075)	(310,075)	(391,950)	81,875	(218,977)
Business expenses	9,612	9,612	6,982	2,630	8,030
	<u>807,818</u>	<u>853,656</u>	<u>741,051</u>	<u>112,605</u>	<u>942,337</u>
<b>Parks:</b>					
Personnel	3,045,393	3,011,863	2,731,077	280,786	2,953,214
Services	1,067,307	1,136,507	1,054,321	82,186	953,114
Supplies	706,368	706,368	610,641	95,727	577,217
Operational units	250,000	250,000	-	250,000	699,476
Business expenses	121,624	121,624	74,778	46,846	81,109
	<u>5,190,692</u>	<u>5,226,362</u>	<u>4,470,817</u>	<u>755,545</u>	<u>5,264,130</u>
<b>Total Public Works</b>	<u>11,752,570</u>	<u>11,835,295</u>	<u>10,592,605</u>	<u>1,242,690</u>	<u>11,653,593</u>

The accompanying notes are an integral part of the financial statements.



**CITY OF FRANKLIN, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL (Cont.)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	June 30, 2021				2020
	Budgeted Amounts		Actual	Variance with Final Budget	
	Original	Final			
<b>Expenditures:</b>					
<b>Other General Government:</b>					
<b>General expenses:</b>					
Personnel	1,017,382	2,017,382	(933,860)	2,951,242	(2,339,393)
Services	141,580	141,580	136,764	4,816	112,410
Supplies	2,000	2,000	42,672	(40,672)	164,846
Business expenses	4,450	(184,915)	2,848	(187,763)	43,023
	<u>1,165,412</u>	<u>1,976,047</u>	<u>(751,576)</u>	<u>2,727,623</u>	<u>(2,019,114)</u>
<b>Contributions:</b>					
Appropriations	451,450	451,450	446,247	5,203	486,738
Total Contributions	<u>451,450</u>	<u>451,450</u>	<u>446,247</u>	<u>5,203</u>	<u>486,738</u>
<b>Total Other General Government</b>	<u>1,616,862</u>	<u>2,427,497</u>	<u>(305,329)</u>	<u>2,732,826</u>	<u>(1,532,376)</u>
<b>Capital Outlay:</b>					
Police - administration	-	905,116	905,116	-	-
Police - criminal investigations	-	-	61,686	(61,686)	-
Fire	125,000	157,195	118,695	38,500	-
Information technology	-	148,000	181,071	(33,071)	-
Project & facilities management	-	-	-	-	99,503
Traffic operations center	2,150,000	2,150,000	1,191,035	958,965	92,864
Streets-maintenance	-	137,000	176,986	(39,986)	603,671
Streets-traffic	-	-	-	-	141,386
Parks	-	46,000	41,797	4,203	533,415
Total Capital Outlay	<u>2,275,000</u>	<u>3,543,311</u>	<u>2,676,386</u>	<u>866,925</u>	<u>1,470,839</u>
<b>Total expenditures</b>	<u>69,068,269</u>	<u>73,409,148</u>	<u>64,868,108</u>	<u>8,541,040</u>	<u>64,444,235</u>
<b>Excess of revenues over expenditures</b>	<u>1,153,034</u>	<u>3,552,814</u>	<u>15,692,345</u>	<u>12,139,531</u>	<u>5,512,345</u>
<b>Other financing sources (uses):</b>					
Transfers to other funds	(1,153,034)	(3,552,814)	(3,427,121)	125,693	(5,498,033)
<b>Total other financing sources (uses)</b>	<u>(1,153,034)</u>	<u>(3,552,814)</u>	<u>(3,427,121)</u>	<u>125,693</u>	<u>(5,498,033)</u>
<b>Net changes in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>12,265,224</u>	<u>\$ 12,265,224</u>	<u>14,312</u>
<b>Fund balance - beginning of year</b>			<u>53,216,286</u>		<u>53,201,974</u>
<b>Fund balance - end of year</b>			<u>\$ 65,481,510</u>		<u>\$ 53,216,286</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**ROAD IMPACT FEE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>	<b>2020</b>
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
Licenses and permits	\$ 4,500,000	\$ 4,500,000	\$ 6,975,153	\$ 2,475,153	\$ 12,251,152
Use of money and property:					
Interest earned	50,000	50,000	86,592	36,592	702,406
<b>Total revenues</b>	<u>4,550,000</u>	<u>4,550,000</u>	<u>7,061,745</u>	<u>2,511,745</u>	<u>12,953,558</u>
<b>Expenditures:</b>					
Current:					
Highways and streets	3,000,000	3,000,000	889,026	2,110,974	1,984,905
Debt Service Fees	-	-	-	-	38,728
Capital outlay	-	-	43,968	(43,968)	99,875
<b>Total expenditures</b>	<u>3,000,000</u>	<u>3,000,000</u>	<u>932,994</u>	<u>2,067,006</u>	<u>2,123,508</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,550,000</u>	<u>1,550,000</u>	<u>6,128,751</u>	<u>4,578,751</u>	<u>10,830,050</u>
<b>Other financing sources (uses):</b>					
Transfers out	(2,710,486)	(2,830,825)	(2,830,454)	371	(4,976,836)
<b>Total other financing sources (uses)</b>	<u>(2,710,486)</u>	<u>(2,830,825)</u>	<u>(2,830,454)</u>	<u>371</u>	<u>(4,976,836)</u>
Net change in fund balances	<u>\$ (1,160,486)</u>	<u>\$ (1,280,825)</u>	3,298,297	<u>\$ 4,579,122</u>	5,853,214
<b>Fund balance - beginning</b>			<u>22,442,977</u>		<u>16,589,763</u>
<b>Fund balance - ending</b>			<u>\$ 25,741,274</u>		<u>\$ 22,442,977</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND (WATER AND SEWER FUND)**  
 JUNE 30, 2021  
 With Comparative Totals as of June 30, 2020

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,484,783	\$ 5,309,690
Cash and cash equivalents-restricted	1,359,786	2,039,298
Investments	28,058,825	23,270,571
Investments-restricted	9,425,201	8,843,144
Receivables (net of allowance for uncollectibles)	16,814,491	19,730,353
Inventory and prepaids	652,056	1,486,412
Total current assets	59,795,142	60,679,468
Noncurrent assets:		
Capital assets (net of accumulated depreciation):		
Land	5,948,524	5,923,524
Construction in progress	131,284,027	69,512,474
Buildings and improvements	15,185,385	16,155,930
Utility plant in service	161,609,779	168,905,093
Machinery and equipment	868,891	1,142,148
Total capital assets (net of accumulated depreciation):	314,896,606	261,639,169
<b>Total assets</b>	<b>374,691,748</b>	<b>322,318,637</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refundings	422,361	533,888
OPEB	1,063,636	1,314,734
Pensions	2,518,485	2,256,226
Total deferred outflows of resources	4,004,482	4,104,848
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	10,246,515	11,264,187
Accrued interest payable	275,457	311,381
Total current liabilities	10,521,972	11,575,568
Long-term liabilities:		
Due within one year	7,581,696	4,948,697
Due in more than one year	122,580,201	81,360,357
Total OPEB liability	2,652,483	2,504,771
Net pension liability	3,426,482	3,340,620
Total long-term liabilities	136,240,862	92,154,445
<b>Total liabilities</b>	<b>146,762,834</b>	<b>103,730,013</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
OPEB	142,688	153,465
Pensions	930,873	590,037
Total deferred inflows of resources	1,073,561	743,502
<b>NET POSITION</b>		
Net investment in capital assets	186,313,737	176,897,094
Restricted-system improvements	10,784,987	10,882,442
Unrestricted	33,761,111	34,170,434
<b>Total net position</b>	<b>\$ 230,859,835</b>	<b>\$ 221,949,970</b>

The accompanying notes are an integral part of the financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND (WATER AND SEWER FUND)**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	<u>2021</u>	<u>2020</u>
<b>Operating revenues:</b>		
Metered water sales	\$ 12,837,908	\$ 11,500,806
Sewer service charges	21,185,908	19,726,163
Reclaimed water sales	155,492	108,355
Other revenues from operations	1,036,436	918,871
<b>Total operating revenues</b>	<u>35,215,744</u>	<u>32,254,195</u>
<b>Operating expenses:</b>		
Water and sewer billing expenses	172,633	172,936
Water distribution expenses	2,883,033	1,146,199
Water plant expenses	6,110,805	6,260,343
Water administration	1,789,569	2,033,865
Sewer administration	3,094,005	2,939,304
General administration	1,406,750	1,464,565
Sewer collection expenses	2,755,929	3,206,696
Sewer plant expenses	4,108,031	3,726,778
Reclaimed water expenses	99,973	109,097
Depreciation	10,303,641	7,443,407
<b>Total operating expenses</b>	<u>32,724,369</u>	<u>28,503,190</u>
<b>Operating income</b>	<u>2,491,375</u>	<u>3,751,005</u>
<b>Nonoperating revenues (expenses):</b>		
Interest income	138,951	1,346,001
Gain (loss) on sale of assets	(12,282)	3,410
Interest expense	(1,036,008)	(1,199,653)
<b>Total nonoperating revenues (expenses)</b>	<u>(909,339)</u>	<u>149,758</u>
<b>Income before contributions and transfers</b>	<u>1,582,036</u>	<u>3,900,763</u>
<b>Contributions and transfers:</b>		
Grants	316,897	-
Impact fees	3,848,308	3,691,563
Capital contributions	7,282	(8,515)
Developer contributions	3,355,342	5,344,750
Transfer from county facilities tax	-	1,285,000
Transfer to debt service fund	(200,000)	(200,000)
Transfer to capital projects fund	-	(720,000)
<b>Total contributions and transfers</b>	<u>7,327,829</u>	<u>9,392,798</u>
<b>Change in net position</b>	<u>8,909,865</u>	<u>13,293,561</u>
<b>Net position, beginning of year</b>	<u>221,949,970</u>	<u>208,656,409</u>
<b>Net position, end of year</b>	<u>\$ 230,859,835</u>	<u>\$ 221,949,970</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND (WATER AND SEWER FUND)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 35,029,930	\$ 33,406,793
Cash paid to employees for services	(4,685,062)	(4,709,981)
Cash paid to suppliers of goods and services	(17,242,934)	(10,370,787)
Net cash operating activities	<u>13,101,934</u>	<u>18,326,025</u>
<b>Cash flows from noncapital financing activities:</b>		
Grants	316,897	-
Transfer to debt service fund	(200,000)	(200,000)
Net cash provided by noncapital financing activities	<u>116,897</u>	<u>(200,000)</u>
<b>Cash flows from capital and related financing activities:</b>		
Purchases of property, plant and equipment	(60,205,736)	(48,507,030)
Contributions from access and tap fees and grant funds	3,855,590	3,683,048
Sales of property, plant and equipment	(12,282)	3,410
Transfer from county facilities tax fund	-	1,285,000
Transfer to capital projects fund	-	(720,000)
Interest paid on long-term debt	(1,132,600)	(1,295,795)
Payments on SRF loan eligible projects not reimbursed	3,101,676	(2,509,917)
Proceeds from issuance of long-term debt	48,647,933	40,184,710
Payments on long-term debt	(4,746,471)	(4,357,931)
Net cash capital and related financing activities	<u>(10,491,890)</u>	<u>(12,234,505)</u>
<b>Cash flows from investing activities:</b>		
Purchases of investments, net	(5,370,311)	(5,100,550)
Interest received from investments	138,951	1,346,001
Net cash investing activities	<u>(5,231,360)</u>	<u>(3,754,549)</u>
Net change in cash and restricted cash	(2,504,419)	2,136,971
<b>Cash and restricted cash, beginning of year</b>	<u>7,348,988</u>	<u>5,212,017</u>
<b>Cash and restricted cash, end of year</b>	<u>\$ 4,844,569</u>	<u>\$ 7,348,988</u>
<b>Cash and cash equivalents consist of:</b>		
Unrestricted cash and cash equivalents	\$ 3,484,783	\$ 5,309,690
Restricted cash and cash equivalents	1,359,786	2,039,298
<b>Total cash and cash equivalents</b>	<u>\$ 4,844,569</u>	<u>\$ 7,348,988</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF CASH FLOWS (Cont.)**  
**PROPRIETARY FUND (WATER AND SEWER FUND)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	<b>2021</b>	<b>2020</b>
<b>Reconciliation of operating income to net cash provided by operations:</b>		
Operating income	\$ 2,491,375	\$ 3,751,005
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	10,303,641	7,443,407
Net pension liability and related amounts	164,439	178,710
OPEB and related amounts	388,033	367,112
Change in:		
Accounts receivable-operating	(185,814)	1,152,598
Inventory	834,356	(1,101,277)
Compensated absences	123,576	161,647
Accounts payable	(1,017,672)	6,372,823
Net cash provided by operating activities	\$ 13,101,934	\$ 18,326,025
 <b>Supplemental schedule of non-cash capital and related financing activities:</b>		
Capital assets added as developer contributions	\$ 3,355,342	\$ 5,344,750

The accompanying notes are an integral part of the financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**DECEMBER 31, 2020**  
**With Comparative Totals as of December 31, 2019**

	<b>Franklin Employees' Pension Plan</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and equivalents	\$ 2,270,317	\$ 2,330,907
Total cash and equivalents	2,270,317	2,330,907
Investments:		
Domestic fixed income securities	42,002,450	37,189,356
Domestic equities	54,677,142	48,487,389
International equities	24,039,138	21,183,810
Real estate	11,094,987	9,650,403
Timber	2,720,725	4,483,922
Total investments	134,534,442	120,994,880
<b>Total assets</b>	136,804,759	123,325,787
 <b>NET POSITION RESTRICTED FOR PENSIONS</b>	 \$ 136,804,759	 \$ 123,325,787

Franklin Employees' Pension Plan as of December 31, 2020.  
This pension was closed to new hires after December 16, 2016.

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Franklin Employees' Pension Plan</b>	<b>2019</b>
<b>Additions:</b>		
Contributions:		
Employer contributions	\$ 5,061,105	\$ 5,988,709
Employee contributions	688,835	702,598
Total contributions	<u>5,749,940</u>	<u>6,691,307</u>
Investment income:		
Net appreciation in fair value of investments	14,134,655	18,743,979
Total investment income	<u>14,134,655</u>	<u>18,743,979</u>
<b>Total additions</b>	<u>19,884,595</u>	<u>25,435,286</u>
<b>Deductions:</b>		
Pension benefits	6,289,974	6,812,691
Administration expense	<u>115,649</u>	<u>142,565</u>
<b>Total deductions</b>	<u>6,405,623</u>	<u>6,955,256</u>
<b>Net increase in fiduciary net position</b>	13,478,972	18,480,030
<b>Net position restricted for pension benefits - beginning</b>	<u>123,325,787</u>	<u>104,845,757</u>
<b>Net position restricted for pension benefits - ending</b>	<u>\$ 136,804,759</u>	<u>\$ 123,325,787</u>

Franklin Employees' Pension Plan as of December 31, 2020.  
This pension plan was closed to new hires after December 16, 2016.



**CITY OF FRANKLIN, TENNESSEE**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Reporting entity**

The City of Franklin, Tennessee (the “City”) was incorporated in 1799. The City operates under a mayor-alderman form of government. The City provides the following services: public safety, streets, sanitation, parks, planning, codes, and water and sewer services. As required by U.S. generally accepted accounting principles, these financial statements present all funds, which comprise the City.

The accompanying financial statements present the government and component units, if any. Component units are entities for which the government is considered financially accountable. Component units, although legally separate entities, are required to be presented in the government’s financial statements using either a “blended” or “discrete” presentation. Based on the City’s analysis as of June 30, 2021, the City had no component units that were required to be included in these financial statements.

*Joint Operation of the Cool Springs Conference Center:* In June 1999, the City completed construction of the Conference Center at Cool Springs (Conference Center), which operates a conference center facility. An Interlocal Agreement executed between the City and Williamson County, Tennessee (the Parties) provides for equal ownership by each of the Parties of a one-half undivided interest in the Conference Center and further specifies that each of the Parties shall be entitled to one-half of the net revenue and shall be responsible for one-half of all costs and expenses of the operation and maintenance of the Conference Center. The City’s undivided interest in the investment in the Conference Center facility totaled \$5,243,394 at June 30, 2021, and is accounted for as a joint venture asset of the City. The City’s one-half interest in Conference Center operations is presented with governmental activities in the statements of net position and activities. Complete financial statements for the Conference Center may be obtained from the Department of Finance at City Hall.

*Franklin Housing Authority:* The City’s officials are also responsible for appointing the members of the board of the Franklin Housing Authority; however, the City does not provide funding, has no obligation for the debt issued by the Authority, and cannot impose its will upon the operations of the Authority.

*Franklin Industrial Development Board:* The City, through the Industrial Development Board, has in the past authorized issuance of various Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition of industrial and commercial facilities deemed to be in the public interest. The activities of the Board related solely to the issuance of such bonds. The bonds are secured by the property financed and payable solely from payments received on the underlying mortgage loans. Neither the City, State, nor any political subdivision thereof is obligated in any manner for repayment of bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Also, the Board’s action do not require the substantive approval of the City.

In accordance with GASB Statement No. 61, “The Financial Reporting Entity,” the Franklin Housing Authority and Franklin Industrial Development Board are not shown in the City’s financials as a component unit.

### **B. Description of government-wide financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

### **C. Basis of presentation - government-wide financial statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government’s enterprise fund. Separate financial statements are provided for governmental funds, the proprietary fund, and the fiduciary fund, even though the latter are excluded from the government-wide financial statements.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 JUNE 30, 2021

The government-wide financial statements, the statement of net position and the statement of activities, report information on all of the nonfiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position presents the City's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets. Debt that was issued for capital purposes is not a part of the calculation of net investment in capital assets, until the proceeds have been used to acquire capital assets.

*Restricted net position* results from restriction placed on net position by external sources such as creditors, grantors and contributors, or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* consist of net position which do not meet the definition of the two preceding categories.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and certain charges between the government's utility divisions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**D. Basis of presentation - fund financial statements**

The fund financial statements provide information about the government's funds, including its fiduciary fund. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and the major individual enterprise fund, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental and the major enterprise fund are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Multi-Purpose Capital Project Fund* was established to account for the various capital projects of the City.

The *Road Impact Fee Fund* was established to account for the proceeds of road impact fees on new development and the expenditures of such monies as required by City Ordinance 88-13.

The *Debt Service Fund* was established to service the general obligation debt of the City through interfund transfers and property tax collections.

The City reports the following major proprietary fund:

The *Water and Sewer Fund* accounts for the water, sewer, and reclaimed water services provided to customers of the system.

**CITY OF FRANKLIN, TENNESSEE**  
NOTES TO THE FINANCIAL STATEMENTS  
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Additionally, the City reports the following fiduciary fund type:

The *City of Franklin Employees' Pension Fund* accounts for the activities of the closed pension plan maintained for employees of the City hired prior to January 1, 2017, which accumulates resources for pension payments to qualified employees.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e. the governmental funds) are eliminated so that only the net amount, when applicable, is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the fund included in governmental activities are eliminated so only the net amount is included as transfers in the governmental activities column.

The City charges health and dental expenditures to the General Expenses department within the General Fund. The City then allocates the costs based on enrollment in these benefits to each fund and department using that year's established Cobra rate, which is an estimate of administrative and claims costs per person. If actual costs are higher than the Cobra rate charges to the departments, then a normal positive balance in General Expenses results. If actual costs are less than the Cobra rate, the General Expenses department within the General Fund may show a negative expenditure balance.

**E. Measurement focus and basis of accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within sixty days (60) of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and certain employee benefits, and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales tax, franchise fees, state shared revenue, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the government.

The proprietary and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
JUNE 30, 2021

**F. Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, the Special Revenue Funds, and Debt Service Fund. The Board of Mayor and Aldermen approves and appropriates the budgets for these funds annually. All annual appropriations lapse at fiscal year-end.

As an extension of the formal budgetary process, the Board of Mayor and Aldermen may transfer or appropriate additional funds for expenditures not anticipated at the time of budget adoption. The City's policy is to not allow expenditures to exceed budgetary amounts at the total fund expenditure level without obtaining additional appropriation approval from the Board.

**G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

**1. Cash and cash equivalents**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**2. Investments**

State statutes authorize the City to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations guaranteed by the U.S. government or its agencies, repurchase agreements, and the State's investment pool. Pension Fund investments also include various domestic and international equities, private equity funds, fixed income and mutual funds, and funds invested in real estate and timberlands.

Investments for the City are reported at fair value; securities traded on a national or international exchange are valued primarily at quoted market prices. Pension fund investments that are not exchange-traded are recorded at estimated fair values provided by the investment fund managers and other value per share information. See Note 3 B.

**3. Inventories and prepaid items**

Inventories are valued at cost in the governmental activities and in the business-type activities using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased (consumption method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**4. Capital assets**

Capital assets, including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$25,000 if non-infrastructure and \$100,000 or more if infrastructure and an estimated useful life in excess of three years. Donated capital assets, donated works of art and similar items, and any capital assets received in service concession arrangements are reported at acquisition value.

The costs of normal maintenance and repairs that do not add to the value or materially extend the useful life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

Capital assets of the City are depreciated using the straight-line method over the following useful lives:

Infrastructure	50 years
Buildings and improvements	25 - 50 years
Distribution systems	10 - 50 years
Equipment	3 - 10 years
Furniture and fixtures	3 - 10 years

**5. *Deferred outflows/inflows of resources***

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category: (1) deferred charge on bond refundings resulting from the difference in the carrying amount of refunded debt and its requisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt; (2) deferred outflows of resources relating to pensions resulting from differences between expected and actual actuarial experience, certain changes in actuarial assumptions, differences between actual and expected investment earnings, and amounts of employer contributions to the pension plan made subsequent to the measurement date; (3) deferred outflows of resources relating to OPEB resulting from differences between expected and actuarial experience and certain changes in actuarial assumptions.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items of this type that qualify for reporting on the statement of net position: (1) property taxes levied on January 1, 2021, will not be available for collection until fiscal year 2022, beginning October 2021; (2) A second item, which arises only under a modified accrual basis of accounting, qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from uncollected property taxes (including penalties and interest), franchise fees, hotel/motel taxes, court fines, and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows of resources related to pensions and OPEB.

**6. *Net position flow assumption***

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**7. *Fund balance flow assumptions***

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**8. *Fund balance policies***

In accordance with GASB Statement No. 54, the governmental funds report fund balances in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories of fund balance are as follows:

**CITY OF FRANKLIN, TENNESSEE**  
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*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted* - Fund balance is reported as restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed* - Amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the Board of Mayor and Alderman level of decision-making authority, are reported as committed fund balance. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. These commitments are provided for in accordance with the "Utilization and Replacement of Funds from Certain Reserve Accounts" policy approved by the Board of Mayor and Aldermen on August 28, 2012. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Assigned* - Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance. Amounts that can only be used for specific purposes pursuant to constraints imposed by resolution of the Board of Mayor and Alderman or where the Board of Mayor and Aldermen have authorized the City Administrator to assign fund balance up to certain amounts. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other governmental funds, if expenditures incurred for specific purposes have exceeded the amounts restricted, committed, or assigned to those purposes, those amounts are reported as a negative unassigned fund balance.

## **H. Revenues and expenditures/expenses**

### **1. Program revenues**

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

### **2. Property taxes**

Property taxes are levied annually on January 1 for all real and personal property located in the City's legal boundaries. The taxes are due and payable from the following October through February in the year succeeding the tax levy. An unperfected lien attaches by statute to property on March 1 for unpaid taxes from the prior year's levy. Taxes uncollected by April 1, the year after due may be submitted to the Chancery Court for collection. Tax liens become perfected at the time the court enters judgment.

Assessed values are established by the State of Tennessee at the following rates of assessed market value:

Public utility property	55%
Industrial and commercial property	
Real	40%
Personal	30%
Farm and residential property	25%

For fiscal year 2021, taxes were levied at a rate of .4176 per \$100 of assessed valuation.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. *Compensated absences***

City policy provides for the accumulation of unused vacation days equal to those earned in the current year. It also provides for the accumulation of sick days. No amounts of sick leave are vested in the event of employee termination; however, the employee is entitled to payment for unused sick leave upon retirement up to a maximum of 120 days.

All annual leave is accrued when incurred in the government-wide and proprietary fund (Water and Sewer) financial statements. A liability for these amounts is reported in the governmental funds (specifically General, Sanitation, and Stormwater) only if amounts are actually due to employees as a result of termination and/or retirement.

**4. *Proprietary fund operating and nonoperating revenues and expenses***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the various utility funds are charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**5. *Bond premiums and discounts***

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issue costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**I. *Estimates***

The preparation of the City's Annual Comprehensive Financial Report (ACFR) in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**J. *Recent accounting pronouncements***

The City has adopted the accounting and reporting requirements of GASB Statement No. 84, *Fiduciary Activities*, which is effective for the fiscal period ending December 31, 2020 (fiscal year 2021 for the City). This Statement improves financial reporting by establishing criteria for activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report fiduciary activities.

The City has adopted the accounting and reporting requirements of GASB Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*, which is effective for the fiscal period ending December 31, 2020 (fiscal year 2021 for the City). This Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

The following are additional accounting pronouncements which, to the extent applicable, pose consideration for the City. Management is currently in the process of determining the impact of these Statements to the City's financial statements.

The GASB issued Statement No. 87, *Leases*, which has certain provisions effective for fiscal period that ends June 30, 2022 (fiscal year 2022 for the City). This Statement improves accounting and financial reporting by requiring reporting

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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of certain lease liabilities that currently are not reported, requiring lessees and lessors to report leases under a single model, and requiring notes related to the timing, significance, and purpose of leasing arrangements.

The GASB issued statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which has certain provisions effective for the fiscal period that ends December 31, 2021 (fiscal year 2022 for the City). This Statement establishes accounting requirements for interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

The GASB issued statement No. 92, *Omnibus 2020*, which has certain provisions for the fiscal period that ends June 30, 2022 (fiscal year 2022 for the City). This Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature.

The GASB issued statement No. 93, *Replacement of Interbank Offered Rates*, which has certain provisions in paragraph 11b for the fiscal period that ends December 31, 2021 (fiscal year 2022 for the City) and provisions in paragraph 13 and 14 for the fiscal period that ends June 30, 2022 (fiscal year 2022 for the City). This Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature.

The GASB issued statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, which has certain provisions for the fiscal period that ends June 30, 2022 (fiscal year 2022 for the City). This Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans.

The GASB issued statement No. 91, *Conduit Debt Obligations*, which has certain provisions for the fiscal period that ends December 31, 2022 (fiscal year 2023 for the City). This Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice.

The GASB issued statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which has certain provisions for the fiscal period that ends June 30, 2023 (fiscal year 2023 for the City.) This Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions.

The GASB issued statement No. 96, *Subscription-Based Information Technology Arrangements*, which has certain provisions for the fiscal period that ends June 30, 2023 (fiscal year 2023 for the City). This Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition.



**CITY OF FRANKLIN, TENNESSEE**  
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**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budget information**

Budgeted amounts in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual are those originally adopted as well as the final budget which reflects amendments by the Board of Mayor and Aldermen. The budget is prepared on a basis consistent with GAAP. Total expenditures may not exceed the total amount appropriated in the budget ordinance. Any revisions that alter the total appropriations must be approved through the passage of an ordinance by the Board. All appropriations lapse at year end.

**NOTE 3 - DETAILED NOTE ON ALL ACTIVITIES AND FUNDS**

**A. Cash Deposits with Financial Institutions**

The City's policies limit deposits to those instruments allowed by applicable state laws as described above. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance, by the Tennessee Bank Collateral Pool, by collateral held by the City's agent in the City's name, or by the Federal Reserve Banks acting as third-party agents. As of June 30, 2021, all bank deposits were fully collateralized or insured.

**B. Investments**

The City is authorized to invest funds in, among other things, financial institutions, and direct obligations of the Federal Government. During 2021, the City, except for the Pension Fund, invested in certificates of deposit, money market accounts, and government sponsored agency securities. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets in active markets that can be accessed at the measurement date (Level 1) and the lowest priority to observable inputs (Level 3). The three levels of the fair value hierarchy under GASB 72 are described as follows:

- *Level 1* – Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- *Level 2* – Inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability like interest rates and yield curves observable at commonly quoted intervals, implied volatilities, or credit spreads; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified term, the level 2 must be observable for substantially the full term of the asset or liability.
- *Level 3* – Inputs are unobservable and significant to the fair value measurement.

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As of June 30, 2021, the City had the following investments measured at fair value per GASB Statement 72 and the noted weighted average maturities:

	<u>Fair Value Measurements Using</u>				<b>Weighted Average Maturity (Years)</b>
	<b>6/30/2021</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	
<b>Investments by fair value level</b>					
Certificates of Deposit	\$ 4,500,000	\$ 4,500,000	\$ -	\$ -	1.09
Money Market Accounts	1,049,720	1,049,720	-	-	-
Debt securities					
U.S. Treasury securities	46,396,679	46,396,679	-	-	1.61
Federal Home Loan Bank	19,508,795	-	19,508,795	-	0.41
Federal Home Loan Mortgage Corp.	11,938,513	-	11,938,513	-	1.72
Federal National Mortgage Association	12,282,989	-	12,282,989	-	1.93
Federal Farm Credit Bank	35,915,271	-	35,915,271	-	1.04
<b>Total Investments at Fair Value</b>	<u>\$ 131,591,967</u>	<u>\$ 51,946,399</u>	<u>\$ 79,645,568</u>	<u>\$ -</u>	
<b>Portfolio Weighted Avg. Maturity</b>					<u>1.28</u>

The certificates of deposit and money market accounts are in banks covered by the State collateral pool or under FDIC. All federal securities, guaranteed by or linked to the U.S. government, are rated Aaa by Moody's and AA+ by Standard & Poor's. (Treasury securities and Federal Home Loan Mortgage Company also have a AAA rating from Fitch). As of June 30, 2021, the investments that constituted a concentration risk due to the investments exceeding 5% of the portfolio balance were the U.S. Treasury Securities, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Federal Farm Credit Bank.

*Interest Rate Risk:* Investments held for longer periods are subject to increased risk for adverse interest rate changes. City policy provides that to the extent practicable, investments are matched with anticipated cash flows. Typically, certificates of deposit are issued for periods less than one year and investments in the Local Government Investment Pool are available daily. At June 30, 2021, investments of the City had weighted average maturities as noted above.

*Credit Risk:* The City's general investment policy is derived from the model investment policy created by the Government Finance Officers Association. Its general objectives are safety, liquidity, and yield and its standard of care to be used by investment officials is formulated around the prudent-person rule: investments are made as a prudent person should be expected to make, with discretion and intelligence, to produce reasonable income, preserve capital and, in general, avoid speculative investments.

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As of December 31, 2020, the City of Franklin Employees' Pension Plan (closed plan) had the following investments measured at fair value per GASB Statement 72:

	12/31/2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
<b>Local managed investments</b>				
Cash and equivalents <sup>1</sup>	\$ 817,402	\$ 817,402	\$ -	\$ -
	<u>817,402</u>			
<b>State managed investments (TCRS)</b>				
Cash and equivalents <sup>2</sup>	\$ 1,452,915	1,452,915	-	-
Domestic fixed income <sup>2</sup>	42,002,450	-	42,002,450	-
Domestic equities <sup>2 3</sup>	54,677,142	54,677,142	-	-
International equity <sup>2</sup>	24,039,138	-	24,039,138	-
	<u>122,171,645</u>			
<b>Total investments at fair value level</b>	<u>122,989,047</u>	<u>\$ 56,947,459</u>	<u>\$ 66,041,588</u>	<u>\$ -</u>
<b>Investments measured at the net asset value (NAV)</b>				
<b>State managed investments (TCRS)</b>				
Real estate funds <sup>2</sup>	11,094,987			
Timber funds <sup>2 4</sup>	2,720,725			
<b>Total investments at the NAV</b>	<u>13,815,712</u>			
<b>Total investments measured at fair value</b>	<u>\$ 136,804,759</u>			

<sup>1</sup> Invested in First American prime obligation fund, class z

<sup>2</sup> Investments managed per agreement with the State by Tennessee Consolidated Retirements System (TCRS) money managers.

<sup>3</sup> Landmark private equity and Hamilton private equity changed to State managed during 2019.

<sup>4</sup> RMK timber fund II, RMS forest fund III, and FIA timber changed to State managed during 2019.

Allocation for state managed investments was developed from TCRS Asset Allocation Analysis Report for period ending December 31, 2020.

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Pension plan investments available for sale include short-term investments, domestic corporate stock, foreign stock, private equity funds, mutual funds, investments in timberland and real estate funds, bond funds and other investments. See additional information in Note 3 F. The pension policy does not include reference to credit risk, interest rate risk, concentration risk, or foreign currency risk.

Debt and equity securities classified in Level 1 of the fair value hierarchies above are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 are generally valued using pricing techniques based on the securities relationship to the benchmark quoted prices. The fair values of real estate and timber funds has been determined using the NAV per share (or its equivalent) of the ownership interest in capital. Distributions from each fund will be received as the underlying assets of the fund are liquidated. Derivative instruments classified in Level 2 are valued using a market approach that considers benchmark interest rates.

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**C. Receivables**

Property tax receivables are shown net of an allowance for uncollectibles. The allowance is recorded based on the history of collections. Court fines receivable are also shown net of an allowance for uncollectibles. The allowance is recorded based on management's estimate of what portion of the outstanding receivable will be collected in the future.

The allowances for uncollectible customer accounts recorded in the Water and Sewer proprietary fund are based on history of uncollectible accounts and management's analysis of current accounts. Bad debts in the proprietary fund are recorded by the direct write-off method.

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general, multi-purpose capital project, debt service, and the nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts:

	<b>General Fund</b>	<b>Multi-Purpose Capital Project Fund</b>	<b>Road Impact Fee Fund</b>	<b>Debt Service Fund</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Receivables:</b>						
Accounts	\$ 1,266,501	\$ 33,812	\$ -	\$ -	\$ 3,101,501	\$ 4,401,814
Property taxes	10,983,837	-	-	12,029,589	1,095,591	24,109,017
Due from IDB	2,304,427	-	-	-	-	2,304,427
Local option sales tax	8,939,274	-	-	-	-	8,939,274
Special assessments	53,762	-	-	-	-	53,762
Due from county	94,949	-	-	-	-	94,949
State shared revenue	3,011,104	-	-	-	544,969	3,556,073
Grants	545,420	167,891	-	-	364,998	1,078,309
Fines	829,110	-	-	-	-	829,110
Interest	71,993	105,990	70,477	2,566	91,025	342,051
<b>Gross receivables</b>	<b>28,100,377</b>	<b>307,693</b>	<b>70,477</b>	<b>12,032,155</b>	<b>5,198,084</b>	<b>45,708,786</b>
Less: Allowance for uncollectibles	(732,000)	-	-	-	-	(732,000)
<b>Net receivables</b>	<b>\$ 27,368,377</b>	<b>\$ 307,693</b>	<b>\$ 70,477</b>	<b>\$ 12,032,155</b>	<b>\$ 5,198,084</b>	<b>\$ 44,976,786</b>

Receivables in the Water and Sewer Fund at June 30, 2021 represent accounts due from customers for services provided, special assessments, due from the state for SRF loan reimbursements, and interest income. The receivables are presented net of an allowance of \$1,009,747.

<b>Receivables</b>	
Customers	\$ 6,737,599
Special assessments	91,989
Due from State (SRF Loans)	10,876,965
Interest	117,685
<b>Gross receivables</b>	<b>17,824,238</b>
Less: Allowance for uncollectibles	(1,009,747)
<b>Net receivables</b>	<b>\$ 16,814,491</b>

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, various components of unearned revenue reported in the governmental funds were as follows:

	<b>Unearned</b>
Confiscated funds	\$ 110,644
Tree bank reserve	348,778
Sidewalk reserve	174,375
Affordable housing reserves	284,552
Sponsorship reserve	22,975
American Rescue Plan Act proceeds	4,626,921
<b>Total unearned revenue for fund financial statements</b>	<b>\$ 5,568,245</b>

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**D. Capital Assets**

Capital asset activity for the year ended June 30, 2021 was as follows:

	<b>Balance</b>			<b>Disposals and</b>	<b>Balance</b>
	<b>June 30, 2020</b>	<b>Reclassifications</b>	<b>Additions</b>	<b>Adjustments</b>	<b>June 30, 2021</b>
<b>Governmental activities:</b>					
<b>Capital assets, not being depreciated:</b>					
Land	\$ 60,569,402	\$ -	\$ 1,033,491	\$ -	\$ 61,602,893
Construction in process-non-infrastructure	15,423,746	(538,249)	5,248,466	-	20,133,963
Construction in process-infrastructure	17,433,975	-	6,137,736	-	23,571,711
<b>Total capital assets, not being depreciated</b>	<b>93,427,123</b>	<b>(538,249)</b>	<b>12,419,693</b>	<b>-</b>	<b>105,308,567</b>
<b>Capital assets, being depreciated:</b>					
Buildings and improvements	74,565,195	-	-	-	74,565,195
Improvements other than buildings	27,799,472	538,249	-	-	28,337,721
Machinery and equipment	69,771,563	-	3,552,965	292,215	73,032,313
Infrastructure	730,979,113	-	26,074,678	723,183	756,330,608
<b>Total capital assets, being depreciated</b>	<b>903,115,343</b>	<b>538,249</b>	<b>29,627,643</b>	<b>1,015,398</b>	<b>932,265,837</b>
<b>Accumulated depreciation:</b>					
Buildings and improvements	20,890,380	-	1,460,898	-	22,351,278
Improvements other than buildings	15,122,582	-	1,373,169	-	16,495,751
Machinery and equipment	48,188,445	-	4,554,929	182,634	52,560,740
Infrastructure	207,521,777	-	14,820,118	7,232	222,334,663
<b>Total accumulated depreciation</b>	<b>291,723,184</b>	<b>-</b>	<b>22,209,114</b>	<b>189,866</b>	<b>313,742,432</b>
<b>Total capital assets being depreciated, net</b>	<b>611,392,159</b>	<b>538,249</b>	<b>7,418,529</b>	<b>825,532</b>	<b>618,523,405</b>
<b>Total governmental activities capital assets, net</b>	<b>704,819,282</b>	<b>-</b>	<b>19,838,222</b>	<b>825,532</b>	<b>723,831,972</b>
<b>Business-type activities:</b>					
<b>Capital assets, not being depreciated:</b>					
Land	5,923,524	-	25,000	-	5,948,524
Construction in process	69,512,474	(30,082)	61,801,635	-	131,284,027
<b>Total capital assets, not being depreciated</b>	<b>75,435,998</b>	<b>(30,082)</b>	<b>61,826,635</b>	<b>-</b>	<b>137,232,551</b>
<b>Capital assets, being depreciated:</b>					
Buildings and improvements	28,175,100	-	-	-	28,175,100
Utility plant in service	259,837,303	30,082	1,532,050	-	261,399,435
Machinery and equipment	6,234,628	-	214,675	40,940	6,408,363
<b>Total capital assets, being depreciated</b>	<b>294,247,031</b>	<b>30,082</b>	<b>1,746,725</b>	<b>40,940</b>	<b>295,982,898</b>
<b>Accumulated depreciation:</b>					
Buildings and improvements	12,019,169	-	970,545	-	12,989,714
Utility plant in service	90,932,211	-	8,857,446	-	99,789,657
Machinery and equipment	5,092,480	-	475,650	28,658	5,539,472
<b>Total accumulated depreciation</b>	<b>108,043,860</b>	<b>-</b>	<b>10,303,641</b>	<b>28,658</b>	<b>118,318,843</b>
<b>Total capital assets being depreciated, net</b>	<b>186,203,171</b>	<b>30,082</b>	<b>(8,556,916)</b>	<b>12,282</b>	<b>177,664,055</b>
<b>Business-type activities capital assets, net</b>	<b>261,639,169</b>	<b>-</b>	<b>53,269,719</b>	<b>12,282</b>	<b>314,896,606</b>
<b>Total capital assets, net</b>	<b>\$ 966,458,451</b>	<b>\$ -</b>	<b>\$ 73,107,941</b>	<b>\$ 837,814</b>	<b>\$ 1,038,728,578</b>

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Depreciation expense was charged to functions/programs of the primary government for the year ended June 30, 2021, as follows:

<b>Governmental activities:</b>	
Project & facilities management	\$ 44,960
Building and neighborhood services	12,660
Information and technology	713,589
Traffic operations center	219,192
Human resources	49,076
Police department	1,522,999
Fire department	1,254,753
Highways and streets	15,154,149
Fleet management	2,959
Parks	1,495,752
General government	128,327
Sanitation	1,219,890
Stormwater	244,960
Transit	145,848
<b>Total depreciation expense - governmental activities</b>	<u>22,209,114</u>
<b>Business-type activities:</b>	
Water and sewer	10,303,641
<b>Total depreciation expense</b>	<u><u>\$ 32,512,755</u></u>

#### E. Accrued Liabilities

Accrued liabilities reported by governmental funds at June 30, 2021, were as follows:

Accrued employee payroll	\$ 1,953,296
Accrued employee insurance claims	1,665,646
Total accrued liabilities	<u><u>\$ 3,618,942</u></u>

#### F. Pension Plan

The City of Franklin participates in two (2) pension plans: The City of Franklin Employees' Pension Plan and Trust (the closed plan) and the Tennessee Consolidated Retirement System (TCRS plan). The Employees' Pension plan was closed to new employees effective December 31, 2016. All new hires beginning January 1, 2017 are enrolled in the Tennessee Consolidated Retirement System (TCRS), a multiple employer defined benefit pension plan administered by the State of Tennessee Department of the Treasury.

#### Summary of Significant Accounting Policies

*Pensions.* For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the closed plan in the Fiduciary Pension Funds and the TCRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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**City of Franklin Employees' Pension Plan and Trust (closed plan)**

**General Information about the City of Franklin Employees' Pension Plan**

*Plan Description.* The City of Franklin administers the City of Franklin Employees' Pension Plan and Trust, a single employer defined benefit pension plan. The assets of the Plan are held for investment and may be used only for the payment of benefits to members of the Plan. The Plan's year ends on December 31. It was deemed impractical to report the financial activity of the Plan as of and for the year ended June 30, 2021. Accordingly, all financial statement information regarding the Plan is as of December 31, 2020 and the year then ended. Section 4-204(2)(p) of the City's Charter assigns the Human Resources Director the responsibility to administer the pension program under the direction of the City Administrator. All of the benefits and provisions of the Plan are at the discretion of the Board of Mayor and Aldermen consistent with the laws of Tennessee and the Federal government. The following is a general description of the Plan; refer to the Plan document for further details. The Plan is operated under the direction of the Employee Pension Committee, which consists of the following seven members: City Mayor, Alderman, Employee Representatives (2), Citizens (2), and Human Resources Director. The financial statements of the plan are presented solely in this Annual Comprehensive Financial Report of the City; there are no separate financial statements issued for the plan. Administrative costs are paid from the pension fund as shown on page 44.

*Benefits provided.* The Plan is a single-employer defined benefit pension plan that covers the full time employees (who work 30 hours or more per week and are employed for 1 year) of the City including all departments, except for certain department heads who may opt out of the Plan. For employees hired after February 15, 2010, employees must make an election to participate in the Plan. The Plan provides retirement, termination, and death benefits to plan members and beneficiaries. Cost-of-living adjustments (COLA) to plan members and beneficiaries in receipt of monthly benefits are provided at the discretion of the Board of Mayor and Aldermen.

Normal retirement occurs at age 65 and completion of five years of Plan participation. With respect to employees hired before July 1, 2006, normal retirement occurs when they complete 25 years of service. The normal retirement benefit is based on a percentage of average compensation, as defined by the Plan, multiplied by the years of credited service. The Plan also has provisions for early, late, and disabled retirement, with related adjustments to the benefits provided. Participants are vested in their accrued benefits after completing five years of credited service. The plan allows for cash balance accounts equal to the pre- and post-tax employee contributions, discretionary City contributions and interest credits. Employees are 100% vested in the cash balance accounts at all times.

*Employees covered by benefit terms.* Membership of the Plan consisted of the following at January 1, 2021, the date of the latest actuarial valuation:

<b>Inactive plan participants:</b>	
Retiree participants and beneficiaries	258
Terminated employees entitled to deferred benefits	184
Disabled participants	<u>3</u>
Inactive plan participants total	<u>445</u>
<b>Active plan participants:</b>	
Vested	413
Nonvested	<u>25</u>
Active plan participants total	<u>438</u>
<b>Total participants</b>	<u><u>883</u></u>

*Contributions.* For employees hired before February 15, 2010, the City of Franklin Employees' Pension Plan is funded entirely by the City of Franklin; employees are not required to contribute to the Plan.

Plan members hired February 15, 2010 through December 31, 2016 are required to contribute 5% of their compensation to participate in the Plan. (These employees hired on or after February 15, 2010, may select the City of Franklin 2010 Defined Contribution Plan which also requires a 5% contribution but includes a 5% employer match. An additional 3% may be contributed that would be matched by the City). The Plan changes for employees hired on or after February 15, 2010 were due to a freeze on admittance to the prior non-contributory Pension Plan approved in January 2010. This



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approval was due to actuarial reports that showed that the Plan was underfunded and would require substantial increases in annual contributions for many years in order to bring the Plan to a fully funded level.

The City has established an informal policy to annually contribute an actuarial determined amount in four (4) quarterly installments on approximately the first day of each quarter during the fiscal year based on the previous January 1 actuarial valuation. The Plan has no long-term contracts for contributions to the Plan and no legally required reserves.

All employees hired beginning January 1, 2017 are enrolled in the TCRS defined benefit plan.

**Net Pension Liability (Asset)**

The City's net pension liability was measured as of January 1, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions.* The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0%
Salary increases	Prior year, 4% annual increase. Beginning December 31, 2018, based on age (age 25, 7.5%, Age 30, 7.0%, Age 35, 6.0%, Age 40, 5%, Age 45, 4.5%, Age 50, 4%, Age 55, 3.5%, and Ages 60+. 3%).
Investment rate of return	Prior year, 7.2%. Beginning December 31, 2020, 7.1%.
Cost of living adjustment	2.5%

Mortality rates were based on 105% for the RP-2014 Healthy Annuitants and Non-Annuitants, Blue Collar Mortality Tables, adjusted back to 2006, separate for males and females.

The actuarial assumptions used in the January 1, 2021 valuation were based on a limited update of an actuarial experience study for the 10-year period ending December 31, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

During 2019, domestic equity and timber investments changed to state managed. The only investments remaining as locally managed is short term securities being held for pension payments and fees.

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
Short term securities	0.0%	<u>0%</u>
Total		<u><u>0%</u></u>

For closed pension investments managed by TCRS, the target allocation and long-term expected return would be the same as the TCRS pension plan. For the year ended December 31, 2020, the annual money-weighted rate of return based on monthly cash flows on pension investments, net of pension plan investment expense, was 11.3%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for changing amounts actually invested. Further information can be found on page 85.

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*Discount rate.* The discount rate used to measure the total pension liability was 7.1%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability**

	<b>Total Pension Liability (a)</b>	<b>Increase (Decrease) Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at 1/1/2020</b>	\$ 151,162,490	\$ 123,325,787	\$ 27,836,703
<b>Changes for year:</b>			
Service cost	2,344,647	-	2,344,647
Interest	10,650,805	-	10,650,805
Differences between expected and actual experience	5,262,761	-	5,262,761
Changes of assumptions	1,853,652	-	1,853,652
Contributions - employer	-	688,835	(688,835)
Contributions - employee	293,738	5,061,105	(4,767,367)
Net investment income	-	14,134,655	(14,134,655)
Benefit payments, including refunds of employee contributions	(6,289,974)	(6,289,974)	-
Administrative expense	-	(115,649)	115,649
<b>Net changes</b>	<u>14,115,629</u>	<u>13,478,972</u>	<u>636,657</u>
<b>Balances at 12/31/2020</b>	<u>\$ 165,278,119</u>	<u>\$ 136,804,759</u>	<u>\$ 28,473,360</u>

**Tennessee Consolidated Retirement System (TCRS)**

**General Information about the Pension Plan**

*Plan description.* Employees of City of Franklin hired January 1, 2017 and thereafter are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

*Benefits provided.* Tennessee Code Annotated, Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for non-service-related disability eligibility. The service related and non-service-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to July 2 of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if

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the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*Employees covered by benefit terms.* At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees entitled to but not yet receiving benefits	61
Active employees	<u>190</u>
Total employees	<u><u>251</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. City of Franklin makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2021, the employer contributions for City of Franklin were \$480,423 based on a rate of 6.05 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept City of Franklin's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Net Pension Liability (Asset)**

*Pension liabilities (assets).* City of Franklin's net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial assumptions.* The total pension liability as of June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.72 percent to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-living adjustment	2.25 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best- estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. Equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from City of Franklin will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability (Asset)**

	<b>Total Pension Liability (a)</b>	<b>Increase (Decrease) Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at June 30, 2019</b>	\$ 1,005,120	\$ 1,003,317	\$ 1,803
<b>Changes for year:</b>			
Service cost	653,668	-	653,668
Interest	119,330	-	119,330
Differences between expected and actual experience	282,980	-	282,980
Changes of assumptions	-	-	-
Contributions - employer	-	498,785	(498,785)
Contributions - employee	-	422,700	(422,700)
Net investment income	-	71,587	(71,587)
Benefit payments, including refunds of employee contributions	(25,724)	(25,724)	-
Administrative expense	-	(15,947)	15,947
<b>Net changes</b>	<u>1,030,254</u>	<u>951,401</u>	<u>78,853</u>
<b>Balances at June 30, 2020</b>	<u>\$ 2,035,374</u>	<u>\$ 1,954,718</u>	<u>\$ 80,656</u>

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The City reports for the plans the following net pension liability (asset) as of June 30, 2021 in the Statement of Net Position:

<b>Net pension liability</b>	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Closed Plan	\$ 25,056,557	\$ 3,416,803	\$ 28,473,360
TCRS Plan	<u>70,977</u>	<u>9,679</u>	<u>80,656</u>
	<u>\$ 25,127,534</u>	<u>\$ 3,426,482</u>	<u>\$ 28,554,016</u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the City, calculated using the current discount rate (7.2% for the closed plan, 7.25% for the TCRS plan) as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.2% closed plan, 6.25% TCRS plan) or 1-percentage-point higher (8.2% closed plan, 8.25% TCRS plan) than the current rate:

<b>Sensitivity to discount rate</b>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Closed Plan	\$ 49,031,996	\$ 28,473,360	\$ 11,359,707
TCRS Plan	<u>618,381</u>	<u>80,656</u>	<u>(327,690)</u>
	<u>\$ 49,650,377</u>	<u>\$ 28,554,016</u>	<u>\$ 11,032,017</u>

**Pension Expense (Negative Pension Expense) and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2021, the City recognized pension (negative pension) expense of \$312,601 as follows:

<b>Pension (negative pension) expense</b>	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Closed Plan	\$ 354,161	\$ 184,658	\$ 538,819
TCRS Plan	<u>(205,999)</u>	<u>(20,219)</u>	<u>(226,218)</u>
	<u>\$ 148,162</u>	<u>\$ 164,439</u>	<u>\$ 312,601</u>

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At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Differences between expected and actual experience:</b>		
Closed Plan	\$ 16,450,791	\$ -
TCRS Plan	562,132	-
<b>Changes of assumptions:</b>		
Closed Plan	3,949,693	-
<b>Net difference between projected and actual earnings on pension plan investments:</b>		
Closed Plan		7,757,270
TCRS Plan	24,745	-
<b>Contributions made subsequent to the measurement date:</b>		
Closed Plan	1,000,000	-
TCRS Plan	480,423	-
<b>Total</b>	<u>\$ 22,467,784</u>	<u>\$ 7,757,270</u>

The amount shown above for "Contributions made subsequent to the measurement date" will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Deferred outflows of resources and deferred inflows of resources related to pension are recognized as follows in the Statement of Net Position:

<b>Deferred Outflows of Resources</b>	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Closed Plan	\$ 18,952,425	\$ 2,448,059	\$ 21,400,484
TCRS Plan	996,874	70,426	1,067,300
	<u>\$ 19,949,299</u>	<u>\$ 2,518,485</u>	<u>\$ 22,467,784</u>
<b>Deferred Inflows of Resources</b>	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Closed Plan	\$ 6,826,397	\$ 930,873	\$ 7,757,270
TCRS Plan	-	-	-
	<u>\$ 6,826,397</u>	<u>\$ 930,873</u>	<u>\$ 7,757,270</u>

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For the plans, amounts reported as deferred outflow of resources or deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	<u>Closed Plan</u>	<u>TCRS Plan</u>	<u>Total</u>
2022	\$ 2,358,819	\$ 68,680	\$ 2,427,499
2023	2,832,554	68,833	2,901,387
2024	(1,289,280)	69,223	(1,220,057)
2025	186,711	69,473	256,184
2026	1,265,930	62,866	1,328,796
Thereafter	7,288,480	247,802	7,536,282

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

**Payable to the Pension Plans**

As of June 30, 2021, the City of Franklin had a payable of \$1,000,000 relating to an approved additional contribution to the closed plan and \$480,423 for the outstanding amount of contributions to the TCRS plan required at the year ended June 30, 2021.

**G. Other Post Employment Benefits (OPEB)**

*Plan Description and Benefits Provided.* The City of Franklin self-insures its retired employees for healthcare benefits in a single employer plan (the "OPEB Plan"). Benefits are established and amended by an insurance committee. The City provides health insurance from the date the employee retires up until the age of 65. No health insurance is available to retirees with less than 20 years of service. For retirees after 20 years of service and at least age 62, retirees pay 15% of the Cobra rates for Option I (low deductible plan) single coverage and 20% of the Cobra rate for Option I family coverage. For the closed plan, retirees after 30 years and at least age 55 pay Cobra rates less \$275.00/month for Option I single coverage or less \$535.50/month for Option I family coverage. For the TCRS plan, retirees after 30 years of service and at least age 55 are eligible to select Option I coverage.

Closed plan retirees hired before July 1, 2006 with at least 25 years of service are eligible for insurance under Option II (high deductible plan) at the Cobra rate less \$200/month for single coverage or \$500/month for family coverage. Closed plan retirees hired after July 1, 2006 with 25 years of service are eligible for the Option II insurance plan but must also be at least age 55. TCRS plan retirees after 30 years and at least age 55 may select Option II coverage (instead of Option I). Beginning July 1, 2019, the City pays 40% of the total monthly premium for Option II coverage in lieu of the \$200 for single or \$500 for family.

The plan does not have vested inactives as health insurance is not available at normal retirement age of 65. Active employees are eligible if they retire prior to age 65.

The OPEB Plan does not issue separate financial statements, and as such, all required disclosures and supplementary information are included as part of the City's annual financial report. There are no assets accumulated in a GASB-compliant trust.

*Funding Policy.* The premium requirements of OPEB Plan members are established and may be amended by the insurance committee. Claims liabilities of the OPEB Plan are periodically computed using the actuarial and statistical techniques to establish premiums.

*Employees covered by the benefit terms.* At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

Retirees	34
Actives	678
Covered spouses of retirees	19
Total	<u>731</u>

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**Total OPEB Liability**

The City of Franklin's total OPEB liability of \$22,104,047 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Amortization period	For contribution calculations: 20 years (closed) beginning July 1, 2018.
Remaining amortization period	Experience gains or losses are amortized over the average working lifetime of all participants which for the current period is 6 years. Plan amendments are recognized immediately. Investment gains or losses are amortized over a 5 year period. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.
Asset valuation	Not applicable
Inflation	2.18% per annum based on the S&P 500 High Grade 20 Year Rate Index as of June 28, 2021
Salary increases	2.00% per annum
Investment rate of return	Not applicable
Retirement age	Pattern of retirement determined by experience for administrative, general government, and fire and police employees.
Mortality	Active and retired: 105% RP-2014 Blue Collar Mortality Tables for Males and Females adjusted back to 2006. For disabled: 105% RP-2014 Disabled Retiree Mortality Tables for Males and Females adjusted back to 2006.
Funding policy	Funded on a pay-as-you-go basis. The City funds on a cash basis as benefits are paid. No assets have been segregated and restricted to provide for post-employment benefits.
Plan participation	100% of future eligible retirees are assumed to elect the medical coverage upon retirement.
Marital status	64% of future eligible retirees are assumed to cover a spouse.



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**Changes in the Total OPEB liability**

	<b>Total OPEB Liability (a)</b>	<b>Plan Net Position (b)</b>	<b>OPEB Liability (a) - (b)</b>
<b>Balance at June 30, 2020</b>	\$ 20,873,087	\$ -	\$ 20,873,087
<b>Changes for the year:</b>			
Service cost	574,635	-	574,635
Interest	586,392	-	586,392
Change of benefit terms	-	-	-
Differences between expected and actual experience	(275,901)	-	(275,901)
Changes in assumptions or other inputs	775,904	-	775,904
Contributions - employer	-	430,070	(430,070)
Benefit payments	(430,070)	(430,070)	-
<b>Net changes</b>	<u>1,230,960</u>	<u>-</u>	<u>1,230,960</u>
<b>Balance at June 30, 2021</b>	<u>22,104,047</u>	<u>-</u>	<u>22,104,047</u>

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the City of Franklin, as well as what the City of Franklin's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.18 percent) or 1-percentage-point higher (3.18 percent) than the current discount rate.

	<b>1% Decrease 1.18%</b>	<b>Current Discount Rate 2.18%</b>	<b>1% Increase 3.18%</b>
Total OPEB Liability	\$ 24,592,828	\$ 22,104,047	\$ 19,897,742

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the City of Franklin, as well as what the City of Franklin's total OPEB liability would be if it were calculated using healthcare costs trend rates that are 1-percentage-point lower (5.25 percent decreasing to 4.75 percent) or 1-percentage-point higher (7.25 percent decreasing to 6.75 percent) than the current healthcare cost trend rates:

	<b>1% Decrease (5.25% to 4.75% over 2 year and following the Gertzen model thereafter)</b>	<b>Healthcare Cost Trend Rates (6.25% to 5.75% over 2 year and following the Gertzen model thereafter)</b>	<b>1% Increase (7.25% to 6.75% over 2 year and following the Gertzen model thereafter)</b>
Total OPEB Liability	\$ 19,547,460	\$ 22,104,047	\$ 25,090,915

**OPEB Expense and Deferred Outflows of Resources and Deferred inflows of Resources Related to OPEB**

For the year ended June 30, 2021, the City of Franklin recognized OPEB expense of \$3,233,595.

	<b>Governmental activities</b>	<b>Business-type activities</b>	<b>Total</b>
<b>OPEB (negative OPEB) expense</b>	\$ 2,845,562	\$ 388,033	\$ 3,233,595

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The City reports the following total OPEB liability (asset) as of June 30, 2021 in the Statement of Net Position:

	Governmental activities	Business-type activities	Total
<b>Total OPEB liability</b>	\$ 19,451,564	\$ 2,652,483	\$ 22,104,047

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience:	\$ -	\$ 1,189,081
Changes of assumptions:	8,863,669	-
<b>Total</b>	<u>\$ 8,863,669</u>	<u>\$ 1,189,081</u>

Deferred outflows of resources and deferred inflows of resources related to OPEB are recognized as follows in the Statement of Net Position:

	Governmental activities	Business-type activities	Total
<b>Deferred Outflows of Resources</b>	\$ 7,800,033	\$ 1,063,636	\$ 8,863,669
	Governmental activities	Business-type activities	Total
<b>Deferred Inflows of Resources</b>	\$ 1,046,393	\$ 142,688	\$ 1,189,081

For the City of Franklin OPEB plan, amounts reported as deferred outflows or resources or deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ 2,502,638
2023	2,502,638
2024	2,502,641
2025	83,333
2026	83,338

In the table shown above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

## H. Construction and Other Significant Commitments

### 1. Construction Contracts

During 2021, various street, public works and park improvement projects were in process. At June 30, 2021, there was approximately \$24,562,816 in uncompleted contracts for these projects. The projects are funded by the General, Sanitation, Road Impact, Facilities Tax, Stormwater, Hotel/Motel Tax, and the Multi-Purpose Capital Project funds. There were \$40,658,292 of uncompleted contracts for Water and Sewer Fund projects.

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**2. Fuel-Hedging Program**

The City participates in a fuel hedging program with the Metropolitan Government of Nashville and Davidson County, Tennessee. The City's objective is to hedge the changes in cash flows due to market price fluctuations related to a portion of expected purchases of fuel. The City is committed to its portion of the fuel hedges through June 30, 2021. Renewals of the contracts are expected in the normal course of operations. At June 30, 2021, the contracts are in an asset position; however, the City's portion of the contracts, approximately 4%, is immaterial to the financial statements. City practice has been to hedge no more than 60% of estimated purchases.

**3. Water Purchase Contract**

The Water and Sewer Fund is committed under a long-term contract for the purchase of water. Minimum payments under the contract in future years are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 46,325
2023	46,325
2024	46,325
2025	46,325
2026	46,325
2027 - 2029	<u>138,975</u>
Total	<u>\$ 370,600</u>

**4. Defined Contribution Plans**

Employees hired July 1, 1995 through February 14, 2010 are required to contribute between 3% and 10% of their annual covered salary to a 401(a) cash balance plan. Any plan member may also voluntarily contribute between 1% and 10% of their annual covered salary. For these employees, there is also an optional 457 plan available. The employee has no risk of forfeiture on these amounts.

Employees hired February 15, 2010 through December 31, 2016, may select the City of Franklin 2010 Defined Contribution Plan which requires a 5% contribution but includes a 5% employer match. An additional 3% may be contributed that would be matched by the City. The City's match for the year ended June 30, 2021, totaled \$260,705.

Although there is no risk of forfeiture on employee contributions, the vesting period for the employer match is five (5) years. The match is subject to forfeiture prior to this date.

Also, the City has established a deferred compensation pension plan for employees who are members of the TCRS defined benefit pension plan. Upon their two-year anniversary of hire, eligible employees who contribute to a 457 plan will have up to a 2% salary match provided by the City to a 401(a) plan. The employee is 100% vested at the time of two-year anniversary of hire. Employee participation is voluntary and may be initiated or ended at any time after two years of employment. The City's match for the year ended June 30, 2021, totaled \$24,455.

**5. Retiree Health Savings (RHS) Program**

In 2016, a retiree health savings (RHS) program was adopted to provide reasonable security regarding health needs during retirement. A portion of terminal leave in excess of \$24,000 is required as contribution to the plan at separation of service (with minimum of ten years service). The contribution reduces tax liability in the year of separation and increases the security of the pension plans by decreasing unplanned demands on Plan assets. The Plan applies to the City Administrator, Assistant City Administrators, and Department Directors. There is no City match to the Plan.

**I. Risk Management**

The City is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City decided it is more economically feasible to purchase commercial insurance for certain general liability, auto liability, errors and omissions, worker's compensation, and

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physical damage coverage. The City pays an annual premium to Travelers Companies for its general liability and casualty insurance coverage. The City also carries commercial insurance for all other risks of loss, including employees' health and accident and environmental. In the past three fiscal years, the City has had certain settlements which exceeded insurance coverage, primarily personnel-related judgments.

*Self-insured Employee Health Insurance*

The City provides medical and dental insurance to its employees and retains the risk of loss to a limit of \$225,000 per year, per employee. The City has obtained stop/loss commercial insurance policy to cover claims beyond this liability. All full-time employees of the City are eligible to participate. Claim payments are made by the respective fund of the employee/claimant. Liabilities are reported when it is probable that a claim/loss has occurred and the amount of the claim/loss can be reasonably estimated.

Claim liabilities are based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Claim liabilities are included in accrued liabilities in the statement of net position. The process used to compute claims liabilities is subject to judgment and estimation, and accordingly, does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years were as follows:

Fiscal Year Ending	Claims Liability, July 1	Current Year Claims and Changes in Estimates	Claims Paid	Claims Liability, June 30
6/30/2021	\$ 1,641,859	\$ 9,578,790	\$ (9,555,003)	\$ 1,665,646
6/30/2020	\$ 1,561,389	\$ 9,491,169	\$ (9,410,699)	\$ 1,641,859

**J. Long-term Debt**

Long-term debt (excluding unamortized premiums) at June 30, 2021, is comprised of the following:

**Governmental Activities:**

**General Obligation Bonds:**

Series 2010 - General Obligation Refunding Bonds, 2.00% to 4.00% interest, final maturity March 1, 2024	4,410,000
Series 2012 - General Obligation Refunding Bonds, 2.13% interest, final maturity May 1, 2027	10,095,000
Series 2013A - General Obligation Bonds, 2.00% to 4.00% interest, final maturity March 1, 2034	5,255,000
Series 2013B - General Obligation Bonds, Pension Plan Funding, 1.00% to 3.50% interest, federally taxable, final maturity March 1, 2024	3,275,000
Series 2015 - General Obligation Bonds, 3.00% to 5.00% interest, final maturity April 1, 2035	11,705,000
Series 2017 - General Obligation Bonds, 2.00% to 5.00% interest, final maturity April 1, 2037	19,795,000
Series 2019A - General Obligation Bonds, 4.00% to 5.00% interest, final maturity March 1, 2039	26,640,000
Series 2019B - General Obligation Refunding Bonds, 5.00% interest, final maturity March 1, 2029	18,995,000

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Series 2019C - General Obligation Bonds, 4.00% to 5.00% interest, final maturity June 1, 2032	29,245,000
Series 2019D - General Obligation Refunding Bonds, 1.00% to 3.50% interest, federally taxable, final maturity June 1, 2027	<u>2,305,000</u>
<b>Total Governmental Activities Long-Term Debt</b>	<b><u>\$ 131,720,000</u></b>

The bonds are secured by the full faith and credit of the City. During 2021, debt service for the debt was provided by the Debt Service Fund through property tax collections as well as transfers from the Sanitation Fund, Road Impact Fund, and the Hotel/Motel Tax Fund.

**Business - Type Activities:**

**Revenue and tax bonds:**

Series 2005 - Sewer and Water Revenue and Tax Refunding Bonds, 3.00% to 5.00% interest, final maturity April 1, 2025	\$ 6,735,000
Series 2011 - Truist (formally SunTrust) Loan Program, 2.48% interest, final maturity May 25, 2026	7,430,000
Series 2017 - Sewer and Water Revenue Bonds, 3.00% to 5.00% interest, final maturity February 1, 2037	10,385,000

**Notes payable:**

Drinking Water SRF Loan provided through ARRA funding, 2.82% interest; final maturity December 20, 2030	817,659
Clean Water SRF Loan provided through ARRA funding, 2.69% interest; final maturity October 20, 2032	1,192,361
State Revolving Fund Loan (CG2 2016-367) 0.89% interest; final maturity June 20, 2033	1,477,393
State Revolving Fund Loan (SRF 2016-374) 0.89% interest; final maturity June 20, 2033	261,391
State Revolving Fund Loan (CG5 2017-375) 0.89% interest; final maturity August 20, 2049	1,212,152
State Revolving Fund Loan (SRF 2017-376) 1.47% interest; final maturity April 20, 2051	78,152,531
State Revolving Fund Loan (SRF 2017-398) 1.47% interest; final maturity September 20, 2051	20,000,000
<b>Total Business-Type Activities Long-Term Debt</b>	<b><u>\$ 127,663,487</u></b>

The bonds are secured by the full faith and credit of the City and backed by the revenues of the Water and Sewer Fund. During 2021, debt service for the debt was provided solely by the Water and Sewer Fund.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

The annual requirements, by type of issue, to amortize outstanding bonds and notes payable at June 30, 2021, are as follows:

<b>Year Ending June 30,</b>	<b>General Obligation Bonds</b>		<b>Revenue and Tax Bonds and Notes</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 10,160,000	\$ 5,572,934	\$ 6,988,144	\$ 2,436,265	\$ 17,148,144	\$ 8,009,199
2023	10,540,000	5,165,461	6,495,946	2,260,945	17,035,946	7,426,406
2024	11,555,000	4,739,016	6,497,075	2,077,533	18,052,075	6,816,549
2025	10,780,000	4,305,603	6,603,937	1,896,522	17,383,937	6,202,125
2026	11,240,000	3,843,002	5,266,561	1,723,493	16,506,561	5,566,495
2027-2031	48,065,000	11,798,563	19,654,998	7,268,997	67,719,998	19,067,560
2032-2036	23,110,000	3,607,235	20,271,305	5,303,817	43,381,305	8,911,052
2037-2041	6,270,000	439,800	18,012,744	3,466,656	24,282,744	3,906,456
2042-2046	-	-	18,449,352	2,125,248	18,449,352	2,125,248
2047-2051	-	-	19,217,911	720,607	19,217,911	720,607
2052	-	-	205,514	504	205,514	504
<b>Totals</b>	<b>\$ 131,720,000</b>	<b>\$ 39,471,614</b>	<b>\$ 127,663,487</b>	<b>\$ 29,280,587</b>	<b>\$ 259,383,487</b>	<b>\$ 68,752,201</b>

Interest on variable rate debt with an associated interest rate swap has been calculated at the fixed swap rate. Interest on variable rate debt without interest rate swaps has been calculated at the interest rate in effect at June 30, 2021.

Management believes that the City complies with all significant debt covenants and restrictions as set forth in the bond agreements.

The above bonds and notes payable contain provisions that in the event of default, the lenders can exercise one or more of the following options: 1) make the outstanding bond and/or note payable with accrued interest due and payable, 2) use any remedy allowed by state or federal law.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

Long-term liability activity for the year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions/ Amortization</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
General obligation bonds-capital	\$ 136,800,000	\$ -	\$ 8,355,000	\$ 128,445,000	\$ 9,100,000
Premium-GO bonds-capital	19,253,676	-	939,497	18,314,179	939,497
Total GO bonds-capital	<u>156,053,676</u>	<u>-</u>	<u>9,294,497</u>	<u>146,759,179</u>	<u>10,039,497</u>
General obligation bonds-pension	4,305,000	-	1,030,000	3,275,000	1,060,000
Total bonds payable	160,358,676	-	10,324,497	150,034,179	11,099,497
Park acquisition agreement	428,570	-	214,286	214,284	214,284
Compensated absences	9,942,625	5,103,747	3,781,405	11,264,967	3,781,405
Derivatives-interest rate swaps	1,070	-	1,070	-	-
Net pension liability	24,497,886	629,648	-	25,127,534	-
Total OPEB liability	<u>18,368,316</u>	<u>1,083,248</u>	<u>-</u>	<u>19,451,564</u>	<u>-</u>
Total long-term liabilities	<u>\$ 213,597,143</u>	<u>\$ 6,816,643</u>	<u>\$ 14,321,258</u>	<u>\$ 206,092,528</u>	<u>\$ 15,095,186</u>
<b>Business-type activities:</b>					
Revenue and tax bonds	\$ 19,805,000	\$ -	\$ 2,685,000	\$ 17,120,000	\$ 2,730,000
Bank debt-capital	8,810,000	-	1,380,000	7,430,000	1,415,000
State revolving loans-capital	55,147,025	48,647,933	681,471	103,113,487	2,843,144
Premium	1,513,938	-	172,195	1,341,743	172,198
Total bonds payable	<u>85,275,963</u>	<u>48,647,933</u>	<u>4,918,666</u>	<u>129,005,230</u>	<u>7,160,342</u>
Compensated absences	1,033,092	544,929	421,354	1,156,667	421,354
Net pension liability	3,340,620	85,862	-	3,426,482	-
Total OPEB liability	<u>2,504,771</u>	<u>147,712</u>	<u>-</u>	<u>2,652,483</u>	<u>-</u>
Total long-term liabilities	<u>\$ 92,154,446</u>	<u>\$ 49,426,436</u>	<u>\$ 5,340,020</u>	<u>\$ 136,240,862</u>	<u>\$ 7,581,696</u>

The general fund is the principal fund used to liquidate long-term liabilities other than debt.

*Park acquisition agreement*

The City of Franklin entered into an agreement with the battlefield organizations to create the Carter Hill Battlefield Park, which includes interpretative signage. The City's financial obligation of \$1.5 million paid annually over 7 years of \$214,286 will end in FY 2022.

*Issuance of Long-term Debt*

The proprietary fund added \$48,647,933 of state revolving loan funds in FY 2021. There was no new debt in the governmental activities.

*Contingent Liability*

The City of Franklin entered a standby loan agreement with the City of Franklin Industrial Development Board in December 2005, subsequent to an Industrial Development Board bond issue for \$15 million. The bond issue provided funds to purchase land for the site of the Nissan North America Headquarters project, 500,000 square feet building on a 50 - acre campus in the McEwen Economic Development District of Franklin. The Development District is a tax-increment financing district, created under Tennessee Law, which is designed to provide funds which will retire the bond issue from property taxes on future development.

At the inception of the project, the Industrial Development Board had approximately two years of debt service escrowed. As of January 2008, this escrow was fully spent and the City of Franklin began, as agreed, to make available short-term loans while the proceeds from the Development District were insufficient to cover the debt service. These loans cannot exceed \$5 million at any time during that period. As of June 30, 2021, expected development in the area is proceeding as projected in the debt repayment plan. Through June 30, 2021, the City has lent \$2,304,427 to the Industrial Development Board under standby loan agreement. This amount will be repaid through future property taxes on the development. The City does not guarantee or have any obligation for the repayment of the bonds.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

*Swap Agreement*

The City has one interest rate swap agreement which is a derivative financial instrument under GASB Statement 53, "Accounting and Financial Reporting for Derivative Instruments." Accordingly, the derivatives are reported in the statement of net position at fair value and are tested for effectiveness to qualify for hedge accounting.

2005 Swap Agreement

In 2005, the City entered into an interest rate swap agreement with Truist (formerly SunTrust) Bank in connection with its \$4,500,000 variable rate loan from the City of Lawrenceburg Public Building Authority. Under the swap the City makes monthly payments based on a fixed rate of 3.65% and receives monthly payments based on 75% of the one-month LIBOR plus 18 basis points. The swap had a notional amount of \$4,500,000 that was paid on July 1, 2020.

Through payoff, the swap had been evaluated pursuant to GASB No. 53 for hedge effectiveness and the cumulative change in fair value of the transactions has been recorded within the statement of activities.

<b>Swap Agreement</b>	<b>2005 Swap Agreement with Truist (Formally SunTrust) Bank</b>
Original Notional Amount	\$ 4,500,000
Less Amount Retired	(4,500,000)
Current Notional Amount	<u>\$ -</u>
Effective Date	9/1/2005
Termination Date	7/1/2020
Final Bond Maturity	7/1/2020
City Pays	3.65% Fixed
Payments made by the City*	\$ 1,171
City Receives*	LIBOR x 75% + 0.18%
Payments received by the City*	\$ 101
Net receipts/(disbursements)*	(1,070)
Fair Value of Swap Agreements	-

\* Swap ended on July 1, 2020 with final payment.



**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**K. Fund Balances**

Fund balances:	General	Multi-Purpose	Road Impact	Debt	State	Sanitation	Facilities	County	Storm	Drug	Hotel/Motel	Parkland	Transit	CDBG	Governmental
	Fund	Capital Project	Fee	Service	Street Aid	Fund	Tax Fund	Tax Fund	Water	Fund	Tax Fund	Dedication	Authority	Fund	Funds Totals
Non-Spendable	\$ 1,484,303	\$ -	\$ -	\$ -	\$ -	\$ 58,332	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,548,635
Restricted	-	25,520,920	-	-	771,402	1,992,796	-	4,498,831	-	602,402	-	-	-	114,745	33,501,096
Committed	-	-	25,741,274	937,169	-	11,022,953	-	-	2,945,003	-	2,713,600	-	807,254	-	44,167,253
Assigned	-	-	-	-	-	-	-	-	-	-	3,213,771	7,550,661	-	-	10,764,432
Unassigned	63,997,207	-	-	-	-	-	-	-	-	-	-	-	-	-	63,997,207
<b>Total fund balances</b>	<b>\$ 65,481,510</b>	<b>\$ 25,520,920</b>	<b>\$ 25,741,274</b>	<b>\$ 937,169</b>	<b>\$ 771,402</b>	<b>\$ 2,051,128</b>	<b>\$ 11,022,953</b>	<b>\$ 4,498,831</b>	<b>\$ 2,951,003</b>	<b>\$ 602,402</b>	<b>\$ 5,927,371</b>	<b>\$ 7,550,661</b>	<b>\$ 807,254</b>	<b>\$ 114,745</b>	<b>\$ 153,978,623</b>
<b>Reason for Restrictions/Commitment:</b>															
Non-spendable inventory prepaids	\$ 1,484,303	\$ -	\$ -	\$ -	\$ -	\$ 58,332	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,548,635
Restricted by state law	-	25,520,920	-	-	771,402	1,992,796	-	4,498,831	-	602,402	-	-	-	-	33,386,351
Restricted by federal regulations for fund purpose	-	-	-	-	-	-	-	-	-	-	-	-	-	114,745	114,745
Committed by Board ordinance for fund purpose	-	-	25,741,274	937,169	-	-	11,022,953	-	2,945,003	-	2,713,600	-	807,254	-	44,167,253
Assigned by Board resolutions	-	-	-	-	-	-	-	-	-	-	3,213,771	7,550,661	-	-	10,764,432
Unassigned*	63,997,207	-	-	-	-	-	-	-	-	-	-	-	-	-	63,997,207
<b>Total fund balances</b>	<b>\$ 65,481,510</b>	<b>\$ 25,520,920</b>	<b>\$ 25,741,274</b>	<b>\$ 937,169</b>	<b>\$ 771,402</b>	<b>\$ 2,051,128</b>	<b>\$ 11,022,953</b>	<b>\$ 4,498,831</b>	<b>\$ 2,951,003</b>	<b>\$ 602,402</b>	<b>\$ 5,927,371</b>	<b>\$ 7,550,661</b>	<b>\$ 807,254</b>	<b>\$ 114,745</b>	<b>\$ 153,978,623</b>

**Fund Balance Policy - General Fund**

\*Per the City's Fund Balance Policy, the unassigned fund balance for the General Fund identifies the following reserves:

Amount	
Contingency Commitment	\$ 3,848,098
Emergency Commitment	3,848,098
Cash Flow Commitment	10,774,675
Debt Service Commitment	2,308,859
Property/Casualty/Health Insurance Commitment	3,078,478
Retiree Health Benefits Commitment	1,539,239
Supplemental Reserve	9,235,436
Capital Outlay Reserve	29,364,324
<b>Total Reserves</b>	<b>\$ 63,997,207</b>

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**L. Interfund Receivables, Payables and Transfers**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The following is a summary of transfers during the year ended June 30, 2021:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General	Street Aid	\$ 250,000
General	Sanitation	900,000
General	Transit	777,341
General	Debt service	94,896
General	Capital projects	1,404,884
Sanitation	Debt service	209,080
Road impact	Debt service	2,730,454
Road impact	Capital projects	100,000
County facilities tax	Capital projects	125,000
Hotel/motel	Debt service	1,281,521
Hotel/motel	Capital projects	1,466,850
Parkland Dedication	Capital projects	1,511,850
Water/Sewer	Debt service	200,000
Total		<u>\$ 11,051,876</u>

The purposes of the transfers are:

- The transfer from the General Fund to the Street Aid Fund was to provide additional funds for the sidewalk gap project.
- The transfer from the General Fund to the Sanitation fund is for \$150,000 partial funding of a replacement sideloader and \$750,000 toward cash balances at fiscal year end.
- The transfer from the General Fund to the Transit System fund is for providing the annual operating subsidy.
- The transfer from the General, Sanitation, Road Impact, Hotel/Motel funds to the Debt Service Fund are for the purpose of transferring funds to cover annual debt service requirements.
- The transfer from the General Fund to the Capital Projects Fund was to provide funds for the Long Lane/Peytonsville Connector, East McEwen Phase 5, and West Main Bridge.
- The transfer from the Road Impact Fund to the Capital Projects Fund was to provide funds for the Jordan Road project.
- The transfer from the County Facilities Tax Fund to the the Capital Projects Fund was to provide funds for the FSSD sidewalk project
- The transfer from the Hotel/Motel fund to the Capital Projects Fund was to provide additional funds for tourism projects, including Harlinsdale Farm Park.
- The transfer from the Parkland Dedication fund to the Capital Projects Fund was to provide additional funds for costs on Bicentennial Park and FSSD athletic fields.
- The transfer from Water/Sewer to the Debt Service fund is to provide funds for a portion of costs in the consolidated public works building.

**M. Contingencies**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time although the City's management expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits; however, the outcome of these lawsuits is not presently determinable. City Management, in consultation with legal counsel, does not expect any possible liability to materially exceed the City's limits of insurance.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**N. Tax abatements**

In accordance with GASB Statement No. 77, *Tax Abatement Disclosures*, City property tax revenues were increased by \$142,304 in fiscal year 2021 under five (5) in lieu of property tax agreements. The first three are agreements with the City only. The Nissan and Ramsey Solution agreements are with the City, County, and the Industrial Development Board. The last agreement is a refund to Community Health Systems from a prior year.

The amount is comprised of:

	<u>Estimated Property Tax</u>		<u>In Lieu of Tax Payment</u>		<u>Difference</u>
1. Franklin Housing Authority (1967)	\$ 39,907	A	\$ 17,958	\$	21,949
2. Franklin Housing Authority (2018)	144,490	B	83,087		61,403
3. Franklin Housing Authority (2019)	34,243	C	-		34,243
4. Nissan	202,118	D	197,962		4,156
5. Ramsey Solutions	84,442	E	54,962		29,480
Totals	<u>\$ 505,200</u>		<u>\$ 353,969</u>	\$	<u>151,231</u>

- A The estimated property tax amount for the Franklin Housing Authority-1967 was developed from total cost of the authority's sites per its master housing plan at an assessed residential rate of 25%. The agreement began in 1967 and has no specified end date. Reddick Street properties that have been renovated are now included in FHA-2018.
- B The estimated property tax amount for the Franklin Housing Authority-2018 developed from total cost of 3 sites (Senior Residence at Reddick Street completed in November 2013, Reddick Street Apartments completed in November 2016, and Chickasaw Senior Community completed in December 2019) at an assessed residential rate of 25%. The agreement began in 2018 and has no specific end date.
- C The estimated property tax amount for the Franklin Housing Authority-2019 developed from total cost of 64 renovated units at Spring Street/Johnson Circle. The PILOT agreement was approved on September 10, 2019.
- D The estimated property tax amount is based on the value calculated by the Williamson County property tax assessor. The in lieu of funds are used toward paying the Industrial Development Board's outstanding debt on the land where the Nissan headquarters is located. The agreement began in 2005 and continues as part of the City's Tax Increment Financing (TIF) District provisions.
- E The estimated property tax amount is based on the cost of land and building improvements for the Ramsey Solutions facility. The Industrial Development Board owns the facility and leases to Ramsey Solutions. The City passed the tax abatements on October 13, 2015.

**O. Risks and Uncertainties**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak"). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the pandemic continues to evolve as of the date of this report. This pandemic has adversely affected global economic activity and contributed to significant deterioration and instability in financial markets. The pandemic may have a continued material adverse impact on economic and market conditions, triggering a period of economic slowdown.

Although the City cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on the City's results of future operations, financial position, and liquidity in fiscal year 2022.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**P. Subsequent events**

On September 15, 2021, the City of Franklin issued \$10,660,000 Series 2021, Water & Sewer Revenue Bonds for the purpose of funding, in part, the upgrade and expansion to the City's wastewater treatment plant. Total project budget is \$153 million, with completion expected in summer 2022. In preparation for issuance of the bonds, on August 16, 2021, Moody's Investors Service upgraded the City's water and sewer revenue credit from Aa3 to Aa2.

On October 25, 2021, the Tennessee Local Development Authority (TLDA) and Tennessee Department of Environment and Conservation (TDEC) approved the City to receive a State Revolving Loan (SRF Loan) of \$19,500,000. The SRF Loan bears interest at a rate of 1.28% and has an administrative fee of 0.08%. The loan will be used for funding, in part, the upgrade and expansion for the City's wastewater treatment plant. With the newest loan approval, the City will have borrowed \$119.5 million through the state program for purposes of funding the \$153 million project.

On October 26, 2021, voters elected 4 new aldermen (Matt Brown, Jason Potts, Patrick Baggett, and Gabrielle Hanson) to BOMA. Beverly Burger won re-election. The administration of the oath of office was done at the November 9, 2021 BOMA meeting.

**REQUIRED SUPPLEMENTARY INFORMATION**



HISTORIC  
**F R A N K L I N**  
TENNESSEE

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**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**CITY OF FRANKLIN EMPLOYEES' PENSION PLAN**  
(Unaudited)

	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>							
Service cost	\$ 2,344,647	\$ 2,438,659	\$ 2,017,416	\$ 1,894,635	\$ 1,911,994	\$ 2,093,993	\$ 1,977,349
Interest	10,650,805	10,165,977	9,572,072	8,725,546	7,983,916	7,209,696	6,583,224
Cash balance increase	293,738	291,703	289,162	270,241	273,366	-	-
Changes of benefit items	-	-	-	-	-	-	-
Differences between expected and actual experience	5,262,761	622,830	2,887,307	5,623,929	3,597,048	3,542,156	3,336,925
Changes of assumptions	1,853,652	1,706,426	1,191,865	1,530,808	771,750	1,852,274	-
Benefit payments, including refunds of employee contributions	(6,289,974)	(6,812,691)	(5,310,361)	(4,668,158)	(4,238,026)	(3,699,996)	(3,234,121)
<b>Net change in total pension liability</b>	<u>14,115,629</u>	<u>8,412,904</u>	<u>10,647,461</u>	<u>13,377,001</u>	<u>10,300,048</u>	<u>10,998,123</u>	<u>8,663,377</u>
<b>Total pension liability-beginning</b>	<u>151,162,490</u>	<u>142,749,586</u>	<u>132,102,125</u>	<u>118,725,124</u>	<u>108,425,076</u>	<u>97,426,953</u>	<u>88,763,576</u>
<b>Total pension liability-ending (a)</b>	<u>\$ 165,278,119</u>	<u>\$ 151,162,490</u>	<u>\$ 142,749,586</u>	<u>\$ 132,102,125</u>	<u>\$ 118,725,124</u>	<u>\$ 108,425,076</u>	<u>\$ 97,426,953</u>
<b>Plan fiduciary net position</b>							
Contributions-employer	\$ 5,061,105	\$ 5,988,709	\$ 4,254,456	\$ 4,471,922	\$ 3,888,628	\$ 2,846,724	\$ 2,354,417
Contributions-employee	688,835	702,598	831,941	593,845	548,163	525,364	419,334
Net investment income (loss)	14,134,655	18,743,979	(3,237,304)	14,823,429	6,452,638	(1,678,689)	5,973,819
Benefit payments, including refunds of employee contributions	(6,289,974)	(6,812,691)	(5,310,361)	(4,668,158)	(4,238,026)	(3,699,996)	(3,234,121)
Administrative expenses	(115,649)	(142,565)	(114,344)	(112,112)	(171,371)	(584,138)	(561,992)
<b>Net change in plan fiduciary net position</b>	<u>13,478,972</u>	<u>18,480,030</u>	<u>(3,575,612)</u>	<u>15,108,926</u>	<u>6,480,032</u>	<u>(2,590,735)</u>	<u>4,951,457</u>
<b>Plan fiduciary net position-beginning</b>	<u>123,325,787</u>	<u>104,845,757</u>	<u>108,421,369</u>	<u>93,312,443</u>	<u>86,832,411</u>	<u>89,423,146</u>	<u>84,471,689</u>
<b>Plan fiduciary net position-ending (b)</b>	<u>\$ 136,804,759</u>	<u>\$ 123,325,787</u>	<u>\$ 104,845,757</u>	<u>\$ 108,421,369</u>	<u>\$ 93,312,443</u>	<u>\$ 86,832,411</u>	<u>\$ 89,423,146</u>
<b>Net pension liability-ending (a) - (b)</b>	<u>\$ 28,473,360</u>	<u>\$ 27,836,703</u>	<u>\$ 37,903,829</u>	<u>\$ 23,680,756</u>	<u>\$ 25,412,681</u>	<u>\$ 21,592,665</u>	<u>\$ 8,003,807</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	82.8%	81.6%	73.4%	82.1%	79.1%	80.1%	91.8%
<b>Covered payroll</b>	\$ 30,013,785	\$ 31,795,391	\$ 31,118,096	\$ 30,904,891	\$ 30,410,847	\$ 28,177,068	\$ 27,440,025
<b>Net Pension liability as a percentage of covered payroll</b>	94.9%	87.5%	121.8%	76.6%	83.6%	76.6%	29.2%

**Notes to Schedule:**

*Changes of assumptions* - In 2019, amounts reported as changes of assumptions resulted from change to the inflation rate and investment rate of return, salary increases, mortality rates, and withdrawal rates.

This schedule is presented to illustrate information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**CITY OF FRANKLIN EMPLOYEES' PENSION PLAN**  
(Unaudited)

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 5,061,105	\$ 5,988,709	\$ 4,254,456	\$ 4,205,916	\$ 3,888,628	\$ 2,846,724	\$ 2,417,920
Contributions in relation to the actuarially determined contribution	5,061,105	5,988,709	4,254,456	4,471,922	3,888,628	2,846,724	2,354,417
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (266,006)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 63,503</b>
<b>Covered payroll</b>	<b>\$ 30,013,785</b>	<b>\$ 31,795,391</b>	<b>\$ 31,118,096</b>	<b>\$ 30,904,891</b>	<b>\$ 30,410,847</b>	<b>\$ 28,177,068</b>	<b>\$ 27,440,025</b>
<b>Contributions as a percentage of covered payroll</b>	<b>16.9%</b>	<b>18.8%</b>	<b>13.7%</b>	<b>14.5%</b>	<b>12.8%</b>	<b>10.1%</b>	<b>8.6%</b>

**Notes to Schedule**

*Valuation date:*

Actuarially determined contribution rates and covered employee payroll are calculated as of December 31, six months prior to the end of the fiscal year in which contributions are reported.

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry age normal
Amortization method	Level dollar closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	Fair market value
Inflation rate	2.0%
Salary increases	Prior year, 4% annual increase. Beginning December 31, 2018, based on age (Age 25, 7.5%, Age 30, 7.0%, Age 35, 6.0%, Age 40, 5%, Age 45, 4.5%, Age 50, 4%, Age 55, 3.5%, and Age 60+, 3%)
Investment rate of return	Prior year, 7.2%. Beginning December 31, 2020, 7.1%
Retirement age	Pattern of retirement determined by experience study. For administrative employees, 2003 SOA Pension Plan Turnover Study-Basic Age Table used. For police and fire employees, 115% of 2003 SOA Pension Plan Turnover Study-Basic Age Table used.
Mortality	105% of the RP-2014 Health Annuitants and Non-Annuitants, Blue Collar Mortality Tables, adjusted back to 2006, separate for males and females.

This schedule is presented to illustrate information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.



**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF INVESTMENT RETURNS**  
**CITY OF FRANKLIN EMPLOYEES' PENSION PLAN**  
**(Unaudited)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expenses	11.3%	18.1%	-4.0%	16.1%	7.3%	-2.5%	6.4%

This schedule is presented to illustrate information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**  
(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total pension liability</b>				
Service cost	\$ 653,668	\$ 372,276	\$ 124,730	\$ -
Interest	119,330	51,291	12,799	-
Changes of benefit items	-	-	-	52,267
Differences between expected and actual experience	282,980	246,960	146,886	-
Changes of assumptions	-	-	-	-
Benefit payments, including refunds of employee contributions	<u>(25,724)</u>	<u>(1,183)</u>	<u>(906)</u>	<u>-</u>
<b>Net change in total pension liability</b>	1,030,254	669,344	283,509	52,267
<b>Total pension liability-beginning</b>	<u>1,005,120</u>	<u>335,776</u>	<u>52,267</u>	<u>-</u>
<b>Total pension liability-ending (a)</b>	<u>\$ 2,035,374</u>	<u>\$ 1,005,120</u>	<u>\$ 335,776</u>	<u>\$ 52,267</u>
<b>Plan fiduciary net position</b>				
Contributions-employer	\$ 498,785	\$ 344,345	\$ 166,897	\$ 23,007
Contributions-employee	422,700	278,151	128,382	17,698
Net investment income (loss)	71,587	48,394	15,395	2,220
Benefit payments, including refunds of employee contributions	(25,724)	(1,183)	(906)	-
Administrative expenses	<u>(15,947)</u>	<u>(11,344)</u>	<u>(6,220)</u>	<u>(1,519)</u>
<b>Net change in plan fiduciary net position</b>	951,401	658,363	303,548	41,406
<b>Plan fiduciary net position-beginning</b>	<u>1,003,317</u>	<u>344,954</u>	<u>41,406</u>	<u>-</u>
<b>Plan fiduciary net position-ending (b)</b>	<u>\$ 1,954,718</u>	<u>\$ 1,003,317</u>	<u>\$ 344,954</u>	<u>\$ 41,406</u>
<b>Net pension (asset) liability-ending (a) - (b)</b>	<u>\$ 80,656</u>	<u>\$ 1,803</u>	<u>\$ (9,178)</u>	<u>\$ 10,861</u>
<b>Plan fiduciary net position as a percentage of the total pension (asset) liability</b>	96.04%	99.82%	102.73%	79.22%
<b>Covered payroll</b>	\$ 8,453,990	\$ 5,563,006	\$ 2,567,642	\$ 353,953
<b>Net pension (asset) liability as a percentage of covered payroll</b>	0.95%	0.03%	-0.36%	3.07%

**Notes to Schedule:**

*Changes of assumptions* - In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent, decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

This schedule is presented to illustrate information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

(Continued)

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**  
(Unaudited)

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Actuarially determined contribution	\$ 498,785	\$ 344,345	\$ 166,897	\$ 23,007
Contributions in relation to the actuarially determined contribution	498,785	344,345	166,897	23,007
<b>Contribution deficiency (excess)</b>	\$ -	-	-	-
<b>Covered payroll</b>	\$ 8,453,990	\$ 5,563,006	\$ 2,567,642	\$ 353,953
<b>Contributions as a percentage of covered payroll</b>	5.9%	6.2%	6.5%	6.5%

\*GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

**Notes to Schedule**

*Valuation date:* Actuarially determined contribution rates and covered payroll for fiscal year 2021 were calculated based on the June 30, 2019 actuarial valuation.

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry age normal
Amortization method	Level dollar closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.5%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.0%
Investment rate of return	7.25%, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study.
Mortality	Customized table based on actual experience including projection of mortality improvement using Scale MP-2017 (generational projection)
Cost of living adjustments	2.25%, if provided

(Continued)

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
(Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>				
Service cost	\$ 574,635	\$ 559,038	\$ 532,417	\$ 142,900
Interest	586,392	566,552	155,371	158,282
Changes of benefit items	-	-	(6,939)	-
Differences between expected and actual experience	(275,901)	-	(1,918,330)	-
Changes of assumptions or other inputs	775,904	-	16,434,163	-
Benefit payments	(430,070)	(485,623)	(451,742)	(645,902)
<b>Net change in total OPEB liability</b>	<u>1,230,960</u>	<u>639,967</u>	<u>14,744,940</u>	<u>(344,720)</u>
<b>Total OPEB liability-beginning</b>	<u>20,873,087</u>	<u>20,233,120</u>	<u>5,488,180</u>	<u>5,832,900</u>
<b>Total OPEB liability-ending</b>	<u>\$ 22,104,047</u>	<u>\$ 20,873,087</u>	<u>\$ 20,233,120</u>	<u>\$ 5,488,180</u>
<b>Plan net position</b>				
Contributions - employer	\$ 430,070	\$ 485,623	\$ 451,742	\$ 645,902
Benefit payments	(430,070)	(485,623)	(451,742)	(645,902)
<b>Net change in net position</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net OPEB liability-beginning</b>	<u>20,873,087</u>	<u>20,233,120</u>	<u>5,488,180</u>	<u>5,832,900</u>
<b>Net OPEB liability-ending</b>	<u>\$ 22,104,047</u>	<u>\$ 20,873,087</u>	<u>\$ 20,233,120</u>	<u>\$ 5,488,180</u>
<b>Plan net position as a percentage of total OPEB liability</b>	0.0%	0.0%	0.0%	0.0%
<b>Covered-employee payroll</b>	\$ 42,047,497	\$ 40,104,752	\$ 39,318,384	n/a
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	114.3%	52.0%	51.5%	n/a

**Notes to Schedule**

There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this OPEB plan.

*Changes of assumptions and methods* - In 2021, the discount rate is 2.18% based on the S&P Municipal Bond 20 Year High Grad Rate Index as of June 30, 2021 under Statement No. 75, compared to the prior discount rate of 2.70%. Also, the assumed trend rate for the medical claims was changed to 6.25% grading uniformly to 5.75% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075, compared to the prior year assumed trend of 7.5% grading uniformly to 6.75% over 3 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.9% in the year 2075.

The amounts reported for each fiscal year end were determined as of the prior fiscal year end.

This schedule is presented to illustrate information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**OPEB**  
(Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 2,053,063	\$ 1,946,630	\$ 1,825,377	N/A
Contributions in relation to the actuarially determined contribution	<u>430,070</u>	<u>485,623</u>	<u>451,742</u>	<u>645,902</u>
<b>Contribution deficiency (excess)</b>	<u>\$ 1,622,993</u>	<u>\$ 1,461,007</u>	<u>\$ 1,373,635</u>	<u>N/A</u>
<b>Covered payroll</b>	\$ 42,047,497	\$ 40,104,752	\$ 39,318,384	N/A
<b>Contributions as a percentage of covered payroll</b>	2.2%	1.2%	1.1%	N/A

\*GASB 75 requires a 10-year schedule for this data to be presented starting *with the implementation of GASB 75*. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

#### Notes to Schedule

*Valuation date:* Actuarially determined contribution rates and covered payroll for fiscal year 2021 were calculated based on the June 30, 2021 actuarial valuation.

#### *Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry age normal
Amortization method	20 years closed beginning July 1, 2018.
Remaining amortization period	Experience gains or losses are amortized over the average working lifetime of all participants which for the current period is 6 years. Plan amendments are recognized immediately. Investment gains or losses are amortized over a period of 5 years. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.
Funding policy	The benefits of the City of Franklin Post-Employment Medical Benefits other than Pensions are funded on a pay-as-you-go basis. The City funds on a cash basis as benefits are paid. No assets have been segregated and restricted to provide for post-employment medical coverage.
Asset valuation method	Not applicable
Investment rate of return	Not applicable
Plan participation	100% of future eligible retirees are assumed to elect the medical coverage upon retirement.
Disability rate	100% UAW Table - Unisex Male
Inflation rate	2.18% per annum based on the S&P 500 High Grade 20 Year Rate Index as of June 30, 2021
Salary increases	2.00% per annum
Marital status	64% of future eligible retirees are assumed to elect the medical coverage upon retirement. Actual spouse participation of dates of birth were used for retirees.

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**COMBINING AND INDIVIDUAL  
FUND STATEMENTS  
AND SCHEDULES  
AND SUPPLEMENTARY  
SCHEDULES**



HISTORIC  
**F R A N K L I N**  
TENNESSEE

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**CITY OF FRANKLIN, TENNESSEE  
NONMAJOR GOVERNMENTAL FUNDS**

**NONMAJOR GOVERNMENTAL FUNDS SUMMARY PAGE:**

**State Street Aid Fund** - To account for the receipt and usage of the City's share of State gasoline taxes. State law requires these gasoline taxes to be used to maintain streets.

**Sanitation Fund** - To account for the City's sanitation collection, fleet maintenance, and disposal operations.

**Facilities Tax Fund** - To account for the proceeds of a tax on the privilege of engaging in the business of development and the expenditures of such monies as required by City Ordinance 88-12.

**County Facilities Tax Fund** – To account for the City's share of Williamson County's Adequate School Facilities Tax. Thirty percent (30%) of the proceeds are distributed to the incorporated cities within the County, and an additional 30% is divided pro rata among the incorporated cities based on population in the last decennia census. All funds are to be used for the purpose of providing public facilities, the need for which is reasonably related to new development.

**Stormwater Fund** - To account for the City's stormwater operations.

**Drug Fund** - To account for drug fines received and usage of those monies to further drug investigations.

**Hotel / Motel Tax Fund** - To account for the receipt of Hotel / Motel tax which has been designated for transfers to the debt service fund to pay parks/tourism related debt service, capital outlay including parks related improvements, and support toward the Williamson County Convention and Visitors Bureau.

**Parkland Dedication Fund** - To account for fees collected from developers for parkland in lieu of contributions of land.

**Transit Authority Fund** - To account for the financial activities of the City's mass transit operations.

**CDBG Fund** - To account for CDBG grant revenues and expenditures.

CITY OF FRANKLIN, TENNESSEE  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021  
With Comparative Totals as of June 30, 2020

	Special Revenue Funds											
	State Street Aid Fund	Sanitation Fund	Facilities Tax Fund	County Facilities Tax Fund	Storm Water Fund	Drug Fund	Hotel/Motel Tax Fund	Parkland Dedication Fund	Transit Authority Fund	CDBG Fund	2021	2020
<b>ASSETS</b>												
Cash and cash equivalents	\$ 213,574	\$ 93,024	\$ 1,314,906	\$ 563,305	\$ 312,910	\$ 405,311	\$ 691,049	\$ 945,429	\$ 236,151	\$ 49,766	\$ 4,825,425	\$ 6,853,368
Investments	222,422	852,493	9,157,822	3,923,209	2,191,306	193,180	4,812,895	6,584,559	708,129	346,601	28,992,616	28,236,996
Receivables (net of allowance for uncollectibles)	1,592,286	1,534,111	668,752	12,317	451,865	3,911	544,016	20,673	367,223	2,930	5,198,084	4,009,918
Inventory and prepaids	-	56,332	-	-	-	-	-	-	-	-	56,332	63,841
Prepaid items	-	2,000	-	-	6,000	-	-	-	-	-	8,000	-
<b>Total assets</b>	<b>\$ 2,028,282</b>	<b>\$ 2,537,960</b>	<b>\$ 11,141,480</b>	<b>\$ 4,498,831</b>	<b>\$ 2,962,081</b>	<b>\$ 602,402</b>	<b>\$ 6,047,960</b>	<b>\$ 7,550,661</b>	<b>\$ 1,311,503</b>	<b>\$ 399,297</b>	<b>\$ 39,080,457</b>	<b>\$ 39,166,123</b>
<b>LIABILITIES</b>												
Accounts payable	\$ 161,289	\$ 486,832	\$ 118,527	\$ -	\$ 11,078	\$ -	\$ 43,249	\$ -	\$ 493,591	\$ -	\$ 1,314,566	\$ 2,058,949
Unearned revenue	-	-	-	-	-	-	-	-	-	284,552	284,552	272,745
<b>Total liabilities</b>	<b>\$ 161,289</b>	<b>\$ 486,832</b>	<b>\$ 118,527</b>	<b>\$ -</b>	<b>\$ 11,078</b>	<b>\$ -</b>	<b>\$ 43,249</b>	<b>\$ -</b>	<b>\$ 493,591</b>	<b>\$ 284,552</b>	<b>\$ 1,599,118</b>	<b>\$ 2,331,694</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>												
Unavailable revenue-property tax-Jan. 1 levy	1,095,591	-	-	-	-	-	-	-	-	-	1,095,591	817,333
Unavailable revenue-grant proceeds	-	-	-	-	-	-	77,340	-	10,658	-	10,658	-
Unavailable revenue-hotel/motel Tax	-	-	-	-	-	-	77,340	-	-	-	77,340	93,130
<b>Total deferred inflows of resources</b>	<b>\$ 1,095,591</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 154,680</b>	<b>\$ -</b>	<b>\$ 10,658</b>	<b>\$ -</b>	<b>\$ 1,183,589</b>	<b>\$ 910,463</b>
<b>FUND BALANCES</b>												
Non-spendable	-	58,332	-	-	6,000	-	-	-	-	-	64,332	65,841
Restricted	771,402	1,992,796	-	4,498,831	-	602,402	-	-	-	114,745	7,980,176	5,909,581
Committed	-	-	11,022,953	-	2,945,003	-	2,713,600	-	807,254	-	17,488,810	18,008,344
Assigned	-	-	-	-	-	-	3,213,771	7,550,661	-	-	10,764,432	11,940,200
<b>Total fund balances</b>	<b>\$ 771,402</b>	<b>\$ 2,051,128</b>	<b>\$ 11,022,953</b>	<b>\$ 4,498,831</b>	<b>\$ 2,951,003</b>	<b>\$ 602,402</b>	<b>\$ 5,927,371</b>	<b>\$ 7,550,661</b>	<b>\$ 807,254</b>	<b>\$ 114,745</b>	<b>\$ 36,297,750</b>	<b>\$ 35,923,966</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,028,282</b>	<b>\$ 2,537,960</b>	<b>\$ 11,141,480</b>	<b>\$ 4,498,831</b>	<b>\$ 2,962,081</b>	<b>\$ 602,402</b>	<b>\$ 6,047,960</b>	<b>\$ 7,550,661</b>	<b>\$ 1,311,503</b>	<b>\$ 399,297</b>	<b>\$ 39,080,457</b>	<b>\$ 39,166,123</b>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	Special Revenue Funds										2021	2020	
	State Street Aid Fund	Sanitation Fund	Facilities Tax Fund	County Facilities Tax Fund	Storm Water Fund	Drug Fund	Hotel/Motel Tax Fund	Parkland Dedication Fund	Transit Authority Fund	CDBG Fund			
<b>Revenues:</b>													
Taxes:													
Property tax	\$ 809,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 809,178	\$ 779,036
Hotel/motel tax	-	-	-	-	-	-	2,575,830	-	-	-	-	2,575,830	3,138,814
Facilities tax	-	-	2,682,395	935,555	-	-	-	-	-	-	-	3,617,950	3,940,337
Licenses and permits	-	-	-	-	-	-	-	800,544	-	-	-	800,544	1,464,200
Fines and fees	-	-	-	-	-	133,930	-	-	-	-	-	133,930	172,111
Intergovernmental:													
Gas & motor fuel	1,317,475	-	-	-	-	-	-	-	-	-	-	1,317,475	1,290,479
Petroleum special	140,774	-	-	-	-	-	-	-	-	-	-	140,774	140,774
Gas 1989	205,398	-	-	-	-	-	-	-	-	-	-	205,398	204,037
Gas 3 cent	380,588	-	-	-	-	-	-	-	-	-	-	380,588	378,067
Gas 2018	662,660	-	-	-	-	-	-	-	-	-	-	662,660	647,388
Short term vacation rental tax	-	14,327	-	-	1,307	-	133,521	-	-	-	-	133,521	-
Grants	-	10,198,236	-	-	2,658,693	-	-	-	2,065,711	-	-	2,411,752	2,402,099
Charges for services	-	84,902	36,408	14,292	76,221	39,336	(277,153)	25,414	33,080	-	-	12,890,009	12,093,480
Use of money and property	1,207	-	640,000	-	-	-	-	-	12,023	1,679	-	14,329	1,704,530
Miscellaneous and other	-	-	-	-	-	-	-	-	-	-	-	640,000	-
<b>Total revenues</b>	<b>3,517,280</b>	<b>10,297,465</b>	<b>3,358,803</b>	<b>949,847</b>	<b>2,736,221</b>	<b>173,266</b>	<b>2,432,198</b>	<b>825,958</b>	<b>2,110,814</b>	<b>332,086</b>	<b>26,733,938</b>	<b>28,355,552</b>	<b>28,739,887</b>
<b>Expenditures:</b>													
Current:													
Police	-	-	364	-	-	91,336	-	-	-	-	-	91,700	100,672
Fire	-	-	287,578	-	-	-	-	-	-	-	-	287,578	355,701
Parks	-	-	9,554	-	-	-	-	-	-	-	-	9,554	6,005
Highways and streets	3,597,697	-	-	-	-	-	-	-	-	-	-	3,597,697	3,634,540
General government	-	-	-	-	-	-	1,045,999	-	-	330,407	-	1,376,406	1,379,810
Storm water	-	-	-	-	2,408,374	-	-	-	-	-	-	2,408,374	2,555,688
Sanitation	-	9,368,173	-	-	-	-	-	-	-	-	-	9,368,173	9,207,309
Transit	-	-	-	-	-	-	-	-	2,693,184	-	-	2,693,184	2,446,053
Debt Service Fees	-	635,165	2,733,203	-	72,245	-	214,286	-	205,629	-	-	3,860,528	9,041,310
Capital outlay	-	10,003,338	3,030,699	-	2,480,619	91,336	1,260,285	-	2,898,813	-	-	23,693,194	28,739,887
<b>Total expenditures</b>	<b>3,597,697</b>	<b>10,003,338</b>	<b>3,030,699</b>	<b>949,847</b>	<b>2,480,619</b>	<b>91,336</b>	<b>1,260,285</b>	<b>825,958</b>	<b>2,898,813</b>	<b>330,407</b>	<b>23,693,194</b>	<b>28,739,887</b>	<b>28,739,887</b>
Excess (deficiency) of revenues over (under) expenditures	(80,417)	294,127	328,104	949,847	255,602	81,930	1,171,913	825,958	(787,999)	1,679	3,040,744	(384,335)	
<b>Other financing sources (uses):</b>													
Transfers in	250,000	900,000	-	-	-	-	-	-	777,341	-	-	1,927,341	621,653
Transfers out	-	(209,080)	-	(125,000)	-	-	(2,748,371)	(1,511,850)	-	-	(4,594,301)	(6,650,790)	
<b>Total other financing sources (uses)</b>	<b>250,000</b>	<b>690,920</b>	<b>-</b>	<b>(125,000)</b>	<b>-</b>	<b>-</b>	<b>(2,748,371)</b>	<b>(1,511,850)</b>	<b>777,341</b>	<b>-</b>	<b>(2,666,960)</b>	<b>(6,029,137)</b>	
<b>Net changes in fund balances</b>	<b>169,583</b>	<b>985,047</b>	<b>328,104</b>	<b>824,847</b>	<b>255,602</b>	<b>81,930</b>	<b>(1,576,458)</b>	<b>(685,892)</b>	<b>(10,658)</b>	<b>1,679</b>	<b>373,784</b>	<b>(6,413,472)</b>	
<b>Fund balances - beginning</b>	<b>601,819</b>	<b>1,066,081</b>	<b>10,694,849</b>	<b>3,673,984</b>	<b>2,695,401</b>	<b>520,472</b>	<b>7,503,829</b>	<b>8,236,553</b>	<b>817,912</b>	<b>113,066</b>	<b>35,923,966</b>	<b>42,337,438</b>	
<b>Fund balances - ending</b>	<b>\$ 771,402</b>	<b>\$ 2,051,128</b>	<b>\$ 11,022,953</b>	<b>\$ 4,498,831</b>	<b>\$ 2,951,003</b>	<b>\$ 602,402</b>	<b>\$ 5,927,371</b>	<b>\$ 7,550,661</b>	<b>\$ 807,254</b>	<b>\$ 114,745</b>	<b>\$ 36,297,750</b>	<b>\$ 35,923,966</b>	

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**STATE STREET AID FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2020</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Taxes:					
Property tax	\$ 786,314	\$ 786,314	\$ 809,178	\$ 22,864	\$ 779,036
Intergovernmental:					
Gasoline tax, State of Tennessee:					
Gas & motor fuel	1,209,871	1,209,871	1,317,475	107,604	1,290,479
Petroleum special	129,276	129,276	140,774	11,498	140,774
Gas 1989	188,622	188,622	205,398	16,776	204,037
Gas 3 cent	349,504	349,504	380,588	31,084	378,067
Gas 2018	608,538	608,538	662,660	54,122	647,388
Use of money and property:					
Interest earned	7,500	7,500	1,207	(6,293)	50,168
<b>Total revenues</b>	<u>3,279,625</u>	<u>3,279,625</u>	<u>3,517,280</u>	<u>237,655</u>	<u>3,489,949</u>
<b>Expenditures:</b>					
Current:					
Highways and streets:					
Street maintenance and improvement	3,619,749	3,619,749	3,597,697	22,052	3,633,541
Supplies	-	-	-	-	999
Total current	<u>3,619,749</u>	<u>3,619,749</u>	<u>3,597,697</u>	<u>22,052</u>	<u>3,634,540</u>
<b>Total expenditures</b>	<u>3,619,749</u>	<u>3,619,749</u>	<u>3,597,697</u>	<u>22,052</u>	<u>3,634,540</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(340,124)</u>	<u>(340,124)</u>	<u>(80,417)</u>	<u>259,707</u>	<u>(144,591)</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	250,000	250,000	250,000	-	250,000
<b>Total other financing sources (uses)</b>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Net changes in fund balances	<u>\$ (90,124)</u>	<u>\$ (90,124)</u>	169,583	<u>\$ 259,707</u>	105,409
<b>Fund balance - beginning</b>			<u>601,819</u>		<u>496,410</u>
<b>Fund balance - ending</b>			<u>\$ 771,402</u>		<u>\$ 601,819</u>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**SANITATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2020</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Grants	\$ -	\$ -	\$ 14,327	\$ 14,327	\$ -
Special event services fee	5,491	5,491	606	(4,885)	-
Charges for services:					
Garbage fees	9,704,653	9,721,936	10,083,376	361,440	9,310,396
Customer service	150,000	150,000	60,165	(89,835)	97,775
Use of money and property:					
Interest earned	-	-	751	751	10,608
Sale of surplus property	150,000	450,000	84,151	(365,849)	243,145
Miscellaneous income	132,350	132,350	54,089	(78,261)	71,001
<b>Total revenues</b>	<u>10,142,494</u>	<u>10,459,777</u>	<u>10,297,465</u>	<u>(162,312)</u>	<u>9,732,925</u>
<b>Expenditures:</b>					
Sanitation:					
Personnel	3,310,732	3,359,572	3,352,325	7,247	3,450,069
Services	3,932,328	4,032,328	4,587,695	(555,367)	4,115,587
Supplies	619,313	1,369,313	515,248	854,065	783,506
Operational units	821,593	810,917	821,593	(10,676)	752,529
Business expenses	118,804	118,804	91,312	27,492	105,618
	<u>8,802,770</u>	<u>9,690,934</u>	<u>9,368,173</u>	<u>322,761</u>	<u>9,207,309</u>
Capital outlay:					
Capital outlay - Sanitation	470,000	785,000	635,165	149,835	1,208,781
	<u>470,000</u>	<u>785,000</u>	<u>635,165</u>	<u>149,835</u>	<u>1,208,781</u>
<b>Total expenditures</b>	<u>9,272,770</u>	<u>10,475,934</u>	<u>10,003,338</u>	<u>472,596</u>	<u>10,416,090</u>
Excess (deficiency) of revenues over (under) expenditures	<u>869,724</u>	<u>(16,157)</u>	<u>294,127</u>	<u>310,284</u>	<u>(683,165)</u>
<b>Other financing sources (uses):</b>					
Transfers to other funds	(346,684)	(209,064)	(209,080)	(16)	(208,317)
Transfers from other funds	-	900,000	900,000	-	-
<b>Total other financing sources (uses)</b>	<u>(346,684)</u>	<u>690,936</u>	<u>690,920</u>	<u>(16)</u>	<u>(208,317)</u>
Net changes in fund balances	<u>\$ 523,040</u>	<u>\$ 674,779</u>	<u>985,047</u>	<u>\$ 310,268</u>	<u>(891,482)</u>
<b>Fund balance - beginning</b>			<u>1,066,081</u>		<u>1,957,563</u>
<b>Fund balance - ending</b>			<u>\$ 2,051,128</u>		<u>\$ 1,066,081</u>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**FACILITIES TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2020</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Licenses and permits:					
Facilities tax	\$ 1,250,000	\$ 1,250,000	\$ 2,682,395	\$ 1,432,395	\$ 3,051,110
Use of money and property:					
Interest earned	50,000	50,000	36,408	(13,592)	434,377
Contributions from Others	-	-	640,000	640,000	-
<b>Total revenues</b>	<u>1,300,000</u>	<u>1,300,000</u>	<u>3,358,803</u>	<u>2,058,803</u>	<u>3,485,487</u>
<b>Expenditures:</b>					
Police:					
Services	-	-	343	(343)	-
Supplies	-	-	21	(21)	1,576
	<u>-</u>	<u>-</u>	<u>364</u>	<u>(364)</u>	<u>1,576</u>
Fire:					
Services	-	-	15,142	(15,142)	23,617
Supplies	44,480	338,480	272,311	66,169	331,959
Business expenses	-	-	125	(125)	125
	<u>44,480</u>	<u>338,480</u>	<u>287,578</u>	<u>50,902</u>	<u>355,701</u>
Parks:					
Services	-	-	10,076	(10,076)	5,980
Supplies	-	-	(695)	695	25
Business expenses	-	-	173	(173)	-
	<u>-</u>	<u>-</u>	<u>9,554</u>	<u>(9,554)</u>	<u>6,005</u>
Sanitation:					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:					
Capital outlay - Fire	1,500,000	2,700,000	2,689,466	10,534	5,828,280
Capital outlay - Parks	-	32,000	43,737	(11,737)	25,871
Capital outlay - Sanitation	-	-	-	-	180,540
	<u>1,500,000</u>	<u>2,732,000</u>	<u>2,733,203</u>	<u>(1,203)</u>	<u>6,034,691</u>
<b>Total expenditures</b>	<u>1,544,480</u>	<u>3,070,480</u>	<u>3,030,699</u>	<u>39,781</u>	<u>6,397,973</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(244,480)</u>	<u>(1,770,480)</u>	<u>328,104</u>	<u>2,098,584</u>	<u>(2,912,486)</u>
<b>Other financing sources (uses):</b>					
Transfers to other funds	-	-	-	-	(1,483,942)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,483,942)</u>
Net changes in fund balances	<u>\$ (244,480)</u>	<u>\$ (1,770,480)</u>	<u>328,104</u>	<u>\$ 2,098,584</u>	<u>(4,396,428)</u>
<b>Fund balance - beginning</b>			<u>10,694,849</u>		<u>15,091,277</u>
<b>Fund balance - ending</b>			<u>\$ 11,022,953</u>		<u>\$ 10,694,849</u>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**COUNTY FACILITIES TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>	<b>2020</b>
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
Licenses and permits:					
Facilities tax	\$ 625,000	\$ 625,000	\$ 935,555	\$ 310,555	\$ 889,427
Use of money and property:					
Interest earned	15,000	15,000	14,292	(708)	110,599
<b>Total revenues</b>	<u>640,000</u>	<u>640,000</u>	<u>949,847</u>	<u>309,847</u>	<u>1,000,026</u>
<b>Other financing sources (uses):</b>					
Transfers to other funds	(125,000)	(125,000)	(125,000)	-	-
Operating transfers to other funds	-	-	-	-	(1,285,000)
<b>Total other financing sources (uses)</b>	<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>	<u>(1,285,000)</u>
Net changes in fund balances	<u>\$ 515,000</u>	<u>\$ 515,000</u>	824,847	<u>\$ 309,847</u>	(284,974)
<b>Fund balance - beginning</b>			<u>3,673,984</u>		<u>3,958,958</u>
<b>Fund balance - ending</b>			<u>\$ 4,498,831</u>		<u>\$ 3,673,984</u>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**STORMWATER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2020</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Inspection fees	\$ 125,000	\$ 125,000	\$ 191,770	\$ 66,770	\$ 22,300
Grants	-	-	1,307	1,307	-
Charges for services:					
Customer service	2,485,000	2,485,000	2,501,123	16,123	2,550,332
Use of money and property:					
Interest earned	37,500	37,500	8,282	(29,218)	89,204
Sale of surplus property	-	-	33,739	33,739	(29)
<b>Total revenues</b>	<u>2,647,500</u>	<u>2,647,500</u>	<u>2,736,221</u>	<u>88,721</u>	<u>2,661,807</u>
<b>Expenditures:</b>					
Storm water:					
Personnel	1,714,431	1,754,703	1,688,289	66,414	1,709,489
Services	376,492	376,492	230,933	145,559	348,656
Supplies	211,093	211,093	123,415	87,678	129,629
Operational units	328,639	330,369	328,639	1,730	301,012
Business expenses	68,231	68,231	37,098	31,133	66,902
	<u>2,698,886</u>	<u>2,740,888</u>	<u>2,408,374</u>	<u>332,514</u>	<u>2,555,688</u>
Capital outlay:					
Capital outlay	1,200,000	1,273,500	72,245	1,201,255	1,210,728
	<u>1,200,000</u>	<u>1,273,500</u>	<u>72,245</u>	<u>1,201,255</u>	<u>1,210,728</u>
<b>Total expenditures</b>	<u>3,898,886</u>	<u>4,014,388</u>	<u>2,480,619</u>	<u>1,533,769</u>	<u>3,766,416</u>
Net changes in fund balances	<u>\$ (1,251,386)</u>	<u>\$ (1,366,888)</u>	255,602	<u>\$ 1,622,490</u>	(1,104,609)
<b>Fund balance - beginning</b>			<u>2,695,401</u>		<u>3,800,010</u>
<b>Fund balance - ending</b>			<u>\$ 2,951,003</u>		<u>\$ 2,695,401</u>

See independent auditor's report.



**CITY OF FRANKLIN, TENNESSEE**  
**DRUG FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2020</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Confiscated goods - state	\$ 23,966	\$ 23,966	\$ 50,398	\$ 26,432	\$ -
Fines and fees:					
Drug fines	112,354	112,354	79,877	(32,477)	76,687
Seized assets/unclaimed evidence	61,785	61,785	3,655	(58,130)	95,424
Use of money and property:					
Interest earned	5,995	5,995	4,923	(1,072)	8,825
Sale of surplus property	17,855	17,855	34,413	16,558	448
<b>Total revenues</b>	<u>221,955</u>	<u>221,955</u>	<u>173,266</u>	<u>(48,689)</u>	<u>181,384</u>
<b>Expenditures:</b>					
Police:					
Supplies	-	-	37,728	(37,728)	64,530
Operational units	55,000	55,000	46,976	8,024	31,323
Business expenses	2,500	2,500	6,632	(4,132)	3,243
	<u>57,500</u>	<u>57,500</u>	<u>91,336</u>	<u>(33,836)</u>	<u>99,096</u>
Capital outlay:					
Capital outlay - Police	60,000	60,000	-	60,000	-
	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>	<u>-</u>
<b>Total expenditures</b>	<u>117,500</u>	<u>117,500</u>	<u>91,336</u>	<u>26,164</u>	<u>99,096</u>
Net changes in fund balances	<u>\$ 104,455</u>	<u>\$ 104,455</u>	81,930	<u>\$ (22,525)</u>	82,288
<b>Fund balance - beginning</b>			<u>520,472</u>		<u>438,184</u>
<b>Fund balance - ending</b>			<u>\$ 602,402</u>		<u>\$ 520,472</u>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**HOTEL/MOTEL TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2020</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Taxes:					
Hotel/Motel tax	\$ 1,960,259	\$ 1,960,259	\$ 2,575,830	\$ 615,571	\$ 3,138,814
Short term vacation rental tax	-	-	133,521	133,521	-
Use of money and property:					
Interest earned	25,000	25,000	19,514	(5,486)	251,991
Distributions (to) from conference center	-	(500,000)	(296,667)	203,333	133,558
<b>Total revenues</b>	<u>1,985,259</u>	<u>1,485,259</u>	<u>2,432,198</u>	<u>946,939</u>	<u>3,524,363</u>
<b>Expenditures:</b>					
General:					
Services	-	-	676	(676)	32,970
Supplies	-	-	-	-	85,431
Miscellaneous	-	-	(3,254)	3,254	-
Appropriations	1,080,243	1,080,243	1,048,577	31,666	1,004,428
	<u>1,080,243</u>	<u>1,080,243</u>	<u>1,045,999</u>	<u>34,244</u>	<u>1,122,829</u>
Capital outlay:					
Capital outlay - Parks	214,286	214,286	214,286	-	421,740
	<u>214,286</u>	<u>214,286</u>	<u>214,286</u>	<u>-</u>	<u>421,740</u>
<b>Total expenditures</b>	<u>1,294,529</u>	<u>1,294,529</u>	<u>1,260,285</u>	<u>34,244</u>	<u>1,544,569</u>
Excess (deficiency) of revenues over (under) expenditures	<u>690,730</u>	<u>190,730</u>	<u>1,171,913</u>	<u>981,183</u>	<u>1,979,794</u>
<b>Other financing sources (uses):</b>					
Transfers to other funds	(2,505,653)	(2,748,454)	(2,748,371)	83	(2,147,023)
<b>Total other financing sources (uses)</b>	<u>(2,505,653)</u>	<u>(2,748,454)</u>	<u>(2,748,371)</u>	<u>83</u>	<u>(2,147,023)</u>
Net changes in fund balances	<u>\$ (1,814,923)</u>	<u>\$ (2,557,724)</u>	(1,576,458)	<u>\$ 981,266</u>	(167,229)
<b>Fund balance - beginning</b>			<u>7,503,829</u>		<u>7,671,058</u>
<b>Fund balance - ending</b>			<u>\$ 5,927,371</u>		<u>\$ 7,503,829</u>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**PARKLAND DEDICATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2020</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Parkland dedication fees	\$ 750,000	\$ 750,000	\$ 800,544	\$ 50,544	\$ 1,464,200
Interest earned	18,750	18,750	25,414	6,664	292,983
<b>Total revenues</b>	<u>768,750</u>	<u>768,750</u>	<u>825,958</u>	<u>57,208</u>	<u>1,757,183</u>
<b>Other financing sources (uses):</b>					
Transfers to other funds	(1,361,850)	(1,511,850)	(1,511,850)	-	(1,526,508)
<b>Total other financing sources (uses)</b>	<u>(1,361,850)</u>	<u>(1,511,850)</u>	<u>(1,511,850)</u>	<u>-</u>	<u>(1,526,508)</u>
Net changes in fund balances	<u>\$ (593,100)</u>	<u>\$ (743,100)</u>	(685,892)	<u>\$ 57,208</u>	230,675
<b>Fund balance - beginning</b>			<u>8,236,553</u>		<u>8,005,878</u>
<b>Fund balance - ending</b>			<u>\$ 7,550,661</u>		<u>\$ 8,236,553</u>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**TRANSIT AUTHORITY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2020</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Intergovernmental:					
Grants	\$ 2,025,152	\$ 2,025,152	\$ 2,065,711	\$ 40,559	\$ 2,132,319
Charges for services:					
Transit fares	140,000	140,000	33,080	(106,920)	63,426
Use of money and property:					
Interest earned	-	-	3,123	3,123	33,788
Rental income	9,700	9,700	8,900	(800)	10,500
<b>Total revenues</b>	<u>2,174,852</u>	<u>2,174,852</u>	<u>2,110,814</u>	<u>(64,038)</u>	<u>2,240,033</u>
<b>Expenditures:</b>					
Transit:					
Services	-	-	-	-	27
Operational units	2,740,679	2,740,679	2,693,184	47,495	2,446,026
	<u>2,740,679</u>	<u>2,740,679</u>	<u>2,693,184</u>	<u>47,495</u>	<u>2,446,053</u>
Capital outlay:					
Capital outlay	510,000	510,000	205,629	304,371	165,370
	<u>510,000</u>	<u>510,000</u>	<u>205,629</u>	<u>304,371</u>	<u>165,370</u>
<b>Total expenditures</b>	<u>3,250,679</u>	<u>3,250,679</u>	<u>2,898,813</u>	<u>351,866</u>	<u>2,611,423</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,075,827)</u>	<u>(1,075,827)</u>	<u>(787,999)</u>	<u>287,828</u>	<u>(371,390)</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	903,034	903,034	777,341	(125,693)	371,653
<b>Total other financing sources (uses)</b>	<u>903,034</u>	<u>903,034</u>	<u>777,341</u>	<u>(125,693)</u>	<u>371,653</u>
Net changes in fund balances	<u>\$ (172,793)</u>	<u>\$ (172,793)</u>	<u>(10,658)</u>	<u>\$ 162,135</u>	<u>263</u>
<b>Fund balance - beginning</b>			<u>817,912</u>		<u>817,649</u>
<b>Fund balance - ending</b>			<u>\$ 807,254</u>		<u>\$ 817,912</u>

See independent auditor's report.

CITY OF FRANKLIN, TENNESSEE  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
With Comparative Totals for the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget	2020
	Original	Final			
<b>Revenues:</b>					
Intergovernmental:					
Grants	\$ 513,000	\$ 826,000	\$ 330,407	\$ (495,593)	\$ 269,780
Use of money and property:					
Interest earned	312	312	1,679	1,367	12,615
<b>Total revenues</b>	<u>513,312</u>	<u>826,312</u>	<u>332,086</u>	<u>(494,226)</u>	<u>282,395</u>
<b>Expenditures:</b>					
General:					
Services	300,000	300,000	64,736	235,264	239,316
Operational units	213,000	526,000	265,671	260,329	30,464
	<u>513,000</u>	<u>826,000</u>	<u>330,407</u>	<u>495,593</u>	<u>269,780</u>
<b>Total expenditures</b>	<u>513,000</u>	<u>826,000</u>	<u>330,407</u>	<u>495,593</u>	<u>269,780</u>
Net changes in fund balances	<u>\$ 312</u>	<u>\$ 312</u>	1,679	<u>\$ 1,367</u>	12,615
<b>Fund balance - beginning</b>			<u>113,066</u>		<u>100,451</u>
<b>Fund balance - ending</b>			<u>\$ 114,745</u>		<u>\$ 113,066</u>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2020</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues:</b>					
Taxes:					
Property tax apportionment	\$ 10,714,755	\$ 10,714,755	\$ 10,918,504	\$ 203,749	\$ 10,958,447
Intergovernmental:					
Rebates on BAB / RZEDB bonds	358,077	-	-	-	333,953
Use of money and property:					
Interest earned	25,000	25,000	17,914	(7,086)	142,438
<b>Total revenues</b>	<u>11,097,832</u>	<u>10,739,755</u>	<u>10,936,418</u>	<u>196,663</u>	<u>11,434,838</u>
<b>Expenditures:</b>					
Debt service:					
Principal	9,385,000	9,385,000	9,385,000	-	9,520,000
Interest	6,079,651	5,932,143	5,932,143	-	5,720,563
Debt Service Fees	14,001	14,001	2,665	11,336	2,712,852
<b>Total expenditures</b>	<u>15,478,652</u>	<u>15,331,144</u>	<u>15,319,808</u>	<u>11,336</u>	<u>17,953,415</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,380,820)</u>	<u>(4,591,389)</u>	<u>(4,383,390)</u>	<u>207,999</u>	<u>(6,518,577)</u>
<b>Other financing sources (uses):</b>					
Issuance of debt	-	-	-	-	31,550,000
Premium on debt issuance	-	-	-	-	7,080,224
Transfers in	-	94,896	94,896	-	2,500,000
From Water & Sewer	200,000	200,000	200,000	-	200,000
From Sanitation	346,684	209,064	209,081	17	208,317
From Road Impact	2,641,533	2,730,825	2,730,454	(371)	2,636,421
From Hotel/Motel	1,117,603	1,281,604	1,281,521	(83)	1,092,153
<b>Other financing sources-issuance of refunding debt:</b>					
Refunding of debt	-	-	-	-	(35,725,000)
Refunding of debt-additional to escrow agent	-	-	-	-	(328,518)
Payment to swap	-	-	-	-	(2,263,300)
<b>Total other financing sources (uses)</b>	<u>4,305,820</u>	<u>4,516,389</u>	<u>4,515,952</u>	<u>(437)</u>	<u>6,950,297</u>
Net change in fund balances	<u>\$ (75,000)</u>	<u>\$ (75,000)</u>	132,562	<u>\$ 207,562</u>	431,720
<b>Fund balance - beginning</b>			<u>804,607</u>		<u>372,887</u>
<b>Fund balance - ending</b>			<u>\$ 937,169</u>		<u>\$ 804,607</u>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Source/Grant Name	CFDA Number	Grant Number	Pass-through Entity Number	Amount Pass-through to Subrecipients	Expenditures
<b>U.S. DEPARTMENT OF JUSTICE</b>					
CESF - Local Law Enforcement Competitive COVID Response (a)					
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>	16.034	2020-VD-BX-0393	-	\$ -	\$ 4,308
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>					
<b>Federal Transit Cluster:</b>					
Transit Capital Grant-FY12 5307 Allocation	20.507	TN-90-X352-00	-	-	83,738
Transit Capital Grant-FY14 5307 Allocation	20.507	TN-90-X384-00	-	-	178,337
5307 Capital and Operating Assistance	20.507	TN-2019-021-00	-	-	61,016
5307 Operating and Capital	20.507	TN-2020-008-00	-	-	47,030
5307 FY 21 Operating Assistance	20.507	TN-2021-012-00	-	-	407,458
CARES Act 5307 Funding	20.507	TN-2020-018-00	-	-	941,983
FY16 5307 Allocation	20.507	TN-2017-020-00	-	-	24,475
FY2015 5339 - Capital Cost of Leasing (b)	20.526	TN-2017-059-00	n/a	6,064	6,064
<b>Total Federal Transit Cluster</b>				<b>6,064</b>	<b>1,750,101</b>
<b>Highway Planning and Construction Cluster:</b>					
SR-96 (Murfreesboro Rd) Traffic Signal Improvements (c)	20.205	127913.00 / CM-NH-96(59)	-	-	88,538
Mack Hatcher Parkway/NW Quad (c)	20.205	101454.01 / R-STP/HPP-NH-397(10)	-	-	340,252
Columbia Ave to Downs Blvd (c)	20.205	121454.00 / STP-M-6(110)	-	-	32,502
SR-96 Multi-Use Trail (c)	20.205	123098.00 / TAP-96(49)	-	-	363,065
Franklin ITS Infrastructure (e)	20.205	116144.00 / STP-M-9305(26)	-	-	1,115
Franklin ITS Infrastructure (e)	20.205	116144.00 / STP-M-9305(30)	-	-	879,774
<b>Total Highway Planning and Construction Cluster:</b>					<b>1,705,246</b>
<b>Highway Safety Cluster:</b>					
Community Based Traffic Safety Enforcement and Education - FY 20 (d)	20.600	Z20THS342	-	-	7,364
Community Based Traffic Safety Enforcement and Education - FY 21 (d)	20.600	Z21THS102	-	-	19,768
<b>Total Highway Safety Cluster</b>					<b>27,132</b>
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>				<b>6,064</b>	<b>3,482,479</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
<b>CDBG - Entitlement Grants Cluster:</b>					
CDBG	14.218	B-18-MC-47-0014	-	-	42,265
CDBG	14.218	B-19-MC-47-0014	-	-	101,503
CDBG - CARES Act	14.218	B-20-MW-47-0014	-	-	186,639
<b>Total CDBG - Entitlement Grants Cluster</b>					<b>330,407</b>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					<b>330,407</b>
<b>U.S. DEPARTMENT OF THE TREASURY</b>					
TN CARES Act (a)	21.019	N/A	-	-	1,213,710
American Rescue Plan Act	21.027	N/A	-	-	-
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>					<b>1,213,710</b>
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>					
Hurricane Delta (LA) - Major Disaster Declaration (f)	97.036	1907-RSA-10138-0-1	-	-	14,565
Hurricane Sally (LA) - Major Disaster Declaration (f)	97.036	1883-RSA-10022-0-1	-	-	2,014
Hurricane Sally (FL) - Major Disaster Declaration (f)	97.036	1883-RSA-10042-0-1	-	-	2,664
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>					<b>19,243</b>
<b>LOANS</b>					
<b>ENVIRONMENTAL PROTECTION AGENCY</b>					
State Revolving Fund SRF 2017-376 (e)	66.458	SRF 2017-376	-	-	28,647,933
State Revolving Fund SRF 2017-398 (e)	66.458	SRF 2017-398	-	-	20,000,000
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>					<b>48,647,933</b>
<b>Total Federal Assistance</b>				<b>6,064</b>	<b>\$ 53,698,080</b>

(a) Passed through the TN Department of Finance and Administration  
(b) Passed through to The Transportation Management Association (TMA) Group  
(c) Passed through the TN Department of Transportation  
(d) Passed through the TN Department of Safety and Homeland Security  
(e) Passed through the TN Department of Environment and Conservation  
(f) Passed through the TN Emergency Management Agency

See independent auditor's report

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Source/Grant Name	Grant Number	Pass-through Entity Number	Amount Pass-through to Subrecipients	Expenditures
<b>GRANTS</b>				
<b>TENNESSEE DEPARTMENT OF TRANSPORTATION</b>				
Transit Capital Grant-FY12-5307 Allocation	TN-90-X352-00		\$ -	10,418
Transit Capital Grant-FY14-5307 Allocation	TN-90-X384-00		-	22,292
5307 Capital and Operating Assistance	TN-2019-021-00		-	6,801
5307 Operating and Capital	TN-2020-008-00		-	5,196
FY16 5307 Allocation	TN-2017-020-00		-	3,052
FY2015 5339 Capital Cost of Leasing	TN2017-059-00		-	1,006
Maack Hatcher Parkway NW Quad	101454.01 / 94092-3231-14		-	85,063
Columbia Ave to Downs Blvd	121454.00 / 94LPLM-F0-076		-	8,125
FY 2021 Urban Operation Assistance Program (b)	94UROP-S3-017		277,500	277,500
<b>Total Tennessee Department of Transportation</b>			<b>277,500</b>	<b>419,453</b>
<b>TENNESSEE DEPARTMENT OF AGRICULTURE</b>				
Tennessee Agricultural Enhancement Program (TAEP)	32510-02319		-	2,453
<b>Total Tennessee Department of Agriculture</b>			-	<b>2,453</b>
<b>TENNESSEE DEPARTMENT OF FINANCE &amp; ADMINISTRATION</b>				
2021 Local Government Direct Appropriation Grant	2020 TN Approp. Act Sec 11		-	1,815,648
<b>Total Tennessee Department of Agriculture</b>			-	<b>1,815,648</b>
<b>TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION</b>				
Water Reclamation Biosolids	32701-02803		-	250,000
<b>Total Tennessee Department of Environment and Conservation</b>			-	<b>250,000</b>
<b>Total State Financial Assistance</b>			<b>\$ 277,500</b>	<b>\$ 2,487,554</b>

(b) Passed through to The Transportation Management Association Group

See independent auditor's report.

**NOTE 1 - BASIS OF PRESENTATION**

The Schedules of Expenditures of Federal Awards and State Financial Assistance includes the federal and state grant activity, respectively, of the City of Franklin, Tennessee and are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Tennessee, respectively. Because these Schedules present only a selected portion of the operations of the City, they are not intended to and do not present the financial position or changes in financial position of the City.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The information reported in the Schedules is reported in accordance with accounting principles generally accepted in the United States of America, which is the same basis of accounting as the basic financial statements. The federal expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - DE MINIMIS INDIRECT COST RATE**

The City has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance, when applicable.

**NOTE 4 - STATE REVOLVING LOAN FUND**

At June 30, 2021, there was an outstanding balance of \$103,113,487 on loans obtained through the State Revolving Loan Fund. Payments during the current fiscal year totaled \$681,471.



**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS**  
**GENERAL OBLIGATION DEBT**  
 JUNE 30, 2021

	General Improvement Refunding Bonds Series 2010		General Improvement Refunding Bonds Series 2012		General Improvement Refunding Bonds Series 2013A		Pension Obligation Bonds Series 2013B		Public Improvement Bonds Series 2015	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	1,410,000	161,100	1,595,000	215,024	340,000	166,817	1,060,000	106,600	635,000	433,540
2023	1,470,000	104,700	1,630,000	181,050	350,000	158,318	1,090,000	74,800	665,000	401,790
2024	1,530,000	45,900	1,665,000	146,331	355,000	149,567	1,125,000	39,375	700,000	368,540
2025	-	-	1,700,000	110,867	365,000	140,693	-	-	730,000	333,540
2026	-	-	1,735,000	74,656	375,000	131,203	-	-	760,000	304,340
2027	-	-	1,770,000	37,701	385,000	120,890	-	-	790,000	273,940
2028	-	-	-	-	400,000	107,800	-	-	815,000	250,240
2029	-	-	-	-	410,000	94,200	-	-	850,000	217,640
2030	-	-	-	-	425,000	80,260	-	-	880,000	183,640
2031	-	-	-	-	440,000	65,810	-	-	920,000	148,440
2032	-	-	-	-	455,000	50,850	-	-	945,000	120,840
2033	-	-	-	-	470,000	35,380	-	-	975,000	92,490
2034	-	-	-	-	485,000	19,400	-	-	1,005,000	63,240
2035	-	-	-	-	-	-	-	-	1,035,000	32,085
2036	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-
	<u>\$ 4,410,000</u>	<u>\$ 311,700</u>	<u>\$ 10,095,000</u>	<u>\$ 765,629</u>	<u>\$ 5,255,000</u>	<u>\$ 1,321,188</u>	<u>\$ 3,275,000</u>	<u>\$ 220,775</u>	<u>\$ 11,705,000</u>	<u>\$ 3,224,305</u>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS (Cont.)**  
**GENERAL OBLIGATION DEBT**  
 JUNE 30, 2021

	Public Improvement Bonds Series 2017		Public Improvement Bonds Series 2019A		Public Improvement Refunding Bonds Series 2019B		Public Improvement Bonds Series 2019C		Public Improvement Refunding Bonds Series 2019D		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	875,000	857,150	1,455,000	1,223,850	2,000,000	949,750	425,000	1,412,400	365,000	46,703	10,160,000	5,572,934
2023	915,000	813,400	1,525,000	1,151,100	2,095,000	849,750	425,000	1,391,150	375,000	39,403	10,540,000	5,165,461
2024	960,000	767,650	1,220,000	1,074,850	2,195,000	745,000	1,425,000	1,369,900	380,000	31,903	11,555,000	4,739,016
2025	980,000	748,450	1,275,000	1,013,850	2,305,000	635,250	3,040,000	1,298,650	385,000	24,303	10,780,000	4,305,603
2026	1,030,000	699,450	1,340,000	950,100	2,420,000	520,000	3,185,000	1,146,650	395,000	16,603	11,240,000	3,843,002
2027	1,080,000	647,950	1,405,000	883,100	2,535,000	399,000	3,370,000	987,400	405,000	8,502	11,740,000	3,358,486
2028	1,135,000	593,950	1,485,000	812,850	2,655,000	272,250	3,940,000	818,900	-	-	10,430,000	2,855,990
2029	1,190,000	537,200	1,555,000	738,600	2,790,000	139,500	4,130,000	621,900	-	-	10,925,000	2,349,040
2030	1,250,000	477,700	1,450,000	660,850	-	-	4,320,000	415,400	-	-	8,325,000	1,817,850
2031	1,315,000	415,200	1,520,000	588,350	-	-	2,450,000	199,400	-	-	6,645,000	1,417,200
2032	1,365,000	362,600	1,595,000	512,350	-	-	2,535,000	101,400	-	-	6,895,000	1,148,040
2033	1,420,000	308,000	1,675,000	432,600	-	-	-	-	-	-	4,540,000	868,470
2034	1,480,000	251,200	1,750,000	365,600	-	-	-	-	-	-	4,720,000	699,440
2035	1,535,000	192,000	1,365,000	295,600	-	-	-	-	-	-	3,935,000	519,685
2036	1,600,000	130,600	1,420,000	241,000	-	-	-	-	-	-	3,020,000	371,600
2037	1,665,000	66,600	1,475,000	184,200	-	-	-	-	-	-	3,140,000	250,800
2038	-	-	1,535,000	125,200	-	-	-	-	-	-	1,535,000	125,200
2039	-	-	1,595,000	63,800	-	-	-	-	-	-	1,595,000	63,800
2040	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 19,795,000</u>	<u>\$ 7,869,100</u>	<u>\$ 26,640,000</u>	<u>\$ 11,317,850</u>	<u>\$ 18,995,000</u>	<u>\$ 4,510,500</u>	<u>\$ 29,245,000</u>	<u>\$ 9,763,150</u>	<u>\$ 2,305,000</u>	<u>\$ 167,415</u>	<u>\$ 131,720,000</u>	<u>\$ 39,471,614</u>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS**  
**PROPRIETARY FUND DEBT**  
 JUNE 30, 2021

	Sewer & Water Revenue & Tax Refunding Bonds-Series 2005		Sewer & Water Refunding SunTrust Loan 2011		Drinking Water SRF & ARRA Loan		Clean Water SRF & ARRA Loan		Clean Water SRF (Scada-Revere)		Clean Water SRF (Scada-CDM)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	2,280,000	325,875	1,415,000	181,340	76,134	22,079	91,220	30,955	117,180	12,672	20,736	2,244
2023	1,555,000	211,875	1,450,000	146,175	78,310	19,904	93,704	28,471	118,224	11,628	20,928	2,052
2024	1,450,000	134,125	1,485,000	110,143	80,546	17,666	96,257	25,919	119,280	10,572	21,108	1,872
2025	1,450,000	61,625	1,520,000	73,243	82,847	15,366	98,878	23,298	120,348	9,504	21,300	1,680
2026	-	-	1,560,000	35,464	85,215	12,998	101,570	20,605	121,428	8,424	21,492	1,488
2027	-	-	-	-	87,648	10,565	104,338	17,838	122,508	7,344	21,684	1,296
2028	-	-	-	-	90,153	8,060	107,178	14,998	123,612	6,240	21,876	1,104
2029	-	-	-	-	92,729	5,485	110,098	12,078	124,704	5,148	22,068	912
2030	-	-	-	-	95,377	2,836	113,097	9,079	125,820	4,032	22,272	708
2031	-	-	-	-	48,700	402	116,176	6,000	126,948	2,904	22,464	516
2032	-	-	-	-	-	-	119,340	2,836	128,088	1,764	22,668	312
2033	-	-	-	-	-	-	40,505	226	129,253	624	22,795	111
2034	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 6,735,000</u>	<u>\$ 733,500</u>	<u>\$ 7,430,000</u>	<u>\$ 546,365</u>	<u>\$ 817,659</u>	<u>\$ 115,361</u>	<u>\$ 1,192,361</u>	<u>\$ 192,303</u>	<u>\$ 1,477,393</u>	<u>\$ 80,856</u>	<u>\$ 261,391</u>	<u>\$ 14,295</u>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS (cont.)**  
**PROPRIETARY FUND DEBT**  
 JUNE 30, 2021

	Sewer & Water Water Plant Bonds-Series 2017		SRF Loan CG5 17-375 (Wastewater Plant)		SRF Loan SRF 17-376 (Wastewater Plant)		SRF Loan SRF 17-398 (Wastewater Plant)		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	450,000	458,200	35,004	17,580	2,102,784	1,134,708	400,086	250,612	6,988,144	2,436,265
2023	470,000	435,700	35,520	17,064	2,133,900	1,103,592	540,360	284,484	6,495,946	2,260,945
2024	495,000	412,200	36,048	16,536	2,165,484	1,072,008	548,352	276,492	6,497,075	2,077,533
2025	520,000	387,450	36,576	16,008	2,197,524	1,039,968	556,464	268,380	6,603,937	1,896,522
2026	545,000	361,450	37,116	15,468	2,230,044	1,007,448	564,696	260,148	5,266,561	1,723,493
2027	570,000	334,200	37,668	14,916	2,263,056	974,436	573,060	251,784	3,779,962	1,612,379
2028	600,000	305,700	38,220	14,364	2,296,548	940,944	581,544	243,300	3,859,131	1,534,710
2029	630,000	275,700	38,796	13,788	2,330,532	906,960	590,148	234,696	3,939,075	1,454,767
2030	665,000	244,200	39,360	13,224	2,365,020	872,472	598,884	225,960	4,024,830	1,372,511
2031	690,000	217,600	39,948	12,636	2,400,024	837,468	607,740	217,104	4,052,000	1,294,630
2032	715,000	190,000	40,536	12,048	2,435,544	801,948	616,740	208,104	4,077,916	1,217,012
2033	745,000	161,400	41,136	11,448	2,471,592	765,900	625,872	198,972	4,076,153	1,138,681
2034	775,000	131,600	41,748	10,836	2,508,168	729,324	635,124	189,720	3,960,040	1,061,480
2035	805,000	100,600	42,360	10,224	2,545,284	692,208	644,532	180,312	4,037,176	983,344
2036	840,000	68,400	42,996	9,588	2,582,952	654,540	654,072	170,772	4,120,020	903,300
2037	870,000	34,800	43,632	8,952	2,621,184	616,308	663,744	161,100	4,198,560	821,160
2038	-	-	44,268	8,316	2,659,968	577,524	673,572	151,272	3,377,808	737,112
2039	-	-	44,928	7,656	2,699,340	538,152	683,544	141,300	3,427,812	687,108
2040	-	-	45,600	6,984	2,739,288	498,204	693,660	131,184	3,478,548	636,372
2041	-	-	46,272	6,312	2,779,824	457,668	703,920	120,924	3,530,016	584,904
2042	-	-	46,956	5,628	2,820,972	416,520	714,336	110,508	3,582,264	532,656
2043	-	-	47,652	4,932	2,862,720	374,772	724,908	99,936	3,635,280	479,640
2044	-	-	48,348	4,236	2,905,080	332,412	735,636	89,208	3,689,064	425,856
2045	-	-	49,068	3,516	2,948,076	289,416	746,520	78,324	3,743,664	371,256
2046	-	-	49,800	2,784	2,991,708	245,784	757,572	67,272	3,799,080	315,840
2047	-	-	50,532	2,052	3,035,988	201,504	768,780	56,064	3,855,300	259,620
2048	-	-	51,276	1,308	3,080,916	156,576	780,168	44,676	3,912,360	202,560
2049	-	-	52,044	540	3,126,504	110,988	791,712	33,132	3,970,260	144,660
2050	-	-	8,744	16	3,172,776	64,716	803,424	21,420	3,984,944	86,152
2051	-	-	-	-	2,679,731	18,087	815,316	9,528	3,495,047	27,615
2052	-	-	-	-	-	-	205,514	504	205,514	504
	<b>\$ 10,385,000</b>	<b>\$ 4,119,200</b>	<b>\$ 1,212,152</b>	<b>\$ 268,960</b>	<b>\$ 78,152,531</b>	<b>\$ 18,432,555</b>	<b>\$ 20,000,000</b>	<b>\$ 4,777,192</b>	<b>\$ 127,663,487</b>	<b>\$ 29,280,587</b>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE**  
 THE FISCAL YEAR ENDED JUNE 30, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2020	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2021
<b>BONDS PAYABLE</b>								
<b>Payable through Debt Service Fund</b>								
2005 City of Lawrenceburg Loan Agreement	\$ 4,500,000	3.650% swap	7/21/2005	7/1/2020	\$ 385,000	\$ -	\$ 385,000	\$ -
2010 General Obligation Refunding Bonds	16,590,000	2.000% to 4.000%	10/19/2010	3/1/2024	5,770,000	-	1,360,000	4,410,000
2012 SunTrust Refunding Bond Agreement	22,500,000	2.130%	2/11/2012	5/1/2027	11,655,000	-	1,560,000	10,095,000
2013A General Obligation Public Improvement Bonds	7,405,000	2.000% to 4.000%	12/20/2013	3/1/2034	5,585,000	-	330,000	5,255,000
2013B General Obligation Pension Bonds (taxable)	10,000,000	1.000% to 3.500%	12/20/2013	3/1/2024	4,305,000	-	1,030,000	3,275,000
2015 General Obligation Public Improvement Bonds	15,000,000	3.000% to 5.000%	4/16/2015	4/1/2035	12,310,000	-	605,000	11,705,000
2017 General Obligation Public Improvement Bonds	23,120,000	2.000% to 5.000%	6/27/2017	4/1/2037	20,625,000	-	830,000	19,795,000
2019A General Obligation Public Improvement Bonds	29,585,000	4.000% to 5.000%	5/15/2019	3/1/2039	28,020,000	-	1,380,000	26,640,000
2019B General Obligation Public Improvement Bonds	22,940,000	5.000%	5/15/2019	3/1/2029	20,900,000	-	1,905,000	18,995,000
2019C General Obligation Refunding Bonds	29,245,000	4.000% to 5.000%	11/20/2019	6/1/2032	29,245,000	-	-	29,245,000
2019D General Obligation Refunding Bonds (taxable)	2,305,000	1.000% to 3.500%	11/20/2019	6/1/2027	2,305,000	-	-	2,305,000
<b>Total Bonds Payable through Debt Service Fund</b>					<b>141,105,000</b>		<b>9,385,000</b>	<b>131,720,000</b>

**Business-type Activities:**

**BONDS PAYABLE**

<b>Payable through Water and Sewer Fund</b>								
2005 Water and Sewer Refunding Bonds	\$ 24,670,000	3.000% to 5.000%	3/30/2005	4/1/2025	\$ 8,990,000	\$ -	\$ 2,255,000	\$ 6,735,000
2011 SunTrust Loan Program	19,430,000	2.48%	9/29/2011	5/25/2026	8,810,000	-	1,380,000	7,430,000
2017A Water and Sewer Revenue Bonds	12,000,000	3.000% to 5.000%	2/16/2017	2/1/2037	10,815,000	-	430,000	10,385,000
<b>Total Bonds Payable through Water and Sewer Fund</b>					<b>28,615,000</b>		<b>4,065,000</b>	<b>24,550,000</b>

**NOTES PAYABLE**

<b>Payable through Water and Sewer Fund</b>								
Drinking Water SRF Loan through ARRA	\$ 1,500,000	2.820%	2/21/2018	12/20/2030	\$ 891,679	\$ -	\$ 74,020	\$ 817,659
Clean Water SRF Loan through ARRA	1,888,200	2.690%	1/1/2011	10/20/2032	1,281,163	-	88,802	1,192,361
State Revolving Fund Loan (CG2 2016-367)	1,822,741	.890%	6/1/2016	6/20/2033	1,593,529	-	116,136	1,477,393
State Revolving Fund Loan (SRF 2016-374)	1,677,259	.890%	6/1/2016	6/20/2033	281,947	-	20,556	261,391
State Revolving Fund Loan (CG5 2017-375)	1,275,000	1.470%	9/28/2017	8/20/2049	1,246,640	-	34,488	1,212,152
State Revolving Fund Loan (SRF 2017-376)	78,500,000	1.470%	9/28/2017	4/20/2051	49,852,067	28,647,933	347,469	78,152,531
State Revolving Fund Loan (SRF 2017-398)	20,000,000	1.470%	9/28/2017	9/20/2051	-	20,000,000	-	20,000,000
<b>Total Bonds Payable through Water and Sewer Fund</b>					<b>55,147,025</b>		<b>681,471</b>	<b>103,113,487</b>

**Total Bonds and Notes Payable through Water and Sewer Fund**

**\$ 83,762,025**

**\$ 48,647,933**

**\$ 4,746,471**

**\$ 127,663,487**

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE - BY LEVY YEAR**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<b>Tax Year</b>	<b>Balance June 30, 2020</b>	<b>Taxes Levied</b>	<b>Adjustments and Collections</b>	<b>Balance June 30, 2021</b>
2020	\$ -	\$ 22,527,506	\$ (22,328,725)	\$ 198,781
2019	252,056	-	(224,251)	27,805
2018	64,731	-	(49,882)	14,849
2017	10,433	-	(1,841)	8,592
2016	7,136	-	(992)	6,144
2015	5,585	-	(134)	5,451
2014	4,664	-	(273)	4,391
2013	6,574	-	(2)	6,572
2012	8,554	-	(2)	8,552
2011	9,733	-	(1)	9,732
	<u>\$ 369,466</u>	<u>\$ 22,527,506</u>	<u>\$ (22,606,103)</u>	<u>\$ 290,869</u>

The balance at June 30, 2021 is comprised of:

Considered current revenue	\$ 37,155
Allowance for uncollectible accounts: 2011-2020 levies	106,730
Unavailable revenue	146,984
	<u>290,869</u>

Balances not included in the schedule above are from the 2021 tax levy due October 1, 2021 (after the fiscal year). The levy is comprised of:

Due to Industrial Development Board from TIF district	\$ 2,500,000
Unavailable revenue	21,295,283
Allowance for uncollectible accounts	22,865
	<u>23,818,148</u>

Total property tax receivable (as shown on page 57) \$ 24,109,017

Note: Taxes become delinquent in March of the year following the tax year of levy. Delinquent taxes are turned over to the County Clerk and Master for collection proceedings.

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF UTILITY RATE STRUCTURE (Cont.)**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
 UNAUDITED

**Utility Customers**

Water	Sewer	Service Reclaimed	Sanitation	Stormwater
18,237	26,584	99	24,491	25,463

**Water and Sewer Rates**

The following rates were effective January 1, 2021. A minimum bill of 1,000 gallons per customer is levied.

<b>Water Residential Rates:</b>	<b>Inside City Limits</b>	<b>Outside City Limits</b>
<b>Gallons</b>		
First 1,000 Gallons	\$ 14.11	\$ 16.55
Next 9,000 Gallons	5.29	8.01
Next 15,000 Gallons	6.22	8.59
All Additional Gallons	7.15	9.17
<b>Water Commercial Rates:</b>		
<b>Gallons</b>		
First 1,000 Gallons	\$ 20.74	\$ 24.46
Next 9,000 Gallons	5.27	7.93
Next 15,000 Gallons	6.20	8.51
All Additional Gallons	7.13	9.09
<b>Sewer Residential Rates:</b>		
<b>Gallons</b>		
First 1,000 Gallons	\$ 20.03	\$ 25.11
Next 14,000 Gallons	6.41	9.80
All Additional Gallons	5.62	8.65
<b>Sewer Commercial Rates:</b>		
<b>Gallons</b>		
First 1,000 Gallons	\$ 45.46	\$ 48.94
Next 14,000 Gallons	6.96	10.63
All Additional Gallons	5.97	8.74
<b>Irrigation Water Rates:</b>		
<b>Gallons</b>		
First 1,000 Gallons	\$ 20.74	\$ 24.46
Next 9,000 Gallons	5.27	7.93
Next 15,000 Gallons	6.20	8.51
All Additional Gallons	7.13	9.09
<b>Reclaimed Water Rate:</b>		
<b>Gallons</b>		
For each 1,000 Gallons	\$ 0.97	\$ 0.97

For reclaimed, there are also rates determined by contract between the City and the customer.

**Sanitation Rates**

<b>Collection Service</b>	
First residential rollout container	\$20.50 per month (one pickup per week)
Second and subsequent rollout container	\$7.50 per month per container
First non-residential rollout container	\$30.00 per month (one pickup per week)
Additional non-residential pickup service	\$30.00 per pick-up

**Stormwater Rates**

<b>Monthly Rates</b>	
Equivalent residential unit (ERU) rate-Nonresidential	\$3.83 per month
ERU Rate for smaller residential units (less than or equal to 3,350 sq. ft.)	75% of ERU per month
ERU Rate for larger residential units (greater than 3,350 sq. ft.)	120% of ERU per month
ERU Rate for nonresidential properties	ERU Rate times actual sq. ft. of impervious surface divided by ERU Rate

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF UTILITY RATE STRUCTURE (Cont.)**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
 UNAUDITED

**Water and Sewer Rates Upcoming**

The following rates are effective January 1, 2022. A minimum bill of 1,000 gallons per customer is levied.

<b>Water Residential Rates:</b>				
<b>Gallons</b>	<b>Inside City Limits</b>		<b>Outside City Limits</b>	
First 1,000 Gallons	\$	16.32	\$	18.76
Next 9,000 Gallons		5.29		8.01
Next 15,000 Gallons		6.22		8.59
All Additional Gallons		7.15		9.17
<b>Water Commercial Rates:</b>				
<b>Gallons</b>	<b>Inside City Limits</b>		<b>Outside City Limits</b>	
First 1,000 Gallons	\$	22.95	\$	26.67
Next 9,000 Gallons		5.27		7.93
Next 15,000 Gallons		6.20		8.51
All Additional Gallons		7.13		9.09
<b>Sewer Residential Rates:</b>				
<b>Gallons</b>	<b>Inside City Limits</b>		<b>Outside City Limits</b>	
First 1,000 Gallons	\$	22.08	\$	27.16
Next 14,000 Gallons		6.41		9.80
All Additional Gallons		5.62		8.65
<b>Sewer Commercial Rates:</b>				
<b>Gallons</b>	<b>Inside City Limits</b>		<b>Outside City Limits</b>	
First 1,000 Gallons	\$	47.51	\$	48.94
Next 14,000 Gallons		6.96		10.63
All Additional Gallons		5.97		8.74
<b>Reclaimed Water Rate:</b>				
<b>Gallons</b>	<b>Inside City Limits</b>		<b>Outside City Limits</b>	
For each 1,000 Gallons	\$	1.07	\$	1.07

For reclaimed, there are also rates determined by contract between the City and the customer.



**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF UTILITY RATE STRUCTURE (Cont.)**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
 UNAUDITED

**Installation Fees:**

<b>Water Meter Size</b>	<b>Installation-Meter Only</b>	<b>Installation-Complete</b>
3/4"	\$ 315	\$ 756
1"	374	897
1-1/2"	656	1,444
2"	1,362	2,223
3"	1,581	3,654
4"	2,668	5,492
6"	4,723	7,387
8"	10,293	14,110
<b>Sewer Meter Size</b>	<b>Installation-Meter Only</b>	<b>Installation-Complete</b>
3/4"	\$ 263	\$ 1,240
1"	263	1,240
1-1/2"	263	1,240
2"	263	1,240
3"	263	1,240
4"	263	1,240
6"	263	1,240
8"	263	1,240
<b>Reclaimed Meter Size</b>	<b>Installation-Meter Only</b>	<b>Installation-Complete</b>
3/4"	\$ 500	\$ 720
1"	500	854
1-1/2"	500	1,375
2"	500	2,117
3"	500	3,480
4"	500	5,230
6"	500	7,035
8"	500	13,438
<b>Impact Fees*: Meter Size</b>	<b>Water Impact Fee</b>	<b>Sewer Impact Fee</b>
3/4"	\$ 2,089	\$ 3,544
1"	8,358	14,175
1-1/2"	20,009	34,020
2"	26,745	45,360
3"	58,506	99,225
4"	83,580	141,750
6"	200,592	34,200
8"	250,740	425,250
<b>Irrigation: Meter Size</b>	<b>Irrigation Meter</b>	<b>Reclaimed Disposal Fee</b>
3/4"	\$ 3,150	\$ 450
1"	4,725	1,800
1-1/2"	6,300	4,320
2"	7,875	5,760
3"	9,450	12,600
4"	11,025	18,000
6"	12,600	43,200
8"	14,175	54,000

\*Beginning in 2019, Access and SDF fees were combined for an Impact fee.

**CITY OF FRANKLIN, TENNESEE**  
**SCHEDULE OF UTILITY MAJOR CUSTOMERS**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
 UNAUDITED

The following table presents information on the ten largest customers of the System during the fiscal year ended June 30, 2021, ranked according to consumption and billings.

Customer	<b>TOP TEN WATER CUSTOMERS</b>			
	<b>Gallons of Water Purchased (1,000)</b>	<b>% of Total Water Consumed</b>	<b>Revenue</b>	<b>% of Total Water Revenues</b>
Williamson Medical (Hospital)	29,760	1.96%	\$ 209,747	1.84%
Carrington Hills (Residential)	15,204	1.00%	\$ 112,904	0.99%
Franklin Housing Authority (Residential)	14,262	0.93%	\$ 73,910	0.65%
Prescott Place (Residential)	11,427	0.75%	\$ 79,412	0.70%
Apcom Inc. (Mfg)	11,227	0.74%	\$ 78,952	0.69%
Franklin Estates (Residential)	10,559	0.69%	\$ 93,682	0.82%
IMI Tennessee Inc (Mfg)	9,567	0.63%	\$ 67,198	0.59%
River Oaks Apartments (Residential)	8,801	0.58%	\$ 65,411	0.57%
Viera Holdings LLC (Residential)	8,302	0.54%	\$ 58,179	0.52%
Williamson County Jail	8,083	0.53%	\$ 56,798	0.50%
<b>TOTAL</b>	<b>127,192</b>	<b>8.35%</b>	<b>\$ 896,193</b>	<b>7.87%</b>

Customer	<b>TOP TEN WASTEWATER CUSTOMERS</b>			
	<b>Gallons Billed (1,000)</b>	<b>% of Total Gallons Billed</b>	<b>Revenue</b>	<b>% of Total Sewer Revenues</b>
IMT Capital REIT IV LLC (Residential)	42,082	1.62%	\$ 249,559	1.15%
Star Brentwood LLC (Residential)	33,510	1.28%	\$ 185,734	0.86%
100 Gillespie Drive LLC (Residential)	31,147	1.19%	\$ 184,302	0.85%
Williamson Medical Center (Hospital)	29,760	1.14%	\$ 176,223	0.82%
Gateway Village (Residential)	18,534	0.71%	\$ 110,217	0.51%
PB One Aspen Grove LLC (Residential)	15,251	0.58%	\$ 90,286	0.42%
Carrington Hills (Residential)	15,204	0.58%	\$ 139,433	0.64%
Franklin Housing Authority (Residential)	14,262	0.55%	\$ 104,646	0.47%
Mid America Apartments LP (Residential)	13,738	0.53%	\$ 81,575	0.38%
Franklin Estates (Residential)	10,559	0.40%	\$ 125,239	0.58%
<b>TOTAL</b>	<b>224,047</b>	<b>8.58%</b>	<b>\$ 1,447,214</b>	<b>6.68%</b>

Customer	<b>TOP TEN RECLAIMED WATER CUSTOMERS</b>			
	<b>Gallons of Water Purchased (1,000)</b>	<b>% of Total Water Consumed</b>	<b>Revenue</b>	<b>% of Total Water Revenues</b>
City of Franklin Parks	38,084	30.66%	\$ 36,941	23.80%
Rural Plains Partnership (Business)	23,882	19.23%	\$ 24,602	15.86%
Boyle Investment (Business/Res)	9,932	8.00%	\$ 9,427	6.07%
John Deere Landscape (Business)	6,411	5.16%	\$ 6,221	4.01%
Harpeth Community Church	5,225	4.21%	\$ 4,318	2.78%
Ramsey Solutions (Business)	4,148	3.34%	\$ 17,581	11.33%
Carlisle HOA (Residential)	3,662	2.95%	\$ 3,564	2.30%
Battle Ground Academy (School)	3,486	2.80%	\$ 3,253	2.10%
Berry Farms (Business/Residential)	3,102	2.50%	\$ 5,072	3.26%
RFA Building LLC (Business)	2,730	2.20%	\$ 415	0.27%
<b>TOTAL</b>	<b>100,662</b>	<b>81.05%</b>	<b>\$ 111,394</b>	<b>71.78%</b>

Note 1: For some customers with multiple meters, gallons purchased and revenue from all meters has been included in the lists shown above.

Note 2: For reclaimed water customer RFA Building LLC, the consumption and billed amount are not in alignment and are currently being addressed. Customer is in the top 10 based on consumption.

**CITY OF FRANKLIN, TENNESSEE**  
**AWWA WATER SCHEDULE**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
 UNAUDITED

AWWA Free Water Audit Software: Reporting Worksheet				WAS v5.0 American Water Works Association Copyright © 2014, All Rights Reserved.
<input type="button" value="Click to access definition"/> <input type="button" value="Click to add a comment"/>		Water Audit Report for: <b>City of Franklin Water Management (0000248)</b> Reporting Year: <b>2021</b> / <b>7/2020 - 6/2021</b>		
Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades.				
All volumes to be entered as: MILLION GALLONS (US) PER YEAR				
To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.				
			Master Meter and Supply Error Adjustments	
<----- Enter grading in column 'E' and 'U' ----->				
<b>WATER SUPPLIED</b>				
Volume from own sources:	+ ? 8	1,151.090	MG/Yr	
Water Imported:	+ ? 9	1,637.670	MG/Yr	
Water exported:	+ ?		MG/Yr	
<b>WATER SUPPLIED:</b>		<b>2,788.760</b>	MG/Yr	
Pcnt: <input type="text" value="8"/> Value: <input type="text" value=""/> MG/Yr + ? 10 <input type="text" value=""/> <input type="text" value=""/> MG/Yr + ? <input type="text" value=""/> <input type="text" value=""/> MG/Yr				
Enter negative % or value for under-registration Enter positive % or value for over-registration				
<b>AUTHORIZED CONSUMPTION</b>				
Billed metered:	+ ? 8	1,657.280	MG/Yr	
Billed unmetered:	+ ? 9	0.020	MG/Yr	
Unbilled metered:	+ ? 9	73.860	MG/Yr	
Unbilled unmetered:	+ ? 8	6.390	MG/Yr	
<b>AUTHORIZED CONSUMPTION:</b>		<b>1,737.550</b>	MG/Yr	
Click here: <input type="button" value="?"/> for help using option buttons below				
Pcnt: <input type="text" value=""/> Value: <input type="text" value="6.390"/> MG/Yr Use buttons to select percentage of water supplied OR value				
Pcnt: <input type="text" value=""/> Value: <input type="text" value="6.972"/> MG/Yr 2.00% <input type="text" value=""/> MG/Yr 0.25% <input type="text" value=""/> MG/Yr				
<b>WATER LOSSES (Water Supplied - Authorized Consumption)</b>				
		<b>1,051.210</b>	MG/Yr	
<b>Apparent Losses</b>				
Unauthorized consumption:	+ ? 10	6.972	MG/Yr	
Unauthorized consumption volume entered is greater than the recommended default value				
Customer metering inaccuracies:	+ ? 7	35.329	MG/Yr	
Systematic data handling errors:	+ ?	4.143	MG/Yr	
Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed				
<b>Apparent Losses:</b>		<b>46.445</b>	MG/Yr	
<b>Real Losses (Current Annual Real Losses or CARL)</b>				
<b>Real Losses = Water Losses - Apparent Losses:</b>		<b>1,004.765</b>	MG/Yr	
<b>WATER LOSSES:</b>		<b>1,051.210</b>	MG/Yr	
<b>NON-REVENUE WATER</b>				
<b>NON-REVENUE WATER:</b>		<b>1,131.460</b>	MG/Yr	
= Water Losses + Unbilled Metered + Unbilled Unmetered				
<b>SYSTEM DATA</b>				
Length of mains:	+ ? 9	307.5	miles	
Number of active AND inactive service connections:	+ ? 8	23,102		
Service connection density:	?	75	conn./mile main	
Are customer meters typically located at the curbside or property line? <input type="text" value="Yes"/> (length of service line, beyond the property boundary, that is the responsibility of the utility)				
Average length of customer service line: <input type="text" value=""/> (length of service line, beyond the property boundary, that is the responsibility of the utility)				
Average length of customer service line has been set to zero and a data grading score of 10 has been applied				
Average operating pressure:	+ ? 7	70.0	psi	
<b>COST DATA</b>				
Total annual cost of operating water system:	+ ? 10	\$17,663,244	\$/Year	
Customer retail unit cost (applied to Apparent Losses):	+ ? 9	\$12.71	\$/1000 gallons (US)	
Variable production cost (applied to Real Losses):	+ ? 8	\$2,500.00	\$/Million gallons	<input type="checkbox"/> Use Customer Retail Unit Cost to value real losses
<b>WATER AUDIT DATA VALIDITY SCORE:</b>				
*** YOUR SCORE IS: 84 out of 100 ***				
A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score				
<b>PRIORITY AREAS FOR ATTENTION:</b>				
Based on the information provided, audit accuracy can be improved by addressing the following components:				
1: Volume from own sources				
2: Systematic data handling errors				
3: Water imported				

**CITY OF FRANKLIN, TENNESSEE**  
**AWWA WATER SCHEDULE (Cont.)**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
 UNAUDITED

AWWA Free Water Audit Software: System Attributes and Performance Indicators		WAS v5.0 American Water Works Association. Copyright © 2014, All Rights Reserved.
Water Audit Report for: <b>City of Franklin Water Management (0000246)</b>		
Reporting Year: <b>2021</b>   <b>7/2020 - 6/2021</b>		
<b>*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 84 out of 100 ***</b>		
<b>System Attributes:</b>		
	Apparent Losses:	<b>46.445</b> MG/Yr
	+ Real Losses:	<b>1,004.765</b> MG/Yr
	= <b>Water Losses:</b>	<b>1,051.210</b> MG/Yr
<b>?</b>	Unavoidable Annual Real Losses (UARL):	<b>131.05</b> MG/Yr
	Annual cost of Apparent Losses:	<b>\$590,311</b>
	Annual cost of Real Losses:	<b>\$2,511,913</b> Valued at <b>Variable Production Cost</b> Return to Reporting Worksheet to change this assumption
<b>Performance Indicators:</b>		
Financial:	Non-revenue water as percent by volume of Water Supplied:	<b>40.6%</b>
	Non-revenue water as percent by cost of operating system:	<b>18.7%</b> Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	<b>5.51</b> gallons/connection/day
	Real Losses per service connection per day:	<b>119.16</b> gallons/connection/day
	Real Losses per length of main per day*:	<b>N/A</b>
	Real Losses per service connection per day per psi pressure:	<b>1.70</b> gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	<b>1,004.77</b> million gallons/year
<b>?</b>	Infrastructure Leakage Index (ILI) [CARL/UARL]:	<b>7.67</b>
* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline		

**STATISTICAL SECTION**



H I S T O R I C  
**F R A N K L I N**  
T E N N E S S E E

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**CITY OF FRANKLIN, TENNESSEE  
STATISTICAL SECTION SUMMARY PAGE**

**STATISTICAL SECTION SUMMARY PAGE:**

This part of the City of Franklin, Tennessee's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, the note disclosures, and the required supplementary information says about the City's overall financial health.

**Contents:**

**Financial Trends**

These schedules contain trend information to help readers understand how the City's financial performance and financial position have changed over time. 124

**Revenue Capacity**

These schedules contain information to help readers assess the City's revenue sources, including its most significant local tax sources, local sales tax and its property tax. 128

**Debt Capacity**

These schedules present information to help readers assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 133

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help readers understand the environment within which the City's financial activities take place. 138

**Operating Information**

These schedules contain service and infrastructure data to help readers understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 140

Except where noted, the information in these schedules is derived from the City's Annual Comprehensive Financial Reports for the relevant years. The information has been restated, where applicable and feasible, for the adoption of new GASB pronouncements.

CITY OF FRANKLIN, TENNESSEE

Financial Trends Information -  
Net Position By Component

(Prepared using the accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 394,771,670	\$ 427,956,937	\$ 473,270,481	\$ 526,598,701	\$ 531,232,432	\$ 528,657,327	\$ 528,661,334	\$ 553,517,545	\$ 581,817,963	\$ 600,239,617
Restricted for:										
Grant program use	-	23,545	23,717	20,212	85,185	86,263	89,691	100,451	113,066	114,745
State street aid	16,563	-	295,259	287,224	373,415	502,481	645,435	496,410	601,819	771,402
Sanitation use	-	-	-	-	767,350	610,969	1,160,474	1,922,723	1,000,240	1,992,796
Drug fund use	144,788	121,781	165,436	295,296	515,642	541,205	508,522	438,184	520,472	602,402
Other projects	-	-	-	-	-	3,488,072	4,804,517	39,890,216	38,165,088	30,019,751
Pensions	-	-	-	-	-	-	-	7,999	-	-
Unrestricted	46,304,057	42,077,735	14,450,363	25,106,842	35,391,194	46,798,463	74,003,922	39,950,296	42,976,500	63,722,583
<b>Total net position</b>	<b>\$ 441,237,078</b>	<b>\$ 470,179,998</b>	<b>\$ 488,205,256</b>	<b>\$ 552,308,275</b>	<b>\$ 568,365,218</b>	<b>\$ 580,684,780</b>	<b>\$ 609,873,895</b>	<b>\$ 636,323,824</b>	<b>\$ 665,195,148</b>	<b>\$ 697,463,296</b>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 106,880,291	\$ 110,724,957	\$ 119,141,240	\$ 128,272,969	\$ 139,229,139	\$ 144,008,929	\$ 160,464,694	\$ 166,254,831	\$ 176,897,094	\$ 186,313,737
Restricted for:										
Water & Sewer	6,684,374	8,150,100	13,391,806	13,452,592	8,916,035	9,757,361	10,665,267	10,180,317	10,882,442	10,784,987
Pensions	-	-	-	-	-	-	-	-	-	-
Unrestricted	14,221,008	15,923,139	13,545,686	15,771,418	25,339,325	30,877,222	25,591,650	32,220,082	34,170,434	33,761,111
<b>Total net position</b>	<b>\$ 127,785,673</b>	<b>\$ 134,798,196</b>	<b>\$ 146,078,732</b>	<b>\$ 157,496,979</b>	<b>\$ 173,484,499</b>	<b>\$ 184,643,512</b>	<b>\$ 196,721,611</b>	<b>\$ 208,656,409</b>	<b>\$ 221,949,970</b>	<b>\$ 230,859,835</b>
<b>Primary government:</b>										
Net investment in capital assets	\$ 501,651,961	\$ 538,681,894	\$ 592,411,721	\$ 654,871,670	\$ 670,461,571	\$ 672,666,256	\$ 689,126,028	\$ 719,772,376	\$ 758,715,057	\$ 786,553,354
Restricted for:										
Grant program use	-	23,545	23,717	20,212	85,185	86,263	89,691	100,451	113,066	114,745
State street aid	16,563	-	295,259	287,224	373,415	502,481	645,435	496,410	601,819	771,402
Sanitation use	-	-	-	-	767,350	610,969	1,160,474	1,922,723	1,000,240	1,992,796
Drug fund use	144,788	121,781	165,436	295,296	515,642	541,205	508,522	438,184	520,472	602,402
Other projects	-	-	-	-	-	3,488,072	4,804,517	39,890,216	38,165,088	30,019,751
Water & Sewer	6,684,374	8,150,100	13,391,806	13,452,592	8,916,035	9,757,361	10,665,267	10,180,317	10,882,442	10,784,987
Pensions	-	-	-	-	-	-	-	9,178	-	-
Unrestricted	60,525,065	58,000,874	27,996,049	40,878,260	60,730,519	76,975,737	99,595,572	72,170,378	77,146,934	97,483,694
<b>Total net position</b>	<b>\$ 569,022,751</b>	<b>\$ 604,978,194</b>	<b>\$ 634,283,988</b>	<b>\$ 709,805,254</b>	<b>\$ 741,849,717</b>	<b>\$ 764,628,344</b>	<b>\$ 806,595,506</b>	<b>\$ 844,980,233</b>	<b>\$ 887,145,118</b>	<b>\$ 928,323,131</b>





## CITY OF FRANKLIN, TENNESSEE

Financial Trends Information -  
Fund Balances - Governmental Funds

(Prepared using the modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Non-Spendable	\$ 1,423,017	\$ 1,741,675	\$ 1,141,340	\$ 1,712,291	\$ 1,879,610	\$ 2,223,101	\$ 2,061,344	\$ 1,719,567	\$ 1,624,813	\$ 1,484,303
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	24,588,314	27,148,443	31,573,111	33,757,157	37,369,976	41,060,041	47,398,627	51,482,407	51,591,473	63,997,207
Total General Fund	26,011,331	28,890,118	32,714,451	35,469,448	39,249,586	43,283,142	49,459,971	53,201,974	53,216,286	65,481,510
<b>All Other Governmental Funds</b>										
<b>Capital Projects Fund</b>										
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	15,508,919	6,212,614	35,931,258	34,491,104	25,520,920
Committed	9,266,485	382,419	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(18,878,175)	(10,104,657)	(7,887,886)	-	-	-	-	-
Total Capital Projects Fund	9,266,485	382,419	(18,878,175)	(10,104,657)	(7,887,886)	15,508,919	6,212,614	35,931,258	34,491,104	25,520,920
<b>Road Impact Fee Fund*</b>										
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	22,442,977	25,741,274
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Road Impact Fee Fund	-	-	-	-	-	-	-	-	22,442,977	25,741,274
<b>Debt Service Fund</b>										
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	318,138	84,729	195,118	709	5,000	90,197	106,587	372,887	804,607	937,169
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Debt Service Fund	318,138	84,729	195,118	709	5,000	90,197	106,587	372,887	804,607	937,169
<b>Special Revenue Funds</b>										
Non-Spendable	-	-	46,013	32,553	57,121	76,130	65,380	34,840	65,841	64,332
Restricted	161,351	145,326	484,412	602,732	1,685,971	5,228,990	7,143,259	6,916,726	5,909,581	7,980,176
Committed	9,524,052	8,762,925	12,524,477	12,674,316	17,243,117	24,451,333	33,796,210	38,800,441	18,008,344	17,488,810
Assigned	-	1,124,507	1,971,048	5,243,672	7,060,075	5,353,767	8,806,157	13,175,194	11,940,200	10,764,432
Unassigned	(1,246,711)	(854,829)	-	-	-	-	-	-	-	-
Total Special Revenue Funds	8,438,692	9,177,929	15,025,950	18,553,273	26,046,284	35,110,220	49,811,006	58,927,201	35,923,966	36,297,750
Total All Other Governmental Funds	18,023,315	9,645,077	(3,657,107)	8,449,325	18,163,398	50,709,336	56,130,207	95,231,346	93,662,654	88,497,113
Total Governmental Funds	\$ 44,034,646	\$ 38,535,195	\$ 29,057,344	\$ 43,918,773	\$ 57,412,984	\$ 93,992,478	\$ 105,590,178	\$ 148,433,320	\$ 146,878,940	\$ 153,978,623

\*Prior to FY2020, Road Impact Fee Fund was included in Special Revenue Funds

CITY OF FRANKLIN, TENNESSEE

Financial Trends Information -  
 Changes in Fund Balances - Governmental Funds  
 (Prepared using the modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes	\$ 42,985,437	\$ 45,969,516	\$ 49,228,473	\$ 51,595,489	\$ 57,346,463	\$ 63,339,011	\$ 66,814,751	\$ 67,064,451	\$ 67,215,946	\$ 74,080,393
Licenses and permits	5,329,720	7,603,115	11,397,587	8,714,516	14,855,454	12,704,411	19,574,405	14,187,525	18,877,583	13,058,315
Fines and fees	1,084,450	824,280	829,485	758,369	583,048	753,497	511,864	560,779	442,069	442,069
Intergovernmental	25,631,707	15,973,111	16,290,803	19,789,750	23,052,657	19,626,653	21,724,462	21,846,542	21,286,228	24,302,340
Charges for services	9,186,271	9,264,390	8,557,376	10,194,368	10,952,510	10,518,112	11,109,359	12,099,847	12,166,255	12,971,447
Use of money and property	1,319,104	816,950	622,019	792,690	979,599	686,672	874,412	4,101,263	4,087,802	435,541
Miscellaneous	496,948	1,513,225	648,436	3,301	2,489,638	1,155,394	262,053	797,299	2,809,455	1,099,418
<b>Total revenues</b>	<b>86,033,637</b>	<b>81,964,587</b>	<b>87,574,179</b>	<b>91,848,483</b>	<b>110,521,743</b>	<b>108,783,730</b>	<b>120,942,521</b>	<b>120,608,791</b>	<b>127,003,848</b>	<b>126,389,523</b>
<b>Expenditures</b>										
Elected officials	202,515	183,406	297,496	275,250	343,182	282,124	332,480	290,502	358,690	297,949
Administration	582,714	478,456	445,982	483,622	492,182	535,330	1,064,210	1,043,428	1,261,084	1,208,674
Human resources	1,069,174	823,598	910,719	1,121,520	1,211,867	1,165,049	987,380	1,151,251	1,270,498	1,148,280
Legal	387,358	283,786	463,730	342,493	333,265	498,133	453,393	758,081	548,969	553,316
Communications	318,505	300,211	317,233	313,200	352,429	489,797	362,973	395,004	377,977	390,120
Capital investment planning	206,418	159,152	183,594	176,967	162,466	-	-	-	-	-
Project & facilities management	782,167	634,151	729,970	1,093,598	1,111,055	1,069,858	1,118,898	1,160,709	1,154,390	1,281,459
Revenue management	1,341,821	1,664,27	359,289	210,378	192,958	261,826	211,611	241,134	135,472	206,308
Public safety:										
Police										
Fire	14,414,109	13,703,100	13,977,946	13,747,102	14,701,228	15,484,361	16,561,112	16,568,363	16,724,525	16,656,682
Finance	12,460,480	12,817,855	13,268,813	14,129,713	15,753,191	17,003,425	18,106,943	18,067,915	19,251,818	19,436,763
Information and technology	877,470	687,679	716,542	787,545	824,104	940,697	818,603	917,289	931,572	916,947
Purchasing	2,621,668	3,953,288	3,676,541	4,074,719	3,727,271	4,186,105	4,349,878	4,307,123	3,835,596	3,419,835
Court	156,738	134,412	162,559	173,490	176,129	191,513	222,261	224,772	260,486	232,342
Building & neighborhood services	281,966	217,568	239,857	201,815	319,159	444,685	317,866	212,987	276,896	314,530
Planning	1,958,127	2,101,158	2,321,624	2,356,810	2,423,538	2,750,384	2,909,042	2,982,913	3,145,299	2,840,548
Engineering	1,220,100	1,216,935	1,419,450	1,406,527	1,637,525	1,560,527	1,471,756	1,557,636	1,395,702	1,467,393
Traffic operations center	761,838	631,300	687,014	759,768	802,701	991,964	1,123,694	1,292,986	1,449,218	1,377,052
Economic Development	333,495	459,315	396,044	484,244	498,106	777,609	736,150	704,590	846,202	546,114
Parks	42,742	46,313	52,811	32,811	67,277	53,592	67,518	78,327	90,844	71,261
Streets-maintenance	2,561,137	2,682,797	3,024,341	3,239,260	3,538,547	4,214,304	4,697,744	4,638,144	5,384,004	4,500,115
Streets-traffic	6,282,477	6,367,667	6,008,306	6,500,001	8,221,079	14,290,794	15,781,502	12,641,002	12,314,445	13,399,834
Streets-fleet	948,377	790,995	1,280,969	1,198,941	1,360,638	1,508,872	1,377,220	1,484,099	1,731,460	1,407,195
General government	586,722	596,448	874,303	1,073,512	945,575	940,286	836,861	808,172	942,337	741,051
Appropriations	668,119	1,277,170	1,184,017	1,314,706	3,680,359	672,243	(1,363,747)	1,959,699	(679,827)	653,290
Sanitation	416,624	411,674	429,849	473,706	473,706	964,936	464,073	466,424	486,738	446,247
Stormwater	7,265,672	7,025,547	6,446,791	7,490,571	8,308,687	7,834,537	7,958,336	8,202,439	9,217,636	9,368,226
Transit	1,401,563	1,517,703	1,918,130	1,638,451	2,112,676	2,314,747	2,554,078	2,282,043	2,555,688	2,408,374
Debt service:	1,185,600	1,381,776	1,553,237	2,243,080	1,574,974	1,890,367	2,086,098	2,277,206	2,446,053	2,693,184
Principal	6,361,000	6,469,000	6,670,000	7,449,000	7,783,000	7,992,000	8,118,000	7,945,000	9,520,000	9,385,000
Interest	4,261,808	4,277,301	4,298,262	4,644,723	4,973,106	4,886,022	5,514,705	5,544,524	5,720,563	5,932,143
Other charges	85,493	199,479	28,317	151,263	16,838	18,726	7,976	142,027	2,804,902	2,665
Capital outlay - capital	16,004,450	16,944,065	32,567,975	16,081,875	12,344,902	5,663,429	11,722,276	11,937,017	22,747,397	16,186,944
<b>Total expenditures</b>	<b>88,048,447</b>	<b>88,939,732</b>	<b>116,911,711</b>	<b>95,710,554</b>	<b>100,463,720</b>	<b>101,878,242</b>	<b>110,975,890</b>	<b>112,282,806</b>	<b>128,506,634</b>	<b>119,489,841</b>
Excess (deficiency) of revenues over (under) expenditures	(2,014,810)	(6,975,145)	(29,337,532)	(3,862,071)	10,058,023	6,905,488	9,966,631	8,325,985	(1,502,786)	6,899,682
<b>Other financing sources (uses):</b>										
Proceeds from issuance of long-term debt	687,562	23,975,694	19,859,681	17,196,020	3,236,188	25,008,840	806,069	52,525,000	31,550,000	-
Transfer to bond escrow agent	-	(22,500,000)	-	1,327,480	-	-	-	(8,462,517)	7,080,224	-
Operating transfers in	5,794,421	6,740,323	7,767,550	9,242,452	9,303,969	15,285,099	10,496,177	10,265,312	14,168,841	11,051,877
Operating transfers out	(5,794,421)	(6,740,323)	(7,767,550)	(9,042,452)	(9,103,969)	(14,160,099)	(9,671,177)	(10,065,312)	(17,125,659)	(10,851,876)
<b>Total other financing sources (uses)</b>	<b>687,562</b>	<b>1,475,694</b>	<b>19,859,681</b>	<b>18,723,500</b>	<b>3,436,188</b>	<b>29,674,006</b>	<b>1,631,069</b>	<b>34,517,157</b>	<b>(51,594)</b>	<b>200,001</b>
<b>Net changes in fund balances</b>	<b>\$(1,327,248)</b>	<b>\$(5,499,451)</b>	<b>\$(9,477,851)</b>	<b>\$14,861,429</b>	<b>\$13,494,211</b>	<b>\$36,579,494</b>	<b>\$11,597,700</b>	<b>\$42,843,142</b>	<b>\$(1,554,380)</b>	<b>\$7,099,683</b>
Debt service as a % of noncapital expenditures	14.74%	14.93%	13.00%	15.19%	14.48%	13.38%	13.74%	13.44%	14.41%	14.83%

## CITY OF FRANKLIN, TENNESSEE

**Revenue Capacity Information  
Local Sales Tax Collections**

<b>FISCAL YEAR</b>	<b>Estimate of Taxable Sales to Local Sales Tax</b>	<b>Local Sales Tax Rate (City &amp; Williamson County)</b>	<b>Total Local Sales Tax Collected</b>	<b>Less: County Portion (1/2 of tax)</b>	<b>Less: County Admin Fee (1% of City's 1/2 of tax)</b>	<b>Local Sales Tax Received by City</b>	<b>Percent of General Fund Revenue</b>
2021	\$ 3,771,019,289	2.75%	\$ 84,847,934	\$ (42,423,967)	\$ (424,240)	\$ 41,999,727	52.1%
2020	3,183,243,914	2.75%	71,622,988	(35,811,494)	(358,115)	35,453,379	50.7%
2019	3,247,423,397	2.75%	73,067,026	(36,533,513)	(365,335)	36,168,178	49.7%
2018	3,066,394,800	2.75%	68,993,883	(34,496,941)	(344,969)	34,151,972	49.4%
2017	2,935,512,368	2.25%	66,049,028	(33,024,514)	(330,245)	32,694,269	49.1%
2016	2,811,166,510	2.25%	63,251,246	(31,625,623)	(316,256)	31,309,367	49.3%
2015	2,598,787,340	2.25%	58,472,715	(29,236,358)	(292,364)	28,943,994	50.4%
2014	2,447,114,882	2.25%	55,060,085	(27,530,042)	(275,300)	27,254,742	47.9%
2013	2,334,072,548	2.25%	52,516,632	(26,258,316)	(262,583)	25,995,733	49.4%
2012	2,172,607,228	2.25%	48,883,663	(24,441,831)	(244,418)	24,197,413	47.5%

Tennessee Code Annotated Section 67-6-702 authorizes the levy of a local option sales tax. The tax is applied only to the first \$1,600 of any single article of personal property. In February 2018, the voters of Williamson County approved by referendum an increase in the local option sales tax rate from 2.25% to 2.75%, which is the maximum rate authorized by state law. The new rate became effective, April 1, 2018. The City of Franklin entered into an intergovernmental agreement with Williamson County through which the City's additional revenues, generated under the new tax rate (0.50%) will remain with the County for the purposes of funding County School debt service for a period of 3 years beginning April 1, 2018.

The City received 1/2 of the 2.25% rate collected within the City through March 2021. With the expiration of the intergovernmental agreement in April 2021, the City began to receive 1/2 of the 2.75% rate collected within the City. Williamson County receives the other 1/2, plus an administrative fee of 1% of the City's 1/2 of the tax.

CITY OF FRANKLIN, TENNESSEE

Revenue Capacity Information -  
Assessed Value and Estimated Actual Value of Taxable Property

FISCAL YEAR	Real Property Assessment		Personal Property Assessment			Public Utility Assessment		Total Taxable Assessed Value			Taxable Assessed Value as a Percentage of Estimated Actual Value	
	Residential & Farm Property	Industrial & Commercial Property	Industrial & Commercial Property	Intangible Property	State Assessment	Local Assessment	Total Taxable Assessed Value	Estimated Actual Taxable Value	Estimated Actual Taxable Value	Actual Value	Total Direct Rate	
2021	\$ 2,457,984,895	\$ 2,721,802,980	\$ 212,141,723	\$ 2,400,000	\$ 64,423,153	\$ -	\$ 5,458,752,751	\$ 21,190,144,675	\$ 21,190,144,675	\$ 21,190,144,675	25.76%	0.4176
2020	2,383,570,565	2,611,168,485	195,053,443	106,128	64,804,129	-	5,254,702,750	18,920,390,435	18,920,390,435	18,920,390,435	27.77%	0.4176
2019	2,307,323,295	2,485,463,471	190,862,365	110,259	64,399,468	-	5,048,158,858	18,208,229,470	18,208,229,470	18,208,229,470	27.72%	0.4176
2018	2,225,948,965	2,394,850,296	196,029,038	127,836	66,131,091	-	4,883,087,226	15,696,174,389	15,696,174,389	15,696,174,389	31.11%	0.4176
2017	2,124,725,620	2,290,475,081	164,777,885	115,036	68,350,538	-	4,648,444,160	14,931,225,106	14,931,225,106	14,931,225,106	31.13%	0.4176
2016	1,686,264,015	1,675,073,222	157,978,412	84,526	57,576,973	-	3,576,977,148	11,591,451,146	11,591,451,146	11,591,451,146	30.86%	0.4065
2015	1,628,904,915	1,586,857,868	163,708,520	53,322	60,066,953	471,130	3,440,062,708	11,413,859,405	11,413,859,405	11,413,859,405	30.14%	0.4065
2014	1,572,195,410	1,549,098,572	156,642,888	69,209	55,553,796	-	3,333,559,875	11,065,624,425	11,065,624,425	11,065,624,425	30.13%	0.3765
2013	1,523,744,360	1,487,649,998	148,889,463	1,275,280	56,228,260	-	3,217,787,361	10,442,405,019	10,442,405,019	10,442,405,019	30.81%	0.3765
2012	1,492,455,650	1,477,904,852	152,009,171	915,060	54,282,799	471,130	3,178,038,662	10,298,785,436	10,298,785,436	10,298,785,436	30.86%	0.3765

Source: Tax Aggregate Report of Tennessee

Note: Property of the City is reappraised periodically. Tax rates are per \$100 of assessed value.

CITY OF FRANKLIN, TENNESSEE

Revenue Capacity Information -  
Property Tax Rates - Direct and Overlapping Governments (a)

Fiscal Year	Direct Rate						Overlapping Rate		Total Direct and Overlapping
	City of Franklin (a)						Williamson County (b)		
	General Fund	Debt Service Fund	Street Aid Fund	Capital Projects Fund	Total Direct Rate	Total Overlapping Rate	Total Overlapping Rate		
2021 (g)	\$ 0.2002	\$ 0.2024	\$ 0.0150	---	0.4176	\$ 2.3951	\$	2.8127	
2020 (f)	0.1916	0.2110	0.0150	---	0.4176	2.8090		3.2266	
2019 (e)	0.2290	0.1736	0.0150	---	0.4176	2.7390		3.1566	
2018 (d)	0.2137	0.1889	0.0150	---	0.4176	2.6890		3.1066	
2017 (c)	0.2262	0.1614	0.0150	0.0150	0.4176	2.6790		3.0966	
2016	0.1517	0.2248	0.0150	0.0150	0.4065	3.0541		3.4606	
2015	0.1716	0.2049	0.0150	0.0150	0.4065	2.9775		3.3840	
2014	0.1979	0.1786	---	---	0.3765	2.9775		3.3540	
2013	0.2149	0.1616	---	---	0.3765	2.9510		3.3275	
2012	0.2108	0.1657	---	---	0.3765	2.9510		3.3275	

From fiscal years 2011-2014, the direct rate was separated between the General Fund and the Debt Service Fund. From fiscal year 2015-2017, the direct rate was separated between the General Fund, the Debt Service Fund, the Street Aid Fund, and the Capital Projects Fund. Beginning in fiscal year 2019, the direct rate was separated between the General Fund, the Debt Service Fund, and the Street Aid Fund.

(a) Per \$100 of assessed valuation

(b) Levied on County property within the City. Rate is applicable to City property located in the special school district; substantially all of the City's assessed property is in the special school district. County rates for City of Franklin property not in the special school district are as follows:

2021	1.8300
2020	2.1600
2019	2.0900
2018	2.0700
2017	1.8500
2016	2.0000
2015	2.2000
2014	2.2000
2013	2.2000
2012	2.2000

(c) FY2017 General Fund rate is inclusive of \$.1562 for General Fund operations and \$.0700 for the General Fund Capital Funding account.

(d) FY2018 General Fund rate is inclusive of \$.1751 for General Fund operations and \$.0386 for the General Fund Capital Funding account.

(e) FY2019 General Fund rate is inclusive of \$.1918 for General Fund operations and \$.0372 for the General Fund Capital Funding account.

(f) FY2020 General Fund rate is inclusive of \$.1918 for General Fund operations.

(g) FY2021 County-wide reappraisal year.

## CITY OF FRANKLIN, TENNESSEE

**Revenue Capacity Information -  
Principal Property Taxpayers, Current Year and Nine Years Ago**

<u>Taxpayer</u>	<u>2012</u>		<u>2021</u>	
	<u>Assessed Valuation</u>	<u>Percent of Assessed Valuation</u>	<u>Assessed Valuation</u>	<u>Percent of Assessed Valuation</u>
<u>Real and Personal Property Tax</u>				
Boyle Investments			\$ 147,768,000	2.71%
Highwood Properties			146,159,000	2.68%
IMT			128,743,000	2.36%
Galleria Associates (CBL Assoc.)	59,953,120	1.89%	97,377,000	1.78%
Northwood Investors			93,713,000	1.72%
Stock Bridge Capital			69,263,000	1.27%
Chartwell Hospitality			56,979,000	1.04%
Nuveen Real Estate			54,952,000	1.01%
Steadfast Apt REIT			54,200,000	0.99%
Public Sect Pension Inv Brd			50,317,000	0.92%
HRLP Cool Springs LLC	37,678,400	1.19%		
Carothers Office ACQ LLC	29,792,480	0.94%		
Landings F C LP	24,381,720	0.77%		
Wyndchase, LLC	24,208,600	0.76%		
Lightman Cool Springs	20,763,520	0.65%		
Williamson Farmers Co-Op	19,126,880	0.60%		
Boyle Cool Springs Joint Venture	18,766,560	0.59%		
Franklin Realco LLC	16,834,200	0.53%		
Alara Franklin Corp	15,710,680	0.49%		
Franklin Cool Springs Corp	15,659,635	0.49%		
AGL/SLC McEwen No 1 LLC	15,176,080	0.48%		
United Dominion Realty LP	14,436,670	0.45%		
Weeks Realty	13,912,760	0.44%		
AGL/SLC McEwen No 2 LLC	13,177,520	0.41%		
Totals	<u>\$ 339,578,825</u>	<u>10.68%</u>	<u>\$ 899,471,000</u>	<u>16.48%</u>

\* Total assessed valuation in 2012 (tax year 2011) was \$3,178,038,662

\*\* Total assessed valuation in 2021 (tax year 2020) is \$5,458,752,751.

## CITY OF FRANKLIN, TENNESSEE

Revenue Capacity Information -  
Property Tax Levies and Collections

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Collected Within One Year of Levy</b>	<b>Percent Collected</b>	<b>Collections in Subsequent Years</b>	<b>Total Collections</b>	<b>Total Collections as Percent of Total Levy</b>	<b>Outstanding Delinquent Taxes</b>
2021	\$ 22,527,506	\$ 22,328,725	99.1%	\$ -	\$ 22,328,725	99.1%	\$ 198,781
2020	21,688,376	21,436,320	98.8%	224,251	21,660,571	99.9%	27,805
2019	20,834,771	20,584,843	98.8%	235,079	20,819,922	99.9%	14,849
2018	20,126,690	19,895,443	98.9%	222,655	20,118,098	100.0%	8,592
2017	19,203,126	19,013,067	99.0%	183,915	19,196,982	100.0%	6,144
2016	14,306,693	14,114,206	98.7%	187,036	14,301,242	100.0%	5,451
2015	13,742,347	13,551,648	98.6%	186,308	13,737,956	100.0%	4,391
2014	12,342,702	12,146,687	98.4%	189,443	12,336,130	99.9%	6,572
2013	11,902,186	11,724,940	98.5%	168,694	11,893,634	99.9%	8,552
2012	11,718,525	11,519,012	98.3%	189,781	11,708,793	99.9%	9,732



CITY OF FRANKLIN, TENNESSEE

Debt Capacity Information -  
Ratios of Outstanding Debt by Type

Fiscal Year	Governmental Activities			Business-type Activities			Total Outstanding Debt	Personal Income (b)	Percentage of Personal Income	Population (c)	Debt Per Capita
	General		Capital Leases	Water & Sewer Revenue & Tax		Capital Leases					
	Bonds (a)	Obligation	Capital Leases	Bonds (a)	Revenue & Tax	Capital Leases					
2021	\$ 150,034,179	\$	-	\$ 129,005,230	\$	-	\$ 279,039,409	\$ 7,932,553,062	3.5%	83,454	3,344
2020	160,358,676	-	-	85,275,963	-	-	245,634,639	6,727,183,776	3.7%	70,908	3,464
2019	167,912,949	-	-	49,621,380	-	-	217,534,329	6,727,183,776	3.2%	70,908	3,068
2018	141,697,493	884,974	884,974	42,926,581	17,187	17,187	185,526,235	6,727,183,776	2.8%	70,908	2,616
2017	150,159,179	2,170,299	2,170,299	45,705,483	30,737	30,737	198,065,698	6,452,698,908	3.1%	70,908	2,793
2016	131,675,830	3,428,930	3,428,930	35,463,236	-	-	170,567,996	6,149,445,980	2.8%	66,370	2,570
2015	139,649,696	3,188,492	3,188,492	38,987,696	-	-	181,825,884	6,090,575,790	3.0%	66,370	2,740
2014	130,913,402	3,284,692	3,284,692	42,458,312	-	-	176,656,406	5,614,570,150	3.1%	66,370	2,662
2013	120,136,535	2,357,012	2,357,012	45,875,189	-	-	168,368,736	4,975,089,966	3.4%	62,487	2,694
2012	126,742,579	1,413,816	1,413,816	48,839,368	77,313	77,313	177,073,076	4,899,355,722	3.6%	62,487	2,834

(a) This amount includes unamortized premiums

(b) Personal income is disclosed on page 138. (Values are updated to match income table updates.)

(c) Tennessee Certified Populations reports

Note: Resources used in the calculation above are not externally restricted for repayment of debt principal.

CITY OF FRANKLIN, TENNESSEE

Debt Capacity Information -  
Ratios of General Bonded Debt Outstanding

FISCAL YEAR	General Obligation Debt (a)	Less: Amounts Available in Debt Service Fund (b)	Net General Obligation Debt Service	Appraised Value (c)	Ratio of Net General Obligation Debt to		Net General Obligation Debt Per Capita
					Appraised Value	Population (d)	
2021	\$ 150,034,179	\$ 937,169	\$ 149,097,010	\$ 21,190,144,675	0.7%	83,454	\$ 1,787
2020	160,358,676	804,607	159,554,069	18,920,390,435	0.8%	70,908	2,250
2019	167,912,949	372,887	167,540,062	18,208,229,470	0.9%	70,908	2,363
2018	141,697,493	106,587	141,590,906	15,696,174,389	0.9%	70,908	1,997
2017	150,159,179	90,197	150,068,982	14,931,225,106	1.0%	70,908	2,116
2016	131,675,830	5,000	131,670,830	11,591,451,146	1.1%	66,370	1,984
2015	139,649,696	709	139,648,987	11,413,859,405	1.2%	66,370	2,104
2014	130,913,402	195,118	130,718,284	11,065,624,425	1.2%	66,370	1,970
2013	120,136,535	84,729	120,051,806	10,442,405,019	1.1%	62,487	1,921
2012	126,742,579	318,138	126,424,441	10,298,785,436	1.2%	62,487	2,023

(a) This amount includes unamortized premiums

(b) Fund began in 2010

(c) State of TN Comptroller Division of Property Assessment

(d) Tennessee Certified Populations

CITY OF FRANKLIN, TENNESSEE

Debt Capacity Information -  
Direct and Overlapping Governmental Activities Debt  
June 30, 2021

Jurisdiction	Debt Outstanding	Percentage Applicable to City	Estimated Share of Overlapping Debt
Williamson County	\$ 818,770,000	40.18% (a)	\$ 328,981,786
Franklin Special School District	71,506,941	100.00% (b)	71,506,941
Subtotal, overlapping debt			400,488,727
City of Franklin direct debt of governmental			150,034,179 (c)
Total direct and overlapping debt			\$ 550,522,906

(a) Based upon Assessed Value of Property

in:

County	\$ 13,585,683,435
City	\$ 5,458,752,751

(b) All of the Special School District is located within the City of Franklin. Amount shown includes a bond total of \$70,825,000 and a Note Payable total of \$681,941.

(c) This amount includes total governmental debt of \$131,720,000 and governmental unamortized premiums of \$18,314,179.

**CITY OF FRANKLIN, TENNESSEE**

**Debt Capacity Information -  
Legal Debt Margin Information**

Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Value	\$ 3,178,038,662	\$ 3,217,787,361	\$ 3,333,559,875	\$ 3,440,062,708	\$ 3,576,977,148	\$ 4,648,444,160	\$ 4,883,087,226	\$ 5,048,158,858	\$ 5,254,702,750	\$ 5,458,752,751
General Obligation Debt (a)	\$ 126,742,579	\$ 120,136,535	\$ 130,913,402	\$ 139,649,696	\$ 131,675,830	\$ 150,159,179	\$ 141,697,493	\$ 167,912,949	\$ 160,358,676	\$ 150,034,179
Debt as % of Assessed Value	4.0%	3.7%	3.9%	4.1%	3.7%	3.2%	2.9%	3.3%	3.1%	2.7%

**Note - The City has no legal debt limit.**

(a) This amount includes unamortized premiums.

CITY OF FRANKLIN, TENNESSEE

Debt Capacity Information -  
Water & Sewer Fund  
Pledged-Revenue Coverage

Fiscal Year	Gross Revenues (a)	Contributions, Taps, & Access Fees (b)		Direct Operating Expense (c)	Net Revenue Available for Debt Service	Debt Service Requirements (d)			Coverage
						Principal	Interest	Total	
2021	\$ 35,354,695	\$ -	\$ -	\$ 22,420,728	\$ 12,933,967	\$ 6,988,144	\$ 2,436,265	9,424,409	1.37
2020	33,603,606	9,027,798	20,339,783	22,291,621	22,291,621	4,399,002	1,954,291	6,353,293	3.51
2019	32,711,220	9,269,803	21,137,078	20,843,945	20,843,945	4,407,812	1,492,297	5,900,109	3.53
2018	31,074,421	11,005,568	21,319,614	20,760,375	20,760,375	4,303,193	1,547,782	5,850,975	3.55
2017	29,091,137	9,382,488	20,123,220	18,350,405	18,350,405	3,973,101	1,656,693	5,629,794	3.26
2016	28,003,498	12,429,719	17,477,139	22,956,078	22,956,078	3,510,885	1,293,872	4,804,757	4.78
2015	25,453,822	9,517,652	16,467,456	18,504,018	18,504,018	3,411,934	1,430,642	4,842,576	3.82
2014	23,212,942	11,263,738	15,635,777	18,840,903	18,840,903	3,358,090	1,565,559	4,923,649	3.83
2013	22,257,118	6,728,662	14,880,678	14,105,102	14,105,102	3,671,566	1,721,346	5,392,912	2.62
2012	21,246,536	5,307,632	15,293,416	11,260,752	11,260,752	3,113,470	1,714,353	4,827,823	2.33

(a) Includes interest income and gain on sale of assets.

(b) Not included in 2021 and forward to match pledged revenue on bonds and State Revolving Fund (SRF) loans.

(c) Excludes depreciation, interest expense, and loss on sale of assets. Includes transfers.

(d) Includes bonds and loans.

CITY OF FRANKLIN, TENNESSEE

Demographic and Economic Information -  
Demographic and Economic Statistics, Last Ten Fiscal Years

Year	Population		Per Capita Personal			Education Level in		School Enrollment (e)	Unemployment Rate (f)
	(a)	(b)	(c)	(d)	(e)	(f)			
2021	83,454	\$ 7,932,553,062	\$ 95,053	15.5	14,222	4.6%			
2020	70,908	6,740,018,124	95,053	15.5	17,428	6.7%			
2019	70,908	6,740,018,124	95,053	15.2	16,754	2.8%			
2018	70,908	6,569,200,752	92,644	15.2	16,345	2.8%			
2017	70,908	6,500,065,452	91,669	15.2	15,652	2.8%			
2016	66,370	6,137,764,860	92,478	15.2	14,245	3.7%			
2015	66,370	6,092,367,780	91,794	15.1	13,821	4.3%			
2014	66,370	5,612,579,050	84,565	15.1	13,487	4.8%			
2013	62,487	4,974,590,070	79,610	15.0	12,037	5.4%			
2012	62,487	4,896,981,216	78,368	14.9	11,834	5.3%			

(a) Tennessee Certified Population reports

(b) Personal Income is calculation of Population times Per Capita Personal Income. (Values are updated to match per capita personal income updates.)

(c) U.S. Bureau of Economic Analysis (BEA) for Williamson County: Local Area Personal Income. (Values are updated to match income table updates.)

(d) U.S. Census. Educational Attainment for Adults Age 25 or Older for Franklin.

(e) Tennessee Department of Education Annual Reports. Population of Franklin is compared to County's to estimate the enrollment from Franklin. (Values are updated to match school enrollment updates.)

(f) U.S. Bureau of Labor Statistics, rate for June of each year

CITY OF FRANKLIN, TENNESSEE

Demographic and Economic Information -  
Principal Employers, Current Year and Nine Years Ago

Employer	2012			2021 (b)		
	Employees (a)	Rank	Percentage of Total County Employment	Employees (b)	Rank	Percentage of Total City Employment
Fresenius Medical Care				2,020	1	4.29%
HCA Healthcare, Inc.				2,002	2	4.33%
Community Health Systems	2,153	2	3.66%	2,000	3	4.29%
Williamson Medical Center	1,397	3	2.38%	1,896	4	4.07%
Optum				1,600	5	3.43%
Nissan North America	1,200	5	2.04%	1,550	6	3.32%
Cigna				1,500	7	3.22%
Paralon Business Solutions, LLC				1,100	8	2.36%
Mars Petcare	742	8	1.26%	1,000	9	2.14%
Ramsey Solutions				902	10	1.93%
Lee Company	625	9	1.06%			
Cool Spring Galleria	3,500	1	5.95%			
Verizon Wireless	1,300	4	2.21%			
Healthways	900	6	1.53%			
Primus/Ford Credit	800	7	1.36%			
Medsolutions	550	10	0.94%			
Total	13,167		22.39%	15,570		33.38%

(a) City's 2012 Comprehensive Annual Financial Report. Prior to 2013, the ACFR represented Franklin employers by county statistics.

(b) Number of employees (job counts) were provided by Williamson, Inc. and were based on information available at the time of data capture.

## CITY OF FRANKLIN, TENNESSEE

Operating Information -  
Authorized Full Time Employees by Function

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration	6	5	6	6	6	6	9	10	11	11
Building and Neighborhood Services	28	30	31	32	33	35	36	36	36	36
Capital Investment Planning	2	1	2	2	2	0	0	0	0	0
Communications	3	3	3	3	4	4	4	4	4	4
Court	2	2	2	2	3	3	2	3	3	3
Engineering	8	10	11	12	12	13	13	14	15	16
Finance	9	9	10	10	10	10	9	9	9	9
Fire	158	160	161	171	171	171	172	172	172	172
HR	10	11	11	11	11	11	12	12	12	12
IT	17	19	18	20	20	21	22	23	24	25
Law	4	4	5	4	4	5	5	5	5	5
Parks	31	33	34	31	37	39	41	44	46	46
Planning and Sustainability	18	15	17	16	16	16	15	15	15	15
Police	175	175	176	156	157	142	143	142	145	145
Projects and Facilities Management	6	6	7	7	7	5	6	6	6	6
Purchasing	3	3	3	3	3	3	3	3	4	4
Revenue Management	14	15	14	13	13	13	14	14	14	14
Solid Waste	52	49	48	49	49	45	45	45	45	45
Stormwater	16	16	17	18	19	20	21	22	22	22
Streets	47	49	52	53	53	54	58	59	60	60
Traffic Operations Center	3	4	3	4	3	3	4	4	4	4
Water & Wastewater	83	84	84	85	86	92	94	96	96	96
<b>TOTAL</b>	<b>695</b>	<b>703</b>	<b>715</b>	<b>708</b>	<b>719</b>	<b>711</b>	<b>728</b>	<b>738</b>	<b>748</b>	<b>750</b>

Note 1: The City's 9 elected officials (Mayor and 8 Aldermen) and City Judge are not included in the numbers above.

Note 2: An asterisk (\*) indicates the department had not been created in the year shown.

Note 3: Beginning in 2015 authorized, vacant, but unfunded positions are not reflected in the counts.



CITY OF FRANKLIN, TENNESSEE

Operating Information -  
Operating Indicators by Function

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Calls for service	75,700	77,964	80,205	77,818	67,533	57,154 (a)	68,966 (b)	60,201	59,138	53,075
Fire										
Number of alarms	5,767	6,115	6,501	6,790	7,039	7,856	9,058	8,879	8,695	8,537
Sanitation										
Landfill usage	59,212	54,190	65,116	81,651	95,393	81,137	87,536	86,120	94,043	101,496
Recycling (tons)	6,209	6,781	8,605	7,897	7,904	8,726	7,875	6,623	4,862 (d)	2472 (d)
Codes										
Single family permits	331	485	519	480	691	636	495	358	348	342
Water										
Average daily usage	5,872,863	5,805,912	5,690,082	5,636,146	5,755,000	5,737,000	5,770,000 (c)	6,314,000	6,994,000	7,426,000
Water storage capacity (gallons)	12,000,000	12,000,000	11,500,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000

Source: City of Franklin departments

- (a) The November 2016 transition of dispatch services from the Franklin Police Department to the Williamson County Emergency Communications Center resulted in data collection differences. 100% of possible calls are not represented.
- (b) The Franklin Fire Department and Police department continue to track the calls and alarms. For consistency with prior year reporting, we will be using these figures to represent the calls and alarms above.
- (c) The calculation of this figure includes Water plant staff estimates of the lowest usage months as a result of a plant shut down.
- (d) FY20: As a result of COVID-19, recycling service was stopped from 3/17/2020-6/24/2020 causing a reduction. In FY21, the switch to Blue Bins caused an initial drop of recycling. Recent trends show recycling increasing. In part due to Covid-19 and the recycling changes, landfill usage increased year over year.

CITY OF FRANKLIN, TENNESSEE

Operating Information -  
Capital Asset Statistics by Function

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles (radio equipped)	152	156	136	139	136	150	140	128 (c)	136	142
Fire										
Fire stations	6	6	6	7	7	8	8	8	8	8 (d)
Fire response vehicles	19	22	22	22	22	22	22	23	26	26
Fire hydrants	3,155 (a)	3,325 (a)	3,326 (a)	3,416 (a)	3,576 (a)	3,675 (a)	3,810 (a)	3,921 (a)	3,930	3983
Street										
Streets (miles)	286	293	304	317	325	347	339 (b)	344	351	357
Parks										
Number of parks	16	16	16	16	16	16	16	17	17	17 (e)
Water										
Water lines (miles)	283	285	288	293	296	301	302	303	306	308
Sewer lines (miles)	352	354	360	371	387	393	408	415	419	421
Reclaimed lines (miles)	--	--	--	--	--	--	28	28	28	29

Source: City of Franklin departments

- (a) Provided by City of Franklin Fire Department (for hydrants within City limits or outside limits but within the 400' buffer & inspected by FFD)
- (b) FY18: Improvements in the GIS street layer process removed centerline segments, which caused a street mileage reduction
- (c) FY19: Switch to 700mghz radios. Pool cars and special use vehicles were not assigned the new radios (portables are being used in those vehicles).
- (d) FY21: The City added 3 to 4 satellite fire stations for a period of 9 months due to the COVID-19 response.
- (e) FY21: Southeast Municipal Complex and Robinson Lake are in the construction process and are not included in this total.

**INTERNAL CONTROL AND COMPLIANCE SECTION**



H I S T O R I C  
**F R A N K L I N**  
T E N N E S S E E

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF HISTORICAL UTILITY SYSTEM GROWTH**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
 UNAUDITED

**WATER PRODUCTION**

<u>Year</u>	Average Daily Production <u>(MGD)</u>	Maximum Daily Production <u>(MGD)</u>
2014	1.34	2.78
2015	1.60	2.66
2016	1.21	2.35
2017	0.68	1.90
2018	2.04	3.41
2019	2.40	3.00
2020	2.69	3.69

**WATER SYSTEM USAGE**

<u>Year</u>	Gallons Sold (000) <u></u>	Total Revenues <u></u>
2014	1,485,715	\$ 8,860,972
2015	1,548,809	\$ 9,543,369
2016	1,573,538	\$ 10,252,017
2017	1,634,058	\$ 10,556,568
2018	1,605,061	\$ 11,034,782
2019	1,541,561	\$ 11,692,199
2020	1,578,277	\$ 11,360,773

**WASTEWATER SYSTEM USAGE**

<u>Year</u>	Gallons Sold (000) <u></u>	Total Revenues <u></u>
2014	2,275,611	\$ 13,060,064
2015	2,356,667	\$ 14,557,438
2016	2,449,963	\$ 16,215,570
2017	2,572,765	\$ 17,022,240
2018	2,492,648	\$ 18,430,468
2019	2,558,374	\$ 18,790,102
2020	2,528,764	\$ 20,204,854

**RECLAIMED WATER USAGE**

<u>Year</u>	Gallons Sold (000) <u></u>	Total Revenues <u></u>
2013	45,756	\$ 135,041
2014	76,561	\$ 130,051
2015	88,916	\$ 80,505
2016	124,230	\$ 123,806
2017	133,039	\$ 133,598
2018	133,708	\$ 135,473
2019	111,427	\$ 128,937
2020	95,765	\$ 119,023

*Notes :* The reclaimed water revenue decline in 2015 was due to the end of one customer's multi-year contract and subsequent renewal at a lower monthly minimum usage. For all years reported, the average daily production and maximum daily production figures are based on a calendar year.

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF DEBT**  
**JUNE 30, 2021**

**General Obligation Bonded Debt**

Total Bonded Debt <sup>1</sup>	\$ 145,885,000
Less: Self Supporting Debt	(14,165,000)
Net Bonded Debt	\$ 131,720,000

Overlapping Bonded Debt <sup>2</sup>	\$ 890,276,941
Less: Self Supporting Bonded Debt	(70,370,000)
Net Overlapping Bonded Debt	\$ 819,906,941

	<b>City of Franklin</b>	<b>City and Overlapping</b>
Bonded Debt Per Capita	\$ 1,748	\$ 12,416
Net Direct Bonded Debt Per Capita	\$ 1,578	\$ 11,403
Bonded Debt / Assessed Value	2.67%	18.98%
Net Bonded Debt / Assessed Value	2.41%	17.43%
Bonded Debt / Actual Value	0.69%	4.89%
Net Bonded Debt / Actual Value	0.62%	4.49%

	<b>Franklin</b>	<b>Williamson County</b>
FY 2021 Assessed Value	\$ 5,458,752,751	\$ 13,585,683,435
FY 2021 Appraised Value	\$ 21,190,144,675	\$ 57,894,231,089
2020 Population <sup>3</sup>	83,454	238,412

**Williamson County's Bonded Debt as of June 30, 2021 <sup>4</sup>**

Bonded Debt	\$ 818,770,000
Self Supporting Bonded Debt	(70,370,000)
Net Bonded Debt	\$ 748,400,000

Franklin's Assessed Value as a Percentage of Williamson County's Assessed Value: 40.18%

**Franklin Special School District Bonded Debt as of June 30, 2021 <sup>5</sup>**

Bonded Debt	\$ 71,506,941
-------------	---------------

Franklin's Assessed Value as a Percentage of Franklin Special School District's Assessed Value:  
100%

## Notes:

(1) Includes self-supporting tax-backed water and sewer revenue and tax bonds.

Excludes revenue bonds and loans without GO backing. Excludes unamortized premiums.

(2) Source: Overlapping debt is for Williamson County and Franklin Special School District

(3) Source: U.S. Census April 1, 2020

(4) Source: Williamson County

(5) Source: Franklin Special School District

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF BOND AND NOTE INDEBTEDNESS - WATER AND SEWER FUND**  
 JUNE 30, 2021

<b>Amount Issued</b>	<b>Purpose</b>	<b>Due Date</b>	<b>Interest Rate</b>	<b>Outstanding as of 6/30/2021</b>
\$ 24,670,000	Revenue & Tax Bonds: Series 2005 - Sewer and Water Revenue and Tax Refunding (1) (2)	April 2025	Fixed	\$ 6,735,000
19,430,000	Revenue & Tax Bonds: Series 2011 - Truist (formally SunTrust) Loan Program (1) (2)	May 2026	Fixed	7,430,000
12,000,000	Revenue Bonds: Series 2017 - Water and Sewer Revenue	February 2037	Fixed	10,385,000
1,500,000	Notes Payable: 2009 - Drinking Water SRF Loan through ARRA (1) (3)	December 2030	Fixed	817,658
1,888,200	Notes Payable: 2009 - Clean Water SRF Loan through ARRA (1) (3)	October 2032	Fixed	1,192,361
1,822,741	Notes Payable: 2016 - SCADA SRF Loan through ARRA (1)	2031	Fixed	1,477,393
1,677,259	Notes Payable: 2016 - SCADA SRF Loan through ARRA (1)	2031	Fixed	261,391
1,275,000	Notes Payable: 2017 - Wastewater Plant SRF Loan	August 2049	Fixed	1,212,152
78,500,000	Notes Payable: 2017 - Wastewater Plant SRF Loan	30 years	Fixed	78,152,532
<u>20,000,000</u>	Notes Payable: 2017 - Wastewater Plant SRF Loan	30 years	Fixed	<u>20,000,000</u>
<u>\$ 162,763,200</u>	<b>Total Bonded Debt</b>			<u>\$ 127,663,487</u>

## Notes:

- (1) Indebtedness payable from and secured by water and sewer system revenues and a general obligation pledge of the City. SRF loans also secured by state-shared taxes. All indebtedness is anticipated to be paid from water and sewer system revenues.
- (2) Prior Lien Obligation.
- (3) Outstanding Parity Obligation.

**CITY OF FRANKLIN, TENNESSEE  
SCHEDULE OF GENERAL OBLIGATION DEBT  
JUNE 30, 2021**

	<u>Amount of Indebtedness</u>	<u>Per Capita</u> <sup>1</sup>	<u>Percentage Of Assessed Valuation</u> <sup>2</sup>	<u>Percentage Of Full Valuation</u> <sup>3</sup>
Gross Direct Indebtedness	\$ 145,885,000	\$ 1,748	2.67%	0.69%
Net Direct Indebtedness	\$ 131,720,000	\$ 1,578	2.41%	0.62%
Gross Direct and Gross Overlapping Indebtedness <sup>4 5</sup>	\$ 1,035,025,000	\$ 12,416	18.98%	4.89%
Net Direct and Net Overlapping Indebtedness <sup>4 5</sup>	\$ 950,490,000	\$ 11,403	17.43%	4.49%

Notes:

- (1) The City's certified population as of April 1, 2020 is 83,454.
- (2) The City's assessed valuation of taxable property as of June 30, 2021 is \$5,458,752,751.
- (3) The City's estimated full valuation of taxable property as of June 30, 2021 is \$21,190,144,675.
- (4) The County's debt outstanding is \$818,770,000 as of June 30, 2021. The City's share is \$328,981,786. (40.18%)  
Of the County's debt outstanding, \$70,370,000 is self-supporting. The City's share is \$28,274,666. (40.18%)
- (5) The Franklin Special School District's debt outstanding is \$71,506,941 as of June 30, 2021. The City's share is \$71,506,941 (100%)

**CITY OF FRANKLIN, TENNESSEE  
SCHEDULE OF INDEBTEDNESS AND DEBT RATIOS  
JUNE 30, 2021**

<b>INDEBTEDNESS</b>	<b>For Fiscal Year Ending June 30</b>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
	<u>2021</u>				<u>2021</u>
<b>TAX SUPPORTED</b>					
General Obligation Bonds <sup>1</sup>	\$ 129,490,000	\$ 144,618,000	\$ 136,500,000	\$ 154,800,000	\$ 141,105,000
<b>TOTAL TAX SUPPORTED</b>	<u>\$ 129,490,000</u>	<u>\$ 144,618,000</u>	<u>\$ 136,500,000</u>	<u>\$ 154,800,000</u>	<u>\$ 141,105,000</u>
<b>REVENUE SUPPORTED</b>					
Water & Sewer Bonds with General Obligation backing	\$ 31,710,000	\$ 28,345,000	\$ 24,915,000	\$ 21,385,000	\$ 17,800,000
Water & Sewer Bonds without General Obligation backing	\$ 0	\$ 12,000,000	\$ 11,630,000	\$ 11,230,000	\$ 10,815,000
Water & Sewer Loans without General Obligation backing	\$ 2,781,208	\$ 3,329,957	\$ 4,523,251	\$ 15,320,246	\$ 55,147,025
<b>TOTAL REVENUE SUPPORTED</b>	<u>\$ 34,491,208</u>	<u>\$ 43,674,957</u>	<u>\$ 41,068,251</u>	<u>\$ 47,935,246</u>	<u>\$ 83,762,025</u>
<b>TOTAL DEBT</b>	\$ 163,981,208	\$ 188,292,957	\$ 177,568,251	\$ 202,735,246	\$ 224,867,025
Less: Revenue Supported Debt	\$(2,781,208)	\$(15,329,957)	\$(16,153,251)	\$(26,550,246)	\$(65,962,025)
Less: Debt Service Fund Balance	(5,000)	(90,197)	(106,587)	(372,887)	(804,607)
<b>NET DIRECT DEBT</b>	\$ 161,195,000	\$ 172,872,803	\$ 161,308,413	\$ 175,812,113	\$ 158,100,393
<b>OVERLAPPING DEBT <sup>2</sup></b>	\$ 263,920,946	\$ 218,868,646	\$ 304,236,383	\$ 352,174,546	\$ 375,250,215
<b>NET DIRECT &amp; OVERLAPPING DEBT</b>	\$ 425,115,946	\$ 391,741,449	\$ 465,544,796	\$ 527,986,659	\$ 533,350,608
<b>PROPERTY TAX BASE <sup>3</sup></b>					
Actual Value	11,591,451,146	14,931,255,106	15,696,174,389	18,208,229,470	18,920,390,435
Assessed Value	3,576,977,148	4,648,444,160	4,883,087,226	5,008,158,858	5,254,702,750

Notes:

- (1) Does not include capital leases.
- (2) Overlapping Debt includes the City's portion of Williamson County's debt and of the Franklin Special School District
- (3) Actual and Assessed Values are from Tennessee Tax Aggregate Report



**CITY OF FRANKLIN, TENNESSEE  
SCHEDULE OF INDEBTEDNESS AND DEBT RATIOS (Cont.)  
JUNE 30, 2021**

<u>DEBT RATIOS</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
TOTAL DEBT to Actual Value	1.41%	1.26%	0.13%	1.11%	1.19%	1.22%
TOTAL DEBT to Assessed Value	4.58%	4.05%	3.64%	4.05%	4.28%	4.75%
NET DIRECT DEBT to Actual Value	1.39%	1.16%	1.03%	0.97%	0.84%	0.68%
NET DIRECT DEBT to Assessed Value	4.51%	3.72%	3.30%	3.51%	3.01%	2.66%
OVERLAPPING DEBT to Actual Value	2.28%	1.47%	1.94%	1.93%	1.98%	1.89%
OVERLAPPING DEBT to Assessed Value	7.38%	4.71%	6.23%	7.03%	7.14%	7.34%
NET DIRECT & OVERLAPPING DEBT to Actual Value	3.67%	2.62%	2.97%	2.90%	2.82%	2.57%
NET DIRECT & OVERLAPPING DEBT to Assessed Value	11.88%	8.43%	9.53%	10.54%	10.15%	9.99%
<b><u>PER CAPITA RATIOS</u></b>						
POPULATION <sup>1</sup>	66,370	70,908	70,908	70,908	70,908	83,454
PER CAPITA PERSONAL INCOME <sup>2</sup>	93,028	95,339	95,339	95,339	95,339	95,053
Actual Value to POPULATION	\$ 174,649	\$ 210,572	\$ 221,360	\$ 256,787	\$ 266,830	\$ 253,914
Assessed Value to POPULATION	\$ 53,894	\$ 65,556	\$ 68,865	\$ 70,629	\$ 74,106	\$ 65,410
Total Debt to POPULATION	\$ 2,471	\$ 2,655	\$ 2,504	\$ 2,859	\$ 3,171	\$ 3,108
Net Direct Debt to POPULATION	\$ 2,429	\$ 2,438	\$ 2,275	\$ 2,479	\$ 2,230	\$ 1,737
Overlapping Debt to POPULATION	\$ 3,977	\$ 3,087	\$ 4,291	\$ 4,967	\$ 5,292	\$ 4,799
Net Direct Debt & Overlapping Debt to POPULATION	\$ 6,405	\$ 5,525	\$ 6,565	\$ 7,446	\$ 7,522	\$ 6,536
Total Debt Per Capital as a percent of PER CAPITA PERSONAL INCOME	2.66%	2.79%	2.63%	3.00%	3.33%	3.27%
Net Direct Debt Per Capital as a percent of PER CAPITA PERSONAL INCOME	2.61%	2.56%	2.39%	2.60%	2.34%	1.83%
Overlapping Debt Per Capital as a percent of PER CAPITA PERSONAL INCOME	4.27%	3.24%	4.50%	5.21%	5.55%	5.05%
Net Direct & Overlapping Debt Per Capital as a percent of PER CAPITA PERSONAL INCOME	6.89%	5.79%	6.89%	7.81%	7.89%	6.88%

Notes:

(1) Per Capita computations are based on Tennessee certified population

(2) Per Capita Personal Income is based on data from the Bureau of Economic Analysis for Williamson County

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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*

To the Board of Mayor and Alderman  
City of Franklin, Tennessee

We have audited, in accordance with the 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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin, Tennessee (the "City"), as of and for the year ended June 30, 2021 (except for the Fiduciary Pension Fund, which was as of and for the year ended December 31, 2020), and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 14, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's 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 a 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 the City's financial statements are free from 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 financial statements. 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*, but one other matter that is required to be reported under the State of Tennessee Audit Manual is referenced as 2021-001 in the accompanying Schedule of Findings and Questioned Costs.

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To the Board of Mayor and Aldermen  
City of Franklin, Tennessee

### **City of Franklin, Tennessee's Response to Findings**

City of Franklin, Tennessee's response to the finding identified in our audit is described in the accompanying schedule of findings and questions costs. City of Franklin, Tennessee'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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nashville, Tennessee  
December 14, 2021

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Mayor and Alderman  
City of Franklin, Tennessee

**Report on Compliance for Each Major Federal Program**

We have audited the City of Franklin, Tennessee's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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To the Board of Mayor and Aldermen  
City of Franklin, Tennessee

## **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Nashville, Tennessee  
December 14, 2021

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**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COST**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  yes  no  
 Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?  yes  no  
 Significant deficiency(ies) identified?  yes  none reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported  
 in accordance with 2 CFR 200.516(a)?  yes  no

Identification of major programs:

Federal Transit Cluster – CFDA No. 20.507 and 20.526  
 Highway Planning and Construction Cluster - CFDA No. 20.205  
 Coronavirus Relief Fund - CFDA No. 21.019  
 State Revolving Fund - CFDA No. 66.458

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?  yes  no

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COST - Continued**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None Reported.

**SECTION III - FEDERAL AUDIT FINDINGS AND QUESTIONED COSTS**

None Reported.

**SECTION IV - FINDINGS AND QUESTIONED COSTS REQUIRED BY THE STATE OF TENNESSEE  
AUDIT MANUAL**

***ITEM #2021-001***

**CITY OF FRANKLIN FIRE CHIEF**

Criteria, Condition, Context, Cause and Effect

Between February and March 2020, the Fire Chief logged excessive mileage (approximately 3,350 miles) in his City owned vehicle without a business purpose. Also in March 2020, the Fire Chief worked remotely out of State without authorization, as required by City policy. Once discovered, the incidents were reported to the proper City officials, law enforcements, and the State of Tennessee Comptroller's Office. The Fire Chief resigned his position in June 2020, and he was indicted by the Williamson County Grand Jury in August 2021 for misconduct. The City has since taken action to correct deficiencies in controls to ensure compliance with City policies regarding City owned vehicles and authorization of travel.

Recommendation

We recommend management continue to monitor and enforce the City's policies over City-owned vehicles and obtain and retain records authorizing travel for City business. We also recommend management consider further controls that could prevent and/or detect future violations of City travel policies

**Views of Responsible Officials and Planned Corrective Actions**

City officials have corrected deficiencies in the report through the following corrective action plan.

**SECTION V - SUMMARY OF PRIOR AUDIT FINDINGS**

The City of Franklin, Tennessee had no prior year audit findings.

## MANAGEMENT'S CORRECTIVE ACTION PLAN

The City of Franklin respectfully submits the following corrective action plan for the year ended June 30, 2021.

Contact Persons/Persons Responsible for Implementing Corrective Action:

Eric Stuckey, City Administrator, 615-791-3217  
Mark Hilty, Assistant City Administrator of Public Works, 615-791-3217  
Kristine Brock, Assistant City Administrator/CFO, 615-791-3217

### **2021-001: City of Franklin Fire Chief**

Action Taken/Planned:

#### Controls for use of City owned vehicles

The City reviewed the policies related to the use of City owned vehicles, particularly with respect to "take-home" vehicles. To ensure adequate data is available in a timely manner, the City evaluated several practices, including expanding the use of a system currently being used by the City that provides GPS data on a limited portion of the City's fleet. Due to limitations of the software, staff started evaluating alternatives. Currently, a system is being piloted in the Fire Department, Water Management Department, and Sanitation and Environmental Services Department. Feedback to date has been positive and is believed that it will provide adequate data to develop sustainable controls to monitor "take-home" vehicles. It is anticipated that deployment of this system, including reporting and review standards, will occur in calendar year 2022.

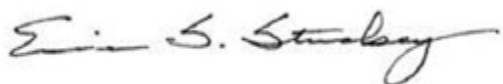
Contact person: Mark Hilty, Assistant City Administrator of Public Works, 615-791-3217

#### City Travel Policy

During meetings of City leadership, it was emphasized that they have the responsibility to monitor mileage on city owned vehicles and to retain supporting documentation to ensure travel is approved.

Anticipated Completion Date/Date Completed: August 2021

Sincerely,



Eric Stuckey  
City Administrator