

City of Franklin, Tennessee

Annual Comprehensive Financial Report



Opening of Mack Hatcher Memorial Parkway Northwest Extension

For the Fiscal Year Ended June 30, 2022

CITY OF FRANKLIN, TENNESSEE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

Prepared by:
City of Franklin
Department of Finance

CITY OF FRANKLIN, TENNESSEE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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INTRODUCTORY SECTION



HISTORIC
F R A N K L I N
TENNESSEE

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ADMINISTRATION

Dr. Ken Moore
MayorEric S. Stuckey
City AdministratorHISTORIC
FRANKLIN
TENNESSEE

December 13, 2022

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, 2022.

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, 2022, 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, 2022 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 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 94.

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 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. 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 commercial office vacancy rate of 22.34% (as of 2021) 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, Lutheran Health Network, Kaiser Aluminum, and Landmark Recovery (that announced in October 2022 it will be creating 1,300 new jobs).

The City has three (3) city-only tax abatement for Franklin Housing Authority that provides affordable housing to families and individuals. Also, with Williamson County, there are city/county abatements 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 fiscal year 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 fiscal year 2020, 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 Dam & 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 Park 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 FY 2021, due to the COVID-19 pandemic, the City did not proactively budget capital investments until later in the fiscal year. By the end of FY 2022, 7 projects have been completed, 5 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 Fall 2021 and review an update to the financial model in Winter 2022. Another update of the financial model and review of projects should occur in fiscal year 2023.

In fiscal year 2022, the BOMA considered an updated FY 2022-2031 CIP which also contained the following projects:

1. New City Hall
2. 100 Block Battle Avenue Stormwater Improvements
3. Improvements to Century Court Sanitation Facility
4. 96 West Trail (in conjunction with State of Tennessee)
5. Hayes Home Restoration (Harlinsdale – funded entirely through private donations)
6. East McEwen Phase V improvements (Wilson Pike to City Limits)
7. Peytonsville Rd & Pratt Ln Int. Improvements
8. Mack Hatcher Multiuse Trail (Franklin-Hillsboro)
9. Greenway (Pinkerton Park to Franklin Road Bridge)
10. Carlisle Ln (SR96W-Future Mack Hatcher Pkwy)

In addition, construction was completed in fiscal year 2022 of the third leg of the loop around Franklin, Mack Hatcher NW, funded primarily by the State of Tennessee.

Relevant financial policies

The City has adopted financial policies in recent years as follows:

- The investment policy provides 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 \$30.7 million in 2022). As of September 2014, the reserve policy also includes a capital funding reserve for fund of 45% or more of budgeted General Fund expenditures (which is \$41.9 million in 2022).
- 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.
- In November 2014, the City also adopted a cash receipting policy.
- 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.
- In fiscal year 2022, an uncollectible accounts receivable write-off policy was approved, and the purchasing policy was updated to raise the threshold on public advertisement for bids and proposals from \$25,000 to \$50,000.

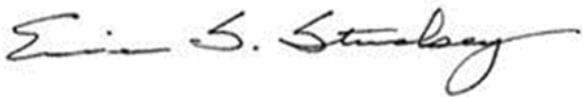
The City continues to explore adopting additional best practice financial policies including budgeting, revenues, economic development, enterprise risk management, capital improvements, and reserves for funds other than the General Fund.

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, 2021. This was the thirty-first (31st) consecutive year that the government received this prestigious award. 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

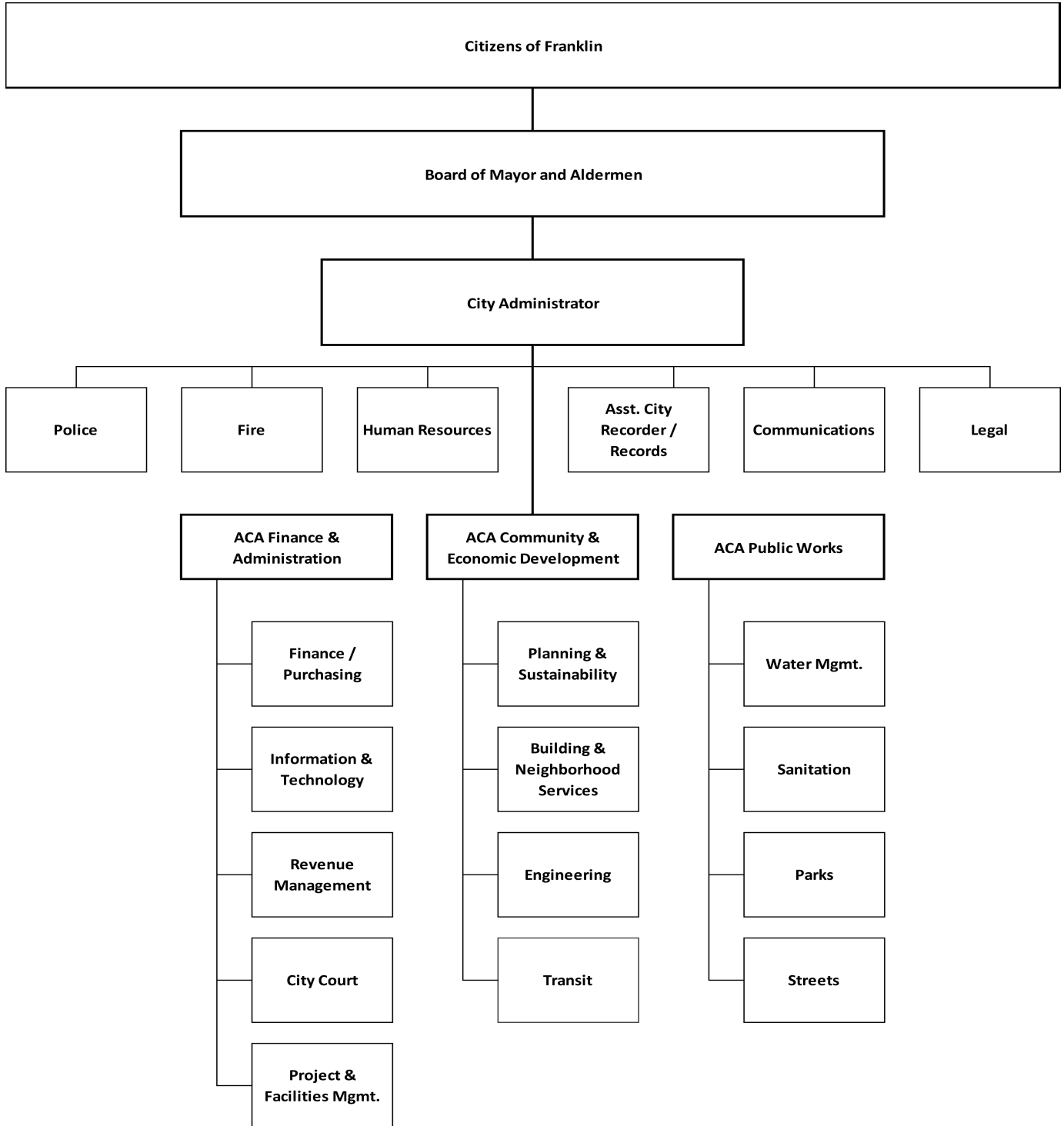
June 30, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF FRANKLIN, TENNESSEE ORGANIZATIONAL CHART

FOR THE FISCAL YEAR ENDED JUNE 30, 2022



CITY OF FRANKLIN, TENNESSEE
LIST OF ELECTED AND APPOINTED OFFICIALS
 JUNE 30, 2022

Elected Officials

Mayor	Dr. Ken Moore
Alderman – 1 st Ward	Beverly Burger
Alderman – 2 nd Ward	Matt Brown
Alderman – 3 rd Ward	Jason L. Potts
Alderman – 4 th Ward	Patrick Baggett
Alderman – At Large	Clyde Barnhill
Alderman – At Large (Vice-Mayor)	Brandy Blanton
Alderman – At Large	Gabrielle Hanson
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	M. 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.

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FINANCIAL SECTION



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FRANKLIN
TENNESSEE

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022 (except for the Fiduciary Pension Fund, which is as of December 31, 2021 and for the year then ended), and the related notes to the financial statements, which collectively comprise the City of Franklin, Tennessee's basic financial statements as listed in the table of contents.

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, 2022 (except for the Fiduciary Pension Fund which is as of December 31, 2021), 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, 2021), in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial

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likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, 2021, from which the summarized information was derived. We have previously audited the City's 2021 financial statements, and we expressed an unmodified opinion on those statements in our report, dated December 14, 2021. In our opinion, the summarized comparative information presented herein as of and for the year end June 30, 2021, 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 9–17, 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, and the schedule of changes in total OPEB liability and related ratios on page 88 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the supplemental schedules on pages 107 - 112, the supplemental schedule on page 142, and schedules of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of Tennessee, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 nonmajor fund financial statements, the supplemental schedules on pages 107 – 112, the supplemental schedule on page 142, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, the schedules on pages 113 - 116, the schedules on pages 140-141, and the schedules on pages 143 – 145, but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2022, 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’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 City’s internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read 'Crosslin, PLLC'.

Nashville, Tennessee
December 13, 2022

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**CITY OF FRANKLIN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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, 2022. 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

- **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 \$983,211,851, compared to \$928,418,619 in the previous fiscal year. Of this amount, \$123,052,277 (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 \$170,404,325. In the prior year, this amount was \$153,978,623. There is an increase in fund balances of \$16,425,702 due to several reasons, including increases in local taxes, state shared sales taxes, state shared fuel taxes, and COVID related grants. Also, there were fewer capital expenditures due to supply availability.
- **General Fund – Fund Balance.** At the end of the current fiscal year, fund balance in the General Fund is \$74,433,206, or 86% of General Fund expenditures (including transfers to other funds) of \$86,636,289. The fund balance increased \$8,951,696 from the prior year. This was the second year in which there was a significant increase in fund balance in the General Fund after essentially breakeven in 2020. In 2021, the fund had a 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 percent increase in local sales tax that went to the county for school debt service by agreement from April 2018 through March 2021.) In 2022, increased local sales tax continued as each month was over \$4 million. Four of the twelve months were over \$5 million. There was also less capital spending due to supply availability.
- **Budget.** The City's 2022 original General Fund budget had a draw of \$430,000 from accumulated fund balance. As increased revenues were seen during the year, the final budget included no draw.
- **Capital Assets.** The City continued working on several infrastructure projects including bridge replacement, adaptive signal technology, trails, parks, water and sewer line improvements, and wastewater plant improvements.
- **Debt.** The City's debt (bonds and bond premiums) increased by \$4,505,308 (from \$279,039,409 to \$283,544,717) during the current fiscal year. There was \$22,922,880 in new bonds in the proprietary fund, loans, and premiums. A total of \$17,148,147 (\$10,160,000 governmental and \$6,988,147 business-type) in debt was repaid and \$1,269,425 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.

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

**CITY OF FRANKLIN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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 92 and 93 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 94 through 103, and the Debt Service Fund on page 104 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.

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 79 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 88 of this report.

**CITY OF FRANKLIN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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 91 through 104 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 \$983,211,851 at the close of the most recent fiscal year.

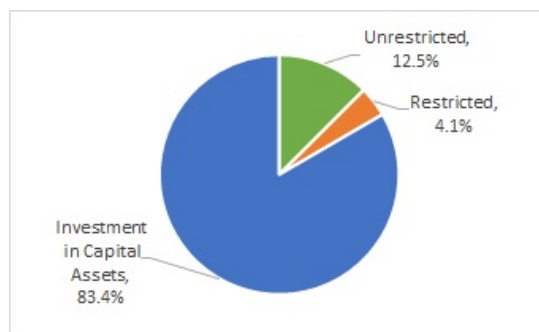
City of Franklin's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 226,661,660	\$ 203,932,256	\$ 55,547,286	\$ 60,289,126	\$ 282,208,946	\$ 264,221,382
Capital assets, net of accumulated depreciation	741,320,084	723,831,972	340,353,342	314,896,606	1,081,673,426	1,038,728,578
Total assets	967,981,744	927,764,228	395,900,628	375,185,732	1,363,882,372	1,302,949,960
Deferred outflows of resources	25,544,896	28,011,541	3,458,190	4,004,482	29,003,086	32,016,023
Current and other liabilities	43,176,646	38,147,058	12,321,764	18,103,668	55,498,410	56,250,726
Long-term liabilities outstanding	169,122,885	190,997,342	142,980,646	128,659,166	312,103,531	319,656,508
Total liabilities	212,299,531	229,144,400	155,302,410	146,762,834	367,601,941	375,907,234
Deferred inflows of resources	39,447,972	29,168,073	2,623,694	1,472,057	42,071,666	31,038,626
Net position:						
Net investment in capital assets	623,690,227	600,239,617	195,995,094	186,313,737	819,685,321	786,553,354
Restricted	29,185,366	33,501,096	11,288,887	10,784,987	40,474,253	44,286,083
Unrestricted	88,903,544	63,722,583	34,148,733	33,856,599	123,052,277	97,579,182
Total net position	\$ 741,779,137	\$ 697,463,296	\$ 241,432,714	\$ 230,955,323	\$ 983,211,851	\$ 928,418,619

The government's net position increased by \$54,793,232. On the asset side, a significant portion of the increase was due to contributed capital assets and additional cash and investments due to revenues from local sales tax, state shared taxes, and hotel/motel taxes. On the liability side, there were reductions in outstanding debt in governmental funds and pension liability.

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, \$819,685,321, or 83.4%, 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, \$40,474,253, or 4.1%, represents resources that are subject to external restriction on how they may be used. The remaining balance of \$123,052,277, or 12.5%, is unrestricted net position that may be used to meet the government's ongoing obligations to citizens and creditors.



**CITY OF FRANKLIN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Governmental and business-type activities increased the City's net position by \$44,315,841 and \$10,477,391, respectively. Key elements of this increase are as follows:

City of Franklin's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 17,273,148	\$ 15,916,177	\$ 36,950,009	\$ 35,209,857	\$ 54,223,157	\$ 51,126,034
Operating grants & contributions	6,237,167	6,733,287	218,077	316,897	6,455,244	7,050,184
Capital grants & contributions	23,282,517	27,390,120	7,135,081	7,210,932	30,417,598	34,601,052
General Revenues:						
Property taxes	21,108,237	20,586,971	-	-	21,108,237	20,586,971
Sales taxes	57,745,532	41,999,727	-	-	57,745,532	41,999,727
Other taxes and fees	48,670,347	39,058,149	(1,136,760)	156,220	47,533,587	39,214,369
Other	(3,158,964)	158,068	47,091	(12,282)	(3,111,873)	145,786
Total revenues	<u>171,157,984</u>	<u>151,842,499</u>	<u>43,213,498</u>	<u>42,881,624</u>	<u>214,371,482</u>	<u>194,724,123</u>
Expenses:						
General government:						
Elected officials	341,197	297,949	-	-	341,197	297,949
Administration	1,644,962	1,279,793	-	-	1,644,962	1,279,793
Human resources	1,446,907	1,271,113	-	-	1,446,907	1,271,113
Legal	658,117	587,620	-	-	658,117	587,620
Communications	443,266	401,782	-	-	443,266	401,782
Project & facilities management	1,668,975	1,348,841	-	-	1,668,975	1,348,841
Revenue management	217,796	196,001	-	-	217,796	196,001
Finance	1,146,951	946,786	-	-	1,146,951	946,786
Information & technology	4,921,237	4,187,327	-	-	4,921,237	4,187,327
Purchasing	323,840	243,065	-	-	323,840	243,065
Court	235,550	323,406	-	-	235,550	323,406
Building & neighborhood services	3,083,707	2,943,051	-	-	3,083,707	2,943,051
Planning	1,767,713	1,498,484	-	-	1,767,713	1,498,484
Engineering	1,721,884	1,448,597	-	-	1,721,884	1,448,597
Traffic operations center	863,542	762,937	-	-	863,542	762,937
General	2,663,427	4,644,218	-	-	2,663,427	4,644,218
Police	21,267,686	18,322,992	-	-	21,267,686	18,322,992
Fire	23,479,105	21,150,380	-	-	23,479,105	21,150,380
Parks	6,667,437	6,037,842	-	-	6,667,437	6,037,842
Streets-maintenance	28,143,516	28,323,552	-	-	28,143,516	28,323,552
Streets-traffic	1,602,637	1,418,557	-	-	1,602,637	1,418,557
Streets-fleet	870,020	775,178	-	-	870,020	775,178
Sanitation	11,508,683	10,622,594	-	-	11,508,683	10,622,594
Stormwater	3,023,268	2,988,541	-	-	3,023,268	2,988,541
Transit	2,934,034	2,839,032	-	-	2,934,034	2,839,032
Interest expense on long-term debt:	4,396,686	4,914,713	-	-	4,396,686	4,914,713
Water & sewer:	-	-	32,536,107	33,760,377	32,536,107	33,760,377
Total expenses	<u>127,042,143</u>	<u>119,774,351</u>	<u>32,536,107</u>	<u>33,760,377</u>	<u>159,578,250</u>	<u>153,534,728</u>
Income before transfers	44,115,841	32,068,148	10,677,391	9,121,247	54,793,232	41,189,395
Transfers	200,000	200,000	(200,000)	(200,000)	-	-
Changes in net position	<u>44,315,841</u>	<u>32,268,148</u>	<u>10,477,391</u>	<u>8,921,247</u>	<u>54,793,232</u>	<u>41,189,395</u>
Net position, beginning of year	697,463,296	665,195,148	230,955,323	221,949,970	928,418,619	887,145,118
Prior period adjustment	\$ -	-	-	84,106	-	84,106
Net position - beginning of year, as restated	<u>697,463,296</u>	<u>665,195,148</u>	<u>230,955,323</u>	<u>222,034,076</u>	<u>928,418,619</u>	<u>887,229,224</u>
Net position, end of year	<u>\$ 741,779,137</u>	<u>\$ 697,463,296</u>	<u>\$ 241,432,714</u>	<u>\$ 230,955,323</u>	<u>\$ 983,211,851</u>	<u>\$ 928,418,619</u>

Governmental Activities

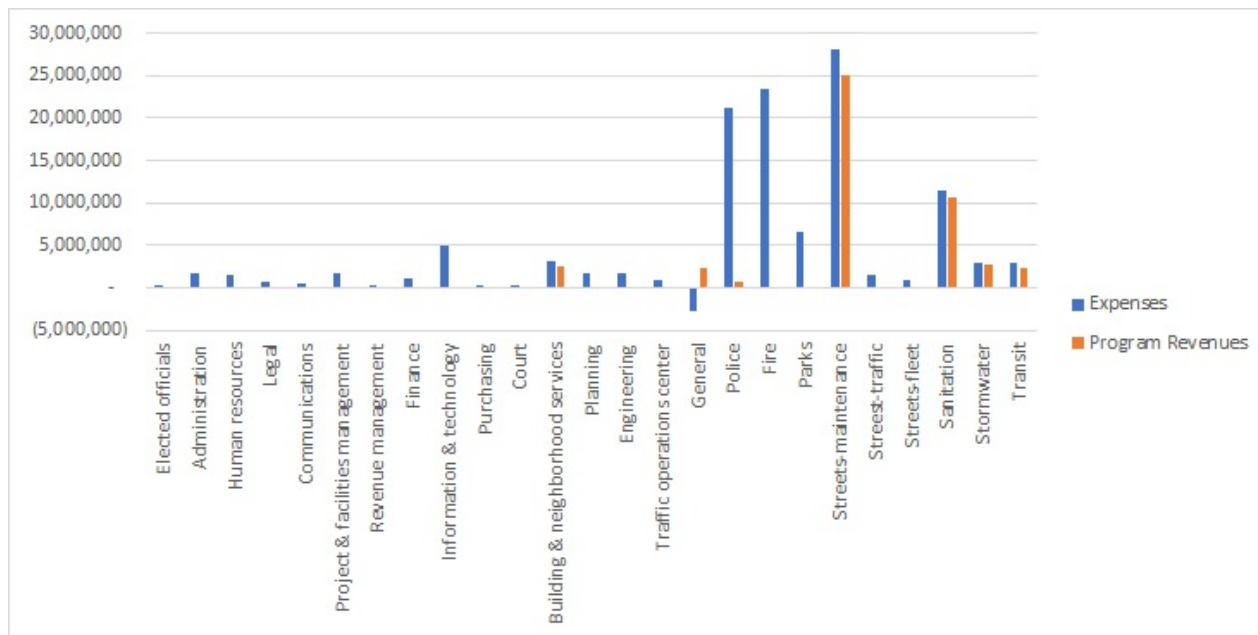
Revenues for governmental activities increased approximately 12.7% due to several factors including additional local sales tax, state shared taxes, grants, and property tax. The overall increase in current expenses of governmental activities amounted to approximately 6.1% from hiring of new and restored (had been authorized but unbudgeted during Covid) positions and general and performance wage increases.

Business-Type Activities

Revenues for business-type activities increased 0.8%. The primary factor underlying the increase was planned rate increases in 2022 compared to 2021. Expenses of the business-type activities decreased approximately (3.6)% due to less expenses in water distribution, sewer plant, and depreciation.

**CITY OF FRANKLIN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Expenses and Program Revenues – Governmental Activities



Governmental Activities

Expenses for governmental activities were \$127,042,143. Expenses were offset by \$46,792,832 in program revenues. The remainder of \$80,249,311 was covered by \$124,365,152 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 \$44,315,841 represents the improvement in net position in 2022.

Expenses and Program Revenues – Business-type Activities



Business-Type Activities

Expenses for business-type activities were \$32,536,107. Expenses were offset by \$43,213,498 in program and general revenues. (Program revenues include \$37.0 million in charges for services). There is also the net \$(200,000) transfer mentioned above. The amount of \$10,477,391 represents the improvement in net position in 2022.

Financial Analysis of Governmental Funds

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

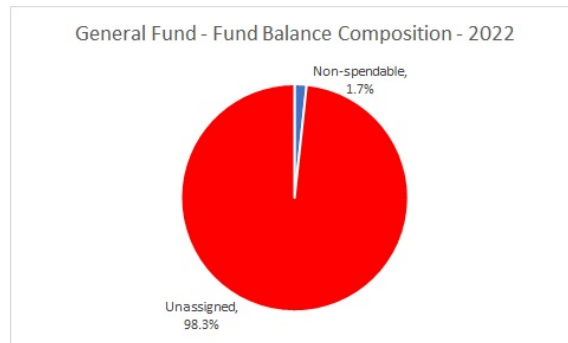
**CITY OF FRANKLIN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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.

On June 30, 2022, the City's governmental funds reported combined ending fund balances of \$170,404,325, an increase of \$16,425,702 in comparison with the prior year of \$153,978,623. The increase is due primarily to increased revenues from taxes, grants, and reductions in capital expenditures due to supply availability.

The General Fund is the chief operating fund of the City. The 2022 ending fund balance of \$74,433,206 has the following composition: An amount of \$1,297,773, or 1.7%, is non-spendable for inventory and prepaid items. The remainder of \$73,135,433, or 98.3%, is unassigned. (Additional information on fund balance can be found in the notes to the financial statements on page 76).



The most significant continuing revenue sources in the General Fund are derived from taxes. Of total General Fund revenues, \$71,990,891, or 75.3%, was from taxes. Local option sales tax increased by \$15,745,805 (from \$41,999,727 to \$57,745,532). 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 decreased by \$(414,813) (from \$8,488,188 to \$8,073,375) due to the allocation to the debt service fund.

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 \$1,161,978. 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 \$32,202,321. The Facilities Tax Fund saw its fund balance increase from \$11,022,953 to \$13,171,571. Over \$403,000 was spent from the fund for growth-related capital expenditures in the fire (\$16,000), sanitation (\$350,000) and parks (\$37,000) departments.

The Multi-Purpose Capital Project Fund had a decrease in fund balance from \$25,520,920 to \$19,323,125 because of expenses related to ongoing capital projects.

In the Hotel/Motel Tax Fund, the fund balance increased during the fiscal year due primarily to increased collections from more travel and a net gain at the conference center owned jointly with Williamson County. The fund balance increased from \$5,927,371 to \$8,006,647. The County Facilities Tax Fund, established in 2017 with prior year county facilities taxes received by the City, had a decrease in fund balance from \$4,498,831 to \$4,377,131 due to a decrease in facilities tax received and investment mark-to-market.

**CITY OF FRANKLIN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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:

Fund	Original Budget	Final Budget	Change
General	\$ 84,467,632	\$ 93,065,291	\$ 8,597,659
Street Aid	\$ 3,871,097	\$ 3,871,097	\$ -
Sanitation	\$ 10,950,563	\$ 11,618,234	\$ 667,671
Road Impact	\$ 3,050,000	\$ 3,050,000	\$ -
Facilities Tax	\$ 545,300	\$ 577,226	\$ 31,926
County Facilities Tax	\$ -	\$ 1,000,000	\$ 1,000,000
Stormwater	\$ 2,802,901	\$ 2,917,837	\$ 114,936
Drug	\$ 258,500	\$ 308,500	\$ 50,000
Hotel/Motel	\$ 1,544,529	\$ 1,629,529	\$ 85,000
Parkland Dedication	\$ -	\$ 375,000	\$ 375,000
Transit	\$ 3,287,783	\$ 3,287,783	\$ -
CDBG	\$ 776,000	\$ 776,000	\$ -
Debt Service	\$ 16,099,937	\$ 16,099,937	\$ -
	\$ 127,654,242	\$ 138,576,434	\$ 10,922,192

The original General Fund budget was \$84,467,632. The final budget (including transfers) was increased by \$8,597,659 to \$93,065,291. During the year, the budget was amended to add \$5.1 million to \$2.3 million in the original budget for transfers to the capital projects fund for the City's portion of the .5% increase in local sales tax and \$3.25 million to create a capital vehicle acquisition fund within the multi-purpose capital projects fund.

Final budget compared to actual results

In the General Fund, the final budget (including transfers) of \$93.1 million anticipated \$93.1 million in current revenues. Actual revenues were almost \$95.6 million. This was \$2.6 million more than anticipated current revenues. The revenue was due primarily to the increase in local sales tax collections and COVID related grants. In conjunction with the increased revenue, the City finished the year with \$86.6 million in expenditures (including transfers). Although higher than 2021, expenditures for capital equipment remained low due to supply availability. Actual results showed an increase in fund balance of \$8,951,696.

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, 2022, is \$1,081,673,426 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, park facilities, roads, highways, and bridges.

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

	Governmental Activities	Business-Type Activities	Total
Land	\$ 62,951,818	\$ 6,037,251	\$ 68,989,069
Construction in progress	48,997,893	162,760,419	211,758,312
Buildings and improvements	61,608,728	14,221,860	75,830,588
Improvements other than buildings	10,455,887	-	10,455,887
Utility plant in service	-	156,817,046	156,817,046
Infrastructure	539,461,532	-	539,461,532
Machinery & equipment	17,844,226	516,766	18,360,992
Total capital assets	<u>\$ 741,320,084</u>	<u>\$ 340,353,342</u>	<u>\$ 1,081,673,426</u>

**CITY OF FRANKLIN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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

- The City's governmental activities received \$20,804,102 in developer-contributed assets.
- Implementation of adaptive signal technology occurred.
- Design on the Aspen Grove Trail continued.
- Design on Bicentennial Park Improvements continued.
- Design for SR-96 Traffic Signal Improvements continued.
- Design of Bridge Replacement on Pratt Lane over Five Mile Creek continued.
- Preliminary engineering on East McEwen Drive Improvements, Phase 4 continued.
- Design on East McEwen Phase 5 continued.
- Construction on Franklin Road Streetscape Improvements continued.
- Construction on the joint ballfield project with FSSD (Franklin Special School District) began.
- Design on Harlinsdale Farm Trail and Bridge project continued.
- Design on Intersection Improvements at Mallory Lane continued.
- Design on Lewisburg Pike Sidewalk - Multi-Use Trail continued.
- Design on Liberty Park Master Plan Phase 1 began.
- Design on Long Lane Bridge and Connector project continued.
- Design on McEwen Drive Interchange Improvements continued.
- Design on a new City Hall continued.
- Construction on Southeast Park Bridge and Carothers Parkway Widening continued.
- Construction on SR-96 W Multi Use Trail continued.
- Design on West Main Street Bridge Widening continued.
- Design on Forrest Crossing and Riverview Pump Stations.
- Design on Adams Street Water and Sewer Improvements continued.
- Pipe and Fittings for Berry Farms and Reams Fleming Reclaim Line Improvements continued.
- Design on Goose Creek at Redwing Water Pump continued.
- Design on Lewisburg Pike Area Waterline began.
- Design on Lewisburg Pike Water Main Relocation continued.
- Design on Mack Hatcher Northwest Extension and Sewer Relocation continued.
- Design on Reclaimed Water System Model and Master Plan Update continued.
- Design on Sanitary Sewer Lateral Rehabilitation continued.
- Sewer main lining on sanitary sewer main rehabilitation continued.
- Construction on Southeast and Redwing Water Reclaimed Water Pump Station began.
- Construction on the Wastewater Reclamation Plant continued.
- Design on South Prong Sewer Basin Improvements continued.
- Evaluation of Southeast wastewater facility continued.
- Construction on Spencer Creek at Franklin Road Sewer continued.

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 57.

Long-term Debt

At the end of the current year, the City of Franklin had bonded debt (including premiums) of \$283,544,717. Of this amount, \$138,875,636 comprises general obligation bonds backed by the full faith and credit of the government. Of the \$144,669,081 of business-type activities debt, \$133,861,408 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 \$10,807,673 is secured by Water and Sewer fund revenues.

**CITY OF FRANKLIN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

City of Franklin's Outstanding Debt

	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds - Capital *	\$ 136,660,636	\$ -	\$ 136,660,636
General Obligation Bonds - Pension *	2,215,000	-	2,215,000
Revenue and Tax Bonds *	-	144,669,081	144,669,081
Total Outstanding Debt	\$ 138,875,636	\$ 144,669,081	\$ 283,544,717

* Includes unamortized premiums

The City's debt (bonds and bond premiums) increased by \$4,505,308 (from \$279,039,409 to \$283,544,717) during the current fiscal year.

There was no new governmental debt. Water and Sewer had \$22,922,880 in new debt (in revenue and tax bonds and state revolving fund loans). A total of \$17,148,147 (\$9,100,000 GO bonds-capital, \$1,060,000 GO bonds-pension, and \$6,988,147 business-type bonds) was repaid during the year. A total of \$1,269,425 (\$998,543 GO bonds-capital and \$270,882 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 2022 for the City of Franklin was 2.7%, compared to the State of Tennessee's rate of 4.2% and a national average of 3.6%. In addition to the unemployment rate, factors considered in preparing the City's budget for fiscal year 2023 included:

1. The property tax rate for fiscal year 2023 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.
2. The City received \$9.2 million of ARPA funds in 2021 and 2022. Of this amount, \$1.5 million has been spent with \$7.7 million available to budget in 2023.

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, 2022
 With Comparative Totals as of June 30, 2021

	Governmental Activities	Business-type Activities	Total	2021 (as restated)
ASSETS				
Cash and cash equivalents	\$ 18,031,486	\$ 434,369	\$ 18,465,855	\$ 44,599,393
Cash and cash equivalents-restricted	15,842,217	1,744,937	17,587,154	18,300,676
Investments	125,889,252	33,176,591	159,065,843	112,391,057
Investments-restricted	13,179,740	9,543,950	22,723,690	19,200,910
Receivables (net of allowance for uncollectibles)	46,955,905	9,691,952	56,647,857	62,285,261
Inventory	1,263,088	924,465	2,187,553	1,920,162
Prepaid items and other assets	105,575	-	105,575	280,529
Net pension asset (TCRS)	227,506	31,022	258,528	-
Net investment in joint venture - Conference Center	5,166,891	-	5,166,891	5,243,394
Capital assets, not being depreciated:				
Land	62,951,818	6,037,251	68,989,069	67,551,417
Construction in progress	48,997,893	162,760,419	211,758,312	174,989,701
Capital assets, net of accumulated depreciation				
Buildings and improvements	61,608,728	14,221,860	75,830,588	67,399,303
Improvements other than buildings	10,455,887	-	10,455,887	11,841,970
Utility plant in service	-	156,817,046	156,817,046	161,609,778
Infrastructure	539,461,532	-	539,461,532	533,995,945
Machinery and equipment	17,844,226	516,766	18,360,992	21,340,464
Total assets	<u>967,981,744</u>	<u>395,900,628</u>	<u>1,363,882,372</u>	<u>1,302,949,960</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refundings	242,020	310,833	552,853	684,570
OPEB	5,275,886	719,439	5,995,325	8,863,669
Pensions	20,026,990	2,427,918	22,454,908	22,467,784
Total deferred outflows of resources	<u>25,544,896</u>	<u>3,458,190</u>	<u>29,003,086</u>	<u>32,016,023</u>

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

CITY OF FRANKLIN, TENNESSEE
STATEMENT OF NET POSITION (Cont.)
 JUNE 30, 2022
 With Comparative Totals as of June 30, 2021

	Governmental Activities	Business-type Activities	Total	2021 (as restated)
LIABILITIES				
Accounts payable	\$ 12,988,106	\$ 4,176,739	\$ 17,164,845	\$ 22,699,675
Accrued liabilities	3,319,811	-	3,319,811	3,618,942
Accrued interest payable	1,209,117	432,059	1,641,176	1,686,982
Unearned revenue	8,807,013	-	8,807,013	5,568,245
Long-term liabilities due within one year	16,852,599	7,712,966	24,565,565	22,676,882
Long-term liabilities due in more than one year	134,509,587	138,260,649	272,770,236	268,998,445
OPEB liability	20,044,750	2,733,375	22,778,125	22,104,047
Net pension liability	14,568,548	1,986,622	16,555,170	28,554,016
Total liabilities	212,299,531	155,302,410	367,601,941	375,907,234
DEFERRED INFLOWS OF RESOURCES				
January 1 property tax levy	22,744,512	-	22,744,512	21,295,283
Leases	252,510	380,383	632,893	398,496
OPEB	724,570	98,805	823,375	1,189,081
Pension	15,726,380	2,144,506	17,870,886	7,757,270
Total deferred inflows of resources	39,447,972	2,623,694	42,071,666	30,640,130
NET POSITION				
Net investment in capital assets	623,690,227	195,995,094	819,685,321	786,553,354
Restricted for:				
State street aid	2,870,168	-	2,870,168	771,402
Sanitation use	1,957,699	-	1,957,699	1,992,796
Drug fund use	538,766	-	538,766	602,402
CDBG program use	118,477	-	118,477	114,745
Development	23,700,256	-	23,700,256	30,019,751
Water and sewer	-	11,288,887	11,288,887	10,784,987
Unrestricted	88,903,544	34,148,733	123,052,277	97,579,182
Total net position	\$ 741,779,137	\$ 241,432,714	\$ 983,211,851	\$ 928,418,619

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, 2022
 With Comparative Totals for the Fiscal Year Ended June 30, 2021

Functions/Program:	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total	2021
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		
Primary Government						
Governmental activities:						
Communication	\$ 443,266	\$ 3,400	\$ -	\$ (439,866)	\$ -	\$ (399,082)
Information and technology	4,921,237	7,422	-	(4,913,815)	-	(4,185,707)
Elected officials	341,197	-	-	(341,197)	-	(297,949)
Administration	1,644,962	558	-	(1,644,404)	-	(1,279,778)
Human resources	1,446,907	-	-	(1,446,907)	-	(1,271,113)
Legal	658,117	-	-	(658,117)	-	(587,620)
Project & facilities management	1,668,975	-	-	(1,668,975)	-	(1,348,841)
Revenue management	217,796	-	-	(217,796)	-	(196,001)
Finance	1,146,951	-	-	(1,146,951)	-	(946,786)
Purchasing	323,840	-	-	(323,840)	-	(243,065)
Court	235,550	-	-	(235,550)	-	(323,406)
Building & neighborhood services	3,083,707	2,447,117	-	(636,590)	-	(368,860)
Planning	1,767,713	170,314	-	(1,597,399)	-	(1,285,713)
Engineering	1,721,884	150	-	(1,721,734)	-	(1,443,897)
Traffic operations center	863,542	170,245	-	(693,297)	-	219,417
General government	2,663,427	1,870,778	-	(375,609)	-	(1,663,248)
Public safety:						
Police	21,267,686	726,477	-	(20,471,098)	-	(17,833,525)
Fire	23,479,105	26,388	-	(23,452,717)	-	(21,289,936)
Parks	6,667,437	24,606	-	(6,642,831)	-	(6,037,842)
Streets-maintenance	28,143,516	2,132,059	22,982,418	(3,007,399)	-	(393,778)
Streets-traffic	1,602,637	-	-	(1,602,637)	-	(1,418,557)
Streets-fleet	870,020	-	-	(870,020)	-	(775,178)
Sanitation	11,508,683	10,680,204	-	(828,479)	-	(424,358)
Storm water	3,023,268	2,730,653	-	(292,615)	-	(295,648)
Transit	2,934,034	1,942,980	300,099	(622,782)	-	(729,583)
Interest and amortization on long-term debt	4,396,686	-	-	(4,396,686)	-	(4,914,713)
	127,042,143	17,273,148	23,282,517	(80,249,311)	-	(69,734,767)
Business-type activities:						
Water and sewer	32,536,107	36,950,009	7,135,081	(80,249,311)	11,767,060	8,977,309
	159,578,250	54,223,157	6,455,244	(80,249,311)	11,767,060	(60,757,458)
Total primary government						
General revenues						
Property taxes				21,108,237	-	20,586,971
Sales taxes				57,745,532	-	41,999,727
Wholesale privilege tax				2,046,920	-	1,956,503
Beer privilege tax				27,675	-	21,394
Wholesale liquor tax				1,953,827	-	1,868,263
Liquor privilege tax				139,140	-	84,107
Hotel/motel tax				4,875,687	-	2,600,807
Intergovernmental				21,271,769	-	18,654,225
Impact fees and taxes				15,826,819	-	11,393,647
Franchise taxes				2,528,510	-	2,479,203
Investment earnings				(3,158,964)	(1,136,760)	314,288
Other				-	47,091	(12,282)
Total general revenues				124,365,152	(1,089,669)	101,946,853
Transfers				200,000	(200,000)	-
Total general revenues and transfers				124,565,152	(1,289,669)	101,946,853
Change in net position				44,315,841	10,477,391	41,189,395
Net position - beginning of year				697,463,296	230,955,323	887,145,118
Prior period adjustment				-	-	84,106
Net position - beginning of year, as restated				697,463,296	230,955,323	887,145,118
Net position - end of year				741,779,137	241,432,714	928,418,619

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

CITY OF FRANKLIN, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022
With Comparative Totals as of June 30, 2021

						<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>2022</u>	<u>2021</u>
ASSETS							
Cash and cash equivalents	\$ 13,480,282	\$ 11,234,219	\$ 308,913	\$ 1,161,373	\$ 7,688,916	\$ 33,873,703	\$ 58,055,500
Investments	64,080,811	9,089,476	31,813,168	-	34,085,537	139,068,992	94,107,941
Receivables (net of allowance for uncollectibles)	29,552,698	624,460	80,240	11,596,805	5,101,702	46,955,905	44,976,786
Inventory	1,192,198	-	-	-	70,890	1,263,088	1,279,106
Prepaid items	105,575	-	-	-	-	105,575	269,529
Total assets	\$ 108,411,564	\$ 20,948,155	\$ 32,202,321	\$ 12,758,178	\$ 46,947,045	\$ 221,267,263	\$ 198,688,862
LIABILITIES							
Accounts payable	\$ 9,258,710	\$ 1,534,936	\$ -	\$ 480	\$ 2,193,980	\$ 12,988,106	\$ 12,453,160
Accrued liabilities	3,319,811	-	-	-	-	3,319,811	3,618,941
Unearned revenue	8,419,906	90,094	-	-	297,013	8,807,013	5,568,245
Total liabilities	20,998,427	1,625,030	-	480	2,490,993	25,114,930	21,640,347
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property tax-Jan. 1 levy	10,054,242	-	-	11,595,720	1,094,550	22,744,512	21,295,283
Unavailable revenue-property taxes	143,729	-	-	-	-	143,729	146,984
Unavailable revenue-assessments	43,200	-	-	-	-	43,200	53,762
Unavailable revenue-grant proceeds	192,826	-	-	-	467	193,293	803,821
Unavailable revenue-in lieu of taxes	32,391	-	-	-	-	32,391	-
Unavailable revenue-court fines	247,564	-	-	-	-	247,564	226,705
Unavailable revenue-franchise fees	488,338	-	-	-	-	488,338	465,997
Unavailable revenue-hotel/motel Tax	-	-	-	-	77,340	77,340	77,340
Unavailable revenue-miscellaneous	1,525,131	-	-	-	-	1,525,131	-
Deferred inflows-leases	252,510	-	-	-	-	252,510	-
Total deferred inflows of resources	12,979,931	-	-	11,595,720	1,172,357	25,748,008	23,069,892
FUND BALANCES							
Non-spendable	1,297,773	-	-	-	70,890	1,368,663	1,548,635
Restricted	-	19,323,125	-	-	9,862,241	29,185,366	33,501,096
Committed	-	-	32,202,321	1,161,978	30,537,322	63,901,621	51,717,914
Assigned	-	-	-	-	2,813,242	2,813,242	3,213,771
Unassigned	73,135,433	-	-	-	-	73,135,433	63,997,207
Total fund balances	74,433,206	19,323,125	32,202,321	1,161,978	43,283,695	170,404,325	153,978,623
Total liabilities, deferred inflows of resources, and fund balances	\$ 108,411,564	\$ 20,948,155	\$ 32,202,321	\$ 12,758,178	\$ 46,947,045	\$ 221,267,263	\$ 198,688,862

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, 2022

With Comparative Totals as of June 30, 2021

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

	<u>2022</u>		<u>2021</u>	
Fund balance - total governmental funds (Page 24)	\$ 170,404,325		\$ 153,978,623	
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	1,076,752,411		1,037,574,404	
Less related accumulated depreciation	(335,432,327)		(313,742,432)	
Investment in joint venture - conference center	<u>5,166,891</u>	746,486,975	<u>5,243,394</u>	729,075,366
Receivables not available to pay for current expenditures and, therefore are unavailable in the funds				
Property taxes	143,729		146,984	
In lieu of taxes	32,391		-	
Assessments	43,200		53,762	
Franchise fees	488,338		465,997	
Court fines	247,564		226,705	
Hotel/motel tax	77,340		77,340	
Stop loss reimbursement	1,525,131		-	
Grant revenues	<u>193,293</u>	2,750,986	<u>803,821</u>	1,774,609
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	(121,560,000)		(131,720,000)	
Bond premiums	(17,315,636)		(18,314,179)	
Deferred loss on refunding	242,020		262,209	
Pension asset (TCRS)	227,506		-	
Net pension liability	(14,568,547)		(25,127,534)	
Deferred outflows of resources - pensions	20,026,990		19,949,299	
Deferred inflows of resources - pensions	(15,726,380)		(6,826,397)	
Total OPEB liability	(20,044,750)		(19,451,564)	
Deferred outflows of resources - OPEB	5,275,886		7,800,033	
Deferred inflows of resources - OPEB	(724,570)		(1,046,393)	
Compensated absences	<u>(12,486,550)</u>	(176,654,031)	<u>(11,264,967)</u>	(185,739,493)
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	(1,209,117)		(1,411,525)	
Park acquisition agreement	-	<u>(1,209,117)</u>	(214,284)	<u>(1,625,809)</u>
Net position - governmental activities (Page 21)	<u>\$ 741,779,138</u>		<u>\$ 697,463,296</u>	

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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

						Total Governmental Funds	
	General	Multi-Purpose Capital Project Fund	Road Impact Fee Fund	Debt Service Fund	Other Governmental	2022	2021
Revenues:							
Taxes	\$ 71,990,891	\$ -	\$ -	\$ 11,629,983	\$ 1,059,197	\$ 84,680,071	\$ 67,886,613
Hotel/ motel tax	-	-	-	-	4,875,687	4,875,687	2,575,830
Facilities tax	-	-	-	-	3,669,629	3,669,629	3,617,950
Licenses and permits	5,121,864	-	10,641,106	-	1,516,084	17,279,054	13,058,315
Fines and fees	398,877	-	-	-	112,498	511,375	442,069
Intergovernmental	15,593,145	-	-	-	-	15,593,145	15,366,363
Gas & motor fuel	-	-	-	-	1,481,172	1,481,172	1,317,475
Petroleum special	-	-	-	-	151,965	151,965	140,774
Gas 1989	-	-	-	-	230,294	230,294	205,398
Gas 3 cent	-	-	-	-	426,593	426,593	380,588
Gas 2018	-	-	-	-	745,460	745,460	662,660
Short term vacation rental tax	-	-	-	-	326,504	326,504	133,521
Grants	2,901,470	1,624,553	-	-	3,313,087	7,839,110	6,095,561
Charges for services	232,605	-	-	-	13,463,955	13,696,560	12,971,447
Use of money and property	(724,682)	(215,883)	(894,243)	10,336	(468,333)	(2,292,805)	732,208
Distributions from Conference Center	-	-	-	-	414,857	414,857	(296,667)
Miscellaneous and other	73,815	1,899,878	-	-	230,000	2,203,693	1,099,418
Total revenues	95,587,985	3,308,548	9,746,863	11,640,319	31,548,649	151,832,364	126,389,523
Expenditures:							
Governance and Management:							
Elected officials	341,197	-	-	-	-	341,197	297,949
Administration	1,592,032	-	-	-	-	1,592,032	1,208,674
Human resources	1,433,482	-	-	-	-	1,433,482	1,148,280
Legal	661,898	-	-	-	-	661,898	553,316
Communication	440,809	-	-	-	-	440,809	390,120
Public Safety:							
Police	19,156,193	-	-	-	48,989	19,205,182	16,656,682
Fire	21,766,065	-	-	-	16,695	21,782,760	19,436,763
Finance and Administration:							
Finance	1,131,025	-	-	-	-	1,131,025	916,947
Purchasing	317,318	-	-	-	-	317,318	232,342
Information and technology	4,048,985	-	-	-	-	4,048,985	3,419,835
Revenue management	186,763	-	-	-	-	186,763	206,308
Court	249,763	-	-	-	-	249,763	314,530
Project & facilities management	1,606,736	-	-	-	-	1,606,736	1,281,459
Community & Economic Development:							
Building & neighborhood services	3,129,237	-	-	-	-	3,129,237	2,840,548
Planning	1,771,006	-	-	-	-	1,771,006	1,467,393
Engineering	1,649,818	-	-	-	-	1,649,818	1,377,052
Traffic operations center	649,475	-	-	-	-	649,475	546,114
Economic development	-	-	-	-	-	-	71,261
Public Works:							
Parks	4,802,527	93,818	-	-	8,622	4,904,967	4,500,115
Streets-traffic	1,489,654	88,415	-	-	-	1,578,069	1,407,195
Streets-fleet	848,020	-	-	-	-	848,020	741,051
Highways and streets	4,436,182	4,933,175	-	-	3,261,158	12,630,515	13,399,834
Other General Government:							
General expenditures	414,803	3,397	-	-	1,397,097	1,815,297	653,290
Appropriations	598,194	-	-	-	-	598,194	446,247
Storm water	-	-	-	-	2,737,653	2,737,653	2,408,374
Sanitation	-	-	-	-	10,013,407	10,013,407	9,368,226
Transit	-	-	-	-	2,781,702	2,781,702	2,693,184
Principal	-	-	-	10,160,000	-	10,160,000	9,385,000
Interest	-	-	-	5,572,934	-	5,572,934	5,932,143
Debt Service Fees	-	-	-	4,514	-	4,514	2,665
Capital outlay	1,004,515	18,105,038	-	-	2,654,350	21,763,903	16,186,944
Total expenditures	73,725,697	23,223,843	-	15,737,448	22,919,673	135,606,661	119,489,841

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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

						<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>2022</u>	<u>2021</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 21,862,288	\$ (19,915,295)	\$ 9,746,863	\$ (4,097,129)	\$ 8,628,976	\$ 16,225,703	\$ 6,899,682
Other financing sources (uses):							
Transfers from other funds	-	12,075,000	-	-	2,210,592	14,285,592	5,063,971
From Water & Sewer	-	-	-	200,000	-	200,000	200,000
From Sanitation	-	-	-	209,551	-	209,551	209,081
From Road Impact	-	392,500	-	2,893,316	-	3,285,816	2,830,454
From Hotel/Motel	-	1,250,000	-	1,019,071	-	2,269,071	2,748,371
Transfers to other funds	(12,910,592)	-	(3,285,816)	-	(3,853,623)	(20,050,031)	(10,851,876)
Other financing uses-issuance of refunding debt:							
Total other financing sources (uses)	<u>(12,910,592)</u>	<u>13,717,500</u>	<u>(3,285,816)</u>	<u>4,321,938</u>	<u>(1,643,031)</u>	<u>199,999</u>	<u>200,001</u>
Net changes in fund balances	8,951,696	(6,197,795)	6,461,047	224,809	6,985,945	16,425,702	7,099,683
Fund balances (deficits) - beginning	<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>
Fund balances (deficits) - ending	<u>\$ 74,433,206</u>	<u>\$ 19,323,125</u>	<u>\$ 32,202,321</u>	<u>\$ 1,161,978</u>	<u>\$ 43,283,695</u>	<u>\$ 170,404,325</u>	<u>\$ 153,978,623</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

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

	<u>2022</u>		<u>2021</u>	
Net changes in fund balances - total governmental funds (Page 27)	\$ 16,425,702		\$ 7,099,683	
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	21,549,618		15,972,658	
Disposals, adjustments and reclassifications of capital assets	(1,668,653)		(825,532)	
Depreciation expense	(23,196,955)		(22,209,114)	
Change in park acquisition agreement	214,284		214,286	
Change in investment in joint venture - Conference Center	(76,503)	(3,178,209)	(183,836)	(7,031,538)
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	(3,255)		(37,746)	
Special assessments	(10,562)		-	
In lieu of taxes	32,391		-	
Franchise fees	22,341		(18,204)	
Insurance reimbursements	1,525,131		-	
Court fines	20,859		24,977	
Hotel/motel tax	-		(15,790)	
Grant revenues and reimbursements	(610,528)		81,989	
Contributed capital assets	20,804,102	21,780,479	26,074,678	26,109,904
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 payments	10,160,000		9,385,000	
Change in fair value of derivative instruments	-	10,160,000	1,070	9,386,070
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:				
Amortization of bond premiums	998,543		939,497	
Deferred refunding amounts	(20,189)	978,354	(14,714)	924,783
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	(1,221,583)		(1,322,342)	
Accrued interest	202,408		95,312	
Pension expense (closed plan)	1,143,947		(1,354,160)	
Pension expense (TCRS plan)	100,197		(274,425)	
Contributions subsequent to measurement date (closed plan)	500,000		1,000,000	
Contributions subsequent to measurement date (TCRS plan)	220,056		480,423	
OPEB expense	(2,795,510)	(1,850,485)	(2,845,562)	(4,220,754)
Change in net position of governmental activities (Page 23)	<u>\$ 44,315,841</u>		<u>\$ 32,268,148</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
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	June 30, 2022				
	Budgeted Amounts		Actual	Variance with Final Budget	2021
	Original	Final			
Revenues:					
Taxes:					
Real and personal property taxes	\$ 8,267,904	\$ 7,973,338	\$ 8,073,375	\$ 100,037	\$ 8,488,188
Penalty and interest	38,078	38,078	45,040	6,962	54,878
In lieu of tax	221,990	221,990	282,068	60,078	353,969
Sales tax	45,121,566	55,200,000	57,745,532	2,545,532	41,999,727
Wholesale beer tax	1,755,932	1,755,932	2,046,920	290,988	1,956,503
Beer privilege tax	24,566	24,566	27,675	3,109	21,394
Wholesale liquor tax	1,529,735	1,529,735	1,953,827	424,092	1,868,263
Liquor privilege tax	119,961	119,961	139,140	19,179	84,107
Mixed drink tax	1,262,828	1,262,828	1,677,314	414,486	1,331,902
	<u>58,342,560</u>	<u>68,126,428</u>	<u>71,990,891</u>	<u>3,864,463</u>	<u>56,158,931</u>
Licenses and permits:					
Mechanical licenses	3,134	3,134	3,300	166	5,075
Mechanical permits	121,892	121,892	105,740	(16,152)	113,732
Building permits	1,791,465	1,791,465	1,661,426	(130,039)	1,796,670
Technology fee	81,792	83,892	61,900	(21,992)	65,714
Appeal of Admin Decision	-	-	1,000	1,000	-
Plumbing permits	73,925	73,925	80,303	6,378	74,574
Electric permits	272,142	272,142	263,042	(9,100)	247,267
Inspection fees	188,388	203,888	186,399	(17,489)	192,540
Site review, rezoning and submittal fees	193,982	207,732	168,578	(39,154)	211,020
Beer permits and licenses	15,092	15,092	9,750	(5,342)	11,050
Yard sale permits	4,354	4,354	4,620	266	5,030
Business license	15,183	15,183	12,627	(2,556)	15,204
Alarm permits	25,232	25,232	26,760	1,528	26,385
Miscellaneous permits	15,416	15,416	30,250	14,834	20,950
Franchise fees	2,501,079	2,501,079	2,506,169	5,090	2,497,407
	<u>5,303,076</u>	<u>5,334,426</u>	<u>5,121,864</u>	<u>(212,562)</u>	<u>5,282,618</u>
Intergovernmental:					
State income tax	-	-	77,208	77,208	743,846
Sales tax	7,232,718	8,900,000	8,683,827	(216,173)	7,553,994
State beer tax	33,034	33,034	38,120	5,086	18,536
State excise tax	231,403	231,403	247,314	15,911	316,397
Cemetery excise tax	-	-	1,285	1,285	1,418
Sports wagering privilege tax	70,000	70,000	83,921	13,921	41,063
In lieu of tax - TVA	836,725	836,725	866,622	29,897	810,662
Business tax from State	4,110,737	4,700,000	4,983,975	283,975	4,536,119
Business tax recording fee	385,694	385,694	506,044	120,350	467,993
Federal & State grants	6,010,310	3,296,786	3,006,299	(290,487)	3,659,217
	<u>18,910,621</u>	<u>18,453,642</u>	<u>18,494,615</u>	<u>40,973</u>	<u>18,149,245</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	June 30, 2022				
	Budgeted Amounts		Actual	Variance with Final Budget	2021
	Original	Final			
Revenues:					
Charges for services:					
Regional fire training	1,545	1,545	3,455	1,910	695
Maps sold	2,914	2,914	7,422	4,508	1,620
Plans sold	2,890	2,890	150	(2,740)	4,700
Records sold	1,421	1,421	2,295	874	1,766
Special event services fee	2,795	2,795	3,400	605	2,700
Traffic impact analysis review fee	25,750	25,750	-	(25,750)	-
Accident reports	691	691	1,427	736	581
Offender registry	1,683	1,683	1,950	267	2,100
License seizure fees	869	869	810	(59)	595
3rd party billable overtime	39,459	39,459	190,056	150,597	45,401
Compost vouchers	20,459	20,459	21,640	1,181	21,280
	<u>100,476</u>	<u>100,476</u>	<u>232,605</u>	<u>132,129</u>	<u>81,438</u>
Fines and fees:					
Fines - city court	181,012	181,012	158,514	(22,498)	96,836
Fines - general sessions/circuit court	181,604	181,604	184,480	2,876	155,456
Parking fines	68,768	68,768	55,001	(13,767)	36,768
Confiscated goods - state	-	-	882	882	15,079
Beer board violations	1,000	1,000	-	(1,000)	4,000
Building & street standards appeals fees	1,000	1,000	-	(1,000)	-
Business tax fees	4,785	4,785	-	(4,785)	-
Tree bank fees	11,265	11,265	-	(11,265)	-
	<u>449,434</u>	<u>449,434</u>	<u>398,877</u>	<u>(50,557)</u>	<u>308,139</u>
Use of money and property:					
Interest income	438,750	70,000	(1,100,910)	(1,170,910)	93,916
Lease interest revenue	-	-	4,787	4,787	-
Rebates on purchases	83,359	83,359	96,531	13,172	82,168
Rent - mall and other	12,001	12,001	20,615	8,614	18,001
Park concessions and rentals	85,609	85,609	146,186	60,577	85,827
Christmas Tree Lighting Donations	20,000	20,000	10,000	(10,000)	15,000
Sale of surplus assets	271,146	271,146	95,926	(175,220)	21,392
Electric Charging Stations-Garages	-	-	2,183	2,183	402
	<u>910,865</u>	<u>542,115</u>	<u>(724,682)</u>	<u>(1,266,797)</u>	<u>316,706</u>
Miscellaneous:					
Insurance reimbursements	-	38,170	21,829	(16,341)	-
Miscellaneous income	20,600	20,600	51,986	31,386	89,876
Contributions	-	-	-	-	173,500
Allocation from fund balance	430,000	-	-	-	-
	<u>450,600</u>	<u>58,770</u>	<u>73,815</u>	<u>15,045</u>	<u>263,376</u>
Total revenues	<u>\$ 84,467,632</u>	<u>\$ 93,065,291</u>	<u>\$ 95,587,985</u>	<u>\$ 2,522,694</u>	<u>\$ 80,560,453</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	June 30, 2022				
	Budgeted Amounts		Actual	Variance with Final Budget	2021
	Original	Final			
Expenditures:					
Governance & Management:					
Elected officials:					
Personnel	277,081	277,502	204,445	73,057	256,864
Services	142,200	142,200	108,085	34,115	32,921
Supplies	24,650	24,650	25,545	(895)	5,175
Business expenses	3,138	3,078	3,122	(44)	2,989
	<u>447,069</u>	<u>447,430</u>	<u>341,197</u>	<u>106,233</u>	<u>297,949</u>
Administration:					
Personnel	1,525,122	1,670,946	1,652,995	17,951	1,386,625
Services	177,226	177,226	126,908	50,318	67,868
Supplies	71,019	71,019	70,708	311	40,909
Business expenses	13,495	14,172	12,859	1,313	11,910
Reimbursement of interfund services	(271,438)	(271,438)	(271,438)	-	(298,638)
	<u>1,515,424</u>	<u>1,661,925</u>	<u>1,592,032</u>	<u>69,893</u>	<u>1,208,674</u>
Human resources:					
Personnel	1,150,702	1,283,018	1,284,332	(1,314)	1,081,775
Services	535,993	540,993	409,524	131,469	315,336
Supplies	79,320	79,320	33,196	46,124	23,492
Business expenses	9,117	10,267	20,120	(9,853)	18,216
Reimbursement of interfund services	(313,690)	(313,690)	(313,690)	-	(290,539)
	<u>1,461,442</u>	<u>1,599,908</u>	<u>1,433,482</u>	<u>166,426</u>	<u>1,148,280</u>
Legal:					
Personnel	619,133	686,428	712,229	(25,801)	627,768
Services	208,150	218,150	89,427	128,723	69,633
Supplies	20,650	20,650	12,091	8,559	5,261
Business expenses	12,171	12,652	7,566	5,086	6,575
Reimbursement of interfund services	(159,415)	(159,415)	(159,415)	-	(155,921)
	<u>700,689</u>	<u>778,465</u>	<u>661,898</u>	<u>116,567</u>	<u>553,316</u>
Communications:					
Personnel	420,417	447,541	466,582	(19,041)	419,299
Services	88,305	90,305	46,733	43,572	46,754
Supplies	37,970	37,970	24,759	13,211	23,142
Operational units	4,795	4,795	1,881	2,914	4,446
Business expenses	5,622	3,537	6,488	(2,951)	5,015
Reimbursement of interfund services	(105,634)	(105,634)	(105,634)	-	(108,536)
	<u>451,475</u>	<u>478,514</u>	<u>440,809</u>	<u>37,705</u>	<u>390,120</u>
Total Governance & Management	<u>4,576,099</u>	<u>4,966,242</u>	<u>4,469,418</u>	<u>496,824</u>	<u>3,598,339</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	June 30, 2022				
	Budgeted Amounts		Actual	Variance with Final Budget	2021
	Original	Final			
Expenditures:					
Public Safety:					
Police department-administration:					
Personnel	2,241,022	2,944,037	3,050,521	(106,484)	2,078,355
Services	2,020,476	2,074,466	1,949,986	124,480	1,603,475
Supplies	766,151	766,151	1,143,669	(377,518)	739,122
Operational units	21,666	21,666	22,116	(450)	24,609
Business expenses	155,518	241,859	195,825	46,034	104,113
	<u>5,204,833</u>	<u>6,048,179</u>	<u>6,362,117</u>	<u>(313,938)</u>	<u>4,549,674</u>
Police department-criminal investigations:					
Personnel	2,658,649	2,290,779	1,890,369	400,410	2,169,246
Services	100,423	100,423	60,415	40,008	80,823
Supplies	-	-	10,555	(10,555)	15,107
Operational units	20,136	20,136	10,631	9,505	15,401
Business expenses	79,579	65,334	60,953	4,381	72,471
	<u>2,858,787</u>	<u>2,476,672</u>	<u>2,032,923</u>	<u>443,749</u>	<u>2,353,048</u>
Police department-patrol:					
Personnel	9,248,973	9,738,894	10,166,112	(427,218)	9,081,750
Services	66,170	66,170	85,214	(19,044)	77,430
Supplies	90,709	90,709	145,541	(54,832)	101,628
Operational units	43,971	43,971	90,846	(46,875)	89,982
Business expenses	304,140	296,535	273,440	23,095	311,470
	<u>9,753,963</u>	<u>10,236,279</u>	<u>10,761,153</u>	<u>(524,874)</u>	<u>9,662,260</u>
Fire department:					
Personnel	17,371,440	18,748,393	19,463,899	(715,506)	17,026,377
Services	1,343,346	1,343,346	1,211,650	131,696	1,097,172
Supplies	854,840	854,840	965,042	(110,202)	803,939
Operational units	6,000	6,000	778	5,222	294
Business expenses	176,385	172,240	124,696	47,544	139,554
	<u>19,752,011</u>	<u>21,124,819</u>	<u>21,766,065</u>	<u>(641,246)</u>	<u>19,067,336</u>
Total Public Safety	<u>37,569,594</u>	<u>39,885,949</u>	<u>40,922,258</u>	<u>(1,036,309)</u>	<u>35,632,318</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	June 30, 2022				
	Budgeted Amounts		Actual	Variance with Final Budget	2021
	Original	Final			
Expenditures:					
Finance & Administration:					
Finance:					
Personnel	1,014,453	1,113,532	1,095,518	18,014	984,314
Services	55,450	146,790	141,432	5,358	34,924
Supplies	42,900	42,900	36,900	6,000	33,511
Business expenses	103,508	104,453	96,860	7,593	96,629
Reimbursement of interfund services	(239,685)	(239,685)	(239,685)	-	(232,431)
	<u>976,626</u>	<u>1,167,990</u>	<u>1,131,025</u>	<u>36,965</u>	<u>916,947</u>
Purchasing:					
Personnel	336,290	358,387	349,960	8,427	293,250
Services	72,400	88,000	22,731	65,269	17,682
Supplies	9,975	9,975	4,487	5,488	4,850
Business expenses	2,186	2,696	2,693	3	2,082
Reimbursement of interfund services	(62,553)	(62,553)	(62,553)	-	(85,522)
	<u>358,298</u>	<u>396,505</u>	<u>317,318</u>	<u>79,187</u>	<u>232,342</u>
Information technology:					
Personnel	2,548,858	2,621,808	2,448,545	173,263	2,291,028
Services	2,280,458	2,280,458	2,382,929	(102,471)	1,791,541
Supplies	352,900	352,900	151,903	200,997	260,040
Business expenses	39,814	45,089	41,630	3,459	34,110
Reimbursement of interfund services	(976,022)	(976,021)	(976,022)	1	(956,884)
	<u>4,246,008</u>	<u>4,324,234</u>	<u>4,048,985</u>	<u>275,249</u>	<u>3,419,835</u>
Revenue management:					
Personnel	1,061,624	1,143,430	1,117,778	25,652	1,068,002
Services	90,130	90,130	54,756	35,374	21,653
Supplies	33,260	33,260	21,289	11,971	26,050
Business expenses	420,833	421,373	389,661	31,712	394,692
Reimbursement of interfund services	(1,396,721)	(1,396,721)	(1,396,721)	-	(1,304,089)
	<u>209,126</u>	<u>291,472</u>	<u>186,763</u>	<u>104,709</u>	<u>206,308</u>
Court:					
Personnel	223,267	259,318	209,999	49,319	256,268
Services	23,825	23,825	15,534	8,291	49,002
Supplies	18,700	18,700	16,006	2,694	3,793
Business expenses	5,381	5,520	8,224	(2,704)	5,467
	<u>271,173</u>	<u>307,363</u>	<u>249,763</u>	<u>57,600</u>	<u>314,530</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	June 30, 2022				2021
	Budgeted Amounts		Actual	Variance with Final Budget	
	Original	Final			
Expenditures:					
Project & facilities management:					
Personnel	478,361	510,959	496,048	14,911	480,964
Services	972,746	1,132,746	1,319,987	(187,241)	999,249
Supplies	66,800	66,800	104,833	(38,033)	96,720
Business expenses	27,714	27,062	30,242	(3,180)	25,718
Reimbursement of interfund services	(344,374)	(344,374)	(344,374)	-	(321,192)
	<u>1,201,247</u>	<u>1,393,193</u>	<u>1,606,736</u>	<u>(213,543)</u>	<u>1,281,459</u>
Total Finance & Administration	<u>7,262,478</u>	<u>7,880,757</u>	<u>7,540,590</u>	<u>340,167</u>	<u>6,371,421</u>
Community & Economic Development:					
Building & neighborhood services:					
Personnel	3,142,057	3,391,397	2,872,815	518,582	2,660,000
Services	187,110	187,110	109,233	77,877	78,781
Supplies	99,350	99,350	91,845	7,505	46,882
Business expenses	41,350	35,872	55,344	(19,472)	54,885
	<u>3,469,867</u>	<u>3,713,729</u>	<u>3,129,237</u>	<u>584,492</u>	<u>2,840,548</u>
Planning & sustainability:					
Personnel	1,480,642	1,619,775	1,504,826	114,949	1,307,853
Services	350,100	350,100	224,023	126,077	89,543
Supplies	38,200	38,200	24,225	13,975	61,700
Operational units	5,000	5,000	5,000	-	-
Business expenses	7,799	10,159	12,932	(2,773)	8,297
	<u>1,881,741</u>	<u>2,023,234</u>	<u>1,771,006</u>	<u>252,228</u>	<u>1,467,393</u>
Engineering:					
Personnel	1,694,166	1,871,158	1,831,581	39,577	1,676,643
Services	116,725	116,725	84,470	32,255	35,372
Supplies	60,505	60,505	49,158	11,347	10,390
Business expenses	10,001	11,473	12,561	(1,088)	8,861
Reimbursement of interfund services	(327,952)	(327,952)	(327,952)	-	(354,214)
	<u>1,553,445</u>	<u>1,731,909</u>	<u>1,649,818</u>	<u>82,091</u>	<u>1,377,052</u>
Traffic operations center:					
Personnel	420,690	432,720	426,682	6,038	319,114
Services	235,965	235,965	120,437	115,528	146,718
Supplies	222,700	222,700	79,607	143,093	67,951
Business expenses	13,421	13,874	22,749	(8,875)	12,331
	<u>892,776</u>	<u>905,259</u>	<u>649,475</u>	<u>255,784</u>	<u>546,114</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	June 30, 2022				
	Budgeted Amounts		Actual	Variance with Final Budget	2021
	Original	Final			
Expenditures:					
Economic Development:					
Appropriations	88,855	88,855	88,855	-	71,261
	<u>88,855</u>	<u>88,855</u>	<u>88,855</u>	<u>-</u>	<u>71,261</u>
Total Community & Economic Development	<u>7,886,684</u>	<u>8,462,986</u>	<u>7,288,391</u>	<u>1,174,595</u>	<u>6,302,368</u>
Public Works:					
Streets-Maintenance:					
Personnel	3,010,277	3,147,265	3,136,832	10,433	2,779,206
Services	867,125	867,125	800,965	66,160	724,486
Supplies	416,390	416,390	407,307	9,083	354,377
Business expenses	134,045	95,750	91,078	4,672	115,473
	<u>4,427,837</u>	<u>4,526,530</u>	<u>4,436,182</u>	<u>90,348</u>	<u>3,973,542</u>
Streets-Traffic:					
Personnel	945,205	999,608	952,888	46,720	927,719
Services	190,735	190,735	138,626	52,109	129,500
Supplies	380,647	380,647	317,769	62,878	288,567
Business expenses	66,551	70,538	80,371	(9,833)	61,409
	<u>1,583,138</u>	<u>1,641,528</u>	<u>1,489,654</u>	<u>151,874</u>	<u>1,407,195</u>
Streets-Fleet:					
Personnel	820,806	868,927	871,442	(2,515)	750,108
Services	343,520	343,520	476,769	(133,249)	375,911
Supplies	(316,150)	(316,150)	(509,561)	193,411	(391,950)
Business expenses	417,377	419,929	9,370	410,559	6,982
	<u>1,265,553</u>	<u>1,316,226</u>	<u>848,020</u>	<u>468,206</u>	<u>741,051</u>
Parks:					
Personnel	3,684,851	3,309,934	2,970,754	339,180	2,731,077
Services	1,190,442	1,190,442	1,007,365	183,077	1,054,321
Supplies	779,470	779,470	739,224	40,246	610,641
Operational units	290,000	290,000	24,500	265,500	-
Business expenses	120,542	125,738	60,684	65,054	74,778
	<u>6,065,305</u>	<u>5,695,584</u>	<u>4,802,527</u>	<u>893,057</u>	<u>4,470,817</u>
Total Public Works	<u>13,341,833</u>	<u>13,179,868</u>	<u>11,576,383</u>	<u>1,603,485</u>	<u>10,592,605</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	June 30, 2022				
	Budgeted Amounts		Actual	Variance with Final Budget	2021
	Original	Final			
Expenditures:					
Other General Government:					
General expenses:					
Personnel	3,768,715	1,757,818	689,350	1,068,468	(933,860)
Services	276,623	276,621	169,707	106,914	136,764
Supplies	2,000	2,000	(446,762)	448,762	42,672
Business expenses	4,450	4,450	2,508	1,942	2,848
	<u>4,051,788</u>	<u>2,040,889</u>	<u>414,803</u>	<u>1,626,086</u>	<u>(751,576)</u>
Contributions:					
Appropriations	506,458	509,919	509,339	580	446,247
Total Contributions	<u>506,458</u>	<u>509,919</u>	<u>509,339</u>	<u>580</u>	<u>446,247</u>
Total Other General Government	<u>4,558,246</u>	<u>2,550,808</u>	<u>924,142</u>	<u>1,626,666</u>	<u>(305,329)</u>
Capital Outlay:					
Streets-maintenance	130,000	219,773	95,423	124,350	176,986
Police - administration	1,333,334	1,083,334	-	1,083,334	905,116
Police - criminal investigations	-	-	-	-	61,686
Finance	50,000	-	-	-	-
Fire	252,000	313,000	264,987	48,013	118,695
Information technology	100,000	100,000	403,891	(303,891)	181,071
Parks	-	46,530	46,530	-	41,797
Traffic operations center	1,795,000	345,000	193,684	151,316	1,191,035
Total Capital Outlay	<u>3,660,334</u>	<u>2,107,637</u>	<u>1,004,515</u>	<u>1,103,122</u>	<u>2,676,386</u>
Total expenditures	<u>78,855,268</u>	<u>79,034,247</u>	<u>73,725,697</u>	<u>5,308,550</u>	<u>64,868,108</u>
Excess of revenues over expenditures	<u>5,612,364</u>	<u>14,031,044</u>	<u>21,862,288</u>	<u>7,831,244</u>	<u>15,692,345</u>
Other financing sources (uses):					
Transfers to other funds	(5,612,364)	(14,031,044)	(12,910,592)	1,120,452	(3,427,121)
Total other financing sources (uses)	<u>(5,612,364)</u>	<u>(14,031,044)</u>	<u>(12,910,592)</u>	<u>1,120,452</u>	<u>(3,427,121)</u>
Net changes in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>8,951,696</u>	<u>\$ 8,951,696</u>	<u>12,265,224</u>
Fund balance - beginning of year			<u>65,481,510</u>		<u>53,216,286</u>
Fund balance - end of year			<u>\$ 74,433,206</u>		<u>\$ 65,481,510</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2021</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Licenses and permits	\$ 4,519,727	\$ 4,519,727	\$ 10,641,106	\$ 6,121,379	\$ 6,975,153
Use of money and property:					
Interest earned	50,000	50,000	(894,243)	(944,243)	86,592
Total revenues	<u>4,569,727</u>	<u>4,569,727</u>	<u>9,746,863</u>	<u>5,177,136</u>	<u>7,061,745</u>
Expenditures:					
Current:					
Highways and streets	3,050,000	3,050,000	-	3,050,000	889,026
Capital outlay	-	-	-	-	43,968
Total expenditures	<u>3,050,000</u>	<u>3,050,000</u>	<u>-</u>	<u>3,050,000</u>	<u>932,994</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,519,727</u>	<u>1,519,727</u>	<u>9,746,863</u>	<u>8,227,136</u>	<u>6,128,751</u>
Other financing sources (uses):					
Transfers out	(2,893,316)	(3,285,816)	(3,285,816)	-	(2,830,454)
Total other financing sources (uses)	<u>(2,893,316)</u>	<u>(3,285,816)</u>	<u>(3,285,816)</u>	<u>-</u>	<u>(2,830,454)</u>
Net change in fund balances	<u>\$ (1,373,589)</u>	<u>\$ (1,766,089)</u>	6,461,047	<u>\$ 8,227,136</u>	3,298,297
Fund balance - beginning			<u>25,741,274</u>		<u>22,442,977</u>
Fund balance - ending			<u>\$ 32,202,321</u>		<u>\$ 25,741,274</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, 2022
 With Comparative Totals as of June 30, 2021

	2022	2021 (as restated)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 434,369	\$ 3,484,783
Cash and cash equivalents-restricted	1,744,937	1,359,786
Investments	33,176,591	28,058,825
Investments-restricted	9,543,950	9,425,201
Receivables (net of allowance for uncollectibles)	9,213,937	16,821,460
Net pension asset	31,022	-
Inventory and prepaids	924,465	652,056
Total current assets	55,069,271	59,802,111
Noncurrent assets:		
Lease receivable	478,015	487,015
Capital assets (net of accumulated depreciation):		
Land	6,037,251	5,948,524
Construction in progress	162,760,419	131,284,027
Buildings and improvements	14,221,860	15,185,385
Utility plant in service	156,817,046	161,609,779
Machinery and equipment	516,766	868,891
Total capital assets (net of accumulated depreciation):	340,353,342	314,896,606
Total noncurrent assets	340,831,357	315,383,621
Total assets	395,900,628	375,185,732
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refundings	310,833	422,361
OPEB	719,439	1,063,636
Pensions	2,427,918	2,518,485
Total deferred outflows of resources	3,458,190	4,004,482
LIABILITIES		
Current liabilities:		
Accounts payable	4,176,739	10,246,515
Accrued interest payable	432,059	275,457
Due within one year	7,712,966	7,581,696
Total current liabilities	12,321,764	18,103,668
Long-term liabilities:		
Due in more than one year	138,260,649	122,580,201
Total OPEB liability	2,733,375	2,652,483
Net pension liability	1,986,622	3,426,482
Total long-term liabilities	142,980,646	128,659,166
Total liabilities	155,302,410	146,762,834
DEFERRED INFLOWS OF RESOURCES		
OPEB	98,805	142,688
Pensions	2,144,506	930,873
Leases	380,383	398,496
Total deferred inflows of resources	2,623,694	1,472,057
NET POSITION		
Net investment in capital assets	195,995,094	186,313,737
Restricted-system improvements	11,288,887	10,784,987
Unrestricted	34,148,733	33,856,599
Total net position	\$ 241,432,714	\$ 230,955,323

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, 2022
 With Comparative Totals for the Fiscal Year Ended June 30, 2021

	2022	2021 (as restated)
Operating revenues:		
Metered water sales (net of discounts and allowances)	\$ 13,043,130	\$ 12,837,908
Sewer service charges (net of discounts and allowances)	22,617,694	21,185,908
Reclaimed water sales (net of discounts and allowances)	151,669	155,492
Other revenues from operations	1,137,516	1,030,549
Total operating revenues	36,950,009	35,209,857
Operating expenses:		
Water and sewer billing expenses	185,400	172,633
Water distribution expenses	2,027,351	2,883,033
Water plant expenses	6,630,592	6,110,805
Water administration	1,851,331	1,789,569
Sewer administration	4,267,594	3,094,005
General administration	1,572,844	1,406,750
Sewer collection expenses	2,919,728	2,755,929
Sewer plant expenses	4,168,738	4,108,031
Reclaimed water expenses	99,539	99,973
Depreciation	7,671,008	10,303,641
Total operating expenses	31,394,125	32,724,369
Operating income	5,555,884	2,485,488
Nonoperating revenues (expenses):		
Investment (loss) income	(1,136,760)	156,220
Gain (loss) on sale of assets	47,091	(12,282)
Interest expense	(1,141,982)	(1,036,008)
Total nonoperating revenues (expenses)	(2,231,651)	(892,070)
Income before contributions and transfers	3,324,233	1,593,418
Contributions and transfers:		
Grants	218,077	316,897
Impact fees	3,991,231	3,848,308
Capital contributions	1,581,224	7,282
Developer contributions	1,562,626	3,355,342
Transfer to debt service fund	(200,000)	(200,000)
Total contributions and transfers	7,153,158	7,327,829
Change in net position	10,477,391	8,921,247
Net position, beginning of year	230,955,323	221,949,970
Prior period adjustment	-	84,106
Net position, beginning of year as restated	230,955,323	222,034,076
Net position, end of year	\$ 241,432,714	\$ 230,955,323

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, 2022

With Comparative Totals for the Fiscal Year Ended June 30, 2021

	<u>2022</u>	<u>2021 (as restated)</u>
Cash flows from operating activities:		
Cash received from customers	\$ 42,013,617	\$ 35,029,930
Cash paid to employees for services	(4,715,805)	(4,685,062)
Cash paid to suppliers of goods and services	(24,987,106)	(17,242,934)
Net cash operating activities	<u>12,310,706</u>	<u>13,101,934</u>
Cash flows from noncapital financing activities:		
Grants	218,077	316,897
Transfer to debt service fund	(200,000)	(200,000)
Net cash provided by noncapital financing activities	<u>18,077</u>	<u>116,897</u>
Cash flows from capital and related financing activities:		
Purchases of property, plant and equipment	(31,565,118)	(60,205,736)
Contributions from access and tap fees and grant funds	5,572,455	3,855,590
Sales of property, plant and equipment	47,091	(12,282)
Cash received from lease activity	24,000	24,000
Transfer to capital projects fund	-	-
Interest paid on long-term debt	(1,144,734)	(1,132,600)
Premiums on bonds payable	2,493,116	-
Payments on SRF loan eligible projects not reimbursed	2,545,946	3,101,676
Proceeds from issuance of long-term debt	20,429,764	48,647,933
Payments on long-term debt	(6,988,147)	(4,746,471)
Net cash capital and related financing activities	<u>(8,585,627)</u>	<u>(10,467,890)</u>
Cash flows from investing activities:		
Purchases of investments, net	(5,236,515)	(5,370,311)
Interest received from investments	(1,171,904)	114,951
Net cash investing activities	<u>(6,408,419)</u>	<u>(5,255,360)</u>
Net change in cash and restricted cash	(2,665,263)	(2,504,419)
Cash and restricted cash, beginning of year	<u>4,844,569</u>	<u>7,348,988</u>
Cash and restricted cash, end of year	<u>\$ 2,179,306</u>	<u>\$ 4,844,569</u>
Cash and cash equivalents consist of:		
Unrestricted cash and cash equivalents	\$ 434,369	\$ 3,484,783
Restricted cash and cash equivalents	1,744,937	1,359,786
Total cash and cash equivalents	<u>\$ 2,179,306</u>	<u>\$ 4,844,569</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, 2022

With Comparative Totals for the Fiscal Year Ended June 30, 2021

	2022	2021 (as restated)
Reconciliation of operating income to net cash provided by operations:		
Operating income	\$ 5,555,884	\$ 2,485,488
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	7,671,008	10,303,641
Net pension liability and related amounts	(166,682)	164,439
OPEB and related amounts	381,206	388,033
Change in:		
Accounts receivable-operating	5,063,608	(185,814)
Inventory	(272,409)	834,356
Compensated absences	147,867	123,576
Accounts payable	(6,069,776)	(1,017,672)
Net cash provided by operating activities	\$ 12,310,706	\$ 13,096,047
 Supplemental schedule of non-cash capital and related financing activities:		
Capital assets added as developer contributions	\$ 1,562,626	\$ 3,355,342

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

CITY OF FRANKLIN, TENNESSEE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2021
With Comparative Totals as of December 31, 2020

	Franklin Employees' Pension Plan	2020
ASSETS		
Cash and equivalents	\$ 2,578,781	\$ 2,270,317
Total cash and equivalents	<u>2,578,781</u>	<u>2,270,317</u>
Investments:		
Domestic fixed income securities	46,577,513	42,002,450
Domestic equities	69,931,410	54,677,142
International equities	23,994,476	24,039,138
Real estate	14,898,531	11,094,987
Timber	2,803,113	2,720,725
Total investments	<u>158,205,043</u>	<u>134,534,442</u>
Total assets	<u>160,783,824</u>	<u>136,804,759</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 160,783,824</u>	<u>\$ 136,804,759</u>

Franklin Employees' Pension Plan as of December 31, 2021.
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, 2021
 With Comparative Totals for the Year Ended December 31, 2020

	Franklin Employees' Pension Plan	2020
Additions:		
Contributions:		
Employer contributions	\$ 6,160,363	\$ 5,061,105
Employee contributions	896,492	688,835
Total contributions	7,056,855	5,749,940
Investment income:		
Net appreciation in fair value of investments (net of \$212,913 investment fees)	24,962,458	14,134,655
Total investment income	24,962,458	14,134,655
Total additions	32,019,313	19,884,595
Deductions:		
Pension benefits	7,937,323	6,289,974
Administration expense	102,925	115,649
Total deductions	8,040,248	6,405,623
Net increase in fiduciary net position	23,979,065	13,478,972
Net position restricted for pension benefits - beginning	136,804,759	123,325,787
Net position restricted for pension benefits - ending	\$ 160,783,824	\$ 136,804,759

Franklin Employees' Pension Plan as of December 31, 2021.
 This pension plan was closed to new hires after December 16, 2016.

CITY OF FRANKLIN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, 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 \$5,166,891 on June 30, 2022 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 does 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.

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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 consists 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 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.

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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 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*.

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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 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 of three years or more. 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.

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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 assets 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 assets 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, 2022, will not be available for collection until fiscal year 2023, beginning October 2022; (2) the amount for leases relate to leases for which the City is the lessor and will be recognized as revenue as lease receivable payments are received from the lessees; (3) A third 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. 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). 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 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:

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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 2022, taxes were levied at a rate of .3261 per \$100 of assessed valuation.

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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 due to employees because 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 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. *Summarized Financial Information*

The summarized financial information shown for fiscal year 2021 in the accompanying Basic Financial Statements and Combining and Individual Fund Statements and Schedules is included to provide a basis for comparison with fiscal year 2022.

K. *Recent accounting pronouncements*

The City has adopted the accounting and reporting requirements of GASB Statement No. 87, *Leases*, which is effective for the fiscal year that ends June 30, 2022 (fiscal year 2022 for the City). This Statement increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract.

The City has adopted accounting and reporting requirements of GASB Statement No. 92, *Omnibus 2020*, which is effective for the fiscal year that ends June 30, 2022 (fiscal year 2022 for the City). The objective of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

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The City has adopted the accounting and reporting requirements of GASB Statement No. 93, *Replacement of Interbank Offered Rates*, which is effective for the fiscal year that ends June 30, 2022 (fiscal year 2022 for the City). The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements.

The City has adopted the accounting and reporting requirements of GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, which is effective for the fiscal year that ends June 30, 2022 (fiscal year 2022 for the City). This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans, the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

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. 91, *Conduit Debt Obligations*, which has certain provision effective for the fiscal period that ends December 31, 2022 (fiscal year 2023 for the City). This Statement requires issues to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment.

The GASB issued statement No. 94, *Public-Private and Public-Public Partnership and Availability Payment Arrangements*, which has certain provisions effective for the fiscal period that ends June 30, 2023 (fiscal year 2023 for the City). This Statement provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period in an exchange or exchange-like transaction.

The GASB issued statement No. 96, *Subscription-Based Information Technology Arrangements*, which has certain provision effective for the fiscal period that ends June 30, 2023 (fiscal year 2023 for the City). This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

CITY OF FRANKLIN, TENNESSEE
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JUNE 30, 2022

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, 2022, 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 2022, 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, 2022, 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>				Weighted Average Maturity (Years)
	6/30/2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments by fair value level					
Certificates of Deposit	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	0.23
Money Market Accounts	30,029	30,029	-	-	-
Debt securities					
U.S. Treasury securities	137,341,138	137,341,138	-	-	1.59
Federal Home Loan Bank	-	-	-	-	-
Federal Home Loan Mortgage Corp.	10,117,620	-	10,117,620	-	1.26
Federal National Mortgage Association	14,224,274	-	14,224,274	-	0.95
Federal Farm Credit Bank	17,076,472	-	17,076,472	-	1.40
Total Investments at Fair Value	<u>\$ 181,789,533</u>	<u>\$ 140,371,167</u>	<u>\$ 41,418,366</u>	<u>\$ -</u>	
Portfolio Weighted Avg. Maturity					<u>1.48</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, 2022, 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. On June 30, 2022, 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, 2021, the City of Franklin Employees' Pension Plan (closed plan) had the following investments measured at fair value per GASB Statement 72:

	12/31/2021	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)
Investments by fair value level				
Local managed investments				
Cash and equivalents ¹	\$ 383,208	\$ 383,208	\$ -	\$ -
	<u>383,208</u>			
State managed investments (TCRS)				
Cash and equivalents ²	\$ 2,195,573	2,195,573	-	-
Domestic fixed income ²	46,577,513	-	46,577,513	-
Domestic equities ^{2 3}	69,931,410	69,931,410	-	-
International equity ²	23,994,476	-	23,994,476	-
	<u>142,698,972</u>			
Total investments at fair value level	<u>143,082,180</u>	<u>\$ 72,510,191</u>	<u>\$ 70,571,989</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV)				
State managed investments (TCRS)				
Real estate funds ²	14,898,531			
Timber funds ^{2 4}	2,803,113			
Total investments at the NAV	<u>17,701,644</u>			
Total investments measured at fair value	<u>\$ 160,783,824</u>			

¹ Invested in First American prime obligation fund, class z

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

³ Landmark private equity and Hamilton private equity changed to State managed during 2019.

⁴ 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, 2021.

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.

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.

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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:

	<u>General Fund</u>	<u>Multi-Purpose Capital Project Fund</u>	<u>Road Impact Fee Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:						
Accounts	\$ 1,259,000	\$ 16,700	\$ -	\$ -	\$ 3,047,726	\$ 4,323,426
Property taxes	11,596,088	-	-	11,595,720	1,094,550	24,286,358
In Lieu of Tax	32,391	-	-	-	-	32,391
Due from IDB	1,201,119	-	-	-	-	1,201,119
Due from General	-	-	-	-	-	-
Local option sales tax	10,237,760	-	-	-	-	10,237,760
Special assessments	43,200	-	-	-	-	43,200
Due from county	105,133	-	-	-	-	105,133
State shared revenue	2,799,904	-	-	-	590,390	3,390,294
Grants	192,826	575,073	-	-	276,602	1,044,501
Fines	867,068	-	-	-	-	867,068
Leases	256,631	-	-	-	-	256,631
Events	27,910	-	-	-	-	27,910
Insurance Reimbursement	1,525,131	-	-	-	-	1,525,131
Interest	166,893	32,687	80,240	1,085	92,434	373,339
Gross receivables	<u>30,311,054</u>	<u>624,460</u>	<u>80,240</u>	<u>11,596,805</u>	<u>5,101,702</u>	<u>47,714,261</u>
Less: Allowance for uncollectibles	(758,356)	-	-	-	-	(758,356)
Net receivables	<u>\$ 29,552,698</u>	<u>\$ 624,460</u>	<u>\$ 80,240</u>	<u>\$ 11,596,805</u>	<u>\$ 5,101,702</u>	<u>\$ 46,955,905</u>

Receivables in the Water and Sewer Fund on June 30, 2022 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 \$1,055,250.

Receivables	
Customers	\$ 7,479,360
Special assessments	71,281
Due from State (SRF Loans)	2,545,946
Due from ACSI	20
Leases	487,015
Grants	54,196
Interest	109,384
Gross receivables	<u>10,747,202</u>
Less: Allowance for uncollectibles	(1,055,250)
Net receivables	<u>\$ 9,691,952</u>

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:

	<u>Unearned</u>
Confiscated funds	\$ 154,375
Tree bank reserve	355,978
Sidewalk reserve	174,375
Affordable housing reserves	297,013
Sponsorship reserve	20,350
Capital Project Grant	90,094
American Rescue Plan Act proceeds	7,714,828
Total unearned revenue for fund financial statements	<u>\$ 8,807,013</u>

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D. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance			Disposals and	Balance
	June 30, 2021	Reclassifications	Additions	Adjustments	June 30, 2022
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 61,602,893	\$ -	\$ 1,765,775	\$ 416,850	\$ 62,951,818
Construction in process-non-infrastructure	20,133,963	(11,189,040)	7,239,712	-	16,184,635
Construction in process-infrastructure	23,571,711	(1,055,059)	10,296,606	-	32,813,258
Total capital assets, not being depreciated	105,308,567	(12,244,099)	19,302,093	416,850	111,949,711
Capital assets, being depreciated:					
Buildings and improvements	74,565,195	10,961,204		-	85,526,399
Improvements other than buildings	28,337,721	-	-	-	28,337,721
Machinery and equipment	73,032,313	227,836	2,247,525	1,597,663	73,910,011
Infrastructure	756,330,608	1,055,059	20,804,102	1,161,200	777,028,569
Total capital assets, being depreciated	932,265,837	12,244,099	23,051,627	2,758,863	964,802,700
Accumulated depreciation:					
Buildings and improvements	22,351,278	-	1,566,393	-	23,917,671
Improvements other than buildings	16,495,751	-	1,386,083	-	17,881,834
Machinery and equipment	52,560,740	-	5,000,493	1,495,448	56,065,785
Infrastructure	222,334,663	-	15,243,986	11,612	237,567,037
Total accumulated depreciation	313,742,432	-	23,196,955	1,507,060	335,432,327
Total capital assets being depreciated, net	618,523,405	12,244,099	(145,328)	1,251,803	629,370,373
Total governmental activities capital assets, net	723,831,972	-	19,156,765	1,668,653	741,320,084
Business-type activities:					
Capital assets, not being depreciated:					
Land	5,948,524	-	88,727	-	6,037,251
Construction in process	131,284,027	-	31,476,392	-	162,760,419
Total capital assets, not being depreciated	137,232,551	-	31,565,119	-	168,797,670
Capital assets, being depreciated:					
Buildings and improvements	28,175,100	-	-	1	28,175,099
Utility plant in service	261,399,435	-	1,562,628	-	262,962,063
Machinery and equipment	6,408,363	-	-	28,483	6,379,880
Total capital assets, being depreciated	295,982,898	-	1,562,628	28,484	297,517,042
Accumulated depreciation:					
Buildings and improvements	12,989,714	-	963,524	-	13,953,238
Utility plant in service	99,789,657	-	6,355,359	-	106,145,016
Machinery and equipment	5,539,472	-	352,125	28,483	5,863,114
Total accumulated depreciation	118,318,843	-	7,671,008	28,483	125,961,368
Total capital assets being depreciated, net	177,664,055	-	(6,108,380)	1	171,555,674
Business-type activities capital assets, net	314,896,606	-	25,456,739	1	340,353,344
Total capital assets, net	\$ 1,038,728,578	\$ -	\$ 44,613,504	\$ 1,668,654	\$ 1,081,673,428

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Depreciation expense was charged to functions/programs of the primary government for the year ended June 30, 2022, as follows:

Governmental activities:	
Project & facilities management	\$ 44,960
Building and neighborhood services	12,660
Information and technology	763,838
Traffic operations center	205,066
Human resources	5,841
Police department	1,639,810
Fire department	1,446,599
Highways and streets	15,385,126
Traffic	25,533
Fleet management	2,959
Parks	1,693,685
General government	128,327
Sanitation	1,453,607
Stormwater	236,612
Transit	152,332
Total depreciation expense - governmental activities	<u>23,196,955</u>
Business-type activities:	
Water and sewer	7,671,008
Total depreciation expense	<u><u>\$ 30,867,963</u></u>

E. Accrued Liabilities

Accrued liabilities reported by governmental funds on June 30, 2022, were as follows:

Accrued employee payroll	\$ 2,051,326
Accrued employee insurance claims	1,268,485
Total accrued liabilities	<u><u>\$ 3,319,811</u></u>

F. Pension Plans

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, 2022. Accordingly, all financial statement information regarding the Plan is as of December 31, 2021 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 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 on January 1, 2022, the date of the latest actuarial valuation:

Inactive plan participants:	
Retiree participants and beneficiaries (receiving benefits)	271
Terminated employees entitled to deferred benefits	193
Disabled participants (receiving benefits)	<u>3</u>
Inactive plan participants total	<u>467</u>
 Active plan participants:	
Vested	405
Nonvested	<u>1</u>
Active plan participants total	<u>406</u>
Total participants	<u><u>873</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 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, 2022, 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, 2022 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, 7.1%. Beginning December 31, 2021, 7.0%.
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, 2022 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, 2021, the annual money-weighted rate of return based on monthly cash flows on pension investments, net of pension plan investment expense, was 18.4%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for changing amounts 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 7.0%. 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

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 1/1/2021	\$ 165,278,119	\$ 136,804,759	\$ 28,473,360
Changes for year:			
Service cost	2,303,771	-	2,303,771
Interest	11,448,477	-	11,448,477
Differences between expected and actual experience	3,987,815	-	3,987,815
Changes of assumptions	1,990,837	-	1,990,837
Contributions - employer	-	6,160,363	(6,160,363)
Contributions - employee	267,298	896,492	(629,194)
Net investment income	-	24,962,458	(24,962,458)
Benefit payments, including refunds of employee contributions	(7,937,323)	(7,937,323)	-
Administrative expense	-	(102,925)	102,925
Net changes	<u>12,060,875</u>	<u>23,979,065</u>	<u>(11,918,190)</u>
Balances at 12/31/2021	<u>\$ 177,338,994</u>	<u>\$ 160,783,824</u>	<u>\$ 16,555,170</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, 2021, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	70
Active employees	<u>205</u>
Total employees	<u><u>275</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, 2022, the employer contributions for City of Franklin were \$722,254 based on a rate of 6.1 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, 2021, 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, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 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	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of-living adjustment	2.125 percent

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

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2017 through June 30, 2020. The demographic assumptions were adjusted to reflect more closely 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, 2020 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 2.25 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class is 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	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	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 6.75 percent based on a blending of the factors described above.

Discount rate. The discount rate used to measure the total pension liability was 6.75 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)

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 2,035,374	\$ 1,954,718	\$ 80,656
Changes for year:			
Service cost	926,140	-	926,140
Interest	213,489	-	213,489
Differences between expected and actual experience	(95,425)	-	(95,425)
Changes of assumptions	297,549	-	297,549
Contributions - employer	-	581,981	(581,981)
Contributions - employee	-	480,976	(480,976)
Net investment income	-	634,842	(634,842)
Benefit payments, including refunds of employee contributions	(33,675)	(33,675)	-
Administrative expense	-	(16,862)	16,862
Net changes	<u>1,308,078</u>	<u>1,647,262</u>	<u>(339,184)</u>
Balances at June 30, 2021	<u>\$ 3,343,452</u>	<u>\$ 3,601,980</u>	<u>\$ (258,528)</u>

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The City reports for the plans the following net pension liability (asset) as of June 30, 2022 in the Statement of Net Position:

Net pension liability (asset)	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Closed Plan	\$ 14,568,548	\$ 1,986,622	\$ 16,555,170
TCRS Plan	<u>(227,506)</u>	<u>(31,022)</u>	<u>(258,528)</u>
	<u>\$ 14,341,042</u>	<u>\$ 1,955,600</u>	<u>\$ 16,296,642</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 (7.0% for the closed plan, 6.75% 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 (6.0% closed plan, 5.75% TCRS plan) or 1-percentage-point higher (8.0% closed plan, 7.75% TCRS plan) than the current rate:

Sensitivity to discount rate	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Closed Plan	\$ 38,625,535	\$ 16,555,170	\$ (1,831,201)
TCRS Plan	<u>619,579</u>	<u>(258,528)</u>	<u>(930,049)</u>
	<u>\$ 39,245,114</u>	<u>\$ 16,296,642</u>	<u>\$ (2,761,250)</u>

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

For the year ended June 30, 2022, the City recognized pension (negative pension) expense of (\$2,130,882) as follows:

Pension (negative pension) expense	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Closed Plan	\$ (1,643,947)	\$ (155,989)	\$ (1,799,936)
TCRS Plan	<u>(320,253)</u>	<u>(10,693)</u>	<u>(330,946)</u>
	<u>\$ (1,964,200)</u>	<u>\$ (166,682)</u>	<u>\$ (2,130,882)</u>

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On June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience:		
Closed Plan	\$ 15,620,376	\$ -
TCRS Plan	499,267	86,750
Changes of assumptions:		
Closed Plan	3,842,512	-
TCRS Plan	270,499	
Net difference between projected and actual earnings on pension plan investments:		
Closed Plan	-	17,437,928
TCRS Plan	-	346,208
Contributions made subsequent to the measurement date:		
Closed Plan	1,500,000	-
TCRS Plan	722,254	-
Total	\$ 22,454,908	\$ 17,870,886

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:

	Governmental activities	Business-type activities	Total
Deferred Outflows of Resources			
Closed Plan	\$ 18,627,342	\$ 2,335,546	\$ 20,962,888
TCRS Plan	1,399,648	92,372	1,492,020
	\$ 20,026,990	\$ 2,427,918	\$ 22,454,908
	Governmental activities	Business-type activities	Total
Deferred Inflows of Resources			
Closed Plan	\$ 15,345,376	\$ 2,092,552	\$ 17,437,928
TCRS Plan	381,004	51,954	432,958
	\$ 15,726,380	\$ 2,144,506	\$ 17,870,886

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JUNE 30, 2022

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>
2023	\$ 1,786,323	\$ (4,077)	\$ 1,782,246
2024	(2,388,794)	(3,687)	(2,392,481)
2025	(2,870,133)	(3,436)	(2,873,569)
2026	(1,790,915)	(10,043)	(1,800,958)
2027	1,265,932	81,241	1,347,173
Thereafter	6,022,544	276,811	6,299,355

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, 2022, the City of Franklin had a payable of \$1,500,000 relating to an approved additional contribution to the closed plan and \$722,254 for the outstanding amount of contributions to the TCRS plan required at the year ended June 30, 2022.

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, 2022, the following employees were covered by the benefit terms:

Retirees (receiving benefits)	34
Actives	678
Covered spouses of retirees (receiving benefits)	<u>19</u>
Total	<u><u>731</u></u>

CITY OF FRANKLIN, TENNESSEE
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Total OPEB Liability

The City of Franklin's total OPEB liability of \$22,778,125 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date. (This was second year of the valuation from 2021.)

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2022 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, 2022
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.

CITY OF FRANKLIN, TENNESSEE
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Changes in the Total OPEB liability

	Total OPEB Liability (a)	Plan Net Position (b)	OPEB Liability (a) - (b)
Balance at June 30, 2021	\$ 22,104,047	\$ -	\$ 22,104,047
Changes for the year:			
Service cost	645,058	-	645,058
Interest	485,969	-	485,969
Change of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	-	-	-
Contributions - employer	-	456,949	(456,949)
Benefit payments	(456,949)	(456,949)	-
Net changes	<u>674,078</u>	<u>-</u>	<u>674,078</u>
Balance at June 30, 2022	<u>22,778,125</u>	<u>-</u>	<u>22,778,125</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.

	1% Decrease 1.18%	Current Discount Rate 2.18%	1% Increase 3.18%
Total OPEB Liability	\$ 25,237,855	\$ 22,778,125	\$ 20,590,256

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:

	1% Decrease (5.25% to 4.75% over 2 year and following the Gertzen model thereafter)	Healthcare Cost Trend Rates (6.25% to 5.75% over 2 year and following the Gertzen model thereafter)	1% Increase (7.25% to 6.75% over 2 year and following the Gertzen model thereafter)
Total OPEB Liability	\$ 20,049,624	\$ 22,778,125	\$ 25,975,411

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

For the year ended June 30, 2022, the City of Franklin recognized OPEB expense of \$3,176,716.

	Governmental activities	Business-type activities	Total
OPEB (negative OPEB) expense	\$ 2,795,510	\$ 381,206	\$ 3,176,716

CITY OF FRANKLIN, TENNESSEE
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JUNE 30, 2022

The City reports the following total OPEB liability (asset) as of June 30, 2022 in the Statement of Net Position:

	Governmental activities	Business-type activities	Total
Total OPEB liability	\$ 20,044,750	\$ 2,733,375	\$ 22,778,125

On June 30, 2022, 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:	\$ -	\$ 823,375
Changes of assumptions:	5,995,325	-
Total	\$ 5,995,325	\$ 823,375

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
Deferred Outflows of Resources	\$ 5,275,886	\$ 719,439	\$ 5,995,325
Deferred Inflows of Resources	\$ 724,570	\$ 98,805	\$ 823,375

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:	
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

I. Construction Contracts

During 2022, various street, public works and park improvement projects were in process. On June 30, 2022, there was approximately \$11,956,220 in uncompleted contracts for these projects. The projects are funded by the General, Sanitation, Road Impact, Facilities Tax, Stormwater, Hotel/Motel Tax, Parkland, and the Multi-Purpose Capital Project funds. There were \$13,967,364 of uncompleted contracts for Water and Sewer Fund projects.

CITY OF FRANKLIN, TENNESSEE
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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, 2022. Renewals of the contracts are expected in the normal course of operations. On June 30, 2022, 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>
2023	\$ 46,325
2024	46,325
2025	46,325
2026	46,325
2027	46,325
2028 - 2029	92,650
Total	<u>\$ 324,275</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. The City makes employer and employee contributions for the cash balance plan to a pension account at US Bank. US Bank disburses eligible participant withdrawals from requests by the City. For these employees, there is also an optional 457 plan available. Mission Square (formerly ICMA-RC) administers the optional 457 plan for the City. 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, 2022, totaled \$240,962. Mission Square administers the defined contribution plan for the City.

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, 2022, totaled \$46,303. TCRS administers this defined benefit plan.

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 of \$24,000 or more 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. Mission Square administers the retiree health savings (RHS) program for the City.

CITY OF FRANKLIN, TENNESSEE
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JUNE 30, 2022

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 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 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
6/30/2022	\$ 1,665,646	\$ 11,487,131	\$ (11,884,292)	\$ 1,268,485
6/30/2021	\$ 1,641,859	\$ 9,578,790	\$ (9,555,003)	\$ 1,665,646

J. Leases

The City has two (2) leases that meet the requirements of GASB 87 (leases). Below are general descriptions of the leasing arrangements. One lease is in the proprietary fund between the City as lessor and FirstBank as lessee. FirstBank pay the City lease payments for use of the building at 5 Points. The second lease is in the General Fund between the City as lessor and Friends of Franklin Parks as lessee. Friends of Franklin Parks pay the City lease payments for use of Harlinsdale arena.

Lessor or Lessee:	Lessor	Lessor
Fund with Lease:	Proprietary	General
Department with Lease	Water	Parks
Leased Asset	Building	Land
Asset Description	5 Points	Harlinsdale Arena
Inception Date (when signed)	2/12/2013	1/28/2021
Possession Date	7/1/2013	1/1/2022
Lease Term in Years	40	18.5
Annual Payments	24,000	14,842
Payments Made At First or End of Year	Beginning	Beginning
Percent Escalation	3%	4%
Annual Discount (Interest) Rate	4.59%	4.46%
Beginning inflows of resources for leases	398,496	259,524
Total amount of inflows of resources recognized in the reporting period from leases	(18,113)	(7,014)
Ending inflows of resources for leases	380,383	252,510
The amount of inflows of resources recognized in the reporting period for variable and other payments.	0	0

CITY OF FRANKLIN, TENNESSEE
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Year Ending	Governmental Activities Future Lease Payment		Business Type Activities Future Lease Payment		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30,						
2023	\$ 4,452	\$ 11,357	\$ 8,447	\$ 16,777	\$ 12,899	\$ 28,134
2024	5,316	11,139	12,743	16,405	18,059	27,544
2025	6,146	10,885	13,192	15,956	19,338	26,841
2026	7,034	10,593	13,658	15,490	20,692	26,083
2027	7,984	10,260	14,139	15,009	22,123	25,269
2028-2032	56,590	44,670	91,284	66,360	147,874	111,030
2033-2037	91,880	28,385	126,059	47,665	217,939	76,050
2038-2042	77,229	5,510	169,204	22,244	246,433	27,754
2043	-	-	38,289	723	38,289	723
Total	<u>\$ 256,631</u>	<u>\$ 132,799</u>	<u>\$ 487,015</u>	<u>\$ 216,629</u>	<u>\$ 743,646</u>	<u>\$ 349,428</u>

K. Long-term Debt

Long-term debt (excluding unamortized premiums) on June 30, 2022, 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	3,000,000
Series 2012 - General Obligation Refunding Bonds, 2.13% interest, final maturity May 1, 2027	8,500,000
Series 2013A - General Obligation Bonds, 2.00% to 4.00% interest, final maturity March 1, 2034	4,915,000
Series 2013B - General Obligation Bonds, Pension Plan Funding, 1.00% to 3.50% interest, federally taxable, final maturity March 1, 2024	2,215,000
Series 2015 - General Obligation Bonds, 3.00% to 5.00% interest, final maturity April 1, 2035	11,070,000
Series 2017 - General Obligation Bonds, 2.00% to 5.00% interest, final maturity April 1, 2037	18,920,000
Series 2019A - General Obligation Bonds, 4.00% to 5.00% interest, final maturity March 1, 2039	25,185,000
Series 2019B - General Obligation Refunding Bonds, 5.00% interest, final maturity March 1, 2029	16,995,000
Series 2019C - General Obligation Bonds, 4.00% to 5.00% interest, final maturity June 1, 2032	28,820,000
Series 2019D - General Obligation Refunding Bonds, 1.00% to 3.50% interest, federally taxable, final maturity June 1, 2027	1,940,000
Total Governmental Activities Long-Term Debt	<u><u>\$ 121,560,000</u></u>

CITY OF FRANKLIN, TENNESSEE
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The bonds are secured by the full faith and credit of the City. During 2022, 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	\$ 4,455,000
Series 2011 - Truist (formally SunTrust) Loan Program, 2.48% interest, final maturity May 25, 2026	6,015,000
Series 2017 - Sewer and Water Revenue Bonds, 3.00% to 5.00% interest, final maturity February 1, 2037	9,935,000
Series 2021 - Sewer and Water Revenue Bonds, 3.00% to 5.00% interest, final maturity February 1, 2042	10,660,000

Notes payable:

Drinking Water SRF Loan provided through ARRA funding, 2.82% interest; final maturity December 20, 2030	741,523
Clean Water SRF Loan provided through ARRA funding, 2.69% interest; final maturity October 20, 2032	1,101,140
State Revolving Fund Loan (CG2 2016-367) 0.89% interest; final maturity June 20, 2033	1,360,213
State Revolving Fund Loan (SRF 2016-374) 0.89% interest; final maturity June 20, 2033	240,675
State Revolving Fund Loan (CG5 2017-375) 0.89% interest; final maturity August 20, 2049	1,177,148
State Revolving Fund Loan (SRF 2017-376) 1.47% interest; final maturity April 20, 2051	76,049,748
State Revolving Fund Loan (SRF 2017-398) 1.47% interest; final maturity September 20, 2051	19,599,893
State Revolving Fund Loan (SRF 2017-398-01) 1.47% interest; final maturity June 20, 2053	9,769,764
Total Business-Type Activities Long-Term Debt	<u>\$ 141,105,104</u>

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 2022, debt service for the debt was provided solely by the Water and Sewer Fund.

CITY OF FRANKLIN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
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The annual requirements, by type of issue, to amortize outstanding bonds and notes payable on June 30, 2022, are as follows:

Year Ending June 30,	General Obligation Bonds		Revenue and Tax Bonds and Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	10,540,000	5,165,461	6,825,946	2,850,847	\$ 17,365,946	\$ 8,016,308
2024	11,555,000	4,739,016	7,116,187	2,652,675	18,671,187	7,391,691
2025	10,780,000	4,305,603	7,241,469	2,450,744	18,021,469	6,756,347
2026	11,240,000	3,843,002	5,927,561	2,255,997	17,167,561	6,098,999
2027	11,740,000	3,358,483	4,464,478	2,122,117	16,204,478	5,480,600
2028-2032	43,220,000	9,588,120	23,745,034	9,043,816	66,965,034	18,631,936
2033-2037	19,355,000	2,709,995	24,864,444	6,395,689	44,219,444	9,105,684
2038-2042	3,130,000	189,000	22,606,052	3,930,168	25,736,052	4,119,168
2043-2047	-	-	20,481,240	2,056,380	20,481,240	2,056,380
2048-2052	-	-	17,443,401	549,235	17,443,401	549,235
2053	-	-	389,292	3,588	389,292	3,588
Totals	<u>\$ 121,560,000</u>	<u>\$ 33,898,680</u>	<u>\$ 141,105,104</u>	<u>\$ 34,311,256</u>	<u>\$ 262,665,104</u>	<u>\$ 68,209,936</u>

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
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Long-term liability activity for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions/ Amortization</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds-capital	\$ 128,445,000	\$ -	\$ 9,100,000	\$ 119,345,000	\$ 9,450,000
Premium-GO bonds-capital	18,314,179	-	998,543	17,315,636	1,648,054
Total GO bonds-capital	<u>146,759,179</u>	<u>-</u>	<u>10,098,543</u>	<u>136,660,636</u>	<u>11,098,054</u>
General obligation bonds-pension	3,275,000	-	1,060,000	2,215,000	1,090,000
Total bonds payable	<u>150,034,179</u>	<u>-</u>	<u>11,158,543</u>	<u>138,875,636</u>	<u>12,188,054</u>
Park acquisition agreement	214,284	-	214,284	-	-
Compensated absences	11,264,967	5,886,128	4,664,545	12,486,550	4,664,545
Net pension liability-closed	25,056,557	-	10,488,009	14,568,548	-
Net pension liability-TCRS	70,977	-	70,977	-	-
Total OPEB liability	<u>19,451,564</u>	<u>593,186</u>	<u>-</u>	<u>20,044,750</u>	<u>-</u>
Total long-term liabilities	<u>\$ 206,092,528</u>	<u>\$ 6,479,314</u>	<u>\$ 26,596,358</u>	<u>\$ 185,975,484</u>	<u>\$ 16,852,599</u>
Business-type activities:					
Revenue and tax bonds	\$ 17,120,000	\$ 10,660,000	\$ 2,730,000	\$ 25,050,000	\$ 2,355,000
Bank debt-capital	7,430,000	-	1,415,000	6,015,000	1,450,000
State revolving loans-capital	103,113,487	9,769,764	2,843,147	110,040,104	3,020,946
Premium	1,341,743	2,493,116	270,882	3,563,977	296,852
Total bonds payable	<u>129,005,230</u>	<u>22,922,880</u>	<u>7,259,029</u>	<u>144,669,081</u>	<u>7,122,798</u>
Compensated absences	1,156,667	738,035	590,168	1,304,534	590,168
Net pension liability-closed	3,416,803	-	1,430,181	1,986,622	-
Net pension liability-TCRS	9,679	-	9,679	-	-
Total OPEB liability	<u>2,652,483</u>	<u>80,892</u>	<u>-</u>	<u>2,733,375</u>	<u>-</u>
Total long-term liabilities	<u>\$ 136,240,862</u>	<u>\$ 23,741,807</u>	<u>\$ 9,289,057</u>	<u>\$ 150,693,612</u>	<u>\$ 7,712,966</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 ended in FY 2022.

Issuance of Long-term Debt

The proprietary fund added \$9,769,764 of state revolving loan funds in FY 2022. 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, after 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, 2022, expected development in the area is proceeding as projected in the debt repayment plan. Through June 30, 2022, the City has lent \$1,201,119 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, 2022

L. 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	\$ 1,297,773	\$ -	\$ -	\$ -	\$ -	\$ 70,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,368,663
Restricted	-	19,323,125	-	-	2,870,168	1,957,699	-	4,377,131	-	538,766	-	-	-	118,477	29,185,366
Committed	-	-	32,202,321	1,161,978	-	-	13,171,571	-	2,914,022	-	2,713,600	8,451,071	807,253	-	61,421,816
Assigned	-	-	-	-	-	-	-	-	-	-	5,293,047	-	-	-	5,293,047
Unassigned	73,135,433	-	-	-	-	-	-	-	-	-	-	-	-	-	73,135,433
Total fund balances	\$ 74,433,206	\$ 19,323,125	\$ 32,202,321	\$ 1,161,978	\$ 2,870,168	\$ 2,028,589	\$ 13,171,571	\$ 4,377,131	\$ 2,914,022	\$ 538,766	\$ 8,006,647	\$ 8,451,071	\$ 807,253	\$ 118,477	\$ 170,404,325
Reason for Restriction/Commitment:															
Non-spendable inventory prepaids	\$ 1,297,773	\$ -	\$ -	\$ -	\$ -	\$ 70,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,368,663
Restricted by state law	-	19,323,125	-	-	2,870,168	1,957,699	-	4,377,131	-	538,766	-	-	-	-	29,066,889
Restricted by federal regulations for fund purpose	-	-	-	-	-	-	-	-	-	-	-	-	-	118,477	118,477
Committed by Board ordinance for fund purpose	-	-	32,202,321	1,161,978	-	-	13,171,571	-	2,914,022	-	5,193,405	8,451,071	807,253	-	63,901,621
Assigned by Board resolutions	-	-	-	-	-	-	-	-	-	-	2,813,242	-	-	-	2,813,242
Unassigned*	73,135,433	-	-	-	-	-	-	-	-	-	-	-	-	-	73,135,433
Total fund balances	\$ 74,433,206	\$ 19,323,125	\$ 32,202,321	\$ 1,161,978	\$ 2,870,168	\$ 2,028,589	\$ 13,171,571	\$ 4,377,131	\$ 2,914,022	\$ 538,766	\$ 8,006,647	\$ 8,451,071	\$ 807,253	\$ 118,477	\$ 170,404,325

Fund Balance Policy - General Fund

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

Contingency Commitment	Amount
Emergency Commitment	\$ 4,653,265
Cash Flow Commitment	4,653,265
Debt Service Commitment	13,029,139
Property/Casualty/Health Insurance Commitment	2,791,959
Retiree Health Benefits Commitment	3,722,612
Supplemental Reserve	1,861,306
Capital Outlay Reserve	11,167,835
Total Reserves	31,256,052

CITY OF FRANKLIN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

M. Interfund Receivables, Payables and Transfers

During 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, 2022:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General	Street Aid	\$ 1,250,000
General	Sanitation	515,680
General	Transit	444,912
General	Capital projects	10,700,000
Sanitation	Debt service	209,551
Road impact	Debt service	2,893,316
Road impact	Capital projects	392,500
County facilities tax	Capital projects	1,000,000
Hotel/motel	Debt service	1,019,071
Hotel/motel	Capital projects	1,250,000
Parkland Dedication	Capital projects	375,000
Water/Sewer	Debt service	200,000
Total		<u>\$ 20,250,030</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 and additional paving.
- The transfer from the General Fund to the Sanitation fund is for repair of the transfer station floor.
- The transfer from the General Fund to the Transit System fund is for providing the annual operating subsidy.
- The transfers from the 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, West Main Bridge, and Vehicle and Equipment.
- The transfer from the Road Impact Fund to the Capital Projects Fund were to provide funds for Church Street design.
- The transfer from the County Facilities Tax Fund to the Capital Projects Fund was to provide funds for the FSSD joint ballfields project.
- The transfer from the Hotel/Motel Fund to the Capital Projects Fund was to provide additional funds for tourism projects, including the FSSD joint ballfields project.
- The transfer from the Parkland Dedication fund to the Capital Projects Fund was to provide additional funds for costs on Bicentennial Park.
- 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.

N. 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, 2022

O. Tax abatements

In accordance with GASB Statement No. 77, *Tax Abatement Disclosures*, City property tax revenues were decreased by \$126,892 in fiscal year 2022 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) \$	31,163 ^A	\$	8,404	\$	22,759
2. Franklin Housing Authority (2018)	112,831 ^B		82,684		30,147
3. Franklin Housing Authority (2019)	26,740 ^C		3,200		23,540
4. Nissan	163,717 ^D		131,326		32,391
5. Ramsey Solutions	65,940 ^E		47,885		18,055
Totals	<u>\$ 400,391</u>	\$	<u>273,499</u>	\$	<u>126,892</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.

P. Prior period adjustment

In fiscal year 2022, the City adopted Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*. This implementation resulted in a restatement of beginning net position in 2020 totaling \$84,106.

	Statement of Activities Business-type Activities
Net position - July 1, 2020 as previously reported	\$ 221,949,970
Adjustment to record leases	<u>84,106</u>
Net position - July 1, 2020 as restated	<u>\$ 222,034,076</u>

CITY OF FRANKLIN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Q. Subsequent events

On August 23, 2022, the City of Franklin passed Resolution 2022-44 updating financial policies and procedures thresholds for consistency with new purchasing thresholds of \$20,000 and \$50,000. The thresholds were updated in the following policies, capital asset policy, grants policy, internal control documentation, and lease accounting and reporting policy.

On September 22, 2022, the City of Franklin passed Resolution 2022-51 declaring the intent of the City of Franklin, Tennessee to reimburse itself in a not to exceed amount of \$26,150,000 for certain project expenditures with the proceeds of General Obligation Bonds, Notes, or Other debt obligations to be issued by the City. The funding will be used for roads and park development, major road resurfacing, and replacement of fire apparatus.

On October 31, 2022, the City of Franklin applied to the Tennessee Department of Environment and Conservation (TDEC) as part of the non-competitive grant as part of the American Rescue Plan Grant. This grant addresses critical needs for water and sewer systems. The City of Franklin's program total is \$6,317,132, TDEC ARPA Grant (\$4,679,357) and thirty-five percent (35%) local match (\$1,637,775). The funds must be obligated by December 31, 2024 and spent by September 30, 2026.

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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)

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	\$ 2,303,771	\$ 2,344,647	\$ 2,438,659	\$ 2,017,416	\$ 1,894,635	\$ 1,911,994	\$ 2,093,993	\$ 1,977,349
Interest	11,448,477	10,650,805	10,165,977	9,572,072	8,725,546	7,983,916	7,209,696	6,583,224
Cash balance increase	267,298	293,738	291,703	289,162	270,241	273,366	-	-
Changes of benefit items	-	-	-	-	-	-	-	-
Differences between expected and actual experience	3,987,815	5,262,761	622,830	2,887,307	5,623,929	3,597,048	3,542,156	3,336,925
Changes of assumptions	1,990,837	1,853,652	1,706,426	1,191,865	1,530,808	771,750	1,852,274	-
Benefit payments, including refunds of employee contributions	(7,937,323)	(6,289,974)	(6,812,691)	(5,310,361)	(4,668,158)	(4,238,026)	(3,699,996)	(3,234,121)
Net change in total pension liability	12,060,875	14,115,629	8,412,904	10,647,461	13,377,001	10,300,048	10,998,123	8,663,377
Total pension liability-beginning	165,278,119	151,162,490	142,749,586	132,102,125	118,725,124	108,425,076	97,426,953	88,763,576
Total pension liability-ending (a)	\$ 177,338,994	\$ 165,278,119	\$ 151,162,490	\$ 142,749,586	\$ 132,102,125	\$ 118,725,124	\$ 108,425,076	\$ 97,426,953
Plan fiduciary net position								
Contributions-employer	\$ 6,160,363	\$ 5,061,105	\$ 5,988,709	\$ 4,254,456	\$ 4,471,922	\$ 3,888,628	\$ 2,846,724	\$ 2,354,417
Contributions-employee	896,492	688,835	702,598	831,941	593,845	548,163	525,364	419,334
Net investment income (loss)	24,962,458	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	(7,937,323)	(6,289,974)	(6,812,691)	(5,310,361)	(4,668,158)	(4,238,026)	(3,699,996)	(3,234,121)
Administrative expenses	(102,925)	(115,649)	(142,565)	(114,344)	(112,112)	(171,371)	(584,138)	(561,992)
Net change in plan fiduciary net position	23,979,065	13,478,972	18,480,030	(3,575,612)	15,108,926	6,480,032	(2,590,735)	4,951,457
Plan fiduciary net position-beginning	136,804,759	123,325,787	104,845,757	108,421,369	93,312,443	86,832,411	89,423,146	84,471,689
Plan fiduciary net position-ending (b)	\$ 160,783,824	\$ 136,804,759	\$ 123,325,787	\$ 104,845,757	\$ 108,421,369	\$ 93,312,443	\$ 86,832,411	\$ 89,423,146
Net pension liability-ending (a) - (b)	\$ 16,555,170	\$ 28,473,360	\$ 27,836,703	\$ 37,903,829	\$ 23,680,756	\$ 25,412,681	\$ 21,592,665	\$ 8,003,807
Plan fiduciary net position as a percentage of the total pension liability	90.7%	82.8%	81.6%	73.4%	82.1%	78.6%	80.1%	91.8%
Covered payroll	\$ 29,370,570	\$ 29,868,272	\$ 30,013,785	\$ 31,795,391	\$ 31,118,096	\$ 30,832,419	\$ 30,362,658	\$ 27,440,025
Net Pension liability as a percentage of covered payroll	56.4%	95.3%	92.7%	119.2%	76.1%	82.4%	71.1%	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)

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 6,160,363	\$ 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	6,160,363	5,061,105	5,988,709	4,254,456	4,471,922	3,888,628	2,846,724	2,354,417
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (266,006)	\$ -	\$ -	\$ 63,503
Covered payroll	\$ 29,370,570	\$ 29,868,272	\$ 30,013,785	\$ 31,795,391	\$ 31,118,096	\$ 30,832,419	\$ 30,362,658	\$ 27,440,025
Contributions as a percentage of covered payroll	21.0%	16.9%	20.0%	13.4%	14.4%	12.6%	9.4%	8.6%

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, 7.1%. Beginning December 31, 2021, 7.0%
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>2022</u>	<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	18.4%	11.3%	18.1%	-4.0%	16.1%	7.3%	-2.5%	6.4%

<p>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.</p>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability					
Service cost	\$ 926,140	\$ 653,668	\$ 372,276	\$ 124,730	\$ -
Interest	213,489	119,330	51,291	12,799	-
Changes of benefit items	-	-	-	-	52,267
Differences between expected and actual experience	(95,425)	282,980	246,960	146,886	-
Changes of assumptions	297,549	-	-	-	-
Benefit payments, including refunds of employee contributions	(33,675)	(25,724)	(1,183)	(906)	-
Net change in total pension liability	<u>1,308,078</u>	<u>1,030,254</u>	<u>669,344</u>	<u>283,509</u>	<u>52,267</u>
Total pension liability-beginning	<u>2,035,374</u>	<u>1,005,120</u>	<u>335,776</u>	<u>52,267</u>	<u>-</u>
Total pension liability-ending (a)	<u>\$ 3,343,452</u>	<u>\$ 2,035,374</u>	<u>\$ 1,005,120</u>	<u>\$ 335,776</u>	<u>\$ 52,267</u>
Plan fiduciary net position					
Contributions-employer	\$ 581,981	\$ 498,785	\$ 344,345	\$ 166,897	\$ 23,007
Contributions-employee	480,976	422,700	278,151	128,382	17,698
Net investment income (loss)	634,842	71,587	48,394	15,395	2,220
Benefit payments, including refunds of employee contributions	(33,675)	(25,724)	(1,183)	(906)	-
Administrative expenses	(16,862)	(15,947)	(11,344)	(6,220)	(1,519)
Net change in plan fiduciary net position	<u>1,647,262</u>	<u>951,401</u>	<u>658,363</u>	<u>303,548</u>	<u>41,406</u>
Plan fiduciary net position-beginning	<u>1,954,718</u>	<u>1,003,317</u>	<u>344,954</u>	<u>41,406</u>	<u>-</u>
Plan fiduciary net position-ending (b)	<u>\$ 3,601,980</u>	<u>\$ 1,954,718</u>	<u>\$ 1,003,317</u>	<u>\$ 344,954</u>	<u>\$ 41,406</u>
Net pension (asset) liability-ending (a) - (b)	<u>\$ (258,528)</u>	<u>\$ 80,656</u>	<u>\$ 1,803</u>	<u>\$ (9,178)</u>	<u>\$ 10,861</u>
Plan fiduciary net position as a percentage of the total pension (asset) liability	107.73%	96.04%	99.82%	102.73%	79.22%
Covered payroll	\$ 9,619,509	\$ 8,453,990	\$ 5,563,006	\$ 2,567,642	\$ 353,953
Net pension (asset) liability as a percentage of covered payroll	-2.69%	0.95%	0.03%	-0.36%	3.07%

Notes to Schedule:

Changes of assumptions - In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

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)

	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 722,254	\$ 581,981	\$ 498,785	\$ 344,345	\$ 166,897	\$ 23,007
Contributions in relation to the actuarially determined contribution	722,254	581,981	498,785	344,345	166,897	23,007
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 11,938,081	\$ 9,619,509	\$ 8,453,990	\$ 5,563,006	\$ 2,567,642	\$ 353,953
Contributions as a percentage of covered payroll	6.1%	6.1%	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 2022 were calculated based on the June 30, 2020 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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 645,058	\$ 574,635	\$ 559,038	\$ 532,417	\$ 142,900
Interest	485,969	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	(456,949)	(430,070)	(485,623)	(451,742)	(645,902)
Net change in total OPEB liability	<u>674,078</u>	<u>1,230,960</u>	<u>639,967</u>	<u>14,744,940</u>	<u>(344,720)</u>
Total OPEB liability-beginning	<u>22,104,047</u>	<u>20,873,087</u>	<u>20,233,120</u>	<u>5,488,180</u>	<u>5,832,900</u>
Total OPEB liability-ending	<u>\$ 22,778,125</u>	<u>\$ 22,104,047</u>	<u>\$ 20,873,087</u>	<u>\$ 20,233,120</u>	<u>\$ 5,488,180</u>
Plan net position					
Contributions - employer	\$ 456,949	\$ 430,070	\$ 485,623	\$ 451,742	\$ 645,902
Benefit payments	(456,949)	(430,070)	(485,623)	(451,742)	(645,902)
Net change in net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB liability-beginning	<u>22,104,047</u>	<u>20,873,087</u>	<u>20,233,120</u>	<u>5,488,180</u>	<u>5,832,900</u>
Net OPEB liability-ending	<u>\$ 22,778,125</u>	<u>\$ 22,104,047</u>	<u>\$ 20,873,087</u>	<u>\$ 20,233,120</u>	<u>\$ 5,488,180</u>
Plan net position as a percentage of total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 19,726,657	\$ 19,339,860	\$ 40,104,752	\$ 39,318,384	n/a
Net OPEB liability as a percentage of covered-employee payroll	115.5%	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.

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



HISTORIC
FRANKLIN
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 decennial 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, 2022
With Comparative Totals as of June 30, 2021

	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	2022	2021
ASSETS												
Cash and cash equivalents	\$ 2,838,802	\$ 571,880	\$ 413,933	\$ 276,329	\$ 621,775	\$ 530,148	\$ 541,813	\$ 249,750	\$ 1,253,647	\$ 390,839	\$ 7,688,916	\$ 4,825,425
Investments	-	-	12,725,268	4,090,264	1,817,895	-	7,271,581	8,180,529	-	-	34,083,537	28,992,616
Receivables (net of allowance for uncollectibles)	1,628,340	1,905,419	32,370	10,538	478,286	8,618	737,273	20,792	207,960	72,106	5,101,702	5,198,084
Inventory	-	70,890	-	-	-	-	-	-	-	-	70,890	56,332
Prepaid items	-	-	-	-	-	-	-	-	-	-	-	8,000
Total assets	\$ 4,467,142	\$ 2,548,189	\$ 13,171,571	\$ 4,377,131	\$ 2,917,956	\$ 538,766	\$ 8,550,667	\$ 8,451,071	\$ 1,461,607	\$ 462,945	\$ 46,947,045	\$ 39,080,457
LIABILITIES												
Accounts payable	\$ 502,424	\$ 519,600	\$ -	\$ -	\$ 3,934	\$ -	\$ 466,680	\$ -	\$ 653,887	\$ 47,455	\$ 2,193,980	\$ 1,314,566
Unearned revenue	-	-	-	-	-	-	-	-	-	297,013	297,013	284,552
Total liabilities	\$ 502,424	\$ 519,600	\$ -	\$ -	\$ 3,934	\$ -	\$ 466,680	\$ -	\$ 653,887	\$ 344,468	\$ 2,490,993	\$ 1,599,118
DEFERRED INFLOWS OF RESOURCES												
Unavailable revenue-property tax-Jan. 1 levy	1,094,550	-	-	-	-	-	-	-	-	-	1,094,550	1,095,591
Unavailable revenue-grant proceeds	-	-	-	-	-	-	77,340	-	467	-	467	10,658
Unavailable revenue-hotel/motel Tax	1,094,550	-	-	-	-	-	77,340	-	467	-	77,340	77,340
Total deferred inflows of resources	\$ 2,189,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154,680	\$ -	\$ 934	\$ -	\$ 1,172,357	\$ 1,183,589
FUND BALANCES												
Non-spendable	-	70,890	-	-	-	-	-	-	-	-	70,890	64,332
Restricted	2,870,168	1,957,699	-	4,377,131	-	538,766	-	-	-	118,477	9,862,241	7,980,176
Committed	-	-	13,171,571	-	2,914,022	-	5,193,405	8,451,071	807,253	-	30,537,322	25,039,471
Assigned	-	-	-	-	-	-	2,813,242	-	-	-	2,813,242	3,213,771
Total fund balances	\$ 2,870,168	\$ 2,028,589	\$ 13,171,571	\$ 4,377,131	\$ 2,914,022	\$ 538,766	\$ 8,006,647	\$ 8,451,071	\$ 807,253	\$ 118,477	\$ 43,283,695	\$ 36,297,750
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,467,142	\$ 2,548,189	\$ 13,171,571	\$ 4,377,131	\$ 2,917,956	\$ 538,766	\$ 8,550,667	\$ 8,451,071	\$ 1,461,607	\$ 462,945	\$ 46,947,045	\$ 39,080,457

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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	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	
Revenues:											
Taxes:											
Property tax	\$ 1,059,197	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,059,197
Hotel/ motel tax	-	-	-	-	-	-	4,875,687	-	-	-	4,875,687
Facilities tax	-	-	2,666,214	1,003,415	-	-	-	-	-	-	3,669,629
Licenses and permits	-	-	-	-	-	-	-	1,516,084	-	-	1,516,084
Fines and fees	-	-	-	-	-	112,498	-	-	-	-	112,498
Intergovernmental:											
Gas & motor fuel	1,481,172	-	-	-	-	-	-	-	-	-	1,481,172
Petroleum special	151,965	-	-	-	-	-	-	-	-	-	151,965
Gas 1989	230,294	-	-	-	-	-	-	-	-	-	230,294
Gas 3 cent	426,593	-	-	-	-	-	-	-	-	-	426,593
Gas 2018	745,460	-	-	-	-	-	-	-	-	-	745,460
Short term vacation rental tax	-	-	-	-	7,452	-	326,504	-	-	-	326,504
Grants	-	64,093	-	-	2,715,578	-	680,966	-	2,253,270	-	3,313,087
Charges for services	-	10,680,204	-	-	2,715,578	-	182,309	(240,674)	68,173	-	13,463,955
Use of money and property	15,243	350,550	(340,740)	(125,115)	(22,358)	57,994	(182,309)	-	15,346	3,730	(468,333)
Distributions from Conference Center	-	-	-	-	-	-	414,857	-	-	-	414,857
Miscellaneous and other	-	-	226,444	-	-	156	3,400	-	-	-	230,000
Total revenues	4,109,924	11,094,847	2,551,918	878,300	2,700,672	170,648	6,119,105	1,275,410	2,336,789	311,036	31,548,649
Expenditures:											
Current:											
Police	-	-	-	-	-	48,989	-	-	-	-	48,989
Fire	-	-	16,695	-	-	-	-	-	-	-	16,695
Parks	-	-	-	-	-	-	8,622	-	-	-	8,622
Highways and streets	3,261,158	-	-	-	-	-	-	-	-	-	3,261,158
General expenditures	-	-	-	-	-	-	1,089,793	-	-	307,304	1,397,097
Storm water	-	-	-	-	2,737,653	-	-	-	-	-	2,737,653
Sanitation	-	10,013,407	-	-	-	-	-	-	-	-	10,013,407
Transit	-	-	-	-	-	-	-	-	2,781,702	-	2,781,702
Capital outlay	-	1,410,107	386,605	-	-	185,295	672,343	-	-	-	2,654,350
Total expenditures	3,261,158	11,423,514	403,300	878,300	2,737,653	234,284	1,770,758	-	2,781,702	307,304	22,919,673
Excess (deficiency) of revenues over (under) expenditures	848,766	(328,667)	2,148,618	878,300	(36,981)	(63,636)	4,348,347	1,275,410	(444,913)	3,732	8,628,976
Other financing sources (uses):											
Transfers in	1,250,000	515,680	-	-	-	-	-	-	444,912	-	2,210,592
Transfers out	-	(209,552)	-	(1,000,000)	-	-	(2,269,071)	(375,000)	-	-	(3,853,623)
Total other financing sources (uses)	1,250,000	306,128	-	(1,000,000)	-	-	(2,269,071)	(375,000)	444,912	-	(1,643,031)
Net changes in fund balances	2,098,766	(22,539)	2,148,618	(121,700)	(36,981)	(63,636)	2,079,276	900,410	(1)	3,732	6,985,945
Fund balances - beginning	771,402	2,051,128	11,022,953	4,498,831	2,951,003	602,402	5,927,371	7,550,661	807,254	114,745	36,297,750
Fund balances - ending	\$ 2,870,168	\$ 2,028,589	\$ 13,171,571	\$ 4,377,131	\$ 2,914,022	\$ 538,766	\$ 8,006,647	\$ 8,451,071	\$ 807,253	\$ 118,477	\$ 43,283,695
											\$ 36,297,750

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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with	2021
	Original	Final		Final Budget	
Revenues:					
Taxes:					
Property tax	\$ 821,873	\$ 1,073,088	\$ 1,059,197	\$ (13,891)	\$ 809,178
Intergovernmental:					
Gasoline tax, State of Tennessee:					
Gas & motor fuel	1,212,958	1,212,958	1,481,172	268,214	1,317,475
Petroleum special	124,447	124,447	151,965	27,518	140,774
Gas 1989	188,592	188,592	230,294	41,702	205,398
Gas 3 cent	349,344	349,344	426,593	77,249	380,588
Gas 2018	610,470	610,470	745,460	134,990	662,660
Use of money and property:					
Interest earned	7,725	7,725	15,243	7,518	1,207
Total revenues	<u>3,315,409</u>	<u>3,566,624</u>	<u>4,109,924</u>	<u>543,300</u>	<u>3,517,280</u>
Expenditures:					
Current:					
Highways and streets:					
Street maintenance and improvement	3,871,097	3,871,097	3,261,158	609,939	3,597,697
Total current	3,871,097	3,871,097	3,261,158	609,939	3,597,697
Total expenditures	<u>3,871,097</u>	<u>3,871,097</u>	<u>3,261,158</u>	<u>609,939</u>	<u>3,597,697</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(555,688)</u>	<u>(304,473)</u>	<u>848,766</u>	<u>1,153,239</u>	<u>(80,417)</u>
Other financing sources (uses):					
Transfers from other funds	300,000	1,250,000	1,250,000	-	250,000
Total other financing sources (uses)	<u>300,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>	<u>250,000</u>
Net changes in fund balances	<u>\$ (255,688)</u>	<u>\$ 945,527</u>	<u>2,098,766</u>	<u>\$ 1,153,239</u>	<u>169,583</u>
Fund balance - beginning			<u>771,402</u>		<u>601,819</u>
Fund balance - ending			<u>\$ 2,870,168</u>		<u>\$ 771,402</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with	2021
	Original	Final		Final Budget	
Revenues:					
Grants	\$ -	\$ 61,209	\$ 64,093	\$ 2,884	\$ 14,327
Special event services fee	5,546	5,546	-	(5,546)	606
Charges for services:					
Garbage fees	10,188,320	10,184,557	10,482,720	298,163	10,083,376
Customer service	150,000	150,000	163,724	13,724	60,165
Use of money and property:					
Interest earned	-	-	7,849	7,849	751
Sale of surplus property	250,000	250,000	342,701	92,701	84,151
Miscellaneous income	133,677	133,677	33,760	(99,917)	54,089
Total revenues	<u>10,727,543</u>	<u>10,784,989</u>	<u>11,094,847</u>	<u>309,858</u>	<u>10,297,465</u>
Expenditures:					
Sanitation:					
Personnel	3,768,298	3,840,007	3,570,257	269,750	3,352,325
Services	4,769,115	4,769,115	4,842,129	(73,014)	4,587,695
Supplies	536,126	536,127	671,018	(134,891)	515,248
Operational units	827,135	839,497	839,497	-	821,593
Business expenses	83,554	87,622	90,506	(2,884)	91,312
	<u>9,984,228</u>	<u>10,072,368</u>	<u>10,013,407</u>	<u>58,961</u>	<u>9,368,173</u>
Capital outlay:					
Capital outlay - Sanitation	966,335	1,545,866	1,410,107	135,759	635,165
	<u>966,335</u>	<u>1,545,866</u>	<u>1,410,107</u>	<u>135,759</u>	<u>635,165</u>
Total expenditures	<u>10,950,563</u>	<u>11,618,234</u>	<u>11,423,514</u>	<u>194,720</u>	<u>10,003,338</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(223,020)</u>	<u>(833,245)</u>	<u>(328,667)</u>	<u>504,578</u>	<u>294,127</u>
Other financing sources (uses):					
Transfers to other funds	(227,092)	(213,917)	(209,552)	4,365	(209,080)
Transfers from other funds	-	515,680	515,680	-	900,000
Total other financing sources (uses)	<u>(227,092)</u>	<u>301,763</u>	<u>306,128</u>	<u>4,365</u>	<u>690,920</u>
Net changes in fund balances	<u>\$ (450,112)</u>	<u>\$ (531,482)</u>	<u>(22,539)</u>	<u>\$ 508,943</u>	<u>985,047</u>
Fund balance - beginning			<u>2,051,128</u>		<u>1,066,081</u>
Fund balance - ending			<u>\$ 2,028,589</u>		<u>\$ 2,051,128</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with	2021
	Original	Final		Final Budget	
Revenues:					
Licenses and permits:					
Facilities tax	\$ 2,628,376	\$ 2,628,376	\$ 2,666,214	\$ 37,838	\$ 2,682,395
Use of money and property:					
Interest earned	50,000	50,000	(340,740)	(390,740)	36,408
Contributions from others	-	866,444	226,444	(640,000)	640,000
Total revenues	<u>2,678,376</u>	<u>3,544,820</u>	<u>2,551,918</u>	<u>(992,902)</u>	<u>3,358,803</u>
Expenditures:					
Police:					
Services	-	-	-	-	343
Supplies	-	-	-	-	21
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>364</u>
Fire:					
Services	-	-	6,500	(6,500)	15,142
Supplies	-	-	-	-	272,311
Business expenses	-	-	-	-	125
	<u>-</u>	<u>-</u>	<u>6,500</u>	<u>(6,500)</u>	<u>287,578</u>
Parks:					
Services	-	-	-	-	10,076
Supplies	-	-	-	-	(695)
Business expenses	-	-	-	-	173
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,554</u>
Sanitation:					
Services	20	20	-	20	-
Supplies	20,000	20,000	-	20,000	-
Business expenses	-	-	10,195	(10,195)	-
	<u>20,020</u>	<u>20,020</u>	<u>10,195</u>	<u>9,825</u>	<u>-</u>
Capital outlay:					
Capital outlay - General	43,000	43,000	-	43,000	-
Capital outlay - Fire	-	-	-	-	2,689,466
Capital outlay - Parks	164,280	164,280	36,680	127,600	43,737
Capital outlay - Sanitation	318,000	349,926	349,925	1	-
	<u>525,280</u>	<u>557,206</u>	<u>386,605</u>	<u>170,601</u>	<u>2,733,203</u>
Total expenditures	<u>545,300</u>	<u>577,226</u>	<u>403,300</u>	<u>173,926</u>	<u>3,030,699</u>
Net changes in fund balances	<u>\$ 2,133,076</u>	<u>\$ 2,967,594</u>	2,148,618	<u>\$ (818,976)</u>	328,104
Fund balance - beginning			11,022,953		10,694,849
Fund balance - ending			<u>\$ 13,171,571</u>		<u>\$ 11,022,953</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with	2021
	Original	Final		Final Budget	
Revenues:					
Licenses and permits:					
Facilities tax	\$ 742,649	\$ 742,649	\$ 1,003,415	\$ 260,766	\$ 935,555
Use of money and property:					
Interest earned	15,000	15,000	(125,115)	(140,115)	14,292
Total revenues	<u>757,649</u>	<u>757,649</u>	<u>878,300</u>	<u>120,651</u>	<u>949,847</u>
Other financing sources (uses):					
Transfers to other funds	-	(1,000,000)	(1,000,000)	-	(125,000)
Total other financing sources (uses)	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>(125,000)</u>
Net changes in fund balances	<u>\$ 757,649</u>	<u>\$ (242,351)</u>	(121,700)	<u>\$ 120,651</u>	824,847
Fund balance - beginning			<u>4,498,831</u>		<u>3,673,984</u>
Fund balance - ending			<u>\$ 4,377,131</u>		<u>\$ 4,498,831</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with	2021
	Original	Final		Final Budget	
Revenues:					
Inspection fees	\$ 143,250	\$ 153,250	\$ 97,496	\$ (55,754)	\$ 191,770
Grants	-	-	7,452	7,452	1,307
Charges for services:					
Customer service	2,613,500	2,595,462	2,618,082	22,620	2,501,123
Use of money and property:					
Interest earned	50,000	50,000	(22,358)	(72,358)	8,282
Sale of surplus property	-	-	-	-	33,739
Total revenues	<u>2,806,750</u>	<u>2,798,712</u>	<u>2,700,672</u>	<u>(98,040)</u>	<u>2,736,221</u>
Expenditures:					
Storm water:					
Personnel	1,870,570	1,934,438	1,915,288	19,150	1,688,289
Services	322,130	382,130	214,857	167,273	230,933
Supplies	206,963	206,963	222,926	(15,963)	123,415
Operational units	335,799	335,799	335,799	-	328,639
Business expenses	67,439	58,507	48,783	9,724	37,098
	<u>2,802,901</u>	<u>2,917,837</u>	<u>2,737,653</u>	<u>180,184</u>	<u>2,408,374</u>
Capital outlay:					
Capital outlay	-	-	-	-	72,245
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,245</u>
Total expenditures	<u>2,802,901</u>	<u>2,917,837</u>	<u>2,737,653</u>	<u>180,184</u>	<u>2,480,619</u>
Net changes in fund balances	<u>\$ 3,849</u>	<u>\$ (119,125)</u>	<u>(36,981)</u>	<u>\$ 82,144</u>	<u>255,602</u>
Fund balance - beginning			<u>2,951,003</u>		<u>2,695,401</u>
Fund balance - ending			<u>\$ 2,914,022</u>		<u>\$ 2,951,003</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with	2021
	Original	Final		Final Budget	
Revenues:					
Confiscated goods - state	\$ 25,000	\$ 25,000	\$ 20,825	\$ (4,175)	\$ 50,398
Fines and fees:					
Drug fines	88,000	88,000	91,673	3,673	79,877
Seized assets/unclaimed evidence	7,500	7,500	-	(7,500)	3,655
Use of money and property:					
Interest earned	6,000	6,000	7,255	1,255	4,923
Sale of surplus property	3,000	3,000	50,739	47,739	34,413
Miscellaneous income	-	-	156	156	-
Total revenues	<u>129,500</u>	<u>129,500</u>	<u>170,648</u>	<u>41,148</u>	<u>173,266</u>
Expenditures:					
Police:					
Services	6,000	6,000	27,924	(21,924)	-
Supplies	60,000	60,000	-	60,000	37,728
Operational units	190,000	240,000	17,660	222,340	46,976
Business expenses	2,500	2,500	3,405	(905)	6,632
	<u>258,500</u>	<u>308,500</u>	<u>48,989</u>	<u>259,511</u>	<u>91,336</u>
Capital outlay:					
Capital outlay - Police	-	-	185,295	(185,295)	-
	<u>-</u>	<u>-</u>	<u>185,295</u>	<u>(185,295)</u>	<u>-</u>
Total expenditures	<u>258,500</u>	<u>308,500</u>	<u>234,284</u>	<u>74,216</u>	<u>91,336</u>
Net changes in fund balances	<u>\$ (129,000)</u>	<u>\$ (179,000)</u>	(63,636)	<u>\$ 115,364</u>	81,930
Fund balance - beginning			602,402		520,472
Fund balance - ending			<u>\$ 538,766</u>		<u>\$ 602,402</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with	2021
	Original	Final		Final Budget	
Revenues:					
Taxes:					
Hotel/Motel tax	\$ 2,419,080	\$ 3,542,556	\$ 4,875,687	\$ 1,333,131	\$ 2,575,830
Short term vacation rental tax	-	-	326,504	326,504	133,521
Grants	-	504,786	680,966	176,180	-
Use of money and property:					
Interest earned	25,000	25,000	(182,309)	(207,309)	19,514
Distributions from conference center	(150,000)	(150,000)	414,857	564,857	(296,667)
Miscellaneous income	-	-	3,400	3,400	-
Total revenues	<u>2,294,080</u>	<u>3,922,342</u>	<u>6,119,105</u>	<u>2,196,763</u>	<u>2,432,198</u>
Expenditures:					
General:					
Services	250,000	45,000	18,172	26,828	676
Miscellaneous	-	-	-	-	(3,254)
Appropriations	1,080,243	1,080,243	1,080,243	-	1,048,577
	<u>1,330,243</u>	<u>1,125,243</u>	<u>1,098,415</u>	<u>26,828</u>	<u>1,045,999</u>
Capital outlay:					
Capital outlay - Parks	214,286	504,286	672,343	(168,057)	214,286
	<u>214,286</u>	<u>504,286</u>	<u>672,343</u>	<u>(168,057)</u>	<u>214,286</u>
Total expenditures	<u>1,544,529</u>	<u>1,629,529</u>	<u>1,770,758</u>	<u>(141,229)</u>	<u>1,260,285</u>
Excess (deficiency) of revenues over (under) expenditures	<u>749,551</u>	<u>2,292,813</u>	<u>4,348,347</u>	<u>2,055,534</u>	<u>1,171,913</u>
Other financing sources (uses):					
Transfers to other funds	(1,019,071)	(2,269,071)	(2,269,071)	-	(2,748,371)
Transfers from other funds	1,150,000	-	-	-	-
Total other financing sources (uses)	<u>130,929</u>	<u>(2,269,071)</u>	<u>(2,269,071)</u>	<u>-</u>	<u>(2,748,371)</u>
Net changes in fund balances	<u>\$ 880,480</u>	<u>\$ 23,742</u>	<u>2,079,276</u>	<u>\$ 2,055,534</u>	<u>(1,576,458)</u>
Fund balance - beginning			<u>5,927,371</u>		<u>7,503,829</u>
Fund balance - ending			<u>\$ 8,006,647</u>		<u>\$ 5,927,371</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with	2021
	Original	Final		Final Budget	
Revenues:					
Parkland dedication fees	\$ 1,024,768	\$ 1,024,768	\$ 1,516,084	\$ 491,316	\$ 800,544
Interest earned	20,000	20,000	(240,674)	(260,674)	25,414
Total revenues	<u>1,044,768</u>	<u>1,044,768</u>	<u>1,275,410</u>	<u>230,642</u>	<u>825,958</u>
Other financing sources (uses):					
Transfers to other funds	-	(375,000)	(375,000)	-	(1,511,850)
Total other financing sources (uses)	<u>-</u>	<u>(375,000)</u>	<u>(375,000)</u>	<u>-</u>	<u>(1,511,850)</u>
Net changes in fund balances	<u>\$ 1,044,768</u>	<u>\$ 669,768</u>	900,410	<u>\$ 230,642</u>	(685,892)
Fund balance - beginning			<u>7,550,661</u>		<u>8,236,553</u>
Fund balance - ending			<u>\$ 8,451,071</u>		<u>\$ 7,550,661</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget	2021
	Original	Final			
Revenues:					
Intergovernmental:					
Grants	\$ 2,412,719	\$ 2,412,719	\$ 2,253,270	\$ (159,449)	\$ 2,065,711
Charges for services:					
Transit fares	50,000	50,000	68,173	18,173	33,080
Use of money and property:					
Interest earned	-	-	5,646	5,646	3,123
Rental income	9,700	9,700	9,700	-	8,900
Total revenues	<u>2,472,419</u>	<u>2,472,419</u>	<u>2,336,789</u>	<u>(135,630)</u>	<u>2,110,814</u>
Expenditures:					
Transit:					
Services	100	100	-	100	-
Supplies	250,000	250,000	-	250,000	-
Operational units	2,837,683	2,837,683	2,781,702	55,981	2,693,184
	<u>3,087,783</u>	<u>3,087,783</u>	<u>2,781,702</u>	<u>306,081</u>	<u>2,693,184</u>
Capital outlay:					
Capital outlay - General	200,000	200,000	-	200,000	205,629
	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>205,629</u>
Total expenditures	<u>3,287,783</u>	<u>3,287,783</u>	<u>2,781,702</u>	<u>506,081</u>	<u>2,898,813</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(815,364)</u>	<u>(815,364)</u>	<u>(444,913)</u>	<u>370,451</u>	<u>(787,999)</u>
Other financing sources (uses):					
Transfers from other funds	815,364	1,565,364	444,912	(1,120,452)	777,341
Total other financing sources (uses)	<u>815,364</u>	<u>1,565,364</u>	<u>444,912</u>	<u>(1,120,452)</u>	<u>777,341</u>
Net changes in fund balances	<u>\$ -</u>	<u>\$ 750,000</u>	(1)	<u>\$ (750,001)</u>	(10,658)
Fund balance - beginning			<u>807,254</u>		<u>817,912</u>
Fund balance - ending			<u>\$ 807,253</u>		<u>\$ 807,254</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget	2021
	Original	Final			
Revenues:					
Intergovernmental:					
Grants	\$ 773,000	\$ 773,000	\$ 307,306	\$ (465,694)	\$ 330,407
Use of money and property:					
Interest earned	5,000	5,000	3,730	(1,270)	1,679
Total revenues	<u>778,000</u>	<u>778,000</u>	<u>311,036</u>	<u>(466,964)</u>	<u>332,086</u>
Expenditures:					
General:					
Services	376,000	376,000	67,014	308,986	64,736
Operational units	400,000	400,000	240,290	159,710	265,671
	<u>776,000</u>	<u>776,000</u>	<u>307,304</u>	<u>468,696</u>	<u>330,407</u>
Total expenditures	<u>776,000</u>	<u>776,000</u>	<u>307,304</u>	<u>468,696</u>	<u>330,407</u>
Net changes in fund balances	<u>\$ 2,000</u>	<u>\$ 2,000</u>	3,732	<u>\$ 1,732</u>	1,679
Fund balance - beginning			114,745		113,066
Fund balance - ending			<u>\$ 118,477</u>		<u>\$ 114,745</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, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2021</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Taxes:					
Property tax apportionment	\$ 11,778,039	\$ 11,782,505	\$ 11,629,983	\$ (152,522)	\$ 10,918,504
Intergovernmental:					
Use of money and property:					
Interest earned	25,000	25,000	10,336	(14,664)	17,914
Total revenues	<u>11,803,039</u>	<u>11,807,505</u>	<u>11,640,319</u>	<u>(167,186)</u>	<u>10,936,418</u>
Expenditures:					
Debt service:					
Principal	10,160,000	10,160,000	10,160,000	-	9,385,000
Interest	5,925,934	5,925,933	5,572,934	352,999	5,932,143
Debt Service Fees	14,003	14,004	4,514	9,490	2,665
Total expenditures	<u>16,099,937</u>	<u>16,099,937</u>	<u>15,737,448</u>	<u>362,489</u>	<u>15,319,808</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,296,898)</u>	<u>(4,292,432)</u>	<u>(4,097,129)</u>	<u>195,303</u>	<u>(4,383,390)</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	94,896
From Water & Sewer	200,000	200,000	200,000	-	200,000
From Sanitation	209,512	209,512	209,551	39	209,081
From Road Impact	2,893,316	2,893,316	2,893,316	-	2,730,454
From Hotel/Motel	1,019,071	1,019,071	1,019,071	-	1,281,521
Other financing sources-issuance of refunding debt:					
Total other financing sources (uses)	<u>4,321,899</u>	<u>4,321,899</u>	<u>4,321,938</u>	<u>39</u>	<u>4,515,952</u>
Net change in fund balances	<u>\$ 25,001</u>	<u>\$ 29,467</u>	224,809	<u>\$ 195,342</u>	132,562
Fund balance - beginning			<u>937,169</u>		<u>804,607</u>
Fund balance - ending			<u>\$ 1,161,978</u>		<u>\$ 937,169</u>

See independent auditor's report.

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Source/Grant Name	Assistance Listing Number	Grant Number	Pass-through Entity Number	Amount Pass-through to Subrecipients	Expenditures
U.S. DEPARTMENT OF JUSTICE					
BulletproofVest Partnership	16.607	2021BUX09046522		-	\$ 10,955
TOTAL U.S. DEPARTMENT OF JUSTICE				-	10,955
U.S. DEPARTMENT OF THE INTERIOR					
Hayes House Windows	15.904	32701-04177		-	\$ 14,700
Lewisburg Avenue Historical District	15.904	32701-04358		-	5,000
TOTAL U.S. DEPARTMENT OF THE INTERIOR				-	19,700
U.S. DEPARTMENT OF TRANSPORTATION					
<i>Federal Transit Cluster:</i>					
Transit Capital Grant-FY12 5307 Allocation	20.507	TN-90-X352-00		-	47,171
Transit Capital Grant-FY12 5307 Allocation (Vanpool) (e)	20.507	TN-90-X352-00		13,870	13,870
5307 Capital and Operating Assistance	20.507	TN-2019-021-00		-	18,219
5307 Operating and Capital	20.507	TN-2020-008-00		-	250,564
5307 FY 21 Operating Assistance	20.507	TN-2021-012-00		-	247,838
CARES Act 5307 Funding	20.507	TN-2020-018-00		-	1,194,177
CARES Act 5307 Funding (Vanpool) (e)	20.507	TN-2020-018-00		146,082	146,082
FY16 5307 Allocation	20.507	TN-2017-020-00		-	25,059
Total Federal Transit Cluster				159,952	1,942,980
<i>Highway Planning and Construction Cluster:</i>					
SR-96 (Murfreesboro Rd) Traffic Signal Improvements (a)	20.205	127913.00 / CM-NH-96(59)		-	51,734
Columbia Ave to Downs Blvd (a)	20.205	121454.00 / STP-M-6(110)		-	17,747
SR-96 Multi-Use Trail (a)	20.205	123098.00 / TAP-96(49)		-	1,540,205
Franklin ITS Infrastructure (a)	20.205	116144.00 / STP-M-9305(30)		-	113,560
Total Highway Planning and Construction Cluster:				-	1,723,246
<i>Highway Safety Cluster:</i>					
Community Based Traffic Safety Enforcement and Education - FY 21 (b)	20.600	Z21THS102		-	8,362
Community Based Traffic Safety Enforcement and Education - FY 22 (b)	20.600	Z21THS106		-	23,127
Total Highway Safety Cluster				-	31,489
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				159,952	3,697,715
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
<i>CDBG - Entitlement Grants Cluster:</i>					
CDBG	14.218	B-18-MC-47-0014		-	1,389
CDBG	14.218	B-19-MC-47-0014		-	38,957
CDBG	14.218	B-20-MW-47-0014		-	82,591
CDBG - CARES Act	14.218	B-20-MW-47-0014		-	184,369
Total CDBG - Entitlement Grants Cluster				-	307,306
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				-	307,306
U.S. DEPARTMENT OF THE TREASURY					
American Rescue Plan Act	21.027	N/A		-	1,539,013
TOTAL U.S. DEPARTMENT OF THE TREASURY				-	1,539,013
FEDERAL EMERGENCY MANAGEMENT AGENCY					
Hurricane Ida (LA) - Major Disaster Declaration (d)	97.036	2173-RSA-10700-1-1		-	24,534
Flood - March 2021 (WATER PLANT) - Major Disaster Declaration (d)	97.036	PA-04-TN-4601-PW-0012(1)		-	28,103
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY				-	52,637
LOANS					
ENVIRONMENTAL PROTECTION AGENCY					
State Revolving Fund SRF 2017-398-01 (c)	66.458	SRF 2017-398-01		-	9,769,764
TOTAL ENVIRONMENTAL PROTECTION AGENCY				-	9,769,764
Total Federal Assistance				159,952	\$ 15,397,090

(a) Passed through the TN Department of Transportation
(b) Passed through the TN Department of Safety and Homeland Security
(c) Passed through the TN Department of Environment and Conservation
(d) Passed through the TN Emergency Management Agency
(e) Passed through to Williamson County

See independent auditor's report

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Source/Grant Name	Grant Number	Pass-through Entity Number	Amount Pass-through to Subrecipients	Expenditures
GRANTS				
TENNESSEE DEPARTMENT OF TRANSPORTATION				
Transit Capital Grant-FY12 5307 Allocation	TN-90-X352-00		\$ -	5,947
Transit Capital Grant-FY12 5307 Allocation (Vanpool) (e)	TN-90-X352-00		1,733	1,733
5307 Capital and Operating Assistance	TN-2019-021-00		-	2,270
5307 Operating and Capital	TN-2020-008-00		-	5,615
FY16 5307 Allocation	TN-2017-020-00		-	3,134
Columbia Ave to Downs Blvd	121454.00 / 94LPLM-F0-076		-	4,437
FY 2022 Urban Operation Assistance Program	Z21-UROP09-01		-	281,400
Total Tennessee Department of Transportation			1,733	304,536
TENNESSEE DEPARTMENT OF FINANCE & ADMINISTRATION				
Harlinsdale Barn Restoration	2019 TN Approp. Act, Section 62, Item 56		-	9,906
2022 Local Government Direct Appropriation Grant	2021 TN Approp Act, Public Ch 454		-	924,150
Total Tennessee Department of Agriculture			-	934,056
Total State Financial Assistance			\$ 1,733	\$ 1,238,592

(e) Passed through to Williamson County

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, 2022, there was an outstanding balance of \$110,040,104 on loans obtained through the State Revolving Loan Fund. Payments during the current fiscal year totaled \$2,843,147.

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION DEBT
 JUNE 30, 2022

	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
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	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-
	<u>\$ 3,000,000</u>	<u>\$ 150,600</u>	<u>\$ 8,500,000</u>	<u>\$ 550,605</u>	<u>\$ 4,915,000</u>	<u>\$ 1,154,371</u>	<u>\$ 2,215,000</u>	<u>\$ 114,175</u>	<u>\$ 11,070,000</u>	<u>\$ 2,790,765</u>

See independent auditor's report.

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS (Cont.)
GENERAL OBLIGATION DEBT
 JUNE 30, 2022

	Public Improvement Bonds Series 2017		Public Improvement Bonds Series 2019A		Public Refunding Bonds Series 2019B		Public Improvement Bonds Series 2019C		Public Refunding Bonds Series 2019D		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 18,920,000</u>	<u>\$ 7,011,950</u>	<u>\$ 25,185,000</u>	<u>\$ 10,094,000</u>	<u>\$ 16,995,000</u>	<u>\$ 3,560,750</u>	<u>\$ 28,820,000</u>	<u>\$ 8,350,750</u>	<u>\$ 1,940,000</u>	<u>\$ 120,714</u>	<u>\$ 121,560,000</u>	<u>\$ 33,898,680</u>

See independent auditor's report.

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
PROPRIETARY FUND DEBT
 JUNE 30, 2022

	Sewer & Water Revenue & Tax Refunding Bonds-Series 2005		Sewer & Water Refunding Sun Trust Loan 2011		Drinking Water SRF & ARRA Loan		Clean Water SRF & ARRA Loan		Clean Water SRF (Scada-Reverse)		Clean Water SRF (Scada-CDM)		Water Plant Bonds-Series 2017	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	470,000	435,700
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	495,000	412,200
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	520,000	387,450
2026	-	-	1,560,000	35,464	85,215	12,998	101,570	20,605	121,428	8,424	21,492	1,488	545,000	361,450
2027	-	-	-	-	87,648	10,565	104,338	17,838	122,508	7,344	21,684	1,296	570,000	334,200
2028	-	-	-	-	90,153	8,060	107,178	14,998	123,612	6,240	21,876	1,104	600,000	305,700
2029	-	-	-	-	92,729	5,485	110,098	12,078	124,704	5,148	22,068	912	630,000	275,700
2030	-	-	-	-	95,377	2,836	113,097	9,079	125,820	4,032	22,272	708	665,000	244,200
2031	-	-	-	-	48,698	402	116,176	6,000	126,948	2,904	22,464	516	690,000	217,600
2032	-	-	-	-	-	-	119,340	2,836	128,088	1,764	22,668	312	715,000	190,000
2033	-	-	-	-	-	-	40,504	226	129,253	624	22,795	111	745,000	161,400
2034	-	-	-	-	-	-	-	-	-	-	-	-	775,000	131,600
2035	-	-	-	-	-	-	-	-	-	-	-	-	805,000	100,600
2036	-	-	-	-	-	-	-	-	-	-	-	-	840,000	68,400
2037	-	-	-	-	-	-	-	-	-	-	-	-	870,000	34,800
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 4,455,000</u>	<u>\$ 407,625</u>	<u>\$ 6,015,000</u>	<u>\$ 365,025</u>	<u>\$ 741,523</u>	<u>\$ 93,282</u>	<u>\$ 1,101,140</u>	<u>\$ 161,348</u>	<u>\$ 1,360,213</u>	<u>\$ 68,184</u>	<u>\$ 240,655</u>	<u>\$ 12,051</u>	<u>\$ 9,935,000</u>	<u>\$ 3,661,000</u>

See independent auditor's report.

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS (cont.)
PROPRIETARY FUND DEBT
 JUNE 30, 2022

	SRF Loan CG5 17-375 (Wastewater Plant)		SRF Loan SRF 17-376 (Wastewater Plant)		SRF Loan SRF 17-398 (Wastewater Plant)		Sewer & Water Water Plant Bonds-Series 2021		SRF Loan SRF 17-398-01 (Wastewater Plant)		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	35,520	17,064	2,133,900	1,103,592	540,360	284,484	330,000	468,150	-	121,752	6,825,946	2,850,847
2024	36,048	16,536	2,165,484	1,072,008	548,352	276,492	350,000	451,650	269,112	123,492	7,116,187	2,652,675
2025	36,576	16,008	2,197,524	1,039,968	556,464	268,380	365,000	434,150	272,532	120,072	7,241,469	2,450,744
2026	37,116	15,468	2,230,044	1,007,448	564,696	260,148	385,000	415,900	276,000	116,604	5,927,561	2,255,997
2027	37,668	14,916	2,263,056	974,436	573,060	251,784	405,000	396,650	279,516	113,088	4,464,478	2,122,117
2028	38,220	14,364	2,296,548	940,944	581,544	243,300	425,000	376,400	283,092	109,512	4,567,223	2,020,622
2029	38,796	13,788	2,330,532	906,960	590,148	234,696	445,000	355,150	286,704	105,900	4,670,779	1,915,817
2030	39,360	13,224	2,365,020	872,472	598,884	225,960	465,000	332,900	290,364	102,240	4,780,194	1,807,651
2031	39,948	12,636	2,400,024	837,468	607,740	217,104	490,000	309,650	294,084	98,520	4,836,082	1,702,800
2032	40,536	12,048	2,435,544	801,948	616,740	208,104	515,000	285,150	297,840	94,764	4,890,756	1,596,926
2033	41,136	11,448	2,471,592	765,900	625,872	198,972	540,000	259,400	301,656	90,948	4,917,808	1,489,029
2034	41,748	10,836	2,508,168	729,324	635,124	189,720	560,000	237,800	305,532	87,072	4,825,572	1,386,352
2035	42,360	10,224	2,545,284	692,208	644,532	180,312	585,000	215,400	309,444	83,160	4,931,620	1,281,904
2036	42,996	9,588	2,582,952	654,540	654,072	170,772	610,000	192,000	313,416	79,188	5,043,436	1,174,488
2037	43,632	8,952	2,621,184	616,308	663,744	161,100	630,000	167,600	317,448	75,156	5,146,008	1,063,916
2038	44,268	8,316	2,659,968	577,524	673,572	151,272	655,000	142,400	321,528	71,076	4,354,336	950,588
2039	44,928	7,656	2,699,340	538,152	683,544	141,300	685,000	116,200	325,668	66,936	4,438,480	870,244
2040	45,600	6,984	2,739,288	498,204	693,660	131,184	710,000	88,800	329,868	62,736	4,518,416	787,908
2041	46,272	6,312	2,779,824	457,668	703,920	120,924	740,000	60,400	334,116	58,488	4,604,132	703,792
2042	46,956	5,628	2,820,972	416,520	714,336	110,508	770,000	30,800	338,424	54,180	4,690,688	617,636
2043	47,652	4,932	2,862,720	374,772	724,908	99,936	-	-	342,792	49,812	3,978,072	529,452
2044	48,348	4,236	2,905,080	332,412	735,636	89,208	-	-	347,220	45,384	4,036,284	471,240
2045	49,068	3,516	2,948,076	289,416	746,520	78,324	-	-	351,708	40,896	4,095,372	412,152
2046	49,800	2,784	2,991,708	245,784	757,572	67,272	-	-	356,256	36,348	4,155,336	352,188
2047	50,532	2,052	3,035,988	201,504	768,780	56,064	-	-	360,876	31,728	4,216,176	291,348
2048	51,276	1,308	3,080,916	156,576	780,168	44,676	-	-	365,544	27,060	4,277,904	229,620
2049	52,044	540	3,126,504	110,988	791,712	33,132	-	-	370,284	22,320	4,340,544	166,980
2050	8,744	16	3,172,776	64,716	803,424	21,420	-	-	375,084	17,520	4,360,028	103,672
2051	-	-	2,679,732	18,087	815,316	9,528	-	-	379,920	12,684	3,874,968	40,299
2052	-	-	-	-	205,493	504	-	-	384,444	8,160	589,957	8,664
2053	-	-	-	-	-	-	-	-	389,292	3,588	389,292	3,588
	\$ 1,177,148	\$ 251,380	\$ 76,049,748	\$ 17,297,847	\$ 19,599,893	\$ 4,526,580	\$ 10,660,000	\$ 5,336,550	\$ 9,769,764	\$ 2,130,384	\$ 141,105,104	\$ 34,311,256

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, 2022

Government Activities:	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2021	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2022
BONDS PAYABLE								
Payable through Debt Service Fund								
2010 General Obligation Refunding Bonds	\$ 16,590,000	2.000% to 4.000%	10/19/2010	3/1/2024	\$ 4,410,000	\$ -	\$ 1,410,000	\$ 3,000,000
2012 SunTrust Refunding Bond Agreement	22,500,000	2.130%	2/11/2012	5/1/2027	10,095,000	-	1,595,000	8,500,000
2013A General Obligation Public Improvement Bonds	7,405,000	2.000% to 4.000%	12/20/2013	3/1/2034	5,255,000	-	340,000	4,915,000
2013B General Obligation Pension Bonds (taxable)	10,000,000	1.000% to 3.500%	12/20/2013	3/1/2024	3,275,000	-	1,060,000	2,215,000
2015 General Obligation Public Improvement Bonds	15,000,000	3.000% to 5.000%	4/16/2015	4/1/2035	11,705,000	-	635,000	11,070,000
2017 General Obligation Public Improvement Bonds	23,120,000	2.000% to 5.000%	6/27/2017	4/1/2037	19,795,000	-	875,000	18,920,000
2019A General Obligation Public Improvement Bonds	29,585,000	4.000% to 5.000%	5/15/2019	3/1/2039	26,640,000	-	1,455,000	25,185,000
2019B General Obligation Public Improvement Bonds	22,940,000	5.000%	5/15/2019	3/1/2029	18,995,000	-	2,000,000	16,995,000
2019C General Obligation Refunding Bonds	29,245,000	4.000% to 5.000%	11/20/2019	6/1/2032	29,245,000	-	425,000	28,820,000
2019D General Obligation Refunding Bonds (taxable)	2,305,000	1.000% to 3.500%	11/20/2019	6/1/2027	2,305,000	-	365,000	1,940,000
Total Bonds Payable through Debt Service Fund					131,720,000	-	10,160,000	121,560,000
Business-type Activities:								
BONDS PAYABLE								
Payable through Water and Sewer Fund								
2005 Water and Sewer Refunding Bonds	\$ 24,670,000	3.000% to 5.000%	3/30/2005	4/1/2025	\$ 6,735,000	\$ -	\$ 2,280,000	\$ 4,455,000
2011 SunTrust Loan Program	19,430,000	2.48%	9/29/2011	5/25/2026	7,430,000	-	1,415,000	6,015,000
2017A Water and Sewer Revenue Bonds	12,000,000	3.000% to 5.000%	2/16/2017	2/1/2037	10,385,000	-	450,000	9,935,000
2021 Water and Sewer Revenue Bonds	10,660,000	3.000% to 5.000%	2/1/2021	2/1/2042	10,660,000	-	-	10,660,000
Total Bonds Payable through Water and Sewer Fund					35,210,000	-	4,145,000	31,065,000
NOTES PAYABLE								
Payable through Water and Sewer Fund								
Drinking Water SRF Loan through ARRA	\$ 1,500,000	2.820%	2/21/2018	12/20/2030	\$ 817,659	\$ -	\$ 76,136	\$ 741,523
Clean Water SRF Loan through ARRA	1,888,200	2.690%	1/1/2011	10/20/2032	1,192,361	-	91,221	1,101,140
State Revolving Fund Loan (CG2 2016-367)	1,822,741	.890%	6/1/2016	6/20/2033	1,477,393	-	117,180	1,360,213
State Revolving Fund Loan (SRF 2016-374)	1,677,259	.890%	6/1/2016	6/20/2033	261,391	-	20,736	240,655
State Revolving Fund Loan (CGS 2017-375)	1,275,000	1.470%	9/28/2017	8/20/2049	1,212,152	-	35,004	1,177,148
State Revolving Fund Loan (SRF 2017-376)	78,500,000	1.470%	9/28/2017	4/20/2051	78,152,531	-	2,102,783	76,049,748
State Revolving Fund Loan (SRF 2017-398)	20,000,000	1.470%	9/28/2017	9/20/2051	20,000,000	-	400,087	19,599,913
State Revolving Fund Loan (SRF 2017-398-01)	9,769,764	1.470%	9/28/2017	9/20/2053	-	9,769,764	-	9,769,764
Total Bonds Payable through Water and Sewer Fund					103,113,487	-	2,843,147	110,040,104
Total Bonds and Notes Payable through Water and Sewer Fund					\$ 138,323,487	\$ 9,769,764	\$ 6,988,147	\$ 141,105,104

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, 2022

Tax Year	Balance June 30, 2021	Taxes Levied	Adjustments and Collections	Balance June 30, 2022
2021	\$ -	\$ 23,026,943	\$ (22,818,189)	\$ 208,754
2020	198,781	-	(173,426)	25,355
2019	27,805	-	(9,819)	17,986
2018	14,849	-	(271)	14,578
2017	8,592	-	112	8,704
2016	6,144	-	(128)	6,016
2015	5,451	-	(42)	5,409
2014	4,391	-	(90)	4,301
2013	6,572	-	(9)	6,563
2012	8,552	-	(9)	8,543
	<u>\$ 281,137</u>	<u>\$ 23,026,943</u>	<u>\$ (23,001,871)</u>	<u>\$ 306,209</u>

The balance at June 30, 2022 is comprised of:

Considered current revenue	\$ 46,649
Allowance for uncollectible accounts: 2012-2021 levies	115,831
Unavailable revenue	143,729
	<u>306,209</u>

Balances not included in the schedule above are from the 2022 tax levy due October 1, 2022 (after the fiscal year). The levy is comprised of:

Due to Industrial Development Board from TIF district	\$ 1,212,617
Unavailable revenue	22,744,512
Allowance for uncollectible accounts	23,020
	<u>23,980,149</u>

Total property tax receivable (as shown on page 56) \$ 24,286,358

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, 2022
 UNAUDITED

Utility Customers

Water	Sewer	Service Reclaimed	Sanitation	Stormwater
18,346	27,029	104	24,814	25,898

Water and Sewer Rates

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

Water Residential Rates:	Inside City Limits	Outside City Limits
Gallons		
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
Water Commercial Rates:		
Gallons		
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
Sewer Residential Rates:		
Gallons		
First 1,000 Gallons	\$ 22.08	\$ 27.16
Next 14,000 Gallons	6.41	9.80
All Additional Gallons	5.62	8.65
Sewer Commercial Rates:		
Gallons		
First 1,000 Gallons	\$ 47.51	\$ 48.94
Next 14,000 Gallons	6.96	10.63
All Additional Gallons	5.97	8.74
Irrigation Residential Water Rates:		
Gallons		
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
Reclaimed Water Rate:		
Gallons		
For each 1,000 Gallons	\$ 1.07	\$ 1.07

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

Sanitation Rates

Collection Service	
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

Monthly Rates	
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, 2022
 UNAUDITED

Water and Sewer Rates Upcoming

The following rates are effective January 1, 2023. A minimum bill of 1,000 gallons per customer is levied.

Water Residential Rates:				
Gallons	Inside City Limits		Outside City Limits	
First 1,000 Gallons	\$	18.04	\$	20.48
Next 9,000 Gallons		5.29		8.01
Next 15,000 Gallons		6.22		8.59
All Additional Gallons		7.15		9.17
Water Commercial Rates:				
Gallons	Inside City Limits		Outside City Limits	
First 1,000 Gallons	\$	24.67	\$	28.39
Next 9,000 Gallons		5.27		7.93
Next 15,000 Gallons		6.20		8.51
All Additional Gallons		7.13		9.09
Sewer Residential Rates:				
Gallons	Inside City Limits		Outside City Limits	
First 1,000 Gallons	\$	23.84	\$	28.92
Next 14,000 Gallons		6.41		9.80
All Additional Gallons		5.62		8.65
Sewer Commercial Rates:				
Gallons	Inside City Limits		Outside City Limits	
First 1,000 Gallons	\$	49.27	\$	48.94
Next 14,000 Gallons		6.96		10.63
All Additional Gallons		5.97		8.74
Reclaimed Water Rate:				
Gallons	Inside City Limits		Outside City Limits	
For each 1,000 Gallons	\$	1.17	\$	1.17

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, 2022
 UNAUDITED

Installation Fees:

Water Meter Size	Installation-Meter Only	Installation-Complete
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
Sewer Meter Size	Installation-Meter Only	Installation-Complete
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
Reclaimed Meter Size	Installation-Meter Only	Installation-Complete
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
Impact Fees*: Meter Size	Water Impact Fee	Sewer Impact Fee
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	340,200
8"	250,740	425,250
Irrigation: Meter Size	Irrigation Meter	Reclaimed Disposal Fee
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, 2022
 UNAUDITED

The following table presents information on the ten largest customers of the System during the fiscal year ended June 30, 2022, ranked according to consumption and billings.

Customer	TOP TEN WATER CUSTOMERS			
	Gallons of Water Purchased (1,000)	% of Total Water Consumed	Revenue	% of Total Water Revenues
Franklin Estates (Residential)	33,445	2.24%	\$ 227,622	1.95%
Williamson Medical (Hospital)	21,016	1.40%	\$ 149,652	1.27%
Carrington Hills (Residential)	15,333	1.02%	\$ 122,943	1.05%
Viera Holdings LLC (Residential)	12,786	0.87%	\$ 128,210	1.09%
Prescott Place (Residential)	11,983	0.80%	\$ 87,069	0.74%
Franklin Housing Authority (Residential)	10,245	0.69%	\$ 68,160	0.58%
Apcom Inc. (Mfg)	9,587	0.64%	\$ 68,160	0.58%
River Oaks Apartments (Residential)	7,307	0.49%	\$ 61,856	0.53%
Residence Inn (Hotel)	7,282	0.49%	\$ 51,722	0.44%
IMI Tennessee Inc (Mfg)	7,156	0.48%	\$ 50,827	0.43%
TOTAL	136,140	9.12%	\$ 1,016,221	8.66%

Customer	TOP TEN WASTEWATER CUSTOMERS			
	Gallons Billed (1,000)	% of Total Gallons Billed	Revenue	% of Total Sewer Revenues
Star Brentwood LLC (Residential)	35,217	1.32%	\$ 198,237	0.86%
Franklin Estates (Residential)	33,445	1.25%	\$ 275,783	1.21%
100 Gillespie Drive LLC (Residential)	27,545	1.03%	\$ 165,095	0.72%
Williamson Medical Center (Hospital)	21,016	0.79%	\$ 126,117	0.55%
Gateway Village (Residential)	18,368	0.69%	\$ 110,958	0.49%
IMT Capital REIT IV LLC (Residential)	16,730	0.63%	\$ 100,526	0.44%
PB One Aspen Grove LLC (Residential)	16,169	0.61%	\$ 97,179	0.42%
KRG Cool Springs LLC (Business)	15,338	0.58%	\$ 92,219	0.40%
Carrington Hills (Residential)	15,333	0.58%	\$ 160,582	0.70%
Mid America Apartments LP (Residential)	14,876	0.56%	\$ 89,457	0.39%
TOTAL	214,037	8.04%	\$ 1,416,153	6.18%

Customer	TOP TEN RECLAIMED WATER CUSTOMERS			
	Gallons of Water Purchased (1,000)	% of Total Water Consumed	Revenue	% of Total Water Revenues
City of Franklin Parks	29,440	28.40%	\$ 29,606	20.15%
Rural Plains Partnership (Business)	19,850	19.15%	\$ 20,730	14.11%
John Deere Landscape (Business)	8,128	7.84%	\$ 8,092	5.51%
Boyle Investment (Business/Res)	5,794	5.59%	\$ 6,123	4.17%
Battle Ground Academy (School)	4,372	4.22%	\$ 4,852	3.31%
Ramsey Solutions (Business)	3,477	3.35%	\$ 18,270	12.43%
Southern Land Co (Business)	2,787	2.69%	\$ 2,737	1.86%
Franklin 1st United Methodist (Church)	2,375	2.29%	\$ 3,450	2.35%
Carlisle HOA (Residential)	2,260	2.18%	\$ 2,209	1.50%
Williamson County Government	2,104	2.03%	\$ 2,050	1.40%
TOTAL	80,587	77.74%	\$ 98,119	66.79%

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

STATISTICAL SECTION



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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. 120

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. 124

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. 129

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. 134

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. 136

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 623,690,227
Restricted for:										
Grant program use	23,545	23,717	20,212	85,185	86,263	89,691	100,451	113,066	114,745	118,477
State street aid	-	295,259	287,224	373,415	502,481	645,435	496,410	601,819	771,402	2,870,168
Sanitation use	-	-	-	767,350	610,969	1,160,474	1,922,723	1,000,240	1,992,796	1,957,699
Drug fund use	121,781	165,436	295,296	515,642	541,205	508,522	438,184	520,472	602,402	538,766
Other projects	-	-	-	-	3,488,072	4,804,517	39,890,216	38,165,088	30,019,751	23,700,256
Pensions	-	-	-	-	-	-	7,999	-	-	-
Unrestricted	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	88,903,544
Total net position	\$ 470,179,998	\$ 488,205,256	\$ 552,308,275	\$ 568,365,218	\$ 580,684,780	\$ 609,873,895	\$ 636,323,824	\$ 665,195,148	\$ 697,463,296	\$ 741,779,137
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 195,995,094
Restricted for:										
Water & Sewer	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	11,288,887
Pensions	-	-	-	-	-	-	1,179	-	-	-
Unrestricted	15,923,139	13,545,686	15,771,418	25,339,325	30,877,222	25,591,650	32,220,082	34,170,434	33,856,599	34,148,733
Total net position	\$ 134,798,196	\$ 146,078,732	\$ 157,496,979	\$ 173,484,499	\$ 184,643,512	\$ 196,721,611	\$ 208,656,409	\$ 221,949,970	\$ 230,955,323	\$ 241,432,714
Primary government:										
Net investment in capital assets	\$ 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	\$ 819,685,321
Restricted for:										
Grant program use	23,545	23,717	20,212	85,185	86,263	89,691	100,451	113,066	114,745	118,477
State street aid	-	295,259	287,224	373,415	502,481	645,435	496,410	601,819	771,402	2,870,168
Sanitation use	-	-	-	767,350	610,969	1,160,474	1,922,723	1,000,240	1,992,796	1,957,699
Drug fund use	121,781	165,436	295,296	515,642	541,205	508,522	438,184	520,472	602,402	538,766
Other projects	-	-	-	-	3,488,072	4,804,517	39,890,216	38,165,088	30,019,751	23,700,256
Water & Sewer	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	11,288,887
Pensions	-	-	-	-	-	-	9,178	-	-	-
Unrestricted	58,000,874	27,996,049	40,878,260	60,730,519	76,975,737	99,595,572	72,170,378	77,146,934	97,579,182	123,052,277
Total net position	\$ 604,978,194	\$ 634,283,988	\$ 709,805,254	\$ 741,849,717	\$ 764,628,344	\$ 806,595,506	\$ 844,980,233	\$ 887,145,118	\$ 928,418,619	\$ 983,211,851

CITY OF FRANKLIN, TENNESSEE

Financial Trends Information -
Changes in Net Position

(Prepared using the accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Revenues:										
Program revenues:										
Charges for services-Communications	\$ -	\$ -	\$ -	\$ 3,600	\$ 2,500	\$ 2,900	\$ 2,000	\$ 2,696	\$ 2,700	\$ 3,400
Charges for services-Human resources	-	-	-	-	49	6	-	-	-	-
Charges for services-IT	-	-	-	2,752	3,682	1,234	4,020	3,560	1,620	7,422
Charges for services-Administration	-	-	-	-	-	-	-	-	15	558
Charges for services-BNS	1,878,490	2,332,672	2,005,472	2,921,320	2,999,288	3,169,678	2,369,851	2,482,131	2,574,191	2,447,117
Charges for services-Planning	-	-	-	172,185	161,101	227,186	197,199	191,527	212,771	170,314
Charges for services-Engineering	-	-	-	50	1,650	1,500	1,850	3,700	4,700	150
Charges for services-Gen Govt	580,724	608,111	487,716	121,946	158,340	256,860	326,081	134,014	-296,265	417,040
Charges for services-Police	1,146,251	784,561	782,681	814,774	703,245	374,937	498,781	583,248	470,956	726,477
Charges for services-Streets	7,160	7,400	10,780	18,040	21,200	302,720	17,555	18,800	21,280	21,640
Charges for services-Sanitation	6,855,652	6,084,125	7,384,798	8,346,213	7,709,098	8,359,191	9,341,314	9,479,172	10,198,236	10,680,204
Charges for services-Stormwater	2,363,177	2,328,343	2,658,906	2,461,914	2,565,543	2,531,201	2,590,324	2,572,632	2,692,893	2,730,653
Charges for services-Transit	87,069	94,314	94,072	88,460	104,649	112,418	84,945	63,426	33,080	68,173
Operating grants & contributions	4,489,556	4,317,671	4,130,790	4,863,442	2,729,040	4,333,905	3,193,791	3,810,803	6,733,287	6,237,167
Capital grants & contributions	24,640,622	32,121,297	65,527,923	13,545,685	11,071,103	16,204,360	25,749,867	26,519,429	27,390,120	23,282,517
General revenues:										
Property taxes	11,659,973	11,878,892	13,278,605	13,679,737	18,023,515	18,621,275	19,031,452	20,084,308	20,586,971	21,108,237
Sales taxes	25,995,733	27,254,742	28,943,994	31,309,367	32,694,269	34,151,972	36,168,178	35,453,379	41,999,727	57,745,532
Other taxes and fees	24,254,006	30,286,052	29,044,718	42,283,630	37,168,655	46,850,308	40,728,490	48,662,128	39,216,217	45,511,383
Other	4,630,117	(790,266)	(668,516)	(1,956,347)	2,059,244	1,757,971	2,217,556	-	-	-
Transfers	-	-	200,000	200,000	1,125,000	825,000	200,000	(365,000)	200,000	200,000
Total revenues	108,588,530	117,307,914	153,881,939	118,876,768	119,301,171	138,084,622	142,723,254	149,699,953	152,042,499	171,357,984
Expenses:										
General government:										
Elected officials	183,406	297,496	275,250	343,182	282,123	332,480	290,502	358,690	297,949	341,197
Administration	492,554	456,302	489,702	499,029	561,385	1,231,613	1,074,343	1,313,132	1,279,793	1,644,962
Human resources	787,765	951,829	965,080	1,093,125	1,193,032	1,101,869	1,292,914	1,373,293	1,271,113	1,446,907
Legal	293,197	466,434	349,276	354,340	491,048	455,753	770,499	560,168	587,620	658,117
Communications	304,243	319,154	314,956	363,446	452,958	366,611	404,136	373,353	401,782	443,266
Capital investment planning	162,049	184,077	179,584	87,490	-	-	-	-	-	-
Project & facilities management	710,947	802,988	1,161,760	1,176,182	1,109,682	1,170,752	1,210,030	1,201,740	1,348,841	1,668,975
Revenue management	176,518	304,303	227,607	205,230	273,544	219,961	233,289	164,454	196,001	217,796
Finance	700,548	717,444	802,805	836,283	863,803	804,287	931,609	953,767	946,786	1,146,951
Information technology	4,756,627	4,213,881	4,520,824	4,104,824	4,465,981	4,931,812	4,952,583	4,553,022	4,187,327	4,921,237
Purchasing	141,705	165,711	176,188	177,659	207,506	213,132	227,691	269,962	243,065	323,840
Court	220,481	214,427	199,857	228,932	388,088	244,404	213,302	287,357	323,406	235,550
Building & neighborhood services	2,164,831	2,351,101	2,335,652	2,427,771	2,373,738	2,959,894	3,037,683	3,154,457	2,943,051	3,083,707
Planning	1,235,714	1,425,121	1,383,565	1,680,480	1,567,652	1,405,791	1,549,808	1,429,692	1,498,484	1,767,713
Engineering	648,601	696,853	763,790	806,847	1,013,726	1,169,263	1,344,905	1,507,041	1,448,597	1,721,884
Traffic operations center	658,063	723,312	828,506	862,274	1,128,998	1,074,055	922,142	1,085,967	762,937	863,542
General government	2,442,032	1,949,294	4,370,952	12,305,479	3,728,463	(700,908)	6,353,001	6,392,927	4,644,218	2,663,427
Public safety:										
Police	14,363,457	14,538,599	14,418,465	15,009,053	15,715,821	17,012,348	17,637,337	18,484,182	18,322,992	21,267,686
Fire	13,540,246	13,939,150	14,864,908	15,873,431	17,431,159	18,887,397	19,239,507	20,499,375	21,150,380	23,479,105
Parks	3,866,135	4,244,661	4,435,890	4,709,152	5,497,455	6,026,047	6,137,924	6,906,698	6,037,842	6,667,437
Streets-maintenance	16,431,675	18,426,769	19,867,157	22,605,118	29,466,122	31,268,410	28,407,101	29,036,523	29,742,109	29,746,153
Street-fleet	601,240	902,173	1,017,846	881,735	875,366	875,834	849,701	931,275	775,178	870,020
Sanitation	7,837,722	7,279,885	7,593,469	8,388,763	7,972,577	8,496,222	9,040,276	10,211,325	10,622,594	11,508,683
Stormwater	1,622,743	2,016,390	1,776,125	2,105,446	2,361,491	2,521,031	2,465,549	2,728,992	2,988,541	3,023,268
Transit	1,623,600	1,736,112	2,372,642	1,705,932	2,035,623	2,240,269	2,405,778	2,566,793	2,839,032	2,934,034
Interest expense on long-term debt	3,679,511	3,742,163	4,087,064	3,988,622	4,074,621	4,587,179	5,281,715	4,484,444	4,914,713	4,396,686
Total expenses	79,645,610	83,065,838	89,778,920	102,819,825	105,895,962	108,895,506	116,273,324	120,828,629	119,774,351	127,042,143
Change in net position	\$ 28,942,920	\$ 34,242,076	\$ 64,103,019	\$ 16,056,943	\$ 13,405,209	\$ 29,189,115	\$ 26,449,929	\$ 28,871,324	\$ 32,268,148	\$ 44,315,841
Business-Type activities:										
Revenues:										
Program revenues:										
Charges for services	\$ 22,116,747	\$ 23,099,351	\$ 25,283,748	\$ 27,749,661	\$ 28,803,497	\$ 30,650,210	\$ 31,626,191	\$ 32,254,195	\$ 35,209,857	\$ 36,950,009
Capital/Operating grants & contributions	6,728,662	11,263,738	9,517,652	12,429,719	9,382,488	11,005,568	9,269,803	9,027,798	7,527,829	7,353,158
General revenues:										
Other sources	140,371	113,591	170,074	253,837	287,640	424,211	1,085,029	1,349,411	143,935	(1,089,669)
Transfers	-	-	(200,000)	(200,000)	(1,125,000)	(825,000)	(200,000)	365,000	(200,000)	(200,000)
Total revenues	28,985,780	34,476,680	34,771,474	40,233,217	37,348,625	41,254,989	41,781,023	42,996,404	42,681,621	43,013,498
Expenses:										
Water & sewer	21,973,257	22,694,995	23,353,227	24,245,697	26,189,612	28,476,942	29,846,225	29,702,843	33,760,377	32,536,107
Change in net position	\$ 7,012,523	\$ 11,781,685	\$ 11,418,247	\$ 15,987,520	\$ 11,159,013	\$ 12,778,047	\$ 11,934,798	\$ 13,293,561	\$ 8,921,244	\$ 10,477,391
Total change in net position	\$ 35,955,443	\$ 46,023,761	\$ 75,521,266	\$ 32,044,463	\$ 24,564,222	\$ 41,967,162	\$ 38,384,727	\$ 42,164,885	\$ 41,189,392	\$ 54,793,232

CITY OF FRANKLIN, TENNESSEE

Financial Trends Information -
Fund Balances - Governmental Funds

(Prepared using the modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Non-Spendable	\$ 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	\$ 1,297,773
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	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	73,135,433
Total General Fund	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	74,433,206
All Other Governmental Funds										
Capital Projects Fund										
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	15,508,919	6,212,614	35,931,258	34,491,104	25,520,920	19,323,125
Committed	382,419	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	(18,878,175)	(10,104,657)	(7,887,886)	-	-	-	-	-	-
Total Capital Projects Fund	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	19,323,125
Road Impact Fee Fund*										
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	22,442,977	25,741,274	32,202,321
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Road Impact Fee Fund	-	-	-	-	-	-	-	22,442,977	25,741,274	32,202,321
Debt Service Fund										
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	84,729	195,118	709	5,000	90,197	106,587	372,887	804,607	937,169	1,161,978
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Debt Service Fund	84,729	195,118	709	5,000	90,197	106,587	372,887	804,607	937,169	1,161,978
Special Revenue Funds										
Non-Spendable	-	46,013	32,553	57,121	76,130	65,380	34,840	65,841	64,332	70,890
Restricted	145,326	484,412	602,732	1,685,971	5,228,990	7,143,259	6,916,726	5,909,581	7,980,176	9,862,241
Committed	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	30,537,322
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	2,813,242
Unassigned	(854,829)	-	-	-	-	-	-	-	-	-
Total Special Revenue Funds	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	43,283,695
Total All Other Governmental Funds	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	95,971,119
Total Governmental Funds	\$ 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	\$ 170,404,325

*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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 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	\$ 93,225,387
Licenses and permits	7,603,115	11,397,587	8,714,516	14,855,454	12,704,411	19,574,405	14,187,525	18,877,383	13,058,315	17,279,054
Fines and fees	824,280	829,485	758,369	845,427	753,497	583,048	511,864	560,779	442,069	511,375
Intergovernmental	15,973,111	16,290,803	19,789,750	23,052,657	19,626,633	21,724,443	21,846,542	21,286,228	24,302,340	26,794,243
Charges for services	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	13,696,560
Use of money and property	816,950	622,019	792,690	979,599	686,672	874,412	4,101,263	4,087,802	435,541	(2,292,805)
Miscellaneous	1,513,225	648,436	3,301	2,489,638	1,155,394	262,053	797,299	2,809,455	1,099,418	2,203,693
Total revenues	81,964,587	87,574,179	91,848,483	110,521,743	108,783,730	120,942,521	120,608,791	127,003,848	126,389,523	151,417,507
Expenditures										
Elected officials	183,406	297,496	275,250	343,182	282,124	332,480	290,502	358,690	297,949	341,197
Administration	478,456	445,982	483,622	492,182	535,330	1,064,210	1,043,428	1,261,084	1,208,674	1,592,032
Human resources	823,598	910,719	1,121,520	1,211,867	1,165,049	987,380	1,151,251	1,270,498	1,148,280	1,433,482
Legal	283,786	463,730	342,493	333,265	498,133	453,393	758,081	548,969	553,316	661,898
Communications	300,211	317,233	313,200	352,429	489,797	362,973	395,004	377,977	390,120	440,809
Capital investment planning	159,152	183,594	176,967	162,466	-	-	-	-	-	-
Project & facilities management	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	1,606,736
Revenue management	166,427	359,289	210,378	192,958	261,826	211,611	241,134	135,472	206,308	186,763
Public safety:										
Police	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	19,205,182
Fire	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	21,782,760
Finance	687,679	716,542	787,545	824,104	940,697	818,603	917,289	931,572	916,947	1,131,025
Information and technology	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	4,048,985
Purchasing	134,412	162,559	173,490	176,129	191,513	222,261	224,772	260,486	232,342	317,318
Court	217,568	239,857	201,815	319,159	444,685	317,866	212,987	276,896	314,530	249,763
Building & neighborhood services	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	3,129,237
Planning	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	1,771,006
Engineering	631,300	687,014	759,768	802,701	991,964	1,123,694	1,292,986	1,449,218	1,377,052	1,649,818
Traffic operations center	459,315	396,044	484,244	498,106	777,690	736,150	704,590	846,202	546,114	649,475
Economic Development	46,313	52,811	32,811	67,277	53,592	67,518	78,327	90,844	71,261	-
Parks	2,682,797	3,024,341	3,239,260	3,538,547	4,214,304	4,697,744	4,638,144	5,384,000	4,500,115	4,904,967
Streets-maintenance	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	12,630,515
Streets-traffic	790,995	1,198,941	1,198,941	1,360,638	1,508,872	1,377,220	1,484,099	1,731,460	1,407,195	1,578,069
Streets-fleet	596,448	874,303	1,073,512	945,575	940,286	836,861	808,172	942,337	741,051	848,020
General government	1,277,170	1,184,017	1,314,706	3,680,359	672,243	(1,363,747)	1,959,699	(679,827)	653,290	1,815,297
Appropriations	411,674	429,849	513,599	473,706	964,424	464,073	486,738	446,247	598,194	598,194
Sanitation	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	10,013,407
Stormwater	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	2,737,653
Transit	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	2,781,702
Debt service:										
Principal	6,469,000	6,670,000	7,444,723	7,783,000	7,992,000	8,118,000	7,945,000	9,520,000	9,385,000	10,160,000
Interest	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	5,572,934
Other charges	199,479	28,317	151,263	16,838	17,276	7,976	142,027	2,804,902	2,665	4,514
Capital outlay - capital	16,944,065	32,567,975	16,081,875	12,344,902	5,663,429	11,727,276	11,937,017	22,747,397	16,186,944	21,763,903
Total expenditures	88,939,732	116,911,711	95,710,554	100,463,720	101,878,242	110,975,890	112,282,806	128,506,634	119,489,841	135,606,661
Excess (deficiency) of revenues over (under) expenditures	(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	15,810,846
Other financing sources (uses):										
Proceeds from issuance of long-term debt	23,975,694	19,859,681	17,196,020	3,236,188	25,008,840	806,069	52,525,000	31,550,000	-	-
Premiums from issuance of long-term debt	(22,500,000)	-	1,327,480	-	3,540,166	-	(26,670,360)	(35,725,000)	-	-
Transfer to bond escrow agent	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	20,250,030
Operating transfers in	(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)	(20,050,031)
Operating transfers out	1,475,694	19,859,681	18,723,500	3,436,188	29,674,006	1,631,069	34,517,157	(51,594)	200,001	199,999
Total other financing sources (uses)	(5,499,451)	(9,477,851)	(14,861,429)	13,494,211	(3,657,949)	11,597,700	(42,843,142)	(1,554,380)	7,099,683	16,010,845
Net changes in fund balances	14.93%	13.00%	15.19%	14.48%	13.38%	13.74%	13.44%	14.41%	14.83%	13.82%
Debt service as a % of noncapital expenditures										

CITY OF FRANKLIN, TENNESSEE

Revenue Capacity Information
Local Sales Tax Collections

FISCAL YEAR	Estimate of Taxable Sales to Local Sales Tax (a)	Local Sales Tax Rate (City & Williamson County)		Total Local Sales Tax Collected (1/2 of tax) (b)	Less: County Portion	Admin Fee (1% of City's 1/2 of tax) (c)	Less: County School Debt	Local Sales Tax Received	Percent of General Fund Revenue
		Williamson County	County						
2022	\$ 4,242,096,003	2.75%	\$ 116,657,640	\$ (58,328,820)	\$ (583,288)	\$ -	\$ 57,745,532	60.4%	
2021	3,771,019,289	2.75%	84,847,934	(42,423,967)	(424,240)	(6,298,283)	41,999,727	52.1%	
2020	3,183,243,914	2.75%	71,622,988	(35,811,494)	(358,115)	(7,430,205)	35,453,379	50.7%	
2019	3,247,423,397	2.75%	73,067,026	(36,533,513)	(365,335)	(7,052,013)	36,168,178	49.7%	
2018	3,066,394,800	2.75%	68,993,883	(34,496,941)	(344,969)	(1,692,308)	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%	

- (a) 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.
- (b) These taxes are split between the County and the City. The Tennessee Department of Revenue sends a monthly report to Williamson County totaling the collections for the month. The County retains 50%.
- (c) The County charges the City 1% of the City's 1/2 share as an administrative fee.
- (d) 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. For a three year period, from April 2018 through March 2021, the City's portion of additional revenues, generated under the new tax rate (0.50%) remained with the County for the purposes of funding County School debt service. Beginning April 2021, the City began receiving its portion of the additional revenue.

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	Actual Value	Direct Rate	Total Rate
2022	\$ 3,268,413,100	\$ 3,508,052,500	\$ 282,058,611	\$ 2,760,000	\$ 84,915,601	\$ -	7,146,199,812	\$ 22,985,416,480	31.09%	0.3261	0.3261
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	25.76%	0.4176	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	27.77%	0.4176	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	27.72%	0.4176	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	31.11%	0.4176	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	31.13%	0.4176	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	30.86%	0.4065	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	30.14%	0.4065	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	30.13%	0.3765	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	30.81%	0.3765	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 Direct and Overlapping	
2022	\$ 0.1464	\$ 0.1647	\$ 0.0150	---	\$ 0.3261	\$ 2.3951	\$ 2.7212	
2021 (c)	0.2002	0.2024	0.0150	---	0.4176	2.8090	3.2266	
2020 (d)	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 (f)	0.2137	0.1889	0.0150	---	0.4176	2.6890	3.1066	
2017 (g)	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	

From fiscal years 2011-2014, the direct rate was separated between the General Fund and the Debt Services 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:

2022	1.8300
2021	2.1600
2020	2.1600
2019	2.0900
2018	2.0700
2017	2.0400
2016	2.2000
2015	2.2000
2014	2.2000
2013	2.2000

(c) FY2021 County-wide reappraisal year.

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

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

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

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

CITY OF FRANKLIN, TENNESSEE

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

<u>Taxpayer</u>	<u>2013</u>		<u>2022</u>	
	<u>Assessed</u> <u>Valuation</u>	<u>Percent of</u> <u>Assessed</u> <u>Valuation</u>	<u>Assessed</u> <u>Valuation</u>	<u>Percent of</u> <u>Assessed</u> <u>Valuation</u>
<u>Real and Personal Property Tax</u>				
Northwood Investors			\$ 156,067,800	2.18%
Highwood Properties			146,158,800	2.05%
Boyle Investments			143,300,840	2.01%
IMT			128,743,000	1.80%
Galleria Associates (CBL Assoc.)	\$ 59,953,120	1.86%	98,775,680	1.38%
Stock Bridge Capital			69,263,000	0.97%
Chartwell Hospitality			56,979,000	0.80%
PBONE Aspen Grove LLC			50,317,000	0.70%
STAR Brentwood LLC			48,959,320	0.69%
LCFRE Nashville Carothers			46,830,920	0.66%
HRLP Cool Springs LLC	36,540,840	1.14%		
Carothers Office ACQ LLC	29,792,480	0.93%		
Landings F C LP	24,381,720	0.76%		
Wyndchase, LLC	24,208,600	0.75%		
Farms Apartments Associate	19,126,880	0.59%		
Lightman Cool Springs	18,110,880	0.56%		
Boyle Cool Springs Joint Venture	18,131,240	0.56%		
Franklin Realco LLC	16,834,200	0.52%		
Alara Franklin Corp	15,710,680	0.49%		
Franklin Cool Springs Corp	15,669,347	0.49%		
AGL/SLC McEwen No 1 LLC	15,176,080	0.47%		
United Dominion Realty LP	14,421,957	0.45%		
Weeks Realty	13,555,760	0.42%		
AGL/SLC McEwen No 2 LLC	13,177,520	0.41%		
Totals	<u>\$ 334,791,304</u>	<u>10.40%</u>	<u>\$ 945,395,360</u>	<u>13.23%</u>

* Total assessed valuation in 2013 (tax year 2012) was \$3,217,787,361.

** Total assessed valuation in 2022 (tax year 2021) is \$7,146,199,812.

CITY OF FRANKLIN, TENNESSEE

Revenue Capacity Information -
Property Tax Levies and Collections

Fiscal Year	Total Tax Levy	Collected Within One Year of Levy	Percent Collected	Collections in Subsequent Years	Total Collections	Total Collections as Percent of Total Levy	Outstanding Delinquent Taxes
2022	\$ 23,026,943	\$ 22,818,189	99.1%	\$ -	\$ 22,818,189	99.1%	\$ 208,754
2021	22,527,506	22,328,725	99.1%	173,426	22,502,151	99.9%	25,355
2020	21,688,376	21,436,320	98.8%	234,070	21,670,390	99.9%	17,986
2019	20,834,771	20,584,843	98.8%	235,350	20,820,193	99.9%	14,578
2018	20,126,690	19,895,443	98.9%	222,543	20,117,986	100.0%	8,704
2017	19,203,126	19,013,067	99.0%	184,043	19,197,110	100.0%	6,016
2016	14,306,693	14,114,206	98.7%	187,078	14,301,284	100.0%	5,409
2015	13,742,347	13,551,648	98.6%	186,398	13,738,046	100.0%	4,301
2014	12,342,702	12,146,687	98.4%	189,452	12,336,139	99.9%	6,563
2013	11,902,186	11,724,940	98.5%	168,703	11,893,643	99.9%	8,543

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 Obligation Bonds (a)	Leases	Water & Sewer Revenue & Tax Bonds (a)	Leases	Revenue & Tax Bonds (a)						
2022	\$ 138,875,636	\$ -	\$ 144,669,081	-	\$ 283,544,717	\$ 7,907,099,592	3.6%	83,454	3,398		
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	42,926,581	17,187	185,526,235	6,727,183,776	2.8%	70,908	2,616		
2017	150,159,179	2,170,299	45,705,483	30,737	198,065,698	6,452,698,908	3.1%	70,908	2,793		
2016	131,675,830	3,428,930	35,463,236	-	170,567,996	6,149,445,980	2.8%	66,370	2,405		
2015	139,649,696	3,188,492	38,987,696	-	181,825,884	6,090,575,790	3.0%	66,370	2,564		
2014	130,913,402	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	45,875,189	-	168,368,736	4,975,089,966	3.4%	62,487	2,694		

(a) This amount includes unamortized premiums

(b) Personal income is disclosed on page 134. (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)	Appraised Value (b)	Ratio of General Obligation Debt to Appraised Value	Population (c)	General Obligation Debt Per Capita
2022	\$ 138,875,636	\$ 22,985,416,480	0.6%	83,454	\$ 1,664
2021	150,034,179	21,190,144,675	0.7%	83,454	1,798
2020	160,358,676	18,920,390,435	0.8%	70,908	2,262
2019	167,912,949	18,208,229,470	0.9%	70,908	2,368
2018	141,697,493	15,696,174,389	0.9%	70,908	1,998
2017	150,159,179	14,931,225,106	1.0%	70,908	2,118
2016	131,675,830	11,591,451,146	1.1%	66,370	1,984
2015	139,649,696	11,413,859,405	1.2%	66,370	2,104
2014	130,913,402	11,065,624,425	1.2%	66,370	1,972
2013	120,136,535	10,442,405,019	1.1%	62,487	1,923

- (a) This amount includes unamortized premiums
(b) State of TN Comptroller Division of Property Assessment
(c) Tennessee Certified Populations

CITY OF FRANKLIN, TENNESSEE

**Debt Capacity Information -
Direct and Overlapping Governmental Activities Debt
June 30, 2022**

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to City</u>	<u>Estimated Share of Overlapping Debt</u>
Williamson County	\$ 917,740,000	40.25% (a)	\$ 369,390,350
Franklin Special School District	68,053,034	100.00% (b)	68,053,034
Subtotal, overlapping debt			<u>437,443,384</u>
City of Franklin direct debt of governmental			<u>138,875,636 (c)</u>
Total direct and overlapping debt			<u>\$ 576,319,020</u>

(a) Based upon Assessed Value of Property

in:

County	\$ 17,755,261,594
City	\$ 7,146,199,812

(b) All of the Special School District is located within the City of Franklin. Amount shown includes a bond total of \$67,590,000 and a Note Payable total of \$463,034.

(c) This amount includes total governmental debt of \$121,560,000 and governmental unamortized premiums of \$17,315,636.

CITY OF FRANKLIN, TENNESSEE

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

Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed Value	\$ 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	\$ 7,146,199,812
General Obligation Debt (a)	\$ 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	\$ 138,875,636
Debt as % of Assessed Value	3.7%	3.9%	4.1%	3.7%	3.2%	2.9%	3.3%	3.1%	2.7%	1.9%

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	
2022	\$ 35,860,340	\$ -	\$ 23,923,117	\$ 11,937,223	\$ 6,988,147	\$ 1,144,734	8,132,881	1.47		
2021	35,366,074	-	22,620,728	12,745,346	4,746,471	1,132,600	5,879,071	2.17		
2020	33,603,606	9,027,798	21,979,783	20,651,621	4,357,931	1,295,795	5,653,726	3.65		
2019	32,899,703	9,269,803	21,337,078	20,832,428	4,303,193	1,472,058	5,775,251	3.61		
2018	31,074,421	11,005,568	21,519,614	20,560,375	3,949,947	1,597,882	5,547,829	3.71		
2017	29,091,137	9,382,488	20,123,220	18,350,405	3,510,885	1,224,102	4,734,987	3.88		
2016	28,003,498	12,429,719	17,477,139	22,956,078	3,411,934	1,354,570	4,766,504	4.82		
2015	25,453,822	9,517,652	16,467,456	18,504,018	3,358,090	1,484,732	4,842,822	3.82		
2014	23,212,942	11,263,738	15,635,777	18,840,903	3,304,351	1,613,256	4,917,607	3.83		
2013	22,257,118	6,728,662	14,880,678	14,105,102	3,748,879	1,731,357	5,480,236	2.57		

(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 out.

(d) Includes bonds and loans. Principal and Interest is from Proprietary Fund Statement of Cash Flows.

CITY OF FRANKLIN, TENNESSEE

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

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Education Level in		School Enrollment (e)	Unemployment Rate (f)
				Schooling (d)	Years of Schooling		
2022	83,454	\$ 7,907,099,592	\$ 94,748	15.1	16,353	2.7%	
2021	83,454	7,907,099,592	94,748	15.1	16,353	3.0%	
2020	70,908	6,718,391,184	94,748	14.8	17,185	7.0%	
2019	70,908	6,773,132,160	95,520	15.0	18,869	2.7%	
2018	70,908	6,683,149,908	94,251	14.8	18,516	2.8%	
2017	70,908	6,591,820,404	92,963	14.8	18,065	2.9%	
2016	70,908	6,649,184,976	93,772	14.8	17,509	3.7%	
2015	70,908	6,599,620,284	93,073	14.7	17,126	4.3%	
2014	66,370	5,685,984,270	85,671	14.7	15,935	4.8%	
2013	62,487	5,061,821,922	81,006	14.6	14,931	5.4%	

(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: Per Capita Personal Income. (Values are updated to match table CAINC1 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, not seasonally adjusted.

CITY OF FRANKLIN, TENNESSEE

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

Employer	2013			2022(a)		
	Employees (a)	Rank	Percentage of Total County Employment	Employees (b)	Rank	Percentage of Total City Employment
Williamson Medical Center	1,412	4	4.20%	1,900	1	3.78%
Community Health Systems	2,800	2	8.32%	1,621	2	3.22%
Lee Company	700	10	2.08%	1,616	3	3.21%
Nissan North America	1,600	3	4.75%	1,550	4	3.08%
Cigna Healthcare				1,500	5	2.98%
Schneider Electric				1,080	6	2.15%
Ramsey Solutions				1,054	7	2.10%
Mars Petcare	750	8	2.23%	1,000	8	1.99%
eviCore Healthcare				653	9	1.30%
Jackson National Life Insurance Co.				634	10	1.26%
United Health Group	750	8	2.23%			
Ford Motor Credit	800	7	2.38%			
Verizon Wireless	1,300	6	3.86%			
HCA Healthcare, Inc.	1,400	5	4.16%			
Vanderbilt Medical Group	3,600	1	10.70%			
Total	15,112		44.91%	12,608		25.07%

(a) 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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administration	5	6	6	6	6	9	10	11	11	13
Building and Neighborhood Services	30	31	32	33	35	36	36	36	36	37
Capital Investment Planning	1	2	2	2	0	0	0	0	0	0
Communications	3	3	3	4	4	4	4	4	4	4
Court	2	2	2	3	3	2	3	3	3	2
Engineering	10	11	12	12	13	13	14	15	16	16
Finance	9	10	10	10	10	9	9	9	9	9
Fire	160	161	171	171	171	172	172	172	172	172
HR	11	11	11	11	11	12	12	12	12	12
IT	19	18	20	20	21	22	23	24	25	25
Law	4	5	4	4	5	5	5	5	5	5
Parks	33	34	31	37	39	41	44	46	46	51
Planning and Sustainability	15	17	16	16	16	15	15	15	15	15
Police	175	176	156	157	142	143	142	145	145	146
Projects and Facilities Management	6	7	7	7	5	6	6	6	6	6
Purchasing	3	3	3	3	3	3	3	4	4	4
Revenue Management	15	14	13	13	13	14	14	14	14	14
Solid Waste	49	48	49	49	45	45	45	45	45	46
Stormwater	16	17	18	19	20	21	22	22	22	22
Streets	49	52	53	53	54	58	59	60	60	61
Traffic Operations Center	4	3	4	3	3	4	4	4	4	4
Water & Wastewater	84	84	85	86	92	94	96	96	96	100
TOTAL	703	715	708	719	711	728	738	748	750	764

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Calls for service	77,964	80,205	77,818	67,533	57,154 (a)	68,966 (b)	60,201	59,138	53,075	71,086
Fire										
Number of alarms	6,115	6,501	6,790	7,039	7,856	9,058	8,879	8,695	8,537	10,297
Sanitation										
Landfill usage	54,190	65,116	81,651	95,393	81,137	87,536	86,120	94,043	101,496	100,333
Recycling (tons)	6,781	8,605	7,897	7,904	8,726	7,875	6,623	4,862 (d)	2472 (d)	2,787
Codes										
Single family permits	485	519	480	691	636	495	358	348	342	292
Water										
Average daily usage	5,805,912	5,690,082	5,636,146	5,755,000	5,737,000	5,770,000	6,314,000	6,994,000	7,426,000	6,327,000
Water storage capacity (gallons)	12,000,000	11,500,000	13,000,000	13,000,000	13,000,000	13,000,000 (c)	13,000,000	13,000,000	13,000,000	11,500,000

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles (radio equipped)	156	136	139	136	150	140	128 (c)	136	142	138
Fire										
Fire stations	6	6	7	7	8	8	8	8	8 (d)	8
Fire response vehicles	22	22	22	22	22	22	23	26	26	26
Fire hydrants	3,325 (a)	3,326 (a)	3,416 (a)	3,576 (a)	3,675 (a)	3,810 (a)	3,921 (a)	3,930	3983	4501
Street										
Streets (miles)	293	304	317	325	347	339 (b)	344	351	357	367
Parks										
Number of parks	16	16	16	16	16	16	17	17	17 (e)	17
Water										
Water lines (miles)	285	288	293	296	301	302	303	306	308	308
Sewer lines (miles)	354	360	371	387	393	408	415	419	421	426
Reclaimed lines (miles)	--	--	--	--	--	28	28	28	29	30

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 700mhz 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& FY22: 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, 2022
 UNAUDITED

WATER PRODUCTION

<u>Year</u>	Average Daily Production <u>(MGD)</u>	Maximum Daily Production <u>(MGD)</u>
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
2021	2.64	5.56

WATER SYSTEM USAGE

<u>Year</u>	Gallons Sold (000) <u>Sold (000)</u>	Total Revenues <u>Revenues</u>
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
2021	1,630,799	\$ 12,086,608

WASTEWATER SYSTEM USAGE

<u>Year</u>	Gallons Sold (000) <u>Sold (000)</u>	Total Revenues <u>Revenues</u>
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
2021	2,610,451	\$ 21,550,196

RECLAIMED WATER USAGE

<u>Year</u>	Gallons Sold (000) <u>Sold (000)</u>	Total Revenues <u>Revenues</u>
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
2021	124,196	\$ 155,186

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, 2022

General Obligation Bonded Debt

Total Bonded Debt ¹	\$ 132,030,000
Less: Self Supporting Debt	(10,470,000)
Net Bonded Debt	<u>\$ 121,560,000</u>

Overlapping Bonded Debt ²	\$ 437,443,384
Less: Self Supporting Bonded Debt	(56,396,288)
Net Overlapping Bonded Debt	<u>\$ 381,047,096</u>

	<u>City of Franklin</u>	<u>City and Overlapping</u>
Bonded Debt Per Capita	\$ 1,582	\$ 6,824
Net Direct Bonded Debt Per Capita	\$ 1,457	\$ 6,023
Bonded Debt / Assessed Value	1.85%	7.97%
Net Bonded Debt / Assessed Value	1.70%	7.03%
Bonded Debt / Actual Value	0.57%	2.48%
Net Bonded Debt / Actual Value	0.53%	2.19%

	<u>Franklin</u>	<u>Williamson County</u>
2022 Population ³	83,454	247,726
FY 2022 Assessed Value	\$ 7,146,199,812	\$ 17,755,261,594
FY 2022 Appraised Value	\$ 22,985,416,480	\$ 62,650,130,483

Williamson County's Bonded Debt as of June 30, 2022 ⁴

Bonded Debt	\$ 917,740,000
Self Supporting Bonded Debt	(140,115,000)
Net Bonded Debt	<u>\$ 777,625,000</u>

Franklin's Assessed Value as a Percentage of Williamson County's Assessed Value: 40.25%

Franklin Special School District Bonded Debt as of June 30, 2022 ⁵

Bonded Debt	\$ 68,053,034
-------------	---------------

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: Tennessee Certified Population, 2021

(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, 2022

Amount Issued	Purpose	Due Date	Interest Rate	Outstanding as of 6/30/2022
\$ 24,670,000	Revenue & Tax Bonds: Series 2005 - Sewer and Water Revenue and Tax Refunding (1) (2)	April 2025	Fixed	\$ 4,455,000
19,430,000	Revenue & Tax Bonds: Series 2011 - Truist (formally SunTrust) Loan Program (1) (2)	May 2026	Fixed	6,015,000
12,000,000	Revenue Bonds: Series 2017 - Water and Sewer Revenue	February 2037	Fixed	9,935,000
10,660,000	Revenue Bonds: Series 2021 - Water and Sewer Revenue	February 2042	Fixed	10,660,000
1,500,000	Notes Payable: 2009 - Drinking Water SRF Loan through ARRA (1) (3)	December 2030	Fixed	741,523
1,888,200	Notes Payable: 2009 - Clean Water SRF Loan through ARRA (1) (3)	October 2032	Fixed	1,101,140
1,822,741	Notes Payable: 2016 - SCADA SRF Loan through ARRA (1)	2031	Fixed	1,360,213
1,677,259	Notes Payable: 2016 - SCADA SRF Loan through ARRA (1)	2031	Fixed	240,655
1,275,000	Notes Payable: 2017 - Wastewater Plant SRF Loan	August 2049	Fixed	1,177,148
78,500,000	Notes Payable: 2017 - Wastewater Plant SRF Loan	30 years	Fixed	76,049,748
20,000,000	Notes Payable: 2017 - Wastewater Plant SRF Loan	30 years	Fixed	19,599,913
<u>9,769,764</u>	Notes Payable: 2017 - Wastewater Plant SRF Loan	30 years	Fixed	<u>9,769,764</u>
<u>\$ 183,192,964</u>	Total Bonded Debt			<u>\$ 141,105,104</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, 2022**

	<u>Amount of Indebtedness</u>	<u>Per Capita ¹</u>	<u>Percentage Of Assessed Valuation ²</u>	<u>Percentage Of Full Valuation ³</u>
Gross Direct Indebtedness	\$ 132,030,000	\$ 1,582	1.85%	0.57%
Net Direct Indebtedness	\$ 121,560,000	\$ 1,457	1.70%	0.53%
Gross Direct and Gross Overlapping Indebtedness ^{4 5}	\$ 437,443,384	\$ 5,242	6.12%	1.90%
Net Direct and Net Overlapping Indebtedness ^{4 5}	\$ 381,047,096	\$ 4,566	5.33%	1.66%

Notes:

(1) The City's certified population as of June 30, 2022 is 83,454.

(2) The City's assessed valuation of taxable property as of June 30, 2022 is \$7,146,199,812.

(3) The City's estimated full valuation of taxable property as of June 30, 2022 is \$22,985,416,480.

(4) The County's debt outstanding is \$917,740,000 as of June 30, 2022. The City's share is \$369,390,350. (40.25%)

Of the County's debt outstanding, \$140,115,000 is self-supporting. The City's share is \$56,396,288. (40.25%)

(5) The Franklin Special School District's debt outstanding is \$68,053,034 as of June 30, 2022. The City's share is \$68,053,034 (100%)

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF INDEBTEDNESS AND DEBT RATIOS
JUNE 30, 2022

	For Fiscal Year Ending June 30					
	2017	2018	2019	2020	2021	2022
INDEBTEDNESS						
TAX SUPPORTED						
General Obligation Bonds ¹	\$ 144,618,000	\$ 136,500,000	\$ 154,800,000	\$ 141,105,000	\$ 131,720,000	\$ 121,560,000
TOTAL TAX SUPPORTED	<u>\$ 144,618,000</u>	<u>\$ 136,500,000</u>	<u>\$ 154,800,000</u>	<u>\$ 141,105,000</u>	<u>\$ 131,720,000</u>	<u>\$ 121,560,000</u>
REVENUE SUPPORTED						
Water & Sewer Bonds with General Obligation backing	\$ 28,345,000	\$ 24,915,000	\$ 21,385,000	\$ 17,800,000	\$ 14,165,000	\$ 10,470,000
Water & Sewer Bonds without General Obligation backing	\$ 12,000,000	\$ 11,630,000	\$ 11,230,000	\$ 10,815,000	\$ 10,385,000	\$ 20,595,000
Water & Sewer Loans without General Obligation backing	\$ 3,329,957	\$ 4,523,251	\$ 15,320,246	\$ 55,147,025	\$ 103,113,487	\$ 110,040,104
TOTAL REVENUE SUPPORTED	<u>\$ 43,674,957</u>	<u>\$ 41,068,251</u>	<u>\$ 47,935,246</u>	<u>\$ 83,762,025</u>	<u>\$ 127,663,487</u>	<u>\$ 141,105,104</u>
TOTAL DEBT	\$ 188,292,957	\$ 177,568,251	\$ 202,735,246	\$ 224,867,025	\$ 259,383,487	\$ 262,665,104
Less: Revenue Supported Debt	\$(15,329,957)	\$(16,153,251)	\$(26,550,246)	\$(65,962,025)	\$(113,498,487)	\$(130,635,104)
Less: Debt Service Fund Balance	(90,197)	(106,587)	(372,887)	(804,607)	(937,169)	(1,161,978)
NET DIRECT DEBT	\$ 172,872,803	\$ 161,308,413	\$ 175,812,113	\$ 158,100,393	\$ 144,947,831	\$ 130,868,022
OVERLAPPING DEBT ²	\$ 218,868,646	\$ 304,236,383	\$ 352,174,546	\$ 375,250,215	\$ 400,488,727	\$ 437,443,384
NET DIRECT & OVERLAPPING DEBT	\$ 391,741,449	\$ 465,544,796	\$ 527,986,659	\$ 533,350,608	\$ 545,436,558	\$ 568,311,406
PROPERTY TAX BASE ³						
Actual Value	14,931,255,106	15,696,174,389	18,208,229,470	18,920,390,435	21,190,144,675	22,985,416,480
Assessed Value	4,648,444,160	4,883,087,226	5,008,158,858	5,254,702,750	5,458,752,751	7,146,199,812

Notes:

- (1) Does not include 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, 2022**

<u>DEBT RATIOS</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
TOTAL DEBT to Actual Value	1.26%	1.13%	1.11%	1.19%	1.22%	1.14%
TOTAL DEBT to Assessed Value	4.05%	3.64%	4.05%	4.28%	4.75%	3.68%
NET DIRECT DEBT to Actual Value	1.16%	1.03%	0.97%	0.84%	0.68%	0.57%
NET DIRECT DEBT to Assessed Value	3.72%	3.30%	3.51%	3.01%	2.66%	1.83%
OVERLAPPING DEBT to Actual Value	1.47%	1.94%	1.93%	1.98%	1.89%	1.90%
OVERLAPPING DEBT to Assessed Value	4.71%	6.23%	7.03%	7.14%	7.34%	6.12%
NET DIRECT & OVERLAPPING DEBT to Actual Value	2.62%	2.97%	2.90%	2.82%	2.57%	2.47%
NET DIRECT & OVERLAPPING DEBT to Assessed Value	8.43%	9.53%	10.54%	10.15%	9.99%	7.95%
<u>PER CAPITA RATIOS</u>						
POPULATION ¹	70,908	70,908	70,908	70,908	83,454	83,454
PER CAPITA PERSONAL INCOME ²	95,339	94,251	95,520	94,748	94,748	94,748
Actual Value to POPULATION	\$ 210,572	\$ 221,360	\$ 256,787	\$ 266,830	\$ 253,914	\$ 275,426
Assessed Value to POPULATION	\$ 65,556	\$ 68,865	\$ 70,629	\$ 74,106	\$ 65,410	\$ 85,630
Total Debt to POPULATION	\$ 2,655	\$ 2,504	\$ 2,859	\$ 3,171	\$ 3,108	\$ 3,147
Net Direct Debt to POPULATION	\$ 2,438	\$ 2,275	\$ 2,479	\$ 2,230	\$ 1,737	\$ 1,568
Overlapping Debt to POPULATION	\$ 3,087	\$ 4,291	\$ 4,967	\$ 5,292	\$ 4,799	\$ 5,242
Net Direct Debt & Overlapping Debt to POPULATION	\$ 5,525	\$ 6,565	\$ 7,446	\$ 7,522	\$ 6,536	\$ 6,810
Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	2.79%	2.66%	2.99%	3.35%	3.28%	3.32%
Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	2.56%	2.41%	2.60%	2.35%	1.83%	1.66%
Overlapping Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	3.24%	4.55%	5.20%	5.59%	5.06%	5.53%
Net Direct & Overlapping Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	5.79%	6.97%	7.80%	7.94%	6.90%	7.19%

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 Aldermen
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 City of Franklin, Tennessee (the "City"), as of and for the year ended June 30, 2022 (except for the Fiduciary Pension Fund, which was as of and for the year ended December 31, 2021), and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 13, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 or significant deficiencies may exist that were not identified.

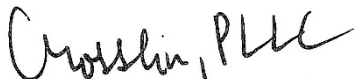
Report on Compliance and Other Matters

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*.

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Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Crosslin, PLLC". The signature is written in a cursive, flowing style.

Nashville, Tennessee

December 13, 2022

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Franklin, Tennessee's (the "City") compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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 the audit 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-01. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

A handwritten signature in black ink, appearing to read 'Crosslin, PLLC'.

Nashville, Tennessee
December 13, 2022

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COST
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 – ALN 20.507 and 20.526
American Rescue Plan Act - ALN 21.027

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, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

None Reported.

SECTION III - FEDERAL AUDIT FINDINGS AND QUESTIONED COSTS

ITEM #2022-001 FRANKLIN TRANSIT AUTHORITY PROGRAM REVIEW

Federal Transit Cluster
 Assistance Listing No. 20.507, 20.500
 U.S. Department of Transportation

Criteria

The Federal Transit Cluster requires the City (specifically the Franklin Transit Authority as recipient of the grants) to properly report and monitor subrecipients, maintain internal controls over expenditures charged to the program, and properly report awards and subawards in the Federal registry in accordance with the Federal Funding Accountability and Transparency Act (FFATA).

Condition and Context

The Federal Transit Authority conducted a Full Scope Systems Review of the Franklin Transit Authority (a special revenue fund of the City) in fiscal year 2021 and issued their final report in April 2022. In their report, instances of noncompliance were noted over the Federal Transit Cluster, including:

- Reporting and monitoring of subrecipients: the City improperly reported the TMA Group as a subrecipient in the Schedule of Expenditures of Federal Awards (SEFA). The TMA Group is a contracted management company hired by the City to manage the Franklin Transit Authority. The TMA Group meets the criteria of a contractor, and therefore should not have been reported as a subrecipient in the City's SEFA. The City also did not report Williamson County as a subrecipient of portions of the grant program in the City's SEFA, and was not properly monitoring Williamson County as a subrecipient.
- Maintain internal controls over expenditures charged to the program: the City has documented and implemented internal controls over federal expenditures, however it was noted the City did not document approvals on all of the payroll registers containing salaries charged to the Federal Transit program.
- Reporting awards and subawards in the Federal registry in accordance with the FFATA: it appeared the City was not reporting awards and subawards in accordance with FFATA for the Federal Transit program.

Questioned Cost

None

Cause

The City did not have proper controls in place over the grant program to ensure compliance with certain requirements noted above.

Effect

The City was not in compliance with certain requirements of the Federal Transit Cluster.

Recommendation

The City has developed and began implementation of a plan to better monitor internal controls and compliance requirements over the daily functions of the Franklin Transit Authority and the Federal Transit program. We recommend the City continue to follow and fully implement their plan.

Views of Responsible Officials and Planned Corrective Action

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

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COST - Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

None Reported.

SECTION V - SUMMARY OF PRIOR AUDIT FINDINGS

<u>Prior Year Finding Number</u>	<u>Finding Title</u>	<u>Current Year Status</u>
2021-001	City of Franklin Fire Chief	Resolved

ADMINISTRATION

Dr. Ken Moore
MayorEric S. Stuckey
City Administrator

HISTORIC
FRANKLIN
TENNESSEE

MANAGEMENT'S CORRECTIVE ACTION PLAN

The City of Franklin respectfully submits the following corrective action plan for the year ended June 30, 2022.

Contact Person/Persons Responsible for Implementing Corrective Action:

Eric Stuckey, City Administrator, 615-791-3217

2022-001: Franklin Transit Authority Program Review

Action Taken/Planned:

As recommended, the City of Franklin and the Authority have clarified the federal grant organization as follows:

For transit services, the organization is as follows:

- | | | |
|-----|-----------------------|----------------------------|
| (1) | Recipient: | Franklin Transit Authority |
| (2) | Contractor (current): | The TMA Group |

For the regional vanpool program, the organization is as follows:

- | | | |
|-----|-----------------------|---|
| (1) | Recipient: | Franklin Transit Authority |
| (2) | Sub-Recipient: | Regional Transportation/Williamson County |
| (3) | Contractor (current): | The TMA Group |

The Authority has previously and will continue to be reported as part of the City of Franklin in a special revenue fund and includes the Authority's grants in its single audit. For the fiscal year 2022 audit, the City and the Contractor have coordinated to ensure federal grants for transit services and vanpool services are excluded from the Contractor audit.

For fiscal year 2023, the City and the Contractor developed backup needed for oversight of each payment to the Contractor for contracted transit services and grant-related contracted vanpool services. Monthly reporting will clarify financial activities of the recipient (Franklin Transit), subrecipient (Regional Transportation Authority/Williamson County), and contractor (The TMA Group). For capital expenditures that the City and the Authority have ownership, the City will continue to pay the vendor directly.

The City of Franklin and the Authority have developed a job description, issued a job posting, and conducted interviews for a part-time Contract Compliance Monitor. The position, the Authority's only employee, will monitor the activities of the Contractor (currently The TMA Group) and the subrecipient (Williamson County) to ensure that the awards are used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the contract or subaward. Based on the amount and level of work required, the position is under direction of the Authority. The monitor essentially functions in a control/compliance role. The position is anticipated to be paid through the City's payroll process from the Authority fund.

Anticipated Completion Date/Date Completed: January 2023

Sincerely,

Eric Stuckey
City Administrator