

Fiscal Year 2012

Quarterly Report

July through September 2011



City of Franklin, TN

Quarterly Report

This report includes activity pertaining to the City's governmental funds and proprietary fund for the period July through September 2011.



HISTORIC
FRANKLIN
TENNESSEE

Table of Contents

FUNDS IN THIS REPORT	3
SUMMARY FOR ALL FUNDS	4
GENERAL FUND REVENUES	5
GENERAL FUND EXPENDITURES	6
STREET AID	7
SOLID WASTE	8
ROAD IMPACT FEES	9
FACILITIES TAX	10
STORM WATER	11
DRUG	12
HOTEL/MOTEL	13
TRANSIT	14
CDBG	15
DEBT SERVICE	16
CAPITAL PROJECTS	17
WATER & SEWER	18
ON THE HORIZON	19

Quarterly Report Format

This quarterly report format has been developed for emphasis on significant items within each fund.

In each fund, certain revenues and expenditures have been highlighted. If in future reports additional information or comparison is desired, we will incorporate it into subsequent reports.

Also, we have noted what is on the horizon as well as the year-to-date amounts.

Funds in This Report

The City adheres to the requirements of state law in its annual budgeting by adopting an annual appropriated budget for its general and special revenue funds

In Tennessee, it is a requirement that the budget approved by the Board of Mayor and Aldermen be balanced. This means planned expenditures equal anticipated revenues. Fund revenues and expenditures are budgeted using modified accrual where expenditures are recognized when incurred and payment is due, and revenues are recognized when they are measurable and available (generally collected within 60 days). This is the same basis as used in the City's audited financial statements.

In addition to the General Fund (the City's primary operating fund), the City has various separate special revenue funds and a capital projects fund that are restricted as to how the revenues can be used. These special funds are detailed below. It should be emphasized that these funds, except for the Solid Waste and Stormwater funds, do not include any personnel costs.

Street Aid Fund - Special Revenue fund for the accounting of the portion of State gasoline tax that is shared with cities, based on population. State law requires that these funds be used for the maintenance of streets.

Solid Waste (Sanitation) Fund – Special Revenue fund for the accounting of fees collected in the disposal and collection of residential and commercial garbage. Recycling is also recorded in this fund.

Stormwater Fund – Special Revenue fund for the accounting of fees collected for the purpose of

preventive maintenance of drainage areas, as well as remediation of circumstances that cause flooding and pollution.

Road Impact Fee Fund – Special Revenue fund for the accounting of expenditures in accordance with City Ordinance 88-13 on the proceeds of road impact fees from new development.

Facilities Tax Fund – Special Revenue fund for the accounting of fees collected for the expenditures specified in City Ordinance 88-12, which assesses a privilege tax on the business of development.

Drug Fund – Special Revenue fund for the accounting of drug fines collected for the purpose of furthering drug investigations.

Hotel/Motel Tax Fund – Special Revenue fund for the accounting of hotel/motel taxes collected for the purpose of retiring the City debt on the City /County Conference Center and for purchase and development of park property intended to promote tourism.

Transit System Fund – Special Revenue fund for the accounting of activities of the City's mass transit system.

Community Development Block Grant (CDBG) Fund – Special Revenue fund for the accounting of federal CDBG grant monies and their expenditures.

Debt Service Fund – Used to account for resources set aside to fund debt service and the actual principal and interest payments



Fund Balance

Amounts shown as fund balance represent monies which remain unspent after all budgeted expenditures have been made.

SUMMARY FOR ALL FUNDS

Highlights:

1. Most fund balances tend to decrease at the start of the fiscal year due to new purchases at the beginning of the budget year.
2. Two funds, Road Impact and Facilities Tax, begin the year in a deficit.
3. The Debt Service Fund shows a deficit. This is due to property tax revenue occurring in October.

	Beg Fund Balance	Revenues	Personnel	Operations	Capital	End Fund Balance	Percent Increase / (Decrease)
General Fund	24,961,766 +	10,018,169 -	7,265,863 -	4,534,194 -	153,002 =	23,026,876	-7.8%
Street Aid Fund	0 +	599,700 -	0 -	599,700 -	0 =	0	---
Solid Waste Fund	0 +	2,112,721 -	681,737 -	1,023,946 -	407,038 =	0	---
Road Impact Fund	(796,990) +	272,396 -	0 -	140,660 -	0 =	(665,254)	16.5%
Facilities Tax Fund	(291,165) +	517,579 -	0 -	0 -	0 =	226,414	177.8%
Storm Water Fund	6,095,953 +	548,914 -	147,855 -	117,863 -	390,009 =	5,989,140	-1.8%
Drug Fund	269,691 +	76,045 -	0 -	26,206 -	0 =	319,530	18.5%
Hotel / Motel Tax Fund	1,944,996 +	526,017 -	0 -	107,323 -	111,558 =	2,252,132	15.8%
Transit Fund	0 +	318,921 -	0 -	318,921 -	0 =	0	---
CDBG Fund	19,266 +	3,411 -	0 -	8,436 -	0 =	14,241	-26.1%
Debt Service Fund	1,099,568 +	745,004 -	0 -	3,038,181 -	0 =	(1,193,609)	-208.6%
Capital Projects Fund	12,058,809 +	437,180 -	0 -	234,695 -	2,695,454 =	9,565,840	-20.7%
Water / Sewer Fund	*	+ 6,861,626 -	974,073 -	5,115,152 -	511,478 = *	*	*

* As a proprietary fund (similar to a private business), Water / Sewer does not use Fund Balance.

GENERAL FUND REVENUES

General Fund

The general operating fund of the City used to account for all financial resources except those required to be accounted for in another fund.

The primary revenue sources are local sales tax and property tax. (Local sales tax is received monthly. Property tax is recorded as revenue when billed in October.)

Highlights:

1. Local Sales Tax through September is 5.2% higher than the first three months of Fiscal Year 2011.
2. Business Tax, Business License, Building Permits, and Electrical Inspections are higher in Fiscal Year 2012.

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Taxes:					
Local Sales Tax	5,716,293	5,432,354	105.2%	\$23,353,466	24.5%
Property Taxes Collected	(\$468)	\$14,398	(3.3%)	6,685,767	(0.0%)
Sales Tax (State)	1,023,629	909,993	112.5%	3,900,000	26.2%
Business Tax (from State)	779,188	752,090	103.6%	2,485,000	31.4%
Franchise Fees	75,879	89,745	84.5%	2,295,000	3.3%
Water and Sewer Admin Fees	455,794	378,016	120.6%	1,823,176	25.0%
Traffic Operations Center Grant (Federal)	8,207	0	0.0%	1,680,000	0.5%
Beer Tax	385,917	372,367	103.6%	1,412,000	27.3%
Income Tax (State)	4,428	20,925	21.2%	1,200,000	0.4%
Misc Other Revenue	408,791	317,526	128.7%	1,020,504	40.1%
Wholesale Liquor tax	200,274	190,056	105.4%	910,500	22.0%
City Court Fines	205,139	202,457	101.3%	895,000	22.9%
Building Permits	231,799	197,344	117.5%	730,000	31.8%
TVA in Lieu of Tax (State)	0	158,205	0.0%	660,000	0.0%
FEMA/TEMA Grants (Fed/State)	0	0	0.0%	500,000	0.0%
Interest Income	68,217	99,278	68.7%	500,000	13.6%
Mixed Drink Tax	142,237	115,743	122.9%	487,500	29.2%
In Lieu of Property Tax (Local)	2,701	0	0.0%	347,000	0.8%
Business License (local license)	81,815	79,693	102.7%	260,000	31.5%
State Shared Increase From Census	0	0	0.0%	250,000	0.0%
ITS-ARRA#5-TOC	0	5,982	0.0%	200,000	0.0%
Electrical Inspections	83,481	42,757	195.2%	180,000	46.4%
Solid Waste Admin Fees	42,898	63,002	68.1%	171,593	25.0%
Stormwater Admin Fees	37,536	63,002	59.6%	150,144	25.0%
Mechanical Permits	40,706	20,777	195.9%	102,000	39.9%
Sale of Surplus Assets	23,708	1,989	1,192.1%	100,000	23.7%
Capital Allocation From F/B	0	0	0.0%	568,856	0.0%
Total Revenues	10,018,169	9,527,699	105.1%	52,867,506	18.9%

Local Sales Tax			
Month of Sale	FY 2012	FY 2011	Increase/ (Decrease)
July	\$ 1,925,395	\$ 1,769,523	8.8%
August	\$ 1,843,928	\$ 1,774,021	3.9%
September	\$ 1,946,970	\$ 1,888,810	3.1%
	\$ 5,716,293	\$ 5,432,354	5.2%



GENERAL FUND EXPENDITURES

General Fund

The general operating fund of the City used to account for all financial resources except those required to be accounted for in another fund.

Most department operations of the City are funded by the general fund including police and fire, administration, engineering and streets, and parks.

Highlights:

1. Premiums for Property & Liability are paid for the entire fiscal year.
2. Compared to revenues of \$10,018,169, expenditures are greater than revenues at the end of September. This is typical as new purchases in the budget year began in July while property tax revenue occurs in October.

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Expenditures:					
<i>Personnel:</i>					
Salaries & Wages	5,257,943	5,583,396	94.2%	24,753,605	21.2%
Employee Benefits	1,990,909	2,611,219	76.2%	10,675,563	18.6%
Officials Fees	17,010	17,400	97.8%	101,677	16.7%
Total Personnel	7,265,862	8,212,015	88.5%	35,530,845	20.4%
<i>Operations:</i>					
Utilities	585,341	535,658	109.3%	2,029,980	28.8%
Contractual Services	696,530	360,904	193.0%	1,580,435	44.1%
Operational Units	273,411	227,612	120.1%	1,280,553	21.4%
Transfers To Other Funds	750,211	1,983,171	12.0%	1,189,356	20.3%
Repair & Maintenance Services	350,629	265,838	131.9%	1,093,370	32.1%
Equipment (<\$10,000)	261,256	302,312	86.4%	976,286	26.8%
Debt Service	42,847	0	0.0%	784,203	5.5%
Rentals, Leases	3,551	4,547	78.1%	601,027	0.6%
Operating Supplies	113,038	70,373	160.6%	581,002	19.5%
Fuel & Mileage (Non-Travel)	134,209	117,816	113.9%	562,827	23.8%
Property & Liability Costs	544,187	700,197	77.7%	534,579	101.8%
Appropriations	126,097	121,278	104.0%	505,994	24.9%
Repair & Maintenance Supplies	244,945	70,984	345.1%	480,220	51.0%
Employee Programs	87,252	46,712	186.8%	460,290	19.0%
Notices, Subscriptions, Publicity	65,453	159,681	41.0%	338,150	19.4%
Financial Fees	61,244	73,528	83.3%	308,550	19.8%
Professional Development/Travel	53,300	46,555	114.5%	270,633	19.7%
Operating Services	40,690	29,087	139.9%	257,335	15.8%
Permits & Fees	45,211	35,358	127.9%	177,970	25.4%
Office Supplies	42,292	36,463	116.0%	174,898	24.2%
Transportation Charges	12,598	12,053	104.5%	79,303	15.9%
Other Business Expenses (98)		2,630	(3.7%)	(440,700)	0.0%
Total Operations	4,534,194	5,202,757	87.1%	13,826,261	32.8%
<i>Capital:</i>					
Equipment (>\$10,000)	109,226	173,137	63.1%	3,134,400	3.5%
Buildings	36,408	0	0.0%	170,000	21.4%
Infrastructure	3,168	0	0.0%	151,000	2.1%
Improvements	4,200	0	0.0%	55,000	7.6%
Total Capital	153,002	173,137	88.4%	3,510,400	4.4%
Total Expenditures	11,953,058	13,587,909	88.0%	52,867,506	22.6%

STREET AID FUND

Street Aid Fund

A special revenue fund used 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.

The primary revenue is the City's share of gasoline taxes received from the State. The principal expenditure is street paving and maintenance.

Highlights:

3. Gasoline taxes are higher than 2011 and in line with the amount budgeted for 2012.
4. Paving costs are 34% of budget. This is typical as paving occurred during the summer.

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Gasoline Tax (State)	\$444,391	\$427,742	103.9%	\$1,750,000	25.4%
Transfer From General Fund	155,309	1,507,052	12.7%	0	0.0%
Total Revenues	599,700	1,934,794	31.0%	1,750,000	34.3%
Expenditures:					
Operations:					
Repair & Maintenance Services	598,920	1,833,164	32.7%	1,750,000	34.2%
Contractual Services	731	0	0.0%	0	0.0%
Permits & Fees	49	0	0.0%	0	0.0%
Total Operations	599,700	1,833,164	32.7%	1,750,000	34.3%
Capital:					
Infrastructure	0	101,630	0.0%	0	0.0%
Total Capital	0	101,630	0.0%	0	0.0%
Total Expenditures	599,700	1,934,794	31.0%	1,750,000	34.3%
Total Unallocated Funds	0	0	0.0%	0	0.0%



SOLID WASTE FUND

Solid Waste Fund

A special revenue fund used to account for the City's solid waste collection, disposal, and recycling operations. Its primary sources of revenue are user charges and an operating subsidy from the general fund.

Highlights:

1. As with the General Fund, property & liability insurance is paid for the entire year.
2. The transfer needed from General is at 43%. Likely higher at this point due to new purchases that occurred in the first quarter.

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Solid Waste Disposal	1,076,515	1,012,443	106.3%	4,372,600	24.6%
Tipping Fees	722,793	591,679	122.2%	2,839,941	25.5%
Transfer From General Fund	291,247	168,298	173.1%	672,256	43.3%
Solid Waste Grant (State)	\$0	\$0	0.0%	\$250,000	0.0%
Sale of Waste Containers	12,734	7,230	176.1%	50,000	25.5%
Sale of Surplus Assets	0	0	0.0%	40,000	0.0%
Misc Other Revenue	1,892	2,682	70.5%	35,000	5.4%
Lease of Waste Containers	5,580	3,960	140.9%	25,000	22.3%
Special Event Grant Recoveries	0	0	0.0%	10,000	0.0%
Cardboard Recycling Program	1,450	1,400	103.6%	5,600	25.9%
Buck a Bag Program	510	806	63.3%	2,800	18.2%
Interest Income	0	239	0.0%	0	0.0%
Total Revenues	2,112,721	1,788,737	118.1%	8,303,197	25.4%
Expenditures:					
Personnel:					
Salaries & Wages	437,530	444,689	98.4%	2,027,222	21.6%
Employee Benefits	244,207	256,183	95.3%	957,452	25.5%
Total Personnel	681,737	700,872	97.3%	2,984,674	22.8%
Operations:					
Operating Services	378,354	405,534	93.3%	1,366,350	27.7%
Utilities	331,080	279,728	118.4%	1,192,476	27.8%
Transfers To Other Funds	1,900	8,089	23.5%	555,000	0.3%
Fuel & Mileage (Non-Travel)	139,925	99,739	140.3%	421,500	33.2%
Repair & Maintenance Services	11,226	92,920	12.1%	329,750	3.4%
Operational Units	42,898	63,002	68.1%	171,593	25.0%
Operating Supplies	23,330	27,802	83.9%	101,600	23.0%
Debt Service	0	0	0.0%	95,411	0.0%
Property & Liability Costs	70,201	52,649	133.3%	51,878	135.3%
Repair & Maintenance Supplies	12,209	41,914	29.1%	40,350	30.3%
Equipment (<\$10,000)	616	6,622	9.3%	20,750	3.0%
Notices, Subscriptions, Publicity	346	1,688	20.5%	20,295	1.7%
Office Supplies	1,687	1,758	96.0%	12,550	13.4%
Financial Fees	2,937	3,414	86.0%	10,500	28.0%
Professional Development/Travel	2,466	895	275.4%	5,360	46.0%
Employee Programs	1,500	0	0.0%	3,750	40.0%
Permits & Fees	1,650	1,650	100.0%	3,500	47.1%
Transportation Charges	1,034	447	231.2%	2,160	47.9%
Rentals, Leases	586	15	3,908.9%	750	78.2%
Total Operations	1,023,946	1,087,865	94.1%	4,405,523	23.2%
Capital:					
Equipment (>\$10,000)	407,038	0	0.0%	663,000	61.4%
Buildings	0	0	0.0%	250,000	0.0%
Total Capital	407,038	0	0.0%	913,000	44.6%
Total Expenditures	2,112,721	1,788,737	118.1%	8,303,197	25.4%
Total Unallocated Funds	0	0	0.0%	0	0.0%

ROAD IMPACT FUND

Road Impact Fund

A special revenue fund used to account for proceeds authorized by a private act of the Tennessee General Assembly of 1987 for the City to assess and collect fees on new development thereby requiring the developer to pay for the costs of new road improvements.

Highlights:

1. Collections are lower than the first three months of 2011.
2. The budget anticipated the fund would be out of deficit by fiscal year end.

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	(796,990)	(522,110)	152.6%	(949,726)	83.9%
Road Impact Fees	\$272,396	\$549,413	49.6%	\$4,394,537	6.2%
Interest Income	0	126	0.0%	9,809	0.0%
Total Revenues	(524,594)	27,429	(1,912.6%)	3,454,620	(15.2%)
Expenditures:					
Operations:					
Transfers To Other Funds	132,723	313,228	42.4%	3,210,178	4.1%
Contractual Services	7,936	4,281	185.4%	0	0.0%
Total Operations	140,660	317,509	44.3%	3,210,178	4.4%
Total Expenditures	140,660	317,509	44.3%	3,210,178	4.4%
Total Unallocated Funds	(665,254)	(290,080)	229.3%	244,442	(272.2%)

Road Impact Fees			
Month	2012	2011	Increase / (Decrease)
July	72,303	35,056	106.3%
August	119,382	70,347	69.7%
September	80,711	444,010	-81.8%
Total	272,396	549,413	-50.4%



FACILITIES TAX FUND

Facilities Tax Fund

A special revenue fund used to account for the proceeds authorized by a private act of the Tennessee General Assembly of 1987 for the City to levy and collect a privilege tax on new development to provide that new development contribute its fair share of providing new public facilities made necessary by growth. Such taxes may be expended only upon police, fire, solid waste, and parks and recreation.

Highlights:

3. Similar to 2011, no expenditures are budgeted for 2012.
4. The budget anticipated the fund would be out of deficit by fiscal year end.

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Taxes:					
Beginning Fund Balance	(291,165)	(3,039,217)	9.6%	(1,239,217)	23.5%
Facilities Taxes	\$517,458	\$557,977	92.7%	\$1,856,270	27.9%
Interest Income	121	502	24.1%	0	0.0%
Total Revenues	226,414	(2,480,738)	(9.1%)	617,053	36.7%
Expenditures:					
Total Unallocated Funds	226,414	(2,480,738)	(20.9%)	617,053	83.9%

Facilities Taxes			
Month	2012	2011	Increase / (Decrease)
July	144,273	85,964	67.8%
August	108,287	99,739	8.6%
September	264,898	372,274	-28.8%
Total	517,458	557,977	-7.3%

STORM WATER FUND

Storm Water Fund

A special revenue fund used to account for the City's storm water drainage operations. Revenues are primarily from charges to residential and commercial customers based on paved areas.

Highlights:

1. Several drainage projects are budgeted in 2012.
2. As with other funds, property & liability insurance for the year has been paid.

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	6,095,953	5,407,750	112.7%	6,273,203	97.2%
Stormwater Permits Fees	\$600	\$700	85.7%	\$2,000	30.0%
Stormwater Fees	531,815	524,184	101.5%	2,100,000	25.3%
Stormwater Late Pay Penalties	6,139	6,106	100.5%	20,000	30.7%
Interest Income	10,360	19,008	54.5%	50,000	20.7%
Total Revenues	6,644,867	5,957,748	111.5%	8,445,203	78.7%
Expenditures:					
Personnel:					
Salaries & Wages	87,593	92,890	94.3%	602,827	14.5%
Employee Benefits	60,263	56,389	106.9%	335,174	18.0%
Total Personnel	147,856	149,279	99.0%	938,001	15.8%
Operations:					
Repair & Maintenance Supplies	35,026	34,635	101.1%	177,200	19.8%
Operational Units	37,536	63,002	59.6%	150,144	25.0%
Fuel & Mileage (Non-Travel)	15,786	11,211	140.8%	40,000	39.5%
Contractual Services	7,936	4,750	167.1%	30,250	26.2%
Operating Supplies	806	2,258	35.7%	26,205	3.1%
Utilities	2,893	2,693	107.4%	20,800	13.9%
Repair & Maintenance Services	3,954	7,060	56.0%	20,550	19.2%
Equipment (<\$10,000)	1,532	4,050	37.8%	19,500	7.9%
Debt Service	0	0	0.0%	13,094	0.0%
Professional Development/Travel	3,661	1,816	201.6%	12,200	30.0%
Notices, Subscriptions, Publicity	1,115	11,457	9.7%	11,430	9.8%
Operating Services	823	753	109.4%	6,100	13.5%
Property & Liability Costs	5,945	5,500	108.1%	5,572	106.7%
Rentals, Leases	167	190	88.1%	5,000	3.3%
Permits & Fees	22	27	79.6%	4,210	0.5%
Employee Programs	0	0	0.0%	1,350	0.0%
Office Supplies	25	149	16.7%	750	3.3%
Transportation Charges	0	0	0.0%	650	0.0%
Financial Fees	636	793	80.2%	0	0.0%
Total Operations	117,863	150,344	78.4%	545,005	21.6%
Capital:					
Infrastructure	386,736	33,177	1,165.7%	2,984,200	13.0%
Equipment (>\$10,000)	3,274	0	0.0%	58,000	5.6%
Total Capital	390,009	33,177	1,175.5%	3,042,200	12.8%
Total Expenditures	655,727	332,799	197.0%	4,525,206	14.5%
Total Unallocated Funds	5,989,140	5,624,949	106.5%	3,919,997	152.8%

DRUG FUND

Drug Fund

A special revenue fund used to account for drug related fines and confiscations received and usage of these monies to further drug investigations.

Highlights:

1. Federal confiscations already exceed budget for the year.
2. State confiscations are 2/3 of the budget for the year.

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	269,691	253,229	106.5%	306,228	88.1%
Drug Fines Received	\$15,470	\$15,099	102.5%	\$60,000	25.8%
Confiscated Goods (Federal)	58,101	6,280	925.2%	40,000	145.3%
Confiscated Goods (State)	1,372	908	151.1%	2,000	68.6%
Interest Income	1,102	689	159.9%	500	220.4%
Total Revenues	345,736	276,205	125.2%	408,728	84.6%
Expenditures:					
Operations:					
Operational Units	1,378	5,754	24.0%	49,500	2.8%
Other Business Expenses	6,569	331	1,986.3%	47,400	13.9%
Notices, Subscriptions, Publicity	2,014	0	0.0%	42,000	4.8%
Equipment (<\$10,000)	10,900	1,460	746.6%	22,000	49.5%
Employee Programs	5,004	0	0.0%	20,000	25.0%
Transportation Charges	340	0	0.0%	6,000	5.7%
Total Operations	26,206	7,545	347.3%	186,900	14.0%
Capital:					
Equipment (>\$10,000)	0	0	0.0%	149,961	0.0%
Total Capital	0	0	0.0%	149,961	0.0%
Total Expenditures	26,206	7,545	347.3%	336,861	7.8%
Total Unallocated Funds	319,530	268,660	118.9%	71,867	444.6%



HOTEL / MOTEL TAX FUND

Hotel / Motel Tax Fund

A special revenue fund used to account for the locally administered tax levied on the occupancy of hotel and motel rooms, in addition to sales tax. The City of Franklin Hotel /Motel Tax is 4%. The fund is used to pay debt service on the Cool Springs Conference Center and the Harlinsdale and Battlefield parks. Also, the funds are used for tourism.

Highlights:

1. Hotel / Motel tax collections exceed last year and on track compared to the 2012 budget.
2. The Cool Springs conference center has experienced a \$153,451 profit through the first three months of the year.

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Taxes:					
Beginning Fund Balance	1,944,996	1,895,995	102.6%	1,614,924	120.4%
Hotel/Motel Taxes	\$520,761	\$504,115	103.3%	\$2,020,000	25.8%
Park Grant	0	0	0.0%	25,000	0.0%
Interest Income	5,256	5,466	96.2%	15,000	35.0%
Total Revenues	2,471,013	2,405,576	102.7%	3,674,924	67.2%
Expenditures:					
Operations:					
Transfers To Other Funds	157,433	304,815	51.6%	2,198,730	7.2%
Appropriations	113,048	93,262	121.2%	384,239	29.4%
Repair & Maintenance Services	0	0	0.0%	23,600	0.0%
Contractual Services	(9,707)	0	0.0%	0	0.0%
Operational Units	(153,451)	26,084	(588.3%)	0	0.0%
Total Operations	107,323	424,161	25.3%	2,606,569	4.1%
Capital:					
Buildings	37,625	0	0.0%	64,000	58.8%
Improvements	73,933	0	0.0%	45,000	164.3%
Total Capital	111,558	0	0.0%	109,000	102.3%
Total Expenditures	218,881	424,161	51.6%	2,715,569	8.1%
Total Unallocated Funds	2,252,132	1,981,415	113.7%	959,355	234.8%

TRANSIT FUND

Transit Fund

A special revenue fund used to account for the City's transit operations. Its primary sources of revenue are an operating subsidy from the general fund and transit fares. The City has created the Franklin Transit Authority to oversee transit operations. Daily operations of the transit system are managed by a contractor.

Highlights:

1. The transfer from General is at 59% of budget. Grant reimbursements during the year should reduce this percentage.
2. \$318,921 is the amount paid to the TMA Group for management of transit operations.

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Transit Operations Grant (Federal)	\$7,535	\$9,012	83.6%	\$662,900	1.1%
Transfer From General Fund	303,654	296,572	102.4%	517,100	58.7%
Transit Capital Grant (Fed/State)	0	0	0.0%	198,000	0.0%
Transit Fares	0	12,284	0.0%	64,000	0.0%
Interest Income	213	2,439	8.7%	13,400	1.6%
Rental Income	2,400	2,533	94.7%	9,600	25.0%
ITS/AVL-ARRA#4-Transit	5,119	31,498	16.3%	0	0.0%
Total Revenues	318,921	354,338	90.0%	1,465,000	21.8%
Expenditures:					
Operations:					
Operational Units	318,921	318,828	100.0%	1,245,000	25.6%
Utilities	0	(244)	0.0%	0	0.0%
Property & Liability Costs	0	119	0.0%	0	0.0%
Total Operations	318,921	318,704	100.1%	1,245,000	25.6%
Capital:					
Equipment (>\$10,000)	0	35,634	0.0%	220,000	0.0%
Total Capital	0	35,634	0.0%	220,000	0.0%
Total Expenditures	318,921	354,338	90.0%	1,465,000	21.8%
Total Unallocated Funds	0	0	0.0%	0	0.0%

CDBG FUND

CDBG (Community Development Block Grant) Fund

A special revenue fund used to account for receipts from CDBG grants and usage of these monies to further community development.

Highlights:

1. A small portion of the year's activity has occurred through September.
2. The City is reimbursed 100% for eligible CDBG expenditures.

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	19,266	19,138	100.7%	19,338	99.6%
CDBG Grant	\$0	\$83,306	0.0%	\$299,406	0.0%
Interest Income	42	25	168.0%	200	20.9%
CDBG Recovery - ARRA # 3	0	(5,000)	0.0%	0	0.0%
Contributions-Other	3,369	0	0.0%	0	0.0%
Total Revenues	22,677	97,469	23.3%	318,944	7.1%
Expenditures:					
Operations:					
Contractual Services	7,134	48,421	14.7%	299,406	2.4%
Notices, Subscriptions, Publicity	1,302	345	376.9%	0	0.0%
Repair & Maintenance Services	0	8,370	0.0%	0	0.0%
Operational Units	0	(5,000)	0.0%	0	0.0%
Total Operations	8,436	52,136	16.2%	299,406	2.8%
Total Expenditures	8,436	52,136	16.2%	299,406	2.8%
Total Unallocated Funds	14,241	45,333	31.4%	19,538	72.9%

DEBT SERVICE FUND

Debt Service Fund

Used to account for resources set aside to fund debt service and the actual principal and interest payments made.

Highlights:

1. The fund will receive its share of property taxes in October.
2. In addition to property tax, the fund receives transfers from the Road Impact, Hotel/Motel, and Solid Waste funds to pay their portion of debt.

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	1,099,568	465,191	236.4%	756,071	145.4%
Property Taxes Collected	\$0	\$3,393	0.0%	\$5,168,183	0.0%
Transfer from Road Impact Fund	132,723	313,228	42.4%	3,210,178	4.1%
Transfer from Hotel/Motel Tax Fund	157,433	304,815	51.6%	2,198,730	7.2%
Transfer from Solid Waste Fund	1,900	8,089	23.5%	555,000	0.3%
Interest Income	922	288	320.1%	5,000	18.4%
Rebate on BAB/RZEDB Bonds	452,026	367,016	123.2%	0	0.0%
Total Revenues	1,844,572	1,462,020	126.2%	11,893,162	15.5%
Expenditures:					
Operations:					
Debt Service	3,038,181	2,017,243	150.6%	11,132,091	27.3%
Total Operations	3,038,181	2,017,243	150.6%	11,132,091	27.3%
Total Expenditures	3,038,181	2,017,243	150.6%	11,132,091	27.3%
Total Unallocated Funds	(1,193,609)	(555,223)	215.0%	761,071	(156.8%)

CAPITAL PROJECTS FUND

Capital Projects Fund

Used to account for acquisition and/or construction of major capital projects, including buildings, parks, streets, bridges and other City facilities, infrastructure, and equipment. The primary revenue sources in this fund are bond proceeds, grant receipts, and developer contributions. Although included in the City's annual financial report, this fund is not budgeted.

Highlights:

1. There are two bond issues remaining in this fund. The \$44 million issue is almost spent. The \$15.725 million issue from 2011 is the majority of funds remaining.
2. Facilities Taxes received from the County are also recorded to this fund. The use of these funds has not yet been identified.

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	12,058,809	12,691,653	95.0%	\$0	0.0%
Facilities Taxes	\$134,330	\$0	0.0%	0	0.0%
Other Grant Program	269,244	0	0.0%	0	0.0%
Interest Income	31,805	59,044	53.9%	0	0.0%
Bond Proceeds	0	15,725,000	0.0%	0	0.0%
Contributions from Developer	1,800	0	0.0%	0	0.0%
Total Revenues	12,495,988	28,475,697	43.9%	0	0.0%
Expenditures:					
<i>Operations:</i>					
Operating Services	(4,799)	585	(820.3%)	0	0.0%
Contractual Services	35,026	109,166	32.1%	0	0.0%
Equipment (<\$10,000)	0	34,018	0.0%	0	0.0%
Repair & Maintenance Supplies	0	13,901	0.0%	0	0.0%
Property & Liability Costs	204,450	0	0.0%	0	0.0%
Permits & Fees	17	330	5.1%	0	0.0%
Debt Service	0	285,025	0.0%	0	0.0%
Total Operations	234,694	443,026	53.0%	0	0.0%
<i>Capital:</i>					
Land	0	300,215	0.0%	0	0.0%
Buildings	0	26,579	0.0%	0	0.0%
Improvements	0	6,097	0.0%	0	0.0%
Infrastructure	2,694,134	3,241,958	83.1%	0	0.0%
Equipment (>\$10,000)	1,320	0	0.0%	0	0.0%
Total Capital	2,695,454	3,574,849	75.4%	0	0.0%
Total Expenditures	2,930,148	4,017,875	72.9%	0	0.0%
Total Unallocated Funds	9,565,840	24,457,822	39.1%	0	0.0%

WATER / SEWER FUND

Water / Sewer Fund

The Water and Wastewater fund is the only proprietary fund (where user charges and fees typically cover the cost of the services provided) within the City. Its financial plan is included in a separate budget document. It also includes the City's reclaimed water operations.

Highlights:

5. Customer service revenues exceed last year by almost 7%.
6. Several other revenues are higher than last year, and tracking higher than budget.

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Customer Service	5,827,753	5,449,277	106.9%	\$19,477,000	29.9%
Penalties	66,116	68,141	97.0%	240,500	27.5%
Other Service Revenue	16,211	8,063	201.1%	200,000	8.1%
Services Charges	44,707	44,310	100.9%	100,000	44.7%
Installation Fees	35,984	32,320	111.3%	100,000	36.0%
Inspection Fees	45,233	28,601	158.1%	95,500	47.4%
Interest Income	\$22,754	\$37,169	61.2%	31,100	73.2%
Rental Income	5,900	2,900	203.4%	14,400	41.0%
Sale of Surplus Assets	45	(81)	(55.1%)	0	0.0%
Transfer From General Fund	0	11,250	0.0%	0	0.0%
Misc Other Revenue	54	108	50.0%	0	0.0%
Contributions-Other	19,777	0	0.0%	0	0.0%
System Development Fee	333,226	156,852	212.4%	0	0.0%
Access Fees	443,866	96,366	460.6%	0	0.0%
Total Revenues	6,861,626	5,935,276	115.6%	20,258,500	33.9%
Expenditures:					
Personnel:					
Salaries & Wages	617,715	703,059	87.9%	3,512,601	17.6%
Employee Benefits	356,358	395,038	90.2%	1,546,826	23.0%
Total Personnel	974,073	1,098,097	88.7%	5,059,427	19.3%
Operations:					
Supplies Purchased For Resale	1,097,047	1,183,453	92.7%	3,300,000	33.2%
Operational Units	575,220	1,373,121	41.9%	1,823,176	31.6%
Utilities	430,865	408,396	105.5%	1,747,510	24.7%
Debt Service	1,492,920	1,384,983	107.8%	1,378,199	108.3%
Contractual Services	320,653	149,089	215.1%	873,950	36.7%
Operating Services	63,484	51,643	122.9%	613,447	10.3%
Operating Supplies	201,429	133,746	150.6%	560,000	36.0%
Repair & Maintenance Supplies	134,355	125,325	107.2%	468,050	28.7%
Repair & Maintenance Services	410,335	53,232	770.8%	396,350	103.5%
Equipment (<\$10,000)	93,801	10,905	860.2%	177,300	52.9%
Property & Liability Costs	175,899	139,250	126.3%	159,898	110.0%
Fuel & Mileage (Non-Travel)	42,242	30,574	138.2%	157,600	26.8%
Financial Fees	37,679	62,811	60.0%	122,100	30.9%
Permits & Fees	26,772	28,902	92.6%	49,140	54.5%
Professional Development/Travel	3,953	1,221	323.9%	23,440	16.9%
Notices, Subscriptions, Publicity	2,693	30,109	8.9%	19,150	14.1%
Office Supplies	3,410	2,650	128.7%	13,550	25.2%
Rentals, Leases	997	484	205.9%	9,500	10.5%
Transportation Charges	878	1,114	78.8%	7,012	12.5%
Employee Programs	518	0	0.0%	6,900	7.5%
Other Business Expenses	0	0	0.0%	1,100	0.0%
Total Operations	5,115,152	5,171,007	98.9%	11,907,372	43.0%
Capital:					
Improvements	457,611	2,271,999	20.1%	1,800,000	25.4%
Equipment (>\$10,000)	53,867	29,258	184.1%	1,065,000	5.1%
Buildings	0	0	0.0%	45,000	0.0%
Total Capital	511,478	2,301,257	22.2%	2,910,000	17.6%
Total Expenditures	6,600,704	8,570,361	77.0%	19,876,799	33.2%
Total Unallocated Funds	260,922	(2,635,084)	(9.9%)	381,701	68.4%

ON THE HORIZON

Next Quarter's Report:

1. Will include property tax in both the General and Debt Service funds.
2. Will include holiday sales in local sales tax. (The amount to be received in January is for November sales; the amount to be received in February is for December sales).
3. Will include the purchase of the 84 Lumber property for the future public works facility.



Prepared by:

CITY OF FRANKLIN

FINANCE DEPARTMENT

109 3RD Avenue South
Franklin, TN 37064
Phone (615) 791-1457