

**BASIC FINANCIAL STATEMENTS**

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF NET ASSETS**  
 JUNE 30, 2011

|   | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>          |
|---|------------------------------------|-------------------------------------|-----------------------|
| <b>ASSETS</b>                                       |                                    |                                     |                       |
| Cash and cash equivalents                           | \$ 19,063,942                      | \$ 5,757,053                        | \$ 24,820,995         |
| Investments   | 23,361,922                         | -                                   | 23,361,922            |
| Receivables:  |                                    |                                     |                       |
| Accounts, net of uncollectibles                     | 2,231,991                          | 4,159,464                           | 6,391,455             |
| Property taxes, net of uncollectibles               | 12,399,878                         | -                                   | 12,399,878            |
| Grants  | 2,186,806                          | 293,385                             | 2,480,191             |
| Special assessments                                 | 53,762                             | -                                   | 53,762                |
| Intergovernmental                                   | 2,901,281                          | -                                   | 2,901,281             |
| Fines, net of uncollectibles                        | 225,242                            | -                                   | 225,242               |
| Local option sales tax                              | 3,931,939                          | -                                   | 3,931,939             |
| Other   | 3,126,115                          | -                                   | 3,126,115             |
| Inventory   | 522,733                            | 253,767                             | 776,500               |
| Restricted assets:                                  |                                    |                                     |                       |
| Cash and cash equivalents                           | -                                  | 7,219,225                           | 7,219,225             |
| Investments   | -                                  | 2,756,000                           | 2,756,000             |
| Deferred outflow of resources                       | 1,763,843                          |                                     | 1,763,843             |
| Net investment in joint venture - Conference Center | 6,172,334                          | -                                   | 6,172,334             |
| Unamortized bond issue costs                        | 922,127                            | 233,115                             | 1,155,242             |
| Other assets  | 3,144,184                          | -                                   | 3,144,184             |
| Capital assets, not being depreciated:              |                                    |                                     |                       |
| Land  | 48,088,481                         | 5,238,945                           | 53,327,426            |
| Construction in progress                            | 27,468,954                         | 10,767,908                          | 38,236,862            |
| Capital assets, net of accumulated depreciation:    |                                    |                                     |                       |
| Buildings and improvements                          | 55,547,079                         | 3,255,820                           | 58,802,899            |
| Improvements other than buildings                   | 16,794,719                         | -                                   | 16,794,719            |
| Utility plant in service                            | -                                  | 136,013,284                         | 136,013,284           |
| Infrastructure                                      | 347,074,501                        | -                                   | 347,074,501           |
| Machinery and equipment                             | 20,309,656                         | 1,314,897                           | 21,624,553            |
| <b>Total assets</b>                                 | <u>\$ 597,291,489</u>              | <u>\$ 177,262,863</u>               | <u>\$ 774,554,352</u> |

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

(Continued)

CITY OF FRANKLIN, TENNESSEE  
STATEMENT OF NET ASSETS (Cont.)  
JUNE 30, 2011

|  | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>          |
|--|------------------------------------|-------------------------------------|-----------------------|
| <b>LIABILITIES</b>                                 |                                    |                                     |                       |
| Accounts payable                                   | \$ 9,238,721                       | \$ 1,679,109                        | \$ 10,917,830         |
| Accrued expenses                                   | 2,916,249                          | -                                   | 2,916,249             |
| Accrued interest                                   | 910,442                            | 348,964                             | 1,259,406             |
| Unearned revenue                                   | 11,467,715                         | 451,525                             | 11,919,240            |
| Long-term liabilities:                             |                                    |                                     |                       |
| Derivative instrument - interest rate swaps        | 1,763,843                          | -                                   | 1,763,843             |
| Due within one year                                | 9,571,017                          | 3,401,887                           | 12,972,904            |
| Due in more than one year                          | 130,065,673                        | 47,956,642                          | 178,022,315           |
| <b>Total liabilities</b>                           | <u>165,933,660</u>                 | <u>53,838,127</u>                   | <u>219,771,787</u>    |
| <b>NET ASSETS</b>                                  |                                    |                                     |                       |
| Investments in capital assets, net of related debt | 394,013,988                        | 106,143,869                         | 500,157,857           |
| Restricted for:                                    |                                    |                                     |                       |
| CDBG use   | 19,266                             | -                                   | 19,266                |
| Drug fund use                                      | 269,691                            | -                                   | 269,691               |
| Water and sewer                                    | -                                  | 9,975,225                           | 9,975,225             |
| Unrestricted                                       | 37,054,884                         | 7,305,642                           | 44,360,526            |
| <b>Total net assets</b>                            | <u>\$ 431,357,829</u>              | <u>\$ 123,424,736</u>               | <u>\$ 554,782,565</u> |

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



**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| Primary government                          | Expenses           |                      | Program Revenues                   |                                  | Net (Expense) Revenue and Changes in Net Assets |                          | Total               |
|---|--------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|---------------------|
|   | Functions/Programs | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                         | Business-type Activities |                     |
| <b>Governmental activities:</b>             |                    |                      |                                    |                                  |   |                          |                     |
| Elected officials                           | \$ 133,300         | \$ -                 | \$ -                               | \$ -                             | (133,300)                                       | \$ -                     | (133,300)           |
| Administration                              | 507,073            | -                    | -                                  | -                                | (507,073)                                       | -                        | (507,073)           |
| Human resources                             | 952,403            | -                    | -                                  | -                                | (952,403)                                       | -                        | (952,403)           |
| Legal                                       | 344,610            | -                    | -                                  | -                                | (344,610)                                       | -                        | (344,610)           |
| Communications                              | 315,291            | -                    | -                                  | -                                | (315,291)                                       | -                        | (315,291)           |
| Capital investment planning                 | 233,651            | -                    | -                                  | -                                | (233,651)                                       | -                        | (233,651)           |
| Project & facilities management             | 747,101            | -                    | -                                  | -                                | (747,101)                                       | -                        | (747,101)           |
| Revenue management                          | 1,295,430          | -                    | -                                  | -                                | (1,295,430)                                     | -                        | (1,295,430)         |
| Public safety:                              |                    |                      |                                    |                                  |   |                          |                     |
| Police                                      | 15,461,749         | 990,092              | (144,283)                          | -                                | (14,615,940)                                    | -                        | (14,615,940)        |
| Fire  | 13,197,463         | -                    | 28,684                             | -                                | (13,168,779)                                    | -                        | (13,168,779)        |
| Finance                                     | 865,832            | -                    | -                                  | -                                | (865,832)                                       | -                        | (865,832)           |
| Municipal information and technology        | 3,468,124          | -                    | -                                  | -                                | (3,468,124)                                     | -                        | (3,468,124)         |
| Purchasing                                  | 145,891            | -                    | -                                  | -                                | (145,891)                                       | -                        | (145,891)           |
| Court                                       | 249,454            | -                    | -                                  | -                                | (249,454)                                       | -                        | (249,454)           |
| Building & neighborhood services            | 1,852,075          | 1,521,266            | 34,674                             | -                                | (296,135)                                       | -                        | (296,135)           |
| Planning                                    | 1,408,303          | 182,908              | -                                  | 45,616                           | (1,179,779)                                     | -                        | (1,179,779)         |
| Engineering                                 | 612,030            | -                    | -                                  | 932,947                          | 320,917   | -                        | 320,917             |
| Traffic Operations Center                   | 395,448            | -                    | -                                  | -                                | (395,448)                                       | -                        | (395,448)           |
| Parks                                       | 3,801,959          | -                    | 693,713                            | 2,855                            | (3,105,391)                                     | -                        | (3,105,391)         |
| Streets-maintenance                         | 15,731,936         | 940                  | 2,044,524                          | 10,912,118                       | (2,774,354)                                     | -                        | (2,774,354)         |
| Streets-traffic                             | 1,002,815          | -                    | -                                  | -                                | (1,002,815)                                     | -                        | (1,002,815)         |
| Streets-fleet                               | 523,234            | -                    | -                                  | -                                | (523,234)                                       | -                        | (523,234)           |
| General government                          | 1,294,801          | 202,650              | 771,754                            | -                                | (320,397)                                       | -                        | (320,397)           |
| Sanitation                                  | 8,180,396          | 6,673,158            | -                                  | -                                | (1,507,238)                                     | -                        | (1,507,238)         |
| Storm water                                 | 1,319,328          | 2,108,109            | -                                  | -                                | 788,781   | -                        | 788,781             |
| Transit                                     | 1,257,352          | 64,594               | 788,650                            | -                                | (404,108)                                       | -                        | (404,108)           |
| Interest and amortization on long-term debt | 3,919,236          | -                    | -                                  | -                                | (3,919,236)                                     | -                        | (3,919,236)         |
| <b>Business-type activities:</b>            |                    |                      |                                    |                                  |   |                          |                     |
| Water and sewer                             | 79,216,285         | 11,743,717           | 4,217,716                          | 11,893,536                       | (51,361,316)                                    | -                        | (51,361,316)        |
| <b>Total primary government</b>             | <b>21,396,736</b>  | <b>19,411,483</b>    | <b>4,217,716</b>                   | <b>3,841,390</b>                 | <b>1,856,117</b>                                | <b>1,856,117</b>         | <b>1,856,117</b>    |
|   | <b>100,613,041</b> | <b>31,155,200</b>    | <b>4,217,716</b>                   | <b>15,734,926</b>                | <b>(51,361,316)</b>                             | <b>1,856,117</b>         | <b>(49,505,199)</b> |
| <b>General revenues:</b>                    |                    |                      |                                    |                                  |   |                          |                     |
| Property taxes                              |                    |                      |                                    |                                  |   |                          |                     |
| Sales taxes                                 |                    |                      |                                    |                                  | 11,728,305                                      | -                        | 11,728,305          |
| Other locally assessed taxes                |                    |                      |                                    |                                  | 22,720,666                                      | -                        | 22,720,666          |
| Other state shared taxes                    |                    |                      |                                    |                                  | 4,293,358                                       | -                        | 4,293,358           |
| Access fees and taxes                       |                    |                      |                                    |                                  | 8,687,733                                       | -                        | 8,687,733           |
| Franchise taxes                             |                    |                      |                                    |                                  | 7,712,485                                       | -                        | 7,712,485           |
| Unrestricted investment earnings            |                    |                      |                                    |                                  | 2,029,809                                       | -                        | 2,029,809           |
| Other                                       |                    |                      |                                    |                                  | 658,584   | 169,072                  | 827,656             |
|   |                    |                      |                                    |                                  | (832,378)                                       | 11,796                   | (820,582)           |
| <b>Total general revenues</b>               |                    |                      |                                    |                                  | <b>56,998,562</b>                               | <b>180,868</b>           | <b>57,179,430</b>   |
| Transfers                                   |                    |                      |                                    |                                  |   |                          |                     |
| <b>Total general revenues and transfers</b> |                    |                      |                                    |                                  | <b>56,998,562</b>                               | <b>180,868</b>           | <b>57,179,430</b>   |
| Change in net assets                        |                    |                      |                                    |                                  | 5,637,246                                       | 2,036,985                | 7,674,231           |
| Net assets - beginning of year              |                    |                      |                                    |                                  | 423,779,245                                     | 121,387,751              | 545,166,996         |
| Prior period adjustment                     |                    |                      |                                    |                                  | 1,941,338                                       | -                        | 1,941,338           |
| Net assets - beginning of year, as restated |                    |                      |                                    |                                  | 425,720,583                                     | 121,387,751              | 547,108,334         |
| Net assets - end of year                    |                    |                      |                                    |                                  | 431,357,829                                     | 123,424,736              | 554,782,565         |

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

CITY OF FRANKLIN, TENNESSEE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

|   | General              | Multi-Purpose<br>Capital Project<br>Fund | Debt<br>Service<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|--|-------------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>                                     |                      |  |                         |                                |                                |
| Cash and cash equivalents                         | \$ 6,415,864         | \$ 8,813,610                             | \$ 1,099,568            | \$ 4,050,857                   | \$ 20,379,899                  |
| Investments                                       | 15,661,922           | 4,000,000                                | -                       | 3,700,000                      | 23,361,922                     |
| Receivables:                                      |                      |  |                         |                                |                                |
| Accounts  | 985,450              | -  | -                       | 791,210                        | 1,776,660                      |
| Property taxes, net of uncollectibles (\$101,639) | 7,453,149            | -  | 4,946,729               | -                              | 12,399,878                     |
| Grants  | 501,882              | 1,150,819                                | -                       | 534,105                        | 2,186,806                      |
| Special assessments                               | 53,762               | -  | -                       | -                              | 53,762                         |
| Intergovernmental                                 | 2,409,544            | -  | -                       | 491,737                        | 2,901,281                      |
| Fines, net of uncollectibles (\$430,684)          | 225,242              | -  | -                       | -                              | 225,242                        |
| Local option sales tax                            | 3,931,939            | -  | -                       | -                              | 3,931,939                      |
| Other   | 3,019,746            | 40,239                                   | -                       | 521,460                        | 3,581,445                      |
| Due from other funds                              | 1,757,380            | -  | -                       | 1,563,445                      | 3,320,825                      |
| Inventory   | 522,733              | -  | -                       | -                              | 522,733                        |
| Prepaid items                                     | 11,102               | -  | -                       | -                              | 11,102                         |
| <b>Total assets</b>                               | <b>\$ 42,949,715</b> | <b>\$ 14,004,668</b>                     | <b>\$ 6,046,297</b>     | <b>\$ 11,652,814</b>           | <b>\$ 74,653,494</b>           |
| <b>LIABILITIES AND FUND BALANCES</b>              |                      |  |                         |                                |                                |
| <b>Liabilities:</b>                               |                      |  |                         |                                |                                |
| Accounts payable                                  | \$ 7,207,084         | \$ 1,006,737                             | \$ -                    | \$ 1,035,914                   | \$ 9,249,735                   |
| Accrued expenses                                  | 2,916,249            | -  | -                       | -                              | 2,916,249                      |
| Due to other funds                                | -                    | -  | -                       | 3,320,825                      | 3,320,825                      |
| Deferred revenue                                  | 7,864,616            | 939,122                                  | 4,946,729               | 54,324                         | 13,804,791                     |
| <b>Total liabilities</b>                          | <b>17,987,949</b>    | <b>1,945,859</b>                         | <b>4,946,729</b>        | <b>4,411,063</b>               | <b>29,291,600</b>              |
| <b>Fund balances:</b>                             |                      |  |                         |                                |                                |
| Non-Spendable                                     | 522,733              | -  | -                       | -                              | 522,733                        |
| Restricted  | -                    | -  | -                       | 288,957                        | 288,957                        |
| Committed   | 17,180,294           | 12,058,809                               | 1,099,568               | 8,040,949                      | 38,379,620                     |
| Assigned  | -                    | -  | -                       | -                              | -                              |
| Unassigned  | 7,258,739            | -  | -                       | (1,088,155)                    | 6,170,584                      |
| <b>Total fund balances</b>                        | <b>24,961,766</b>    | <b>12,058,809</b>                        | <b>1,099,568</b>        | <b>7,241,751</b>               | <b>45,361,894</b>              |
| <b>Total liabilities and fund balances</b>        | <b>\$ 42,949,715</b> | <b>\$ 14,004,668</b>                     | <b>\$ 6,046,297</b>     | <b>\$ 11,652,814</b>           | <b>\$ 74,653,494</b>           |

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

**CITY OF FRANKLIN, TENNESSEE**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
 JUNE 30, 2011

Amounts reported for the governmental activities in the Statement of Net Assets (Pages 12 and 13) are different because:

|  |                      |                              |
|--|----------------------|------------------------------|
| <b>Fund balance - total governmental funds (Page 15)</b>   |                      | <b>\$ 45,361,894</b>         |
| Capital and other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds                |                      |                              |
| Net investment in joint venture - Conference Center  | \$ 6,172,334         |                              |
| Other  | 127,699              |                              |
| Capital assets, at cost  | 652,931,172          |                              |
| Less related accumulated depreciation  | <u>(137,647,782)</u> | 521,583,423                  |
| Receivables not available to pay for current expenditures and, therefore, are deferred in the funds  |                      | 2,337,076                    |
| Net pension and OPEB assets are not financial resources and, therefore, are not reported in the governmental funds   |                      | 1,700,441                    |
| Deferred charges, such as bond issue costs and gains on refunding, are expensed in the period in which the bonds are drawn in the governmental funds           |                      | 922,127                      |
| Long-term liabilities, including notes, bonds and leases payable, are not due in the current period and, therefore, are not reported in the governmental funds |                      |                              |
| Bonds outstanding  | (131,817,000)        |                              |
| Leases outstanding   | (1,366,034)          |                              |
| Bond premiums and deferred loss on refunding   | (815,368)            |                              |
| Compensated absences   | <u>(5,638,288)</u>   | (139,636,690)                |
| Payables, such as accrued interest payable, are not due and payable in the current period, and therefore are not reported in the funds                         |                      | <u>(910,442)</u>             |
| <b>Net assets - governmental activities (Page 13)</b>  |                      | <b><u>\$ 431,357,829</u></b> |

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

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

|                                      | <u>General<br/>Fund</u> | <u>Multi-Purpose<br/>Capital Project<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--------------------------------------|-------------------------|---|----------------------------------|---|---|
| <b>Revenues:</b>                     |                         |   |                                  |   |   |
| Taxes                                | \$ 32,901,377           | \$ -  | \$ 4,952,567                     | \$ 4,665,248                            | \$ 42,519,192                           |
| Licenses and permits                 | 3,731,553               | -   | -                                | 2,466,846                               | 6,198,399                               |
| Fines and fees                       | 807,544                 | -   | -                                | 137,501                                 | 945,045                                 |
| Charge for services                  | 62,779                  | -   | -                                | 8,845,861                               | 8,908,640                               |
| Intergovernmental                    | 12,443,477              | 211,697   | 872,753                          | 3,170,391                               | 16,698,318                              |
| Use of money and property            | 541,660                 | 145,859   | 3,847                            | 703,455                                 | 1,394,821                               |
| Miscellaneous and other              | 213,310                 | 1,800   | -                                | -                                       | 215,110                                 |
| <b>Total revenues</b>                | <u>50,701,700</u>       | <u>359,356</u>                                    | <u>5,829,167</u>                 | <u>19,989,302</u>                       | <u>76,879,525</u>                       |
| <b>Expenditures:</b>                 |                         |   |                                  |   |   |
| Current:                             |                         |   |                                  |   |   |
| Elected officials                    | 136,692                 | -   | -                                | -                                       | 136,692                                 |
| Administration                       | 495,904                 | -   | -                                | -                                       | 495,904                                 |
| Human resources                      | 889,713                 | -   | -                                | -                                       | 889,713                                 |
| Legal                                | 334,594                 | -   | -                                | -                                       | 334,594                                 |
| Communications                       | 305,346                 | -   | -                                | -                                       | 305,346                                 |
| Capital investment planning          | 236,110                 | -   | -                                | -                                       | 236,110                                 |
| Project & facilities management      | 738,229                 | -   | -                                | -                                       | 738,229                                 |
| Revenue management                   | 1,283,643               | -   | -                                | -                                       | 1,283,643                               |
| Public safety:                       |                         |   |                                  |   |   |
| Police                               | 14,297,451              | 77,057  | -                                | 124,515                                 | 14,499,023                              |
| Fire                                 | 12,450,359              | -   | -                                | -                                       | 12,450,359                              |
| Finance                              | 836,972                 | -   | -                                | -                                       | 836,972                                 |
| Municipal information and technology | 2,030,532               | -   | -                                | -                                       | 2,030,532                               |
| Purchasing                           | 140,776                 | -   | -                                | -                                       | 140,776                                 |
| Court                                | 247,575                 | -   | -                                | -                                       | 247,575                                 |
| Building & neighborhood services     | 1,869,310               | -   | -                                | -                                       | 1,869,310                               |
| Planning                             | 1,362,339               | -   | -                                | -                                       | 1,362,339                               |
| Engineering                          | 588,560                 | -   | -                                | -                                       | 588,560                                 |
| Traffic operations center            | 1,100,104               | -   | -                                | -                                       | 1,100,104                               |
| Parks                                | 3,162,220               | -   | -                                | -                                       | 3,162,220                               |
| Streets-maintenance                  | 3,781,100               | -   | -                                | 2,285,842                               | 6,066,942                               |
| Streets-traffic                      | 913,788                 | -   | -                                | -                                       | 913,788                                 |
| Streets-fleet                        | 512,126                 | 337,822   | -                                | -                                       | 849,948                                 |
| General government                   | 96,658                  | -   | -                                | 846,539                                 | 943,197                                 |
| Sanitation                           | -                       | -   | -                                | 7,366,610                               | 7,366,610                               |
| Storm water                          | -                       | 48  | -                                | 1,246,214                               | 1,246,262                               |
| Transit                              | -                       | -   | -                                | 1,195,802                               | 1,195,802                               |
| Debt service                         | -                       | 276,425   | 10,329,141                       | -                                       | 10,605,566                              |
| Capital outlay                       | 983,233                 | 16,507,352  | -                                | 1,105,365                               | 18,595,950                              |
| <b>Total expenditures</b>            | <u>\$ 48,793,334</u>    | <u>\$ 17,198,704</u>                              | <u>\$ 10,329,141</u>             | <u>\$ 14,170,887</u>                    | <u>\$ 90,492,066</u>                    |

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

(Continued)



CITY OF FRANKLIN, TENNESSEE  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Cont.)  
 GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

|  | <u>General<br/>Fund</u> | <u>Multi-Purpose<br/>Capital Project<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------------|---|----------------------------------|---|---|
| Excess (deficiency) of revenues over<br>(under) expenditures | \$ 1,908,366            | \$ (16,839,348)                                   | \$ (4,499,974)                   | \$ 5,818,415                            | \$ (13,612,541)                         |
| <b>Other financing sources (uses):</b>                       |                         |   |                                  |   |   |
| Issuance of debt, including premium                          | -                       | 15,725,000  | 17,481,236                       | -                                       | 33,206,236                              |
| Refunding of debt  | -                       | -   | (17,317,803)                     | -                                       | (17,317,803)                            |
| Transfers from other funds                                   | -                       | 481,504   | 4,970,918                        | 2,379,469                               | 7,831,891                               |
| Transfers to other funds                                     | (2,860,973)             | -   | -                                | (4,970,918)                             | (7,831,891)                             |
| <b>Total other financing sources (uses)</b>                  | <u>(2,860,973)</u>      | <u>16,206,504</u>                                 | <u>5,134,351</u>                 | <u>(2,591,449)</u>                      | <u>15,888,433</u>                       |
| Net changes in fund balances                                 | (952,607)               | (632,844)   | 634,377                          | 3,226,966                               | 2,275,892                               |
| <b>Fund balances - beginning</b>                             | <u>25,914,373</u>       | <u>12,691,653</u>                                 | <u>465,191</u>                   | <u>4,014,785</u>                        | <u>43,086,002</u>                       |
| <b>Fund balances - ending</b>                                | <u>\$ 24,961,766</u>    | <u>\$ 12,058,809</u>                              | <u>\$ 1,099,568</u>              | <u>\$ 7,241,751</u>                     | <u>\$ 45,361,894</u>                    |

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



**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, 2011**

Amounts reported for the governmental activities in the Statement of Net Assets (Page 14) are different because:

**Net changes in fund balances - total governmental funds (Page 18)** \$ 2,275,892

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      | 20,003,028          |           |
| Loss on disposal of capital assets | (1,349,307)         |           |
| Depreciation expense               | <u>(15,727,453)</u> | 2,926,268 |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds for:

|                            |                  |            |
|----------------------------|------------------|------------|
| Property tax               | (49,735)         |            |
| Franchise fees             | (720)            |            |
| Court fines                | (6,665)          |            |
| Grant revenues             | 517,319          |            |
| Contributed capital assets | <u>9,804,196</u> | 10,264,395 |

The issuance of long-term debt provides 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 assets. Specifically, these items are as follows:

|   |                   |             |
|---|-------------------|-------------|
| Lease issuance                                | (92,743)          |             |
| Debt issuance                                 | (32,315,000)      |             |
| Bonds premiums and deferred refunding amounts | (513,095)         |             |
| Lease payments                                | 608,062           |             |
| Lease payments-accrued interest               | 3,392             |             |
| Debt payments                                 | <u>22,793,000</u> | (9,516,384) |

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities for:

|                                       |                 |         |
|---------------------------------------|-----------------|---------|
| Bond issue costs on new debt issuance | 348,135         |         |
| Amortization of bond issue costs      | <u>(64,692)</u> | 283,443 |

Expenses 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 for:

|                   |                  |                  |
|-------------------|------------------|------------------|
| Employee benefits | (371,809)        |                  |
| Accrued interest  | <u>(224,559)</u> | <u>(596,368)</u> |

**Change in net assets of governmental activities (Page 14)** **\$ 5,637,246**

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**GENERAL FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| Revenues:   | Budgeted Amounts  |                   | Actual            | Variance with<br>Final Budget<br>Over (Under) |
|---|-------------------|-------------------|-------------------|---|
|   | Original          | Final             |                   |   |
| Taxes:  |                   |                   |                   |   |
| Real and personal property taxes                  | \$ 6,667,531      | \$ 6,667,531      | \$ 6,432,113      | \$ (235,418)                                  |
| Penalty and interest                              | 40,000            | 40,000            | 51,707            | 11,707  |
| In lieu of tax                                    | 351,000           | 351,000           | 341,652           | (9,348)                                       |
| Sales tax   | 22,383,900        | 22,568,466        | 22,720,666        | 152,200                                       |
| Beer tax  | 1,326,000         | 1,326,000         | 1,421,683         | 95,683  |
| Beer privilege tax                                | 18,500            | 18,500            | 19,918            | 1,418   |
| Wholesale liquor tax                              | 826,200           | 826,200           | 854,254           | 28,054  |
| Liquor privilege tax                              | 66,300            | 66,300            | 72,005            | 5,705   |
| Mixed drink tax                                   | 453,900           | 453,900           | 497,573           | 43,673  |
| Business tax                                      | 5,000             | 5,000             | 8,302             | 3,302   |
| Facilities tax                                    | -                 | 481,504           | 481,504           | -   |
| Total Taxes                                       | <u>32,138,331</u> | <u>32,804,401</u> | <u>32,901,377</u> | <u>96,976</u>                                 |
| Licenses and permits:                             |                   |                   |                   |   |
| Mechanical licenses                               | 7,200             | 7,200             | 5,200             | (2,000)                                       |
| Mechanical permits                                | 76,500            | 76,500            | 105,506           | 29,006  |
| Building permits                                  | 408,000           | 454,330           | 820,111           | 365,781                                       |
| Plumbing licenses                                 | 6,216             | 6,216             | 4,169             | (2,047)                                       |
| Plumbing permits                                  | 56,100            | 56,100            | 102,788           | 46,688  |
| Electric permits                                  | 138,700           | 138,700           | 186,224           | 47,524  |
| Inspection Fees                                   | 61,050            | 61,050            | 94,727            | 33,677  |
| Site review, rezoning and submittal fees          | 45,500            | 45,500            | 73,705            | 28,205  |
| Beer permits and licenses                         | 14,300            | 14,300            | 14,500            | 200   |
| Yard sale permits                                 | 9,200             | 9,200             | 8,800             | (400)   |
| Business license                                  | 250,000           | 250,000           | 261,720           | 11,720  |
| Alarm permits                                     | 20,400            | 20,400            | 21,874            | 1,474   |
| Miscellaneous permits                             | 5,475             | 5,475             | 1,700             | (3,775)                                       |
| Franchise taxes                                   | 2,100,000         | 2,100,000         | 2,030,529         | (69,471)                                      |
| Total Licenses and permits                        | <u>3,198,641</u>  | <u>3,244,971</u>  | <u>3,731,553</u>  | <u>486,582</u>                                |
| Fines and fees:                                   |                   |                   |                   |   |
| Fines - city court                                | 950,000           | 950,000           | 714,013           | (235,987)                                     |
| Fines - general sessions                          | 79,000            | 79,000            | 67,107            | (11,893)                                      |
| Parking tickets                                   | 51,500            | 51,500            | 17,295            | (34,205)                                      |
| Building & street standards board of appeals fees | -                 | -                 | 250               | 250   |
| Business tax fees                                 | -                 | -                 | 3,149             | 3,149   |
| Tree bank fees                                    | -                 | -                 | 5,730             | 5,730   |
| Beer board violations                             | 1,500             | 1,500             | -                 | (1,500)                                       |
| Total Fines and fees                              | <u>1,082,000</u>  | <u>1,082,000</u>  | <u>807,544</u>    | <u>(274,456)</u>                              |

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

(Continued)

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Cont.)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| Revenues (Cont.):                               | Budgeted Amounts     |                      | Actual               | Variance with<br>Final Budget<br>Over (Under) |
|---|----------------------|----------------------|----------------------|---|
|   | Original             | Final                |                      |   |
| <b>Charges for services:</b>                    |                      |                      |                      |   |
| Regional fire training                          | 300                  | 300                  | 1,000                | 700   |
| Maps sold                                       | 2,000                | 2,000                | 1,717                | (283)   |
| Plans sold                                      | -                    | -                    | 3,775                | 3,775   |
| Accident reports                                | 40,000               | 40,000               | 35,470               | (4,530)                                       |
| Fingerprinting fees                             | 1,500                | 1,500                | 1,480                | (20)  |
| Offender registry                               | 1,500                | 1,500                | 2,100                | 600   |
| License seizure fees                            | 2,000                | 2,000                | 865                  | (1,135)                                       |
| Citizens Academies                              | 2,000                | 2,000                | -                    | (2,000)                                       |
| 3rd party billable overtime                     | 15,000               | 15,000               | 15,432               | 432   |
| Compost vouchers                                | -                    | -                    | 940                  | 940   |
| <b>Total Charges for services</b>               | <b>64,300</b>        | <b>64,300</b>        | <b>62,779</b>        | <b>(1,521)</b>                                |
| <b>Intergovernmental:</b>                       |                      |                      |                      |   |
| Admin charges to other funds                    | 2,016,083            | 2,016,083            | 2,016,083            | -   |
| Reimbursement from other local governments      | -                    | 25,500               | -                    | (25,500)                                      |
| State income tax                                | 1,200,000            | 1,200,000            | 1,228,236            | 28,236  |
| Sales tax                                       | 3,765,000            | 3,765,000            | 3,767,317            | 2,317   |
| State beer tax                                  | 30,600               | 30,600               | 29,329               | (1,271)                                       |
| State excise tax                                | 55,000               | 55,000               | 13,498               | (41,502)                                      |
| In lieu of tax - TVA                            | 650,000              | 650,000              | 632,821              | (17,179)                                      |
| Business tax from state                         | 2,450,000            | 2,450,000            | 2,518,958            | 68,958  |
| Federal and state financial assistance programs | 1,672,300            | 1,672,300            | 2,237,235            | 564,935                                       |
| <b>Total Intergovernmental</b>                  | <b>11,838,983</b>    | <b>11,864,483</b>    | <b>12,443,477</b>    | <b>578,994</b>                                |
| <b>Use of money and property:</b>               |                      |                      |                      |   |
| Interest income                                 | 772,500              | 772,500              | 415,422              | (357,078)                                     |
| Rebates on purchases                            | 25,000               | 25,000               | 29,572               | 4,572   |
| Rent - mall and other                           | 20,000               | 20,000               | 2,116                | (17,884)                                      |
| Park concessions and rentals                    | 24,000               | 24,000               | 27,769               | 3,769   |
| Sale of surplus assets                          | 100,000              | 100,000              | 66,781               | (33,219)                                      |
| <b>Total Use of money and property</b>          | <b>941,500</b>       | <b>941,500</b>       | <b>541,660</b>       | <b>(399,840)</b>                              |
| <b>Miscellaneous:</b>                           |                      |                      |                      |   |
| Miscellaneous income                            | 100,000              | 100,000              | 101,292              | 1,292   |
| In-kind grant contributions                     | -                    | -                    | 1,614                | 1,614   |
| Insurance reimbursements                        | -                    | -                    | 110,404              | 110,404                                       |
| <b>Total Miscellaneous</b>                      | <b>100,000</b>       | <b>100,000</b>       | <b>213,310</b>       | <b>113,310</b>                                |
| <b>Total revenues</b>                           | <b>\$ 49,363,755</b> | <b>\$ 50,101,655</b> | <b>\$ 50,701,700</b> | <b>\$ 600,045</b>                             |

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

(Continued)

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Cont.)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|   | <u>Budgeted Amounts</u> |                | <u>Actual</u>  | <u>Variance with<br/>Final Budget<br/>Over (Under)</u> |
|---|-------------------------|----------------|----------------|--|
|   | <u>Original</u>         | <u>Final</u>   |                |  |
| <b>Expenditures:</b>                    |                         |                |                |  |
| Elected officials:                      |                         |                |                |  |
| Current                                 |                         |                |                |  |
| Personnel                               | \$ 127,737              | \$ 122,737     | \$ 120,230     | \$ (2,507)   |
| Operations                              | 25,972                  | 15,972         | 16,462         | 490  |
| Total Elected officials                 | <u>153,709</u>          | <u>138,709</u> | <u>136,692</u> | <u>(2,017)</u>   |
| Administration:                         |                         |                |                |  |
| Current                                 |                         |                |                |  |
| Personnel                               | 387,388                 | 389,945        | 402,619        | 12,674   |
| Operations                              | 174,957                 | 109,957        | 93,285         | (16,672)   |
| Total General government administration | <u>562,345</u>          | <u>499,902</u> | <u>495,904</u> | <u>(3,998)</u>   |
| Human resources:                        |                         |                |                |  |
| Current                                 |                         |                |                |  |
| Personnel                               | 627,944                 | 677,157        | 713,814        | 36,657   |
| Operations                              | 191,653                 | 214,028        | 175,899        | (38,129)   |
| Total Human resources                   | <u>819,597</u>          | <u>891,185</u> | <u>889,713</u> | <u>(1,472)</u>   |
| Legal:                                  |                         |                |                |  |
| Current                                 |                         |                |                |  |
| Personnel                               | 244,221                 | 245,879        | 266,626        | 20,747   |
| Operations                              | 125,477                 | 89,977         | 67,968         | (22,009)   |
| Total Legal                             | <u>369,698</u>          | <u>335,856</u> | <u>334,594</u> | <u>(1,262)</u>   |
| Communications:                         |                         |                |                |  |
| Current                                 |                         |                |                |  |
| Personnel                               | 265,042                 | 265,042        | 275,539        | 10,497   |
| Operations                              | 49,692                  | 41,692         | 29,807         | (11,885)   |
| Total Communications                    | <u>314,734</u>          | <u>306,734</u> | <u>305,346</u> | <u>(1,388)</u>   |
| Capital investment planning:            |                         |                |                |  |
| Current                                 |                         |                |                |  |
| Personnel                               | 209,089                 | 210,456        | 216,541        | 6,085  |
| Operations                              | 28,332                  | 28,332         | 19,569         | (8,763)  |
| Total Capital investment planning       | <u>237,421</u>          | <u>238,788</u> | <u>236,110</u> | <u>(2,678)</u>   |

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

(Continued)

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Cont.)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|  | <u>Budgeted Amounts</u> |              | <u>Actual</u> | <u>Variance with<br/>Final Budget<br/>Over (Under)</u> |
|--|-------------------------|--------------|---------------|--|
|  | <u>Original</u>         | <u>Final</u> |               |  |
| <b>Expenditures (Cont.):</b>               |                         |              |               |  |
| Project & facilities management:           |                         |              |               |  |
| Current                                    |                         |              |               |  |
| Personnel                                  | 354,871                 | 358,212      | 360,106       | 1,894  |
| Operations                                 | 330,538                 | 330,538      | 378,123       | 47,585   |
| Total current                              | 685,409                 | 688,750      | 738,229       | 49,479   |
| Capital outlay                             | 50,000                  | 50,000       | -             | (50,000)   |
| Total Project and facilities management    | 735,409                 | 738,750      | 738,229       | (521)  |
| Revenue management                         |                         |              |               |  |
| Current                                    |                         |              |               |  |
| Personnel                                  | 754,115                 | 841,433      | 912,964       | 71,531   |
| Operations                                 | 442,657                 | 442,657      | 370,679       | (71,978)   |
| Total Revenue management                   | 1,196,772               | 1,284,090    | 1,283,643     | (447)  |
| Police department                          |                         |              |               |  |
| Current                                    |                         |              |               |  |
| Personnel                                  | 10,589,368              | 10,663,190   | 11,131,086    | 467,896  |
| Operations                                 | 3,012,585               | 3,606,091    | 3,166,365     | (439,726)  |
| Total current                              | 13,601,953              | 14,269,281   | 14,297,451    | 28,170   |
| Capital outlay                             | -                       | 406,510      | 375,054       | (31,456)   |
| Total Police department                    | 13,601,953              | 14,675,791   | 14,672,505    | (3,286)  |
| Fire department:                           |                         |              |               |  |
| Current                                    |                         |              |               |  |
| Personnel                                  | 10,990,792              | 11,068,246   | 11,201,685    | 133,439  |
| Operations                                 | 1,255,643               | 1,357,404    | 1,248,674     | (108,730)  |
| Total current                              | 12,246,435              | 12,425,650   | 12,450,359    | 24,709   |
| Capital outlay                             | 50,000                  | 50,000       | 24,853        | (25,147)   |
| Total Fire department                      | 12,296,435              | 12,475,650   | 12,475,212    | (438)  |
| Finance:                                   |                         |              |               |  |
| Current                                    |                         |              |               |  |
| Personnel                                  | 723,855                 | 744,003      | 737,566       | (6,437)  |
| Operations                                 | 83,813                  | 83,813       | 99,406        | 15,593   |
| Total current                              | 807,668                 | 827,816      | 836,972       | 9,156  |
| Capital outlay                             | 10,000                  | 10,000       | -             | (10,000)   |
| Total Finance                              | 817,668                 | 837,816      | 836,972       | (844)  |
| Municipal information and technology:      |                         |              |               |  |
| Current                                    |                         |              |               |  |
| Personnel                                  | 1,167,961               | 1,174,612    | 1,113,801     | (60,811)   |
| Operations                                 | 827,812                 | 861,812      | 916,731       | 54,919   |
| Total current                              | 1,995,773               | 2,036,424    | 2,030,532     | (5,892)  |
| Capital outlay                             | 28,000                  | 28,000       | 32,493        | 4,493  |
| Total Municipal information and technology | 2,023,773               | 2,064,424    | 2,063,025     | (1,399)  |

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

(Continued)

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Cont.)**  
**GENERAL FUND**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| Expenditures (Cont.):                     | Budgeted Amounts |                  | Actual           | Variance with<br>Final Budget<br>Over (Under) |
|---|------------------|------------------|------------------|---|
|   | Original         | Final            |                  |   |
| Purchasing:                               |                  |                  |                  |   |
| Current                                   |                  |                  |                  |   |
| Personnel                                 | 138,798          | 134,507          | 134,371          | (136)   |
| Operations                                | 6,830            | 6,830            | 6,405            | (425)   |
| Total Purchasing                          | <u>145,628</u>   | <u>141,337</u>   | <u>140,776</u>   | <u>(561)</u>                                  |
| Court:                                    |                  |                  |                  |   |
| Current                                   |                  |                  |                  |   |
| Personnel                                 | 192,696          | 193,568          | 197,209          | 3,641   |
| Operations                                | 92,743           | 56,743           | 50,366           | (6,377)                                       |
| Total Court                               | <u>285,439</u>   | <u>250,311</u>   | <u>247,575</u>   | <u>(2,736)</u>                                |
| Building & neighborhood services (Codes): |                  |                  |                  |   |
| Current                                   |                  |                  |                  |   |
| Personnel                                 | 1,667,471        | 1,705,976        | 1,707,540        | 1,564   |
| Operations                                | 124,690          | 164,690          | 161,770          | (2,920)                                       |
| Total Building of neighborhood services   | <u>1,792,161</u> | <u>1,870,666</u> | <u>1,869,310</u> | <u>(1,356)</u>                                |
| Planning:                                 |                  |                  |                  |   |
| Current                                   |                  |                  |                  |   |
| Personnel                                 | 1,244,656        | 1,252,349        | 1,235,983        | (16,366)                                      |
| Operations                                | 146,318          | 111,318          | 126,356          | 15,038  |
| Total Planning                            | <u>1,390,974</u> | <u>1,363,667</u> | <u>1,362,339</u> | <u>(1,328)</u>                                |
| Engineering:                              |                  |                  |                  |   |
| Current                                   |                  |                  |                  |   |
| Personnel                                 | 545,638          | 549,385          | 559,277          | 9,892   |
| Operations                                | 54,950           | 39,950           | 29,283           | (10,667)                                      |
| Total Engineering                         | <u>600,588</u>   | <u>589,335</u>   | <u>588,560</u>   | <u>(775)</u>                                  |
| Traffic operations center:                |                  |                  |                  |   |
| Current                                   |                  |                  |                  |   |
| Personnel                                 | 218,614          | 219,999          | 231,182          | 11,183  |
| Operations                                | 1,207,282        | 871,282          | 868,922          | (2,360)                                       |
| Total current                             | <u>1,425,896</u> | <u>1,091,281</u> | <u>1,100,104</u> | <u>8,823</u>                                  |
| Capital outlay                            | 830,000          | 314,000          | 304,701          | (9,299)                                       |
| Total Traffic operations center           | <u>2,255,896</u> | <u>1,405,281</u> | <u>1,404,805</u> | <u>(476)</u>                                  |

(Continued)

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



CITY OF FRANKLIN, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Cont.)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| Expenditures (Cont.):                      | Budgeted Amounts     |                      | Actual               | Variance with<br>Final Budget<br>Over (Under) |
|--|----------------------|----------------------|----------------------|---|
|  | Original             | Final                |                      |   |
| Parks:                                     |                      |                      |                      |   |
| Current                                    |                      |                      |                      |   |
| Personnel                                  | 1,680,403            | 1,689,549            | 1,716,932            | 27,383  |
| Operations                                 | 664,531              | 1,444,531            | 1,445,288            | 757   |
| Total current                              | 2,344,934            | 3,134,080            | 3,162,220            | 28,140  |
| Capital outlay                             | 97,500               | 230,070              | 201,497              | (28,573)                                      |
| Total Parks                                | 2,442,434            | 3,364,150            | 3,363,717            | (433)   |
| Streets-Maintenance:                       |                      |                      |                      |   |
| Current                                    |                      |                      |                      |   |
| Personnel                                  | 2,057,095            | 2,110,455            | 2,250,536            | 140,081                                       |
| Operations                                 | 1,436,495            | 1,521,495            | 1,530,564            | 9,069   |
| Total current                              | 3,493,590            | 3,631,950            | 3,781,100            | 149,150                                       |
| Capital outlay                             | 175,000              | 175,000              | 21,079               | (153,921)                                     |
| Total Streets-maintenance                  | 3,668,590            | 3,806,950            | 3,802,179            | (4,771)                                       |
| Streets-Traffic:                           |                      |                      |                      |   |
| Current                                    |                      |                      |                      |   |
| Personnel                                  | 537,580              | 540,526              | 525,837              | (14,689)                                      |
| Operations                                 | 364,215              | 364,215              | 387,951              | 23,736  |
| Total current                              | 901,795              | 904,741              | 913,788              | 9,047   |
| Capital outlay                             | 239,000              | 33,000               | 23,556               | (9,444)                                       |
| Total Streets-traffic                      | 1,140,795            | 937,741              | 937,344              | (397)   |
| Streets - Fleet                            |                      |                      |                      |   |
| Current                                    |                      |                      |                      |   |
| Personnel                                  | 423,211              | 425,543              | 415,527              | (10,016)                                      |
| Operations                                 | (35,294)             | 87,706               | 96,599               | 8,893   |
| Total Streets-fleet                        | 387,917              | 513,249              | 512,126              | (1,123)                                       |
| General government:                        |                      |                      |                      |   |
| Current                                    |                      |                      |                      |   |
| Personnel                                  | 633,510              | 510                  | (984,655)            | (985,165)                                     |
| Operations                                 | (318,609)            | (358,870)            | 624,135              | 983,005                                       |
| Total General expenditures                 | 314,901              | (358,360)            | (360,520)            | (2,160)                                       |
| Contributions:                             |                      |                      |                      |   |
| Current                                    |                      |                      |                      |   |
| Appropriations to non profit organizations | 441,002              | 459,146              | 457,178              | (1,968)                                       |
| Total Contributions                        | 441,002              | 459,146              | 457,178              | (1,968)                                       |
| <b>Total expenditures</b>                  | <b>\$ 47,995,839</b> | <b>\$ 48,831,168</b> | <b>\$ 48,793,334</b> | <b>\$ (37,834)</b>                            |

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

(Continued)

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Cont.)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|   | <u>Budgeted Amounts</u> |                       | <u>Actual</u>        | <b>Variance with</b> |
|---|-------------------------|-----------------------|----------------------|----------------------|
|   | <u>Original</u>         | <u>Final</u>          |                      | <b>Final Budget</b>  |
| <b>Expenditures (Cont.):</b>                |                         |                       |                      | <b>Over (Under)</b>  |
| Excess of revenues over expenditures        | \$ 1,367,916            | \$ 1,270,487          | \$ 1,908,366         | \$ 637,879           |
| <b>Other financing sources (uses):</b>      |                         |                       |                      |                      |
| Transfer to other funds                     | <u>(2,037,466)</u>      | <u>(3,230,328)</u>    | <u>(2,860,973)</u>   | <u>(369,355)</u>     |
| <b>Total other financing sources (uses)</b> | <u>(2,037,466)</u>      | <u>(3,230,328)</u>    | <u>(2,860,973)</u>   | <u>(369,355)</u>     |
| <b>Net changes in fund balances</b>         | <u>\$ (669,550)</u>     | <u>\$ (1,959,841)</u> | (952,607)            | <u>\$ 1,007,234</u>  |
| <b>Fund balance - beginning of year</b>     |                         |                       | <u>25,914,373</u>    |                      |
| <b>Fund balance - end of year</b>           |                         |                       | <u>\$ 24,961,766</u> |                      |

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

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUND - WATER AND SEWER FUND**  
 JUNE 30, 2011

**ASSETS**

## Current assets:

|   |                   |
|---|-------------------|
| Cash and cash equivalents   | \$ 5,757,053      |
| Accounts receivable, net of allowance for doubtful accounts (\$9,000) | 4,159,464         |
| Grants receivable   | 293,385           |
| Inventory   | 253,767           |
| Total current assets  | <u>10,463,669</u> |

## Restricted assets:

|                           |                  |
|---------------------------|------------------|
| Cash and cash equivalents | 7,219,225        |
| Investments               | 2,756,000        |
| Total restricted assets   | <u>9,975,225</u> |

## Noncurrent assets:

|   |                    |
|---|--------------------|
| Unamortized bond issue costs                            | <u>233,115</u>     |
| Capital assets (net of accumulated depreciation):       |                    |
| Land  | 5,238,945          |
| Buildings and improvements                              | 3,255,820          |
| Utility plant in service                                | 136,013,284        |
| Machinery and equipment                                 | 1,314,897          |
| Construction in progress                                | 10,767,908         |
| Total capital assets (net of accumulated depreciation): | <u>156,590,854</u> |
| Total noncurrent assets                                 | <u>156,823,969</u> |
| Total assets  | <u>177,262,863</u> |

**LIABILITIES**

## Current liabilities:

|                                      |                  |
|--------------------------------------|------------------|
| Accounts payable                     | 1,679,109        |
| Accrued interest                     | 348,964          |
| Deferred revenue - unearned          | 451,525          |
| Compensated absences payable         | 294,051          |
| Current maturities of leases         | 100,225          |
| Current maturities of long-term debt | 3,007,611        |
| Total current liabilities            | <u>5,881,485</u> |

## Noncurrent liabilities:

|   |                   |
|---|-------------------|
| Compensated absences payable                | 384,378           |
| Long-term leases, net of current maturities | 77,315            |
| Long-term debt, net of current maturities   | 47,494,949        |
| Total noncurrent liabilities                | <u>47,956,642</u> |
| Total liabilities                           | <u>53,838,127</u> |

**NET ASSETS**

|   |                       |
|---|-----------------------|
| Invested in capital assets, net of related debt | 106,143,869           |
| Restricted                                      | 9,975,225             |
| Unrestricted                                    | 7,305,642             |
| Total net assets                                | <u>\$ 123,424,736</u> |

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

