

**FINANCIAL SECTION**





## Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin, Tennessee (the "City"), as of and for the year ended June 30, 2011 (except for the Fiduciary Pension Fund, which is as of December 31, 2010 and for the year then ended), which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2011 (except for the Fiduciary Pension Fund, which is as of December 31, 2010), and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund for the year then ended (except for the Fiduciary Pension Fund, which is as of December 31, 2010), in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As discussed in Note 1 (D) to the financial statements, the Government adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010.



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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11 and the schedules of funding progress-employee retirement system on page 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, statistical section and the information listed as supplementary schedules in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements, the supplementary schedules not marked "unaudited" and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section, the supplementary schedules marked "unaudited," and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Crosslin & Associates, P.C.*

Nashville, Tennessee  
December 8, 2011



As management of the City of Franklin, Tennessee (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. Readers are encouraged to consider the information presented here in conjunction with the Letter of Transmittal, which can be found on pages i through iii of this report.

**Financial Highlights:**

- **Net Assets.** The assets of the City of Franklin exceeded its liabilities at the close of the most recent fiscal year by \$554,782,565, compared to \$547,108,334 in the previous fiscal year. Of this amount, \$44,360,526 (unrestricted net assets) may be used to meet government's ongoing obligations to citizens and creditors.
- **Fund Balances.** At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$45,361,894. In the prior year, this amount was \$43,086,002. The increase of \$2,275,892 is due primarily to increases in road impact fees and facilities taxes during 2011. Also, the City's debt service fund ended the year with an accumulated balance towards future debt service of slightly over \$1 million.
- **General Fund – Fund Balance.** At the end of the current fiscal year, fund balance in the General Fund is \$24,961,766, or 48% of General Fund expenditures (including transfers to other funds) of \$51,654,307. The fund balance decreased \$952,607 from the prior year. The primary impacts on the fund balance in 2011 are the effect of the current economy and a budgeted draw from fund balance to cover the \$980,000 of capital equipment expenditures.
- **Capital Assets.** The City has undertaken several infrastructure projects (including improvements to Carothers Parkway and McEwen Drive).
- **Debt.** The City's total debt increased by the amount of \$7,651,718 (from \$174,594,516 to \$182,246,234) during the current fiscal year. New general obligation debt of \$32,315,000 was issued during the year, with \$16,970,000 of previous debt refunded. The Water and Sewer Fund increased its debt by \$1,066,323 of loans provided under the provisions of the American Recovery and Reinvestment Act (ARRA). A total of \$8,731,000 (\$5,823,000 general obligation and \$2,908,000 Water and Sewer) bonds were repaid during the year.
- **Budget.** The City's 2011 General Fund amended budget had anticipated up to a \$2.0 million draw from fund balance. The General Fund had an actual draw of approximately \$1.0 million during fiscal year 2011, primarily due to carryovers from 2010. These carryovers were primarily police vehicles ordered in 2010 but received in 2011 and a transfer to Street Aid for paving delayed due to the May 2010 flood.

**Overview of the Financial Statements:**

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

Government-wide financial statements. The Government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over periods of time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Franklin include general government, public safety, highways and streets, sanitation, economic development, and cultural and recreation. The *government-wide financial statements* can be found on pages 12 through 14 of this report.

### Overview of the Financial Statements (Continued):

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

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

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

The City maintained twelve (12) individual governmental funds during 2011. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and the Multi-Purpose Capital Project Fund, which are considered to be major funds. Data from the other nonmajor governmental funds is combined into a single, aggregated presentation in the form of combining statements on pages 61 and 62 of this report.

The City of Franklin, Tennessee adopts an annual appropriated budget for its General Fund, Debt Service Fund, and Special Revenue funds. A budgetary comparison has been provided for the General Fund on pages 20 through 26, the Debt Service Fund on page 63, and for the special revenue funds on pages 64 through 72 to demonstrate compliance with this budget.

The *basic governmental fund financial statements* can be found on pages 15 through 19 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Sewer Fund, which is considered to be a major fund. The *basic proprietary fund financial statements* can be found on pages 27 through 30 of this report.

Fiduciary Funds. A fiduciary fund is used to account for resources held for the benefit of parties outside the government. The City uses a fiduciary fund to account for its pension plan. The fiduciary fund is not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used in proprietary funds. The *basic fiduciary fund financial statements* can be found on pages 31 through 32 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 through 58 of this report.

### Financial Analysis of the Financial Statements:

#### Government-wide Financial Analysis

Over time, as noted earlier, net assets may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$554,782,565 at the close of the most recent fiscal year.



**Financial Analysis of the Financial Statements (Continued):**

**City of Franklin's Net Assets**

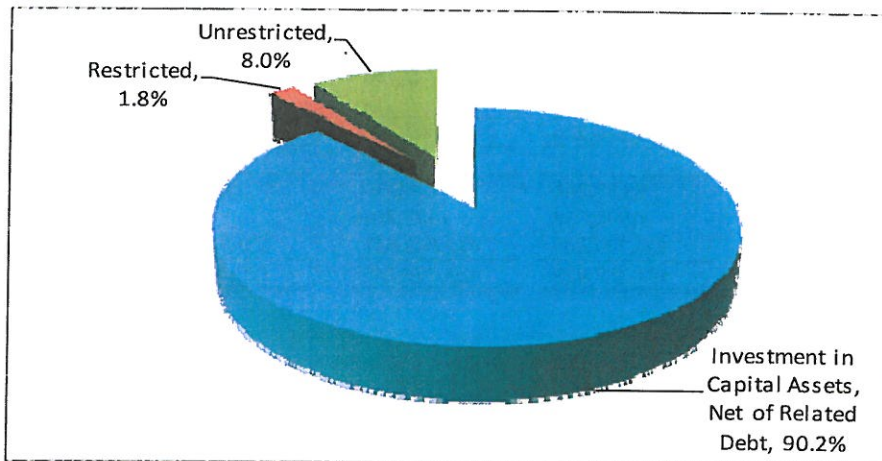
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and other assets	\$82,008,099	\$80,495,676	\$20,672,009	\$22,734,642
Capital assets, net of accumulated depreciation	515,283,390	502,552,924	156,590,854	154,873,263
<b>Total Assets</b>	<b>597,291,489</b>	<b>583,048,600</b>	<b>177,262,863</b>	<b>177,607,905</b>
Long-term liabilities outstanding	141,400,533	133,053,954	51,358,529	53,061,104
Other liabilities	24,533,127	24,274,063	2,479,598	3,159,050
<b>Total Liabilities</b>	<b>165,933,660</b>	<b>157,328,017</b>	<b>53,838,127</b>	<b>56,220,154</b>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	394,013,988	391,931,838	106,143,869	102,780,253
Restricted	288,957	272,367	9,975,225	13,376,540
Unrestricted	37,054,884	33,516,378	7,305,642	5,230,958
<b>Total Net Assets</b>	<b>\$431,357,829</b>	<b>\$425,720,583</b>	<b>\$123,424,736</b>	<b>\$121,387,751</b>

The government's net assets increased by \$7,674,231. A portion of the increase is attributed to the acquisition of capital assets (less depreciation and new debt). A significant portion of the remaining increase is from reduced spending through efforts by the City's Board and departments to contain expenses without reducing service levels.

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

By far, the largest portion of the City's net assets, \$500,157,857, or 90.2%, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less the portion of related debt outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. A portion of the City's net assets, \$10,264,182, or 1.8%, represents resources that are subject to external restriction on how they may be used. The remaining balance of \$44,360,526, or 8.0%, is unrestricted net assets that may be used to meet the government's ongoing obligations to citizens and creditors.

**Percent of Net Assets – 2011**



**City of Franklin, Tennessee**  
**Management's Discussion and Analysis**

**Financial Analysis of the Financial Statement (Continued):**

Governmental and Business-type activities increased the City's net assets by \$5,637,246 and \$2,036,985, respectively. Key elements of this increase are as follows:

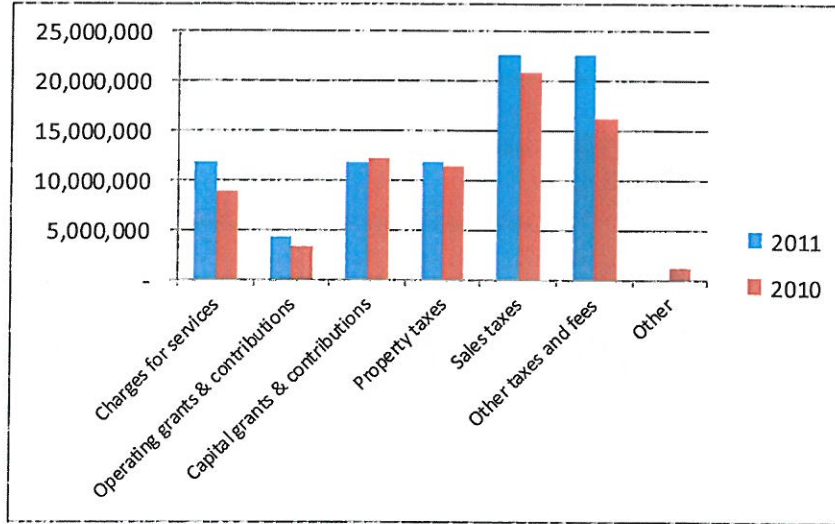
	<u>City of Franklin's Changes in Net Assets</u>			
	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Revenues:</b>				
<b>Program revenues:</b>				
Charges for services	11,743,717	8,982,189	19,411,483	16,260,341
Operating grants & contributions	4,217,716	3,358,092	-	-
Capital grants & contributions	11,893,536	12,129,244	3,841,390	3,881,605
<b>General revenues:</b>				
Property taxes	11,728,305	11,415,775	-	-
Sales taxes	22,720,666	20,969,821	-	-
Other taxes and fees	22,723,385	16,182,779	-	-
Other	(173,794)	1,188,770	180,868	68,934
<b>Total Revenues</b>	<u>84,853,531</u>	<u>74,226,670</u>	<u>23,433,741</u>	<u>20,210,880</u>
<b>Expenses:</b>				
<b>General government:</b>				
General	1,294,801	3,464,483	-	-
Capital investment planning	233,651	193,505	-	-
Administration	507,073	390,182	-	-
Revenue management	1,295,430	395,054	-	-
Police	15,461,749	14,744,499	-	-
Fire	13,197,463	13,044,366	-	-
Highways and streets	16,734,751	15,873,886	-	-
Fleet management	523,234	662,683	-	-
Engineering	1,007,478	797,691	-	-
Storm water	1,319,328	1,126,529	-	-
Sanitation	8,180,396	6,344,279	-	-
Transit	1,257,352	1,030,107	-	-
Parks	3,801,959	3,306,523	-	-
Project & facilities management	747,101	523,339	-	-
Elected officials	133,300	193,640	-	-
Planning	1,408,303	1,372,885	-	-
Building & neighborhood services	1,852,075	2,005,803	-	-
Court	249,454	265,380	-	-
Human resources	952,403	689,024	-	-
Communications	315,291	261,568	-	-
Finance	865,832	793,781	-	-
Legal	344,610	239,619	-	-
Purchasing	145,891	131,633	-	-
Management info & technology	3,468,124	3,354,101	-	-
Interest expense on long-term debt:	3,919,236	1,702,780	-	-
Water & sewer:	-	-	21,396,756	19,531,608
<b>Total Expenses</b>	<u>79,216,285</u>	<u>72,907,340</u>	<u>21,396,756</u>	<u>19,531,608</u>
Transfers	-	(45,000)	-	45,000
Changes in Net Assets	5,637,246	1,274,330	2,036,985	724,272
Prior period adjustment	1,941,338	(377,716)	-	-
Net Assets, Beginning of year	423,779,245	422,882,631	121,387,751	120,663,479
Net Assets, End of Year	<u>431,357,829</u>	<u>423,779,245</u>	<u>123,424,736</u>	<u>121,387,751</u>

**Financial Analysis of the Financial Statements (Continued):**

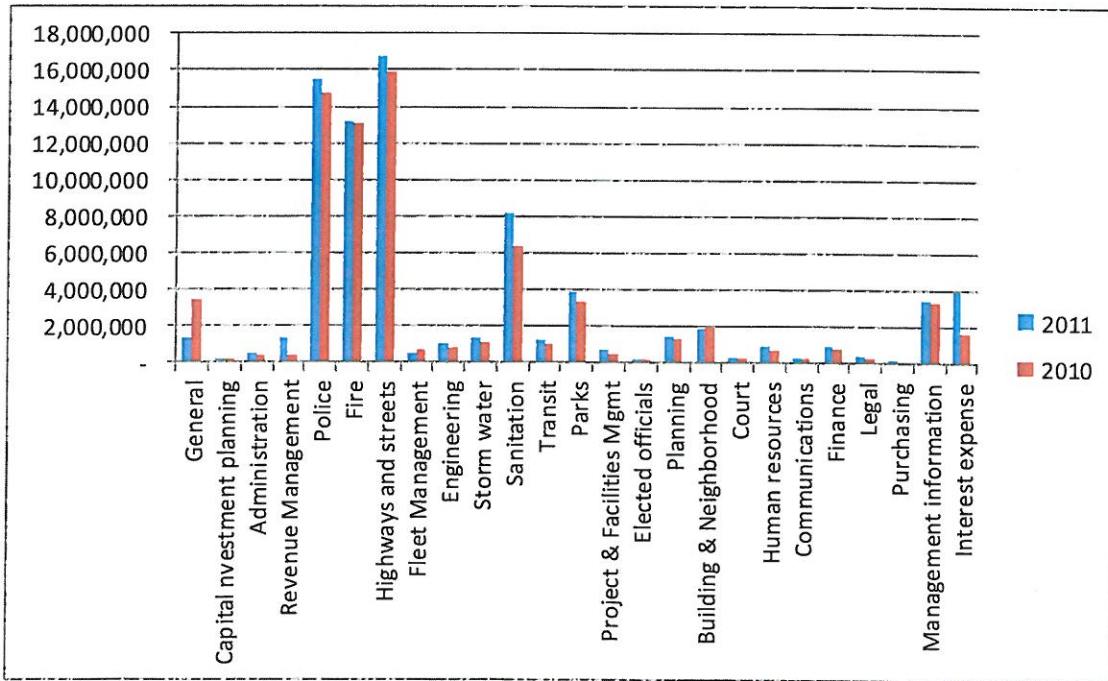
Governmental Activities

Revenues for governmental activities increased approximately 14.3% due primarily to increased road impact fees, facilities taxes, and local sales tax collections. The overall increase in current expenses of governmental activities amounted to approximately 8.7%.

**Revenues – Governmental Activities**



**Expenses – Governmental Activities**

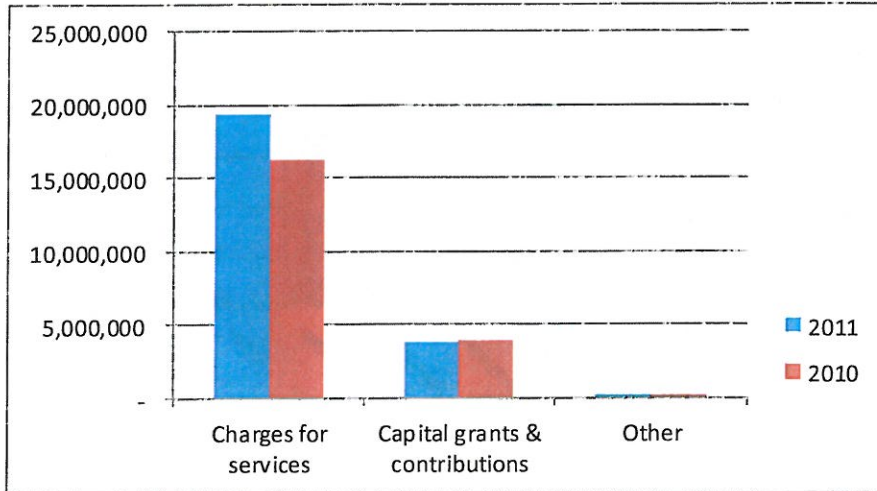


**Financial Analysis of the Financial Statements (Continued):**

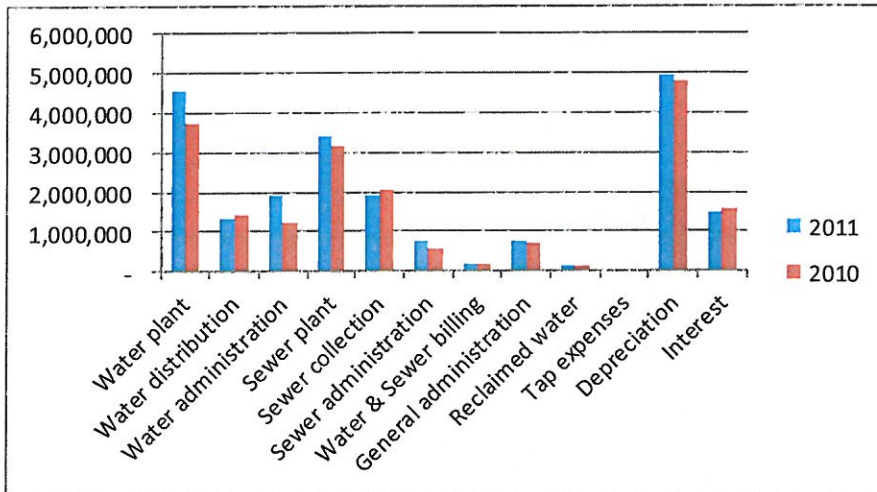
Business-Type Activities

Revenues for business-type activities increased 15.9%. The primary factor underlying the increase were rate increases effective January 1, 2011. Expenses of the business type-activities increased approximately 9.5%.

**Revenues – Business-type Activities**



**Expenses – Business-type Activities**



**Financial Analysis of the Financial Statements (Continued):**

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

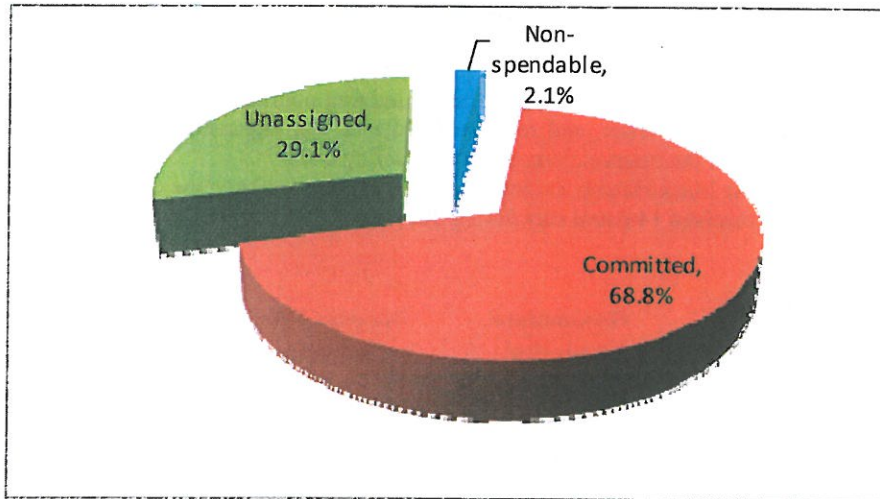
**Governmental Funds**

The focus of the City of Franklin's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$45,361,894, an increase of \$2,275,892 in comparison with the prior year of \$43,086,002. The increase is due primarily to a general obligation bond issue in the amount of \$15.725 million in the Multi-Purpose Capital Projects Fund, used for infrastructure projects on Columbia Avenue streetscape, Hillsboro Road widening, and 3<sup>rd</sup> Avenue North extension.

The General Fund is the chief operating fund of the City of Franklin, Tennessee. The 2011 ending fund balance of \$24,961,766 had the following composition: An amount of \$522,733, or 2.1%, is non-spendable for inventory. An amount of \$17,180,294, or 68.8% is committed for financial stabilization purposes such as contingency, emergency, cash flow, debt service, property/liability/health insurance, and retiree health benefits. The remainder of \$7,258,739, or 29.1%, is unassigned.

**General Fund - Fund Balance Composition – 2011**



The most significant continuing revenue sources in the General Fund are derived from taxes. Of total General Fund revenues, \$32,901,377, or 64.9%, was from taxes. Local option sales tax increased by \$1,750,845 (from \$20,969,821 to \$22,720,666). Property taxes decreased \$1,623,829 (from \$8,055,942 to \$6,432,113), or 20.2%, due primarily to an allocation in 2011 of 19.3 cents of the 43.4 cents property tax levy to the City's Debt Service Fund versus 11.4 cents in 2010. (The allocation resulted in \$4.95 million in property tax revenue to the Debt Service fund).

The increase in local option sales tax is a positive sign that a recovery in the current economy may be occurring. This revenue has been the City's most significant due to the retail success in the Cool Springs area and continued growth of commercial properties, including new corporate and regional headquarters in the area.

**Financial Analysis of the Financial Statements (Continued):**

**Budgetary Highlights**

The original budget included an allocation of \$669,550 from accumulated fund balance for capital equipment acquisitions. It was amended during the year increasing this amount to \$1,959,841, with the primary reasons being paving expenditures that crossed into 2011 that were delayed in 2010 due to the May 1-2, 2010 flood, and 2010 purchases of police cars that did not arrive until 2011. Actual results ended with an allocation of \$952,607, for an ending fund balance of \$24,961,766. The primary reason for this lower allocation than the final budget was actual expenditures (including transfer to other funds) of \$51,654,307 compared to the final budget of \$52,061,496. A review of General Fund expenditures shows: several departments instituted cost containment measures, including temporary assignments in lieu of filling full-time positions. Some governmental funds (State Street Aid, Sanitation, and Transit) are budgeted to be at break-even at fiscal year-end as an operational subsidy from General Fund is received by these funds. Two governmental funds (Road Impact and Facilities Tax), that have had budgeted expenditures reduced to allow both funds to recover from deficits, had increased collections during 2011.

**Capital Asset and Debt Administration:**

**Capital Assets**

The City of Franklin's investment in capital assets from its governmental and business-type activities as of June 30, 2011, is \$671,874,244 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, park facilities, roads, highways and bridges.

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

- The City received \$9,804,196 in developer-contributed road and drainage assets.
- The City celebrated the completion of the streetscape project on Columbia Avenue in 2011.
- Received ARRA funding to assist with energy efficient lighting upgrades to Jim Warren Park, improvements to the City's water reservoir and sewer, and reclaimed projects, and expansion of the Intelligent Traffic System (ITS). The rehabilitation of the reservoir was completed during 2011.
- Continued progress on the Mack Hatcher extension (northwest segment) and the Goose Creek interchange.
- The police department received 14 patrol cars during 2011.

**City of Franklin's Capital Assets**

	Governmental	Business-Type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Land	\$ 48,088,481	\$ 5,238,945	\$ 53,327,426
Buildings and Improvements	63,347,553	11,291,016	74,638,569
Improvements other than Buildings	21,028,982	-	21,028,982
Machinery & Equipment	49,526,524	5,167,312	54,693,836
Utility Plant in Service	-	179,486,269	179,486,269
Construction in Progress	27,468,954	10,767,908	38,236,862
Infrastructure	<u>443,470,678</u>	<u>-</u>	<u>443,470,678</u>
Total Capital Assets	652,931,172	211,951,450	864,882,622
Less Accumulated Depreciation	<u>(137,647,782)</u>	<u>(55,360,596)</u>	<u>(193,008,378)</u>
Net Capital Assets	<u>\$ 515,283,390</u>	<u>\$ 156,590,854</u>	<u>\$ 671,874,244</u>

**Capital Asset and Debt Administration (Continued):**

Additional information on the City of Franklin's capital assets can be found in the notes to the financial statements section of this report beginning on page 42.

**City of Franklin's Outstanding Debt**

At the end of the current year, the City of Franklin had bonded debt outstanding of \$182,246,234. Of this amount, \$131,817,000 comprises debt backed by the full faith and credit of the government, with the remainder of the debt secured by both the taxing power of the City and specific revenue sources (i.e., revenue and tax bonds) of the Water & Sewer fund.

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
General Obligation Bonds/Capital Outlay Notes	\$131,817,000	\$ -	\$131,817,000
Revenue and Tax Bonds and Other Notes	-	50,429,234	50,429,234
Total Outstanding Debt	\$131,817,000	\$50,429,234	\$182,246,234

The City of Franklin's total debt increased by \$7,651,718 during the current fiscal year. The primary reason for the increase is borrowing of \$32,315,000 of general obligation debt and \$1,066,323 of ARRA recovery loans in revenue & tax debt. Decreases in debt included \$16,970,000 in general obligation refunding and scheduled repayment of debt of \$8,731,000 during the year.

The City of Franklin maintains an "Aaa" Rating for general obligation debt. This rating was first received by Moody's in 2000 and last affirmed in June 2011 by both Moody's and Standard & Poor's. State statutes impose no debt limit on the amount of general obligation debt a governmental entity may issue. Additional information on the City of Franklin's debt can be found in the notes to the financial statements section of this report beginning on page 46.

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

The unemployment rate (not seasonally adjusted) for June 2011 for the City of Franklin was 7.5%, compared to the State of Tennessee's rate of 10.0% and a national average of 9.6%.

All of these factors were considered in preparing the City's budget for the 2011-2012 fiscal year. The City appropriated \$568,856 of accumulated fund balance in the General Fund for capital projects in the 2011-2012 fiscal year budget.

**Requests for Information:**

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

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

