

# City of Franklin, Tennessee

## Annual Comprehensive Financial Report



*Opening of Pedestrian Bridge at The Park at Harlinsdale Farm*

For the Fiscal Year Ended June 30, 2024



**CITY OF FRANKLIN, TENNESSEE**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2024**

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

**CITY OF FRANKLIN, TENNESSEE**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**INTRODUCTORY SECTION**



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

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ADMINISTRATION



Dr. Ken Moore  
Mayor

Eric S. Stuckey  
City Administrator

HISTORIC  
FRANKLIN  
TENNESSEE

December 10, 2024

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

State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2024.

Management assumes full responsibility for the completeness and reliability of all of the information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statement. MD&A complements this letter of transmittal and should be read in conjunction with it.

**Profile of the government**

The City of Franklin, incorporated in 1799, is in Middle Tennessee. The local economy is a well-balanced blend of financial, agricultural, wholesale, retail, manufacturing, and service industries. No single industry is critical to the region’s economy. The City covers an area of 44.85 square miles and serves a population of 83,454 according to the 2020 census. The City is one of the fastest growing municipalities in the State of Tennessee, with the population increasing by 18% since the 2017 special census of 70,908. The City is empowered to levy both real and personal properties located within its boundaries. In addition, it is empowered by State statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing board and upon request of the property owner.

The City has operated under a Mayor/Board of Aldermen form of government under State charter since 1903. Policy-making and legislative authority are vested in a governing board consisting of the Mayor and eight other members (Aldermen). The Board is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the government’s Administrator. The Administrator’s responsibilities include carrying out the policies and ordinances of the governing board, preparing an annual budget, and overseeing the day-to-day operations of the government. The Board is elected on a non-partisan basis. Board members serve four-year staggered terms, with four Aldermen elected at large and the remaining four elected by ward two years later. The Aldermen elected by wards must live within the ward they represent. The Mayor also serves a term of four years.

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

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

Three meetings of the full board and a public hearing are necessary for approving the budget. The legal level of budgetary control, the level at which management cannot overspend the without the approval of the governing body, is the fund level. Although the legal level of budgetary control is at the fund level, the budget is prepared by fund, function, and department. Additional appropriations in a fund have three readings by the Board, one of which is a public hearing. Budget-to-actual comparisons are provided within this report for each individual governmental fund for which a budget has been adopted. For the General Fund and Road Impact Fund, this comparison is presented on pages 36-44 as part of the basic financial statements. For the other governmental funds with appropriated annual budgets, the comparisons are presented beginning on page 93.

### **Local economy**

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

Since the 1991 opening of the Cool Springs Galleria, one of Tennessee's largest retail-shopping facilities with over one million square feet, the mall area has continued to develop with over 180 stores and restaurants. It is anchored by Belk, Dillard's, JCPenney, and Macy's.

Sufficient vacant property, zoned for retail use, is available for further development. According to Commercial Cafe, the area has a commercial office vacancy rate of 23.17% (as of 2023) with new "Class A" office space continuing to be developed. The surrounding road network has been vastly improved with many of the upgrades at developer cost.

Several well-known corporations have their national, regional, or state headquarters in Franklin; among them are: Acadia Healthcare, Cigna Healthcare, CKE Restaurants, Community Health Systems, eviCore Healthcare, Franklin American Mortgage, Franklin Madison Group, Frensenius Medical Care, Huskey Truss & Building Supply, Iasis Healthcare, Jackson National Life, Landmark Recovery, Lee Company, Mars Petcare, Medhost, Mitsubishi Motors North America, Nissan North America, Parallon Business Solutions, Ramsey Solutions, Schneider Electric, SP Wind Down, Video Gaming Technologies, and Verizon Wireless. In September 2024, In-N-Out Burger broke ground on the corporate hub in Franklin, which is expected to be completed in 2026.

The City has three (3) city-only tax abatement for Franklin Housing Authority that provides affordable housing to families and individuals. Also, with Williamson County, there are city/county abatements for Nissan offered for its relocation from California and for Ramsey Solutions to expand and add jobs by moving from Cool Springs to Berry Farms in the City.

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

The governing body periodically reviews its ten-year capital investment plan (CIP). The ultimate intent is to match available funding with needed projects and to highlight any funding shortfalls. On June 25, 2024, the Board of Mayor and Alderman via Resolution 2024-46 amended the CIP previously approved via Resolution 2020-69 to include a new list of approved capital projects for the ten-year window of FY 2024-2033 period of time. These include:

1. Bicentennial Park
2. USACE - Home Raising Project
3. Greenway & Bridge
4. Bundled Bridges Construction & Rehabilitation Contract
5. Hayes Home Restoration (Harlinsdale)
6. Thompson Alley Neighborhood Park
7. Southeast Municipal Complex - Ph.1
8. East McEwen Drive - Phase 4
9. Lockwood Glen Park

10. Lewisburg Sidewalk - to Collins Farm
11. Jordan Road
12. New City Hall
13. Long Lane & Old Peytonsville
14. McEwen Phase 5
15. Liberty Park Improvements
16. Main Barn Restoration (Harlinsdale)
17. Mallory/N Royal Oaks/Liberty
18. Church Street
19. Peytonsville Rd & Pratt Ln Int. Improvements
20. Lewisburg Sidewalk - Collins Farm to Carriage Park Drive
21. Greenway (Aspen Grove to Mack Hatcher)
22. Greenway (Pinkerton Park to Franklin Road Bridge)
23. Mack Hatcher Multiuse Trail (Franklin-Hillsboro)
24. Lewisburg Sidewalk - Carriage Park Drive to Mack Hatcher
25. Main St Sidewalk Repair Project

As of June 30, 2024, of the 25 projects shown above, 6 were under construction, 5 were under right of way acquisition or conceptual design, and 14 were in early preliminary design.

Continued revisitation of the 10-year window (FY 2024-2033) of capital projects began during the first half of FY 2024 and is continuing in FY 2025.

Aside from capital planning, an update to the City of Franklin's Strategic Plan, Franklin Forward, began in December 2023 and is continuing through calendar year 2024 and into early 2025.

### **Relevant financial policies**

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

- Alternative Payments Policy. Adopted in May 2020.
- Bad Debts Policy. Adopted in July 2012
- Capital Assets Policy. Adopted in June 2019. Updated in August 2022. Updated in June 2024.
- City Administrator Authority Policy. Adopted in July 2022. Updated in January 2023.
- COLA for Closed Pension Plan Policy. Adopted in January 2023
- Customer Service Policy. Updated in October 2023.
- Debt Management Policy. Adopted in December 2017.
- Disbursements Policy. Adopted in June 2018. Updated in June 2024.
- Federal Tax Compliance Policy. Adopted in January 2012.
- Fire Step Up Pay. Adopted in January 2024.
- Fund Balance Policy - General Fund. Updated in September 2014.
- Grants Policy. Adopted in June 2020. Updated in August 2022.
- HR Manual. Adopted in October 2019. Updated in September 2023.
- Internal Control Documentation. Adopted in June 2020. Updated in August 2022.
- Investment Policy for Non-Pension Assets. Adopted April 2021.
- Lease Accounting and Reporting Policy. Adopted in June 2021. Updated in August 2022 and June 2023.
- OPEB Contributions (retiree option II coverage) Policy. Adopted in May 2023.
- OPEB Adjustments (retiree option II coverage, effective 7/1/2024). Adopted May 2024.
- Payroll Procedures. Adopted in June 2019.
- Pension COLA (closed plan) Policy. Adopted in January 2023.
- Pension Funding Policy (closed plan). Adopted in October 2014. Updated in April 2023.
- Pension Policy (closed plan). Adopted in August 2018.
- Procurement Policy. Updated most recently in July 2022 and June 2023.
- Purchasing-Debarment and Suspension Procedures. Adopted in February 2015.
- Purchasing-Values and Guiding Principles of Public Procurement. Adopted in March 2012.
- Travel and Expense Policy. Adopted in June 2018. Updated in June 2024.
- Uncollectible Accounts Receivable Write-offs. Adopted in June 2022. Updated in June 2023.


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

### **Awards and acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Franklin for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2023. This was the thirty-second (33rd) consecutive year that the government received this prestigious award. To be awarded a Certificate of Achievement, the government is required to publish an easily readable and efficiently organized ACFR. This report satisfies both GAAP and applicable legal requirements. The Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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

Respectively submitted,

A handwritten signature in black ink, appearing to read "Eric S. Stuckey". The signature is written in a cursive style with a long, sweeping underline.

Eric S. Stuckey  
City Administrator

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



Government Finance Officers Association

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

Presented to

**City of Franklin  
Tennessee**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

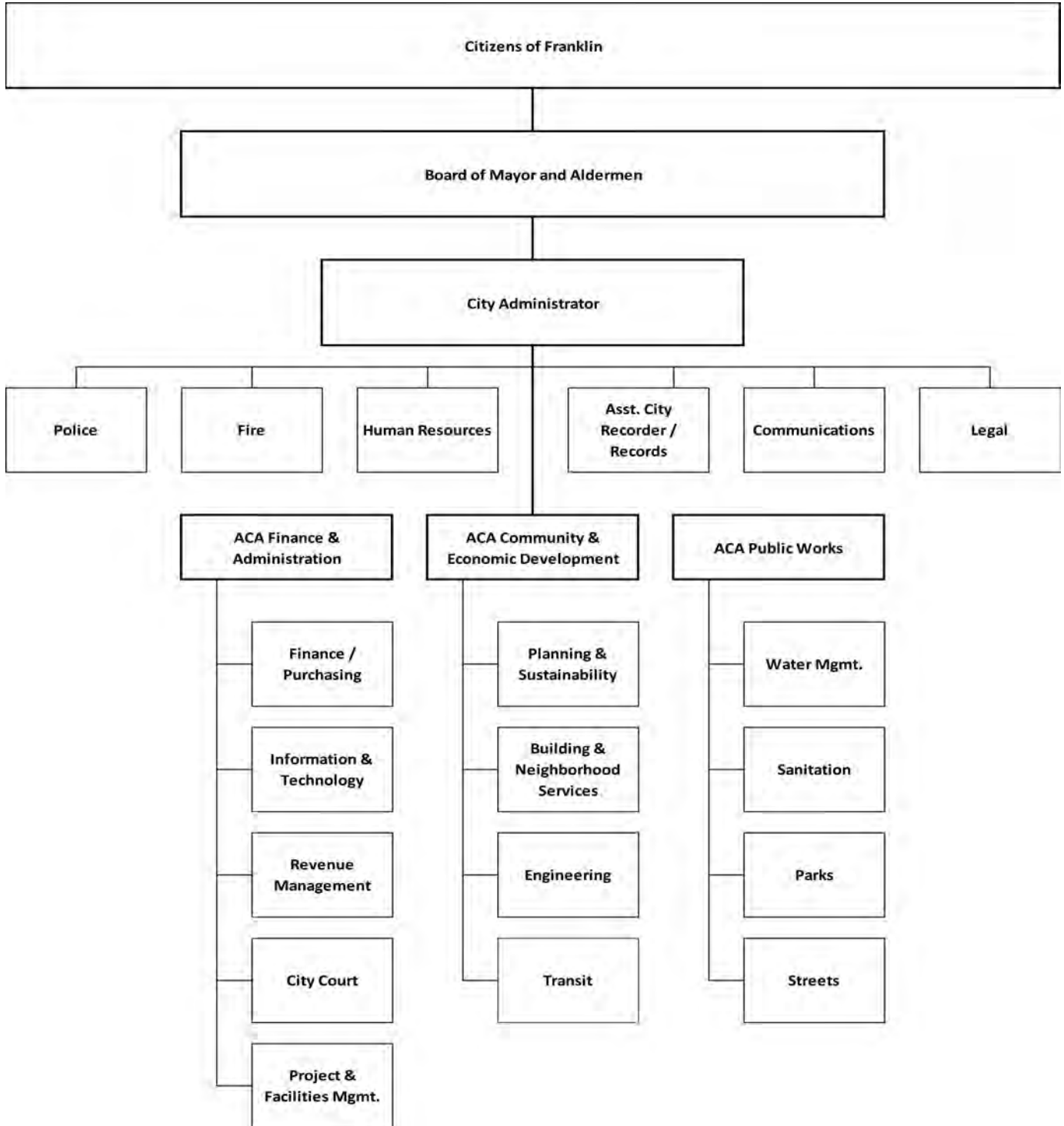
June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

# CITY OF FRANKLIN, TENNESSEE ORGANIZATIONAL CHART

FOR THE FISCAL YEAR ENDED JUNE 30, 2024



**CITY OF FRANKLIN, TENNESSEE**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
JUNE 30, 2024

**Elected Officials**

Mayor	Dr. Ken Moore
Alderman – 1 <sup>st</sup> Ward	Beverly Burger
Alderman – 2 <sup>nd</sup> Ward (Vice-Mayor)	Matt Brown
Alderman – 3 <sup>rd</sup> Ward	Jason L. Potts
Alderman – 4 <sup>th</sup> Ward	Patrick Baggett
Alderman – At Large	Clyde Barnhill
Alderman – At Large	Brandy Blanton
Alderman – At Large	Gregory Caesar
Alderman – At Large	Ann Petersen

**Appointed Officials**

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

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**FINANCIAL SECTION**



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TENNESSEE

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin, Tennessee (the "City"), as of and for the year ended June 30, 2024 (except for the Fiduciary Pension Fund, which is as of December 31, 2023 and for the year then ended), and the related notes to the financial statements, which collectively comprise the City of Franklin, Tennessee's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin, Tennessee, as of June 30, 2024 (except for the Fiduciary Pension Fund which is as of December 31, 2023), and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the general fund and road impact fee fund for the year then ended (except for the Fiduciary Pension Fund, which is for the year ended December 31, 2023), in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

#### ***Other Matters***

The financial statements of the City include summarized prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended June 30, 2023, from which the summarized information was derived. We have previously audited the City's 2023 financial statements, and we expressed an unmodified opinion on those statements in our report, dated December 12, 2023. In our opinion, the summarized comparative information presented herein as of and for the year end June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19–28, the schedule of changes in the net pension liability and related ratios – pension plan on pages 87 and 90, the schedule of employer contributions - pension plan on pages 88 and 91, the schedule of investment returns - pension plan on page 89, and the schedule of changes in total OPEB liability and related ratios on page 92 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the supplemental schedules on pages 113 - 120, the supplemental schedule on page 152, and schedule of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of Tennessee, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the supplemental schedules on pages 113 – 120, the supplemental schedule on page 152, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, the schedules on pages 127 - 147, the schedules on pages 150-151, and the schedules on pages 153 – 154, but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2024, on our consideration of the City of Franklin, Tennessee’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City’s internal control over financial reporting and compliance.

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

Nashville, Tennessee  
December 10, 2024

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**CITY OF FRANKLIN, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

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, 2024. Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 through 6 of this report.

**Financial Highlights**

- **Net Position.** The assets and deferred outflows of resources of the City of Franklin exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$969,741,814, compared to \$959,225,355 in the previous fiscal year. Of this amount, \$99,986,654 (unrestricted net position) may be used to meet government's ongoing obligations to citizens and creditors
- **Fund Balances.** At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$180,659,629. In the prior year, this amount was \$184,681,627. There is a decrease in fund balances of \$(4,021,998) due to several reasons, including accrual for the 27th payroll in FY2024, increase in contractual services across the city, costs incurred in Multi-Purpose Capital Projects Fund prior to bond issue in FY 2025, and increase in construction expenses.
- **General Fund – Fund Balance.** At the end of the current fiscal year, fund balance in the General Fund is \$86,659,905, or 78% of General Fund expenditures (including transfers to other funds) of \$110,789,007. The fund balance increased \$2,018,679 from the prior year. The increase of \$2 million in fund balance was lower than surpluses in 2021 through 2023 primarily from increased wage and benefit costs.
- **Budget.** The City's 2024 original General Fund budget had an original draw of \$1,000,000 and final draw of \$4,011,170 from accumulated fund balance. As increased revenues were seen during the year, no draw was needed.
- **Capital Assets.** The City continued working on several infrastructure projects including bridge replacement, adaptive signal technology, trails, parks, water and sewer line improvements, and wastewater plant improvements.
- **Debt.** The City's bonds (excluding bond premiums) and SBITA decreased by \$16,316,025 (from \$252,532,650 to \$236,216,625) during the current fiscal year. There was \$288,695 in new SBITA in the governmental funds and \$2,456,607 in new SRF loans in the proprietary fund. A total of \$19,061,327 (\$11,674,154 governmental and \$7,387,173 business-type) in debt was repaid.

**Overview of the Financial Statements**

This discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

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

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

**CITY OF FRANKLIN, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

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 include:

**Governance & management** (elected officials, administration, human resources, legal, communications, and emergency management);

**Public safety** (police and fire);

**Finance & administration** (finance, purchasing, information technology, revenue management, court, and project and facilities management);

**Community & economic development** (building and neighborhood services, planning and sustainability, engineering, traffic operations center, economic development, transit, and CDBG);

**Public works** (streets, parks, sanitation, and storm water);

**Other general government** (general expenses, appropriations, and non-park tourism in hotel/motel).

The business-type activity of the City is *water and sewer*.

The *government-wide financial statements* can be found on pages 30 through 31 of this report.

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

**Governmental Funds.** *Governmental funds* are 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, governmental 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 assessing a government's near-term financing requirements.

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

The City maintains fifteen (15) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Multi-Purpose Capital Project Fund, Road Impact Fee Fund, and Debt Service Fund, which are considered to be major funds. Data from the other eleven governmental funds are combined into a single, aggregated presentation in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its General Fund, special revenue funds, and Debt Service Fund. A budgetary comparison has been provided for the General Fund on pages 36-43, Road Impact Fee Fund on page 44, special revenue funds (excluding Road Impact Fee Fund) on pages 98-107, the Fleet Replacement Fund on page 108, and the Debt Service Fund on page 109 to demonstrate compliance.

The basic governmental fund financial statements can be found on pages 32 through 35 of this report.

**Proprietary Funds.** The City maintains one type of proprietary fund. An *Enterprise* 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.

**CITY OF FRANKLIN, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

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 of the City.

The basic proprietary fund financial statements can be found on pages 45-47 of this report.

***Fiduciary Funds.*** A fiduciary fund is used to account for resources held for the benefit of parties outside the government. The City uses a fiduciary fund to account for the City of Franklin Employees' Pension Plan (closed plan). The fiduciary fund is not reported in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used in proprietary funds.

The fiduciary fund financial statements can be found on pages 48-49 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire 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 51-83 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 87-92 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements can be found on pages 95-109.

**CITY OF FRANKLIN, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**Government-wide Overall Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$969,741,814 at the close of the most recent fiscal year.

*City of Franklin's Net Position*

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Assets</b>						
Current and other assets	\$ 242,025,644	\$ 241,027,171	\$ 61,907,663	\$ 56,146,200	\$ 303,933,307	\$ 297,173,371
Capital assets, net of accumulated depreciation	699,119,319	696,620,730	357,433,538	347,555,836	1,056,552,857	1,044,176,566
<b>Total assets</b>	<u>941,144,963</u>	<u>937,647,901</u>	<u>419,341,201</u>	<u>403,702,036</u>	<u>1,360,486,164</u>	<u>1,341,349,937</u>
<b>Total deferred outflows of resources</b>	<u>39,253,782</u>	<u>32,725,570</u>	<u>5,155,479</u>	<u>4,301,337</u>	<u>44,409,261</u>	<u>37,026,907</u>
<b>Liabilities</b>						
Long-term liabilities outstanding	200,248,396	185,120,088	144,495,244	146,248,414	344,743,640	331,368,502
Current and other liabilities	48,741,364	43,564,023	11,671,692	13,917,659	60,413,056	57,481,682
<b>Total liabilities</b>	<u>248,989,760</u>	<u>228,684,111</u>	<u>156,166,936</u>	<u>160,166,073</u>	<u>405,156,696</u>	<u>388,850,184</u>
<b>Total deferred inflows of resources</b>	<u>29,152,340</u>	<u>29,332,427</u>	<u>844,575</u>	<u>968,878</u>	<u>29,996,915</u>	<u>30,301,305</u>
<b>Net position:</b>						
Net investment in capital assets	607,252,196	598,771,346	218,196,290	203,202,697	825,448,486	801,974,043
Restricted	28,635,469	40,424,410	15,621,869	11,520,463	44,257,338	51,944,873
Unrestricted	66,368,980	73,161,177	33,667,010	32,145,262	100,035,990	105,306,439
<b>Total net position</b>	<u>\$ 702,256,645</u>	<u>\$ 712,356,933</u>	<u>\$ 267,485,169</u>	<u>\$ 246,868,422</u>	<u>\$ 969,741,814</u>	<u>\$ 959,225,355</u>

Governmental Activities

Current and other assets increased in governmental activities by \$998,473 primarily from additional revenues from local sales tax (from increased sales and prices), state shared taxes, and hotel/motel taxes (due from increased travel). Capital assets increased by \$2,498,589. Long term liabilities decreased as debt was repaid with no new bond issues in 2024.

Business-Type Activities

Current and other assets increased in business-type activities slightly from water and sewer rates that increased on January 1, 2024. Capital assets had a net increase from water and sewer projects. Long term liabilities increased as \$2 million in new SRF loans for the wastewater plant improvements offset by payments on debt.

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

By far, the largest portion of the City's net position, \$825,448,486, or 85.1%, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less the portion of related debt outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to repay these liabilities. A portion of the City's net position, \$44,257,338, or 4.6%, represents resources that are subject to external restriction on how they may be used. The remaining balance of \$100,035,990, or 10.3%, is unrestricted net position that may be used to meet the government's ongoing obligations to citizens and creditors.

**CITY OF FRANKLIN, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**



Governmental and business-type activities changed the City's net position by \$(10,100,288) and \$20,616,747, respectively.

Key elements of this increase are as follows:

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
<b>Program revenues:</b>						
Charges for services	\$ 18,342,130	\$ 18,190,529	\$ 47,169,798	\$ 41,944,454	\$ 65,511,928	\$ 60,134,983
Operating grants & contributions	9,338,997	4,539,888	1,663,729	604,455	11,002,726	5,144,343
Capital grants & contributions	16,298,925	9,673,074	10,523,944	4,614,593	26,822,869	14,287,667
<b>General Revenues:</b>						
Property taxes	24,233,164	23,156,312	-	-	24,233,164	23,156,312
Sales taxes	62,424,823	60,556,943	-	-	62,424,823	60,556,943
Wholesales beer tax	1,675,086	1,819,226	-	-	1,675,086	1,819,226
Wholesale liquor tax	1,932,197	1,858,357	-	-	1,932,197	1,858,357
Hotel/motel tax	5,829,839	5,638,692	-	-	5,829,839	5,638,692
Other taxes	187,326	172,464	-	-	187,326	172,464
Intergovernmental	23,470,223	22,697,877	-	-	23,470,223	22,697,877
Impact fees and taxes	16,477,610	8,424,381	-	-	16,477,610	8,424,381
Franchise fees	2,307,280	2,451,148	-	-	2,307,280	2,451,148
Use of money and property	8,723,488	3,097,397	2,444,929	771,679	11,168,417	3,869,076
Miscellaneous	1,182,295	1,057,395	-	-	1,182,295	1,057,395
<b>Total revenues</b>	<b>192,423,383</b>	<b>163,333,683</b>	<b>61,802,400</b>	<b>47,935,181</b>	<b>254,225,783</b>	<b>211,268,864</b>
<b>Expenses:</b>						
Governance & management	6,285,343	5,638,534	-	-	6,285,343	5,638,534
Public safety	56,188,230	50,162,660	-	-	56,188,230	50,162,660
Finance & administration	13,561,989	11,823,798	-	-	13,561,989	11,823,798
Community & economic development	14,414,252	11,919,172	-	-	14,414,252	11,919,172
Public Works	69,520,518	62,768,154	-	-	69,520,518	62,768,154
Other general government	39,580,757	47,190,052	-	-	39,580,757	47,190,052
Interest expense on long-term debt:	3,172,582	3,492,442	-	-	3,172,582	3,492,442
Water & sewer:	-	-	40,985,653	42,299,473	40,985,653	42,299,473
<b>Total expenses</b>	<b>202,723,671</b>	<b>192,994,812</b>	<b>40,985,653</b>	<b>42,299,473</b>	<b>243,709,324</b>	<b>235,294,285</b>
Increase (decrease) in net position before transfers	(10,300,288)	(29,661,129)	20,816,747	5,635,708	10,516,459	(24,025,421)
Transfers	200,000	200,000	(200,000)	(200,000)	-	-
<b>Increase (decrease) in net position</b>	<b>(10,100,288)</b>	<b>(29,461,129)</b>	<b>20,616,747</b>	<b>5,435,708</b>	<b>10,516,459</b>	<b>(24,025,421)</b>
<b>Net position - beginning of year</b>	<b>712,356,933</b>	<b>741,818,062</b>	<b>246,868,422</b>	<b>241,432,714</b>	<b>959,225,355</b>	<b>983,250,776</b>
<b>Net position, end of year</b>	<b>\$ 702,256,645</b>	<b>\$ 712,356,933</b>	<b>\$ 267,485,169</b>	<b>\$ 246,868,422</b>	<b>\$ 969,741,814</b>	<b>\$ 959,225,355</b>

**Governmental Activities**

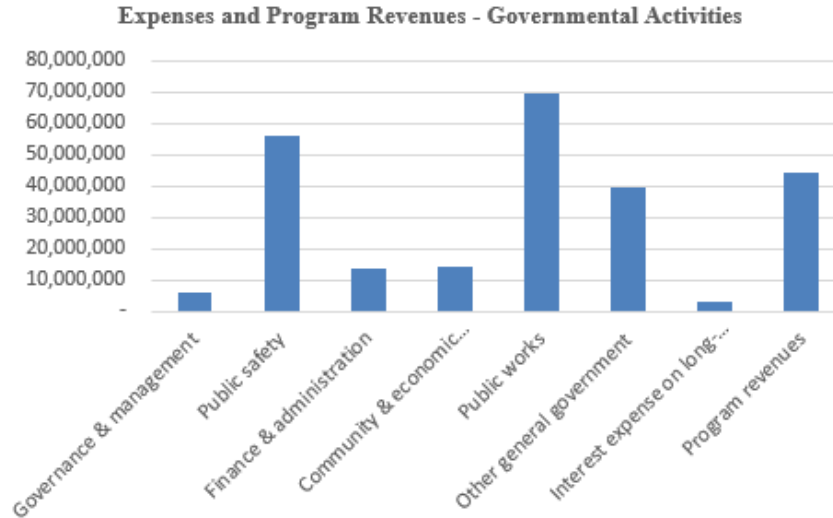
Revenues for governmental activities increased approximately \$29 million, or 17.8% due primarily to three factors: (1) greater impact fees and taxes, (2) greater operating grants & contributions and (3) greater capital grants & contributions. Impact fees and taxes were \$8.2 million in 2023 but \$16.5 million in 2024. These fees and taxes are highly dependent on the type and timing of development.

**CITY OF FRANKLIN, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

Business-Type Activities

Revenues for business-type activities increased 28.9%. The primary factor underlying the increase was planned rate increases in 2024 compared to 2023.

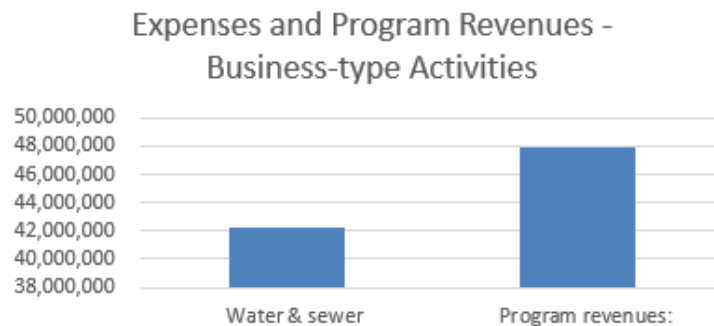
***Expenses and Program Revenues – Governmental Activities***



Governmental Activities

Expenses for governmental activities were \$202,723,671. Expenses were offset by \$43,980,052 in program revenues. The remainder of \$158,743,619 was covered by \$148,443,331 in general revenues such as property, sales, and other taxes and \$200,000 net from the Water and Sewer fund for its portion of the public works facility. The amount of \$(10,100,288) represents the decrease in net position in 2024.

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



Business-Type Activities

Expenses for business-type activities were \$40,985,653. Expenses were offset by \$61,802,400 in program and general revenues. (Program revenues include \$47.2 million in charges for services). There is also the net \$(200,000) transfer mentioned above. The amount of \$20,616,747 represents the improvement in net position in 2024.

**CITY OF FRANKLIN, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

### Financial Analysis of Governmental Funds

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

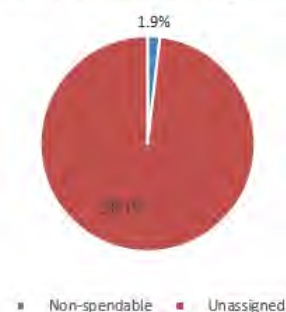
#### *Governmental Funds*

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

On June 30, 2024, the City's governmental funds reported combined ending fund balances of \$180,659,629, a decrease of \$(4,021,998) in comparison with the prior year of \$184,681,627. The decrease is due primarily to decreased revenues from charges for services, grants, and increase in capital expenditures.

The General Fund is the chief operating fund of the City. The 2024 ending fund balance of \$86,659,905 has the following composition: An amount of \$1,610,585, or 1.9%, is non-spendable for inventory and prepaid items. The remainder of \$85,049,320, or 98.1%, is unassigned. (Additional information on fund balance can be found in the notes to the financial statements on page 81).

General Fund - Fund Balance Composition - 2024



The most significant continuing revenue sources in the General Fund are derived from taxes. Of total General Fund revenues, \$80,239,726, or 71.3%, was from taxes. Local option sales tax increased by \$1,867,880 (from \$60,556,943 to \$62,424,823). The increase in local option sales tax is a sign of economic strength in the region with increased sales along with inflation's impact on prices. This revenue has been the City's most significant due to the retail success in the Cool Springs area and continued growth of commercial properties, including new corporate and regional headquarters in the area. Property taxes for the General Fund increased by \$925,242 (from \$11,213,112 to \$12,138,354) due to the allocation to the debt service fund.

The Debt Service Fund, which receives property taxes for debt previously paid by the General Fund, and transfers from the Sanitation Fund, Road Impact Fund, and Hotel/Motel Tax Fund for their portion of debt, had a fund balance of \$547,256. This amount is lower than normal with the City's goal to have a minimal cash and fund balance for paying annual debt service.

The Road Impact Fee Fund saw collections increase from \$4.2 million in 2023 to \$9.3 million in 2024. Collections are based on the timing and type of development. With \$6.3 million in expenditures including transfers to the debt service fund, the fund balance increased from \$24.7 million to \$28.9 million. The Facilities Tax Fund saw higher collections from \$1.3 million in 2023 to \$2.3 million in 2024. However, its fund balance decreased from \$14,625,012 to \$13,986,389 the fund spent \$3.5 million.

The Multi-Purpose Capital Project Fund had a decrease in fund balance from \$23,751,705 to \$18,892,182 because of expenditures related to ongoing capital projects and the Fleet Replacement Fund changing from major to nonmajor in 2024.

In the Hotel/Motel Tax Fund, the fund balance decreased during the fiscal year due primarily to increased expenditures due to park acquisitions. The fund balance decreased from \$9,581,092 to \$8,736,516. The County Facilities Tax Fund, established in 2017 with prior year county facilities taxes received by the City, had an increase in fund balance from \$4,513,751 to \$5,654,100 due to a decrease in expenditures needed during the fiscal year.

**CITY OF FRANKLIN, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**Budgetary Highlights**

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

*Original budget compared to final budget*

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

<b>Fund</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Change</b>
General	\$ 102,534,136	\$ 114,112,767	\$ 11,578,631
Street Aid	\$ 6,601,742	\$ 6,601,742	\$ -
Sanitation	\$ 14,667,083	\$ 15,558,892	\$ 891,809
Road Impact	\$ 7,293,446	\$ 7,961,455	\$ 668,009
Facilities Tax	\$ 3,762,962	\$ 3,764,683	\$ 1,721
County Facilities Tax	\$ -	\$ -	\$ -
Stormwater	\$ 3,569,531	\$ 4,002,948	\$ 433,417
Drug	\$ 152,004	\$ 169,504	\$ 17,500
Hotel/Motel	\$ 3,633,018	\$ 10,792,126	\$ 7,159,108
Parkland Dedication	\$ 3,757,800	\$ 3,757,800	\$ -
Transit	\$ 4,391,067	\$ 4,436,067	\$ 45,000
CDBG	\$ 375,000	\$ 900,000	\$ 525,000
Fleet Replacement	\$ 3,203,489	\$ 3,703,489	\$ 500,000
Debt Service	\$ 16,308,628	\$ 16,308,626	\$(2)
	\$ 170,249,906	\$ 192,070,099	\$ 21,820,193

The original General Fund budget was \$102,534,136. The final budget (including transfers) was increased by \$11,578,631 to \$114,112,767. During the year, the budget was amended to add \$6.8 million to the original budget for transfers to the Sanitation Fund of \$1,000,000 to ensure adequate year-end cash balances, \$500,000 to the Fleet Replacement Fund for additional vehicle purchases, approximately \$3,258,000 for various personnel adjustments, and various capital expenditures. About \$8.6 million of revenues were increased to offset these increases.

*Final budget compared to actual results*

In the General Fund, the original budget (including transfers) of \$102.5 million anticipated \$110 million in current revenues.

Actual revenues were almost \$112.5 million. This was \$2.5 million more than anticipated current revenues. The revenue was due primarily to the increase in local sales tax collections, intergovernmental taxes, and interest income. In conjunction with the increased revenue, the City finished the year with \$110.8 million in expenditures (including transfers). Actual results showed an increase in fund balance of \$2,018,679.

**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, 2024, is \$1,056,552,857 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, park facilities, roads, highways, and bridges.

**CITY OF FRANKLIN, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

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

	<b>Governmental</b>	<b>Business-Type</b>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
<b>Land</b>	\$ 72,167,323	\$ 7,085,091	\$ 79,252,414
<b>Construction in progress</b>	27,723,405	12,323,616	40,047,021
<b>Buildings and improvements</b>	57,634,665	170,511,611	228,146,276
<b>Improvements other than buildings</b>	10,244,602	-	10,244,602
<b>Utility plant in service</b>	-	166,716,259	166,716,259
<b>Infrastructure</b>	505,963,584	-	505,963,584
<b>Machinery &amp; equipment</b>	20,847,278	796,961	21,644,239
<b>Intangible assets</b>	4,538,462	-	4,538,462
<b>Total capital assets</b>	<u>\$ 699,119,319</u>	<u>\$ 357,433,538</u>	<u>\$ 1,056,552,857</u>

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

- The City's governmental activities received \$15,343,795 in developer-contributed assets.
- Construction on Bicentennial Park Improvements began.
- Design of Liberty Park Master Plan Phase 1 continued.
- Construction on the Harlinsdale Farm Main Barn restoration began.
- Design on Future Southeast Park continued.
- Design on a new City Hall continued.
- Construction on SR-96 W Multi Use Trail was completed.
- Design on Lewisburg Pike Sidewalk - Multi-Use Trail continued.
- Construction of Bridge Replacement on Pratt Lane over Five Mile Creek began.
- Design of East McEwen Drive Improvements, Phase 4 continued.
- Design on East McEwen Drive Improvements, Phase 5 continued.
- Franklin Road Streetscape Improvements were completed.
- Construction on the joint ballfield project with FSSD (Franklin Special School District) was completed.
- Construction on Harlinsdale Farm Trail and Bridge project was completed.
- Design on Intersection Improvements at Mallory Lane continued.
- Design on Long Lane Bridge and Connector project continued.
- Construction on Jordan Road Improvements began.
- Design on Church Street Improvements continued.
- Design of Del Rio Pike Improvements began.
- Construction on West Main Street Bridge Widening began.
- Design on Forrest Crossing and Review Pump Stations.
- Design on Lewisburg Pike Area Waterline continued.
- Design on Lewisburg Pike Water Main Relocation continued.
- Construction on Southeast and Redwing Water Reclaimed Water Pump Station was completed.
- Construction on Adams Street Water and Sewer Improvements began.
- Evaluation of Southeast Wastewater Facility continued.
- Construction on the Wastewater Reclamation Plant was completed.
- Design on Carter's Creek Sewer Line Improvements began.
- Design and Evaluation of Wastewater Treatment Plant Resiliency Improvements began.

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 62.

**CITY OF FRANKLIN, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

***Long-term Debt***

At the end of the current year, the City of Franklin had bonded debt (excluding premiums) of \$236,216,625. Of this amount, \$99,465,000 comprises general obligation bonds backed by the full faith and credit of the government and \$396,871 of SBITA payable. Of the \$136,354,754 of business-type activities debt, \$1,450,000 is Revenue and Tax Bonds secured by both the taxing power of the City and specific revenue sources (i.e., revenue and tax bonds) of the Water & Sewer fund, and \$18,950,000 is secured by Water and Sewer fund revenues, \$3,080,000 is direct borrowing, and \$112,874,754 in SRF loans.

***City of Franklin's Outstanding Debt***

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
General obligation bonds - capital	\$ 99,465,000	\$ -	\$ 99,465,000
SBITA payable	396,871	-	396,871
Revenue and tax bonds	-	20,400,000	20,400,000
Bank direct borrowing	-	3,080,000	3,080,000
SRF loans	-	112,874,754	112,874,754
<b>Total Outstanding Debt</b>	<b>\$ 99,861,871</b>	<b>\$ 136,354,754</b>	<b>\$ 236,216,625</b>

The City's governmental activities debt of bonds (excluding premiums) and SBITA payable decreased by \$11,385,459 (from \$111,247,330 to \$99,861,871). There was \$288,695 in new SBITA payable. Debt of \$11,674,154 was repaid (\$11,555,000 in bonds and \$119,154 in SBITA).

The business-type activities (Water and Sewer) debt of revenue and tax bonds, bank direct borrowing, and SRF loans decreased by \$4,930,566. There was \$2,456,607 in new SRF loans. A total of \$7,387,173 was repaid (\$2,295,000 in business-type bonds, \$1,485,000 in bank direct borrowing, and \$3,607,173 in SRF loans).

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

Additional information on the City of Franklin's long-term debt can be found in the notes to the financial statements section of this report beginning on page 79.

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

The unemployment rate (not seasonally adjusted) for June 2024 for the City of Franklin was 2.7%, compared to the State of Tennessee's rate of 3.7% and a national average of 4.3%. In addition to the unemployment rate, factors considered in preparing the City's budget for fiscal year 2025 included:

1. The property tax rate for fiscal year 2024 of 32.61 cents per \$100 of assessed value allows payment of debt service, streets maintenance, and funding for capital projects. The property tax rate remains unchanged from the previous year.
2. The City received \$9.2 million of ARPA funds in 2021 and 2022. Of this amount, \$3.5 million has been spent with \$5.7 million available to budget in 2025.

**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, 109 Third Avenue South, Franklin, TN 37064

**BASIC FINANCIAL STATEMENTS**



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

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF NET POSITION**  
 JUNE 30, 2024  
 With Comparative Totals as of June 30, 2023

	Governmental Activities	Business-type Activities	Total	2023
<b>ASSETS</b>				
Cash and cash equivalents	\$ 23,445,710	\$ 2,198,211	\$ 25,643,921	\$ 24,871,616
Cash and cash equivalents-restricted	4,521,013	4,420,148	8,941,161	11,399,746
Investments	129,736,302	32,586,824	162,323,126	154,726,007
Investments-restricted	30,142,813	11,201,721	41,344,534	39,897,899
Receivables (net of allowance for uncollectibles)	46,966,793	9,582,680	56,549,473	57,478,501
Lease receivable	464,871	465,825	930,696	730,746
Inventories	1,436,770	1,442,654	2,879,424	2,245,060
Prepays	223,751	9,600	233,351	701,045
Net investment in joint venture - Conference Center	5,087,621	-	5,087,621	5,122,751
Capital assets, not being depreciated	99,890,728	19,408,707	119,299,435	253,833,306
Capital assets, net of accumulated depreciation	599,228,591	338,024,831	937,253,422	790,343,260
<b>Total assets</b>	<b>941,144,963</b>	<b>419,341,201</b>	<b>1,360,486,164</b>	<b>1,341,349,937</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related	38,936,235	5,036,664	43,972,899	33,539,018
OPEB related	227,600	31,036	258,636	3,126,981
Deferred charge on refundings	89,947	87,779	177,726	360,908
<b>Total deferred outflows of resources</b>	<b>39,253,782</b>	<b>5,155,479</b>	<b>44,409,261</b>	<b>37,026,907</b>
<b>LIABILITIES</b>				
Accounts payable	17,495,840	2,730,044	20,225,884	18,790,263
Accrued liabilities	5,064,455	-	5,064,455	1,743,489
Accrued interest payable	1,080,814	359,013	1,439,827	1,494,117
Unearned revenue	6,699,857	-	6,699,857	8,357,252
Noncurrent liabilities				
Due within one year: bonds, SBITA, compensated absences	18,400,398	8,582,635	26,983,033	27,096,561
Due in more than one year: bonds, SBITA, compensated absences	110,885,338	132,309,368	243,194,706	259,328,330
Net pension liability	70,134,180	9,563,756	79,697,936	52,327,946
OPEB liability	19,228,878	2,622,120	21,850,998	19,712,226
<b>Total liabilities</b>	<b>248,989,760</b>	<b>156,166,936</b>	<b>405,156,696</b>	<b>388,850,184</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
January 1 property tax levy	25,048,918	-	25,048,918	24,645,475
Lease related	433,682	344,156	777,838	600,751
Pension related	61,073	8,328	69,401	78,075
OPEB related	3,608,667	492,091	4,100,758	4,977,004
<b>Total deferred inflows of resources</b>	<b>29,152,340</b>	<b>844,575</b>	<b>29,996,915</b>	<b>30,301,305</b>
<b>NET POSITION</b>				
Net investment in capital assets	607,252,196	218,196,290	825,448,486	801,974,043
Restricted for:				
State street aid	1,750,151	-	1,750,151	3,247,409
Sanitation use	1,592,465	-	1,592,465	3,019,834
Drug fund use	530,343	-	530,343	534,709
CDBG program use	216,228	-	216,228	189,362
Development	24,546,282	-	24,546,282	33,433,096
Water and sewer	-	15,621,869	15,621,869	11,520,463
Unrestricted	66,368,980	33,667,010	100,035,990	105,306,439
<b>Total net position</b>	<b>\$ 702,256,645</b>	<b>\$ 267,485,169</b>	<b>\$ 969,741,814</b>	<b>\$ 959,225,355</b>

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, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

Functions/Program:	Net (Expense) Revenue and Changes in Net Position						
	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Business-type Activities	Total	2023
<b>Primary government</b>							
<b>Governmental activities:</b>							
Governance & management	\$ 6,285,343	\$ 4,100	\$ -	\$ -	\$ (6,281,243)	\$ -	\$ (5,636,034)
Public safety	56,188,230	1,700,625	97,123	-	(54,390,482)	-	(48,655,123)
Finance & administration	13,561,989	642	-	-	(13,561,347)	-	(11,821,928)
Community & economic development	14,414,252	2,947,013	5,167,505	542,159	(5,757,575)	-	(6,508,400)
Public works	69,520,518	13,378,317	2,111,363	15,756,766	(38,274,072)	-	(38,195,186)
Other general government	39,580,757	311,433	1,963,006	-	(37,306,318)	-	(46,282,208)
Interest	3,172,582	-	-	-	(3,172,582)	-	(3,492,442)
	202,723,671	18,342,130	9,338,997	16,298,925	(158,743,619)	-	(160,591,321)
<b>Business-type activities:</b>							
Water and sewer	40,985,653	47,169,798	1,663,729	10,523,944	18,371,818	18,371,818	4,864,029
<b>Total primary government</b>	<b>\$ 243,709,324</b>	<b>\$ 65,511,928</b>	<b>\$ 11,002,726</b>	<b>\$ 26,822,869</b>	<b>\$ (158,743,619)</b>	<b>\$ 18,371,818</b>	<b>\$ (155,727,292)</b>
General revenues and transfers							
Property taxes					24,233,164	-	24,233,164
Sales taxes					62,424,823	-	62,424,823
Wholesale privilege tax					1,675,086	-	1,675,086
Wholesale liquor tax					1,932,197	-	1,932,197
Hotel/motel tax					5,829,839	-	5,829,839
Other taxes					187,326	-	187,326
State shared revenue					23,470,223	-	23,470,223
Impact fees and taxes					16,477,610	-	16,477,610
Franchise taxes					2,307,280	-	2,307,280
Use of money and property					8,723,488	2,444,929	11,168,417
Miscellaneous					1,182,295	-	1,182,295
Transfers					200,000	(200,000)	-
<b>Total general revenues and transfers</b>					<b>148,643,331</b>	<b>2,244,929</b>	<b>150,888,260</b>
Change in net position					(10,100,288)	20,616,747	(24,025,421)
Net position - beginning					712,356,933	246,868,422	959,225,355
<b>Net position - ending</b>					<b>\$ 702,256,645</b>	<b>\$ 267,485,169</b>	<b>\$ 959,225,355</b>

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

**CITY OF FRANKLIN, TENNESSEE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**  
**With Comparative Totals as of June 30, 2023**

	General	Multi-Purpose Capital Project	Road Impact	Debt Service	Total Nonmajor Funds	Total Governmental Funds	
						2024	2023
<b>ASSETS</b>							
Cash and cash equivalents	\$ 16,216,685	\$ 656,452	\$ 815,189	\$ 545,271	\$ 9,733,125	\$ 27,966,722	\$ 31,841,632
Investments	75,866,204	23,014,446	27,902,470	-	33,095,996	159,879,116	153,947,507
Receivables (net of allowance for uncollectibles)	29,807,289	438,965	213,066	10,585,774	5,921,699	46,966,793	47,790,509
Lease receivable	464,871	-	-	-	-	464,871	252,178
Inventories	1,388,634	-	-	-	48,136	1,436,770	1,371,549
Prepaid items	221,951	-	-	-	1,800	223,751	701,045
<b>Total assets</b>	<b>\$ 123,965,634</b>	<b>\$ 24,109,863</b>	<b>\$ 28,930,725</b>	<b>\$ 11,131,045</b>	<b>\$ 48,800,756</b>	<b>\$ 236,938,023</b>	<b>\$ 235,904,420</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 10,738,913	\$ 5,069,068	\$ -	\$ 480	\$ 1,687,379	\$ 17,495,840	\$ 13,626,974
Accrued liabilities	5,064,455	-	-	-	-	5,064,455	1,743,489
Unearned revenue	6,287,912	90,094	-	-	321,851	6,699,857	8,357,252
<b>Total liabilities</b>	<b>22,091,280</b>	<b>5,159,162</b>	<b>-</b>	<b>480</b>	<b>2,009,230</b>	<b>29,260,152</b>	<b>23,727,715</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue-property tax-Jan. 1 levy	13,312,252	-	-	10,583,309	1,153,357	25,048,918	24,645,475
Unavailable revenue-property taxes	167,522	-	-	-	-	167,522	146,659
Unavailable revenue-in lieu of taxes	32,391	-	-	-	-	32,391	32,391
Unavailable revenue-assessments	43,200	-	-	-	-	43,200	43,200
Unavailable revenue-court fines	465,070	-	-	-	-	465,070	253,058
Unavailable revenue-franchise fees	412,912	-	-	-	-	412,912	497,622
Unavailable revenue-hotel/motel tax	-	-	-	-	-	-	77,340
Unavailable revenue-grant proceeds	323,330	58,519	-	-	8,608	390,457	1,560,851
Unavailable revenue-police extra duty	24,090	-	-	-	-	24,090	-
Lease related	433,682	-	-	-	-	433,682	238,482
<b>Total deferred inflows of resources</b>	<b>15,214,449</b>	<b>58,519</b>	<b>-</b>	<b>10,583,309</b>	<b>1,161,965</b>	<b>27,018,242</b>	<b>27,495,078</b>
<b>FUND BALANCES</b>							
Non-spendable	1,610,585	-	-	-	49,936	1,660,521	2,072,594
Restricted	-	18,892,182	-	-	9,743,287	28,635,469	40,424,410
Committed	-	-	28,930,725	547,256	30,577,052	60,055,033	55,937,906
Assigned	-	-	-	-	5,259,286	5,259,286	3,633,018
Unassigned	85,049,320	-	-	-	-	85,049,320	82,613,699
<b>Total fund balances</b>	<b>86,659,905</b>	<b>18,892,182</b>	<b>28,930,725</b>	<b>547,256</b>	<b>45,629,561</b>	<b>180,659,629</b>	<b>184,681,627</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 123,965,634</b>	<b>\$ 24,109,863</b>	<b>\$ 28,930,725</b>	<b>\$ 11,131,045</b>	<b>\$ 48,800,756</b>	<b>\$ 236,938,023</b>	<b>\$ 235,904,420</b>

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

**CITY OF FRANKLIN, TENNESSEE**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2024**  
**With Comparative Totals as of June 30, 2023**

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

	<u>2024</u>		<u>2023</u>	
<b>Fund balance - total governmental funds (Page 24)</b>	\$ 180,659,629		\$ 180,659,629	
Capital and other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds				
Capital assets, at cost	1,057,314,349		1,029,236,041	
Less related accumulated depreciation	(358,195,031)		(332,615,311)	
Investment in joint venture - conference center	<u>5,087,621</u>	704,206,939	<u>5,122,751</u>	701,743,481
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postemployment benefits (pension and OPEB) are recognized as deferred outflow of resources and deferred inflows of resources on the statement of net position.				
Deferred outflows of resources - pension related	38,936,235		29,812,225	
Deferred outflows of resources - OPEB related	227,600		2,751,744	
Deferred inflows of resources - pension related	(61,073)		(68,706)	
Deferred inflows of resources - OPEB related	<u>(3,608,667)</u>	35,494,095	<u>(4,379,764)</u>	28,115,499
Receivables not available to pay for current expenditures and, therefore are unavailable in the funds				
Property taxes	167,522		146,659	
In lieu of taxes	32,391		32,391	
Assessments	43,200		43,200	
Franchise fees	412,912		497,622	
Court fines	465,070		253,058	
Police extra duty	24,090		-	
Hotel/motel tax	-		77,340	
Grant revenues	<u>390,457</u>	1,535,642	<u>1,560,851</u>	2,611,121
Long-term items, including bonds and leases payable, are not due in the current period and, therefore, are not reported in the governmental funds				
Bonds outstanding	(99,465,000)		(111,020,000)	
Leases payable (GASB 96 SBITA)	(396,871)		(227,330)	
Accrued interest payable	(1,080,814)		(1,098,697)	
Compensated absences	(15,382,809)		(13,547,440)	
Net pension liability	(70,134,180)		(46,048,588)	
OPEB liability	<u>(19,228,878)</u>	(205,688,552)	<u>(17,346,759)</u>	(189,288,814)
Payables, such as accrued interest payable and park acquisition agreement, are not due and payable in the current period and, therefore, are not reported in the funds				
Deferred loss on refunding	89,947		161,601	
Bond premiums	<u>(14,041,056)</u>	(13,951,109)	<u>(15,667,582)</u>	(15,505,981)
<b>Net position - governmental activities</b>	<u>\$ 702,256,645</u>		<u>\$ 708,334,935</u>	

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

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	General Fund	Multi-Purpose Capital Project Fund	Formerly Major Fund Vehicle Replacement Fund	Road Impact Fee Fund	Debt Service Fund	Other Governmental Funds	2024	2023
<b>Revenues:</b>								
Taxes								
Property tax	\$ 12,138,354	\$ -	\$ -	\$ -	\$ 10,957,506	\$ 1,116,441	\$ 24,212,301	\$ 23,153,382
Sales tax	62,424,823	-	-	-	-	-	62,424,823	60,556,943
Wholesale beer tax	1,675,086	-	-	-	-	-	1,675,086	1,819,226
Wholesale liquor tax	1,932,197	-	-	-	-	-	1,932,197	1,858,357
Mixed drink tax (state shared)	1,881,940	-	-	-	-	-	1,881,940	1,796,903
Facilities tax (impact tax)	-	-	-	-	-	3,217,761	3,217,761	1,963,476
Hotel/ motel tax	-	-	-	-	-	5,907,179	5,907,179	5,638,692
Other taxes	187,326	-	-	-	-	-	187,326	172,464
Licenses and permits								
Franchise fees	2,391,990	-	-	-	-	-	2,391,990	2,441,864
Road impact fee	-	-	-	9,276,497	-	3,983,352	13,259,849	6,460,905
Building permits	1,878,751	-	-	-	-	-	1,878,751	1,435,153
Other licenses and permits	982,383	-	-	-	-	133,402	1,115,785	1,196,797
Intergovernmental								
State shared revenue	18,024,918	-	-	-	-	3,563,365	21,588,283	20,900,974
Federal and state grants	3,276,075	3,184,211	-	-	-	4,591,264	11,051,550	3,694,310
Charges for services	994,103	-	-	-	-	13,015,896	14,009,999	14,280,613
Fines and fees	467,748	-	-	-	-	284,211	751,959	864,137
Use of money and property	4,148,065	1,521,811	-	1,293,321	230,624	2,614,252	9,808,073	3,765,560
Miscellaneous	115,232	464,391	-	-	-	315,720	895,343	5,388,937
<b>Total revenues</b>	<b>112,518,991</b>	<b>5,170,413</b>	<b>-</b>	<b>10,569,818</b>	<b>11,188,130</b>	<b>38,742,843</b>	<b>178,190,195</b>	<b>157,388,693</b>
<b>Expenditures:</b>								
Current								
Governance & management	6,074,413	-	-	-	-	-	6,074,413	5,547,997
Public Safety	52,706,837	231,646	-	-	-	143,993	53,082,476	47,465,522
Finance & administration	11,913,127	-	-	-	-	-	11,913,127	10,481,804
Community & Economic Development	10,293,335	58,181	-	-	-	4,699,583	15,051,099	8,112,183
Public Works	15,641,934	5,188,040	-	1,332,084	-	22,497,862	44,659,920	26,098,034
Other General Government	3,261,426	52,574	-	-	-	1,358,042	4,672,042	17,402,137
Debt service								
Principal	-	-	-	-	11,555,000	-	11,555,000	10,540,000
Interest	-	-	-	-	4,739,016	-	4,739,016	5,165,460
Debt Service Fees	-	-	-	-	3,620	-	3,620	3,921
Capital outlay								
Public Safety	88,573	651,715	-	-	-	-	740,288	61,448
Finance and Administration	565,841	-	-	-	-	-	565,841	310,136
Community & Economic Development	-	113,982	-	-	-	483,580	597,562	11,990
Public Works	531,431	17,995,750	-	-	-	4,849,054	23,376,235	11,006,850
Other General Government	-	1,411,166	-	-	-	4,259,083	5,670,249	1,189,527
<b>Total expenditures</b>	<b>101,076,917</b>	<b>25,703,054</b>	<b>-</b>	<b>1,332,084</b>	<b>16,297,636</b>	<b>38,291,197</b>	<b>182,700,888</b>	<b>143,397,009</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 11,442,074	\$ (20,532,641)	\$ -	\$ 9,237,734	\$ (5,109,506)	\$ 451,646	\$ (4,510,693)	\$ 13,991,684
<b>Other financing sources (uses):</b>								
Lease proceeds	288,695	-	-	-	-	-	288,695	85,618
Transfers from other funds	-	15,673,118	-	-	4,850,263	3,612,090	24,135,471	29,724,700
Transfers to other funds	(9,712,090)	-	-	(4,960,649)	-	(9,262,732)	(23,935,471)	(29,524,700)
<b>Total other financing sources (uses)</b>	<b>(9,423,395)</b>	<b>15,673,118</b>	<b>-</b>	<b>(4,960,649)</b>	<b>4,850,263</b>	<b>(5,650,642)</b>	<b>488,695</b>	<b>285,618</b>
Net changes in fund balances	2,018,679	(4,859,523)	-	4,277,085	(259,243)	(5,198,996)	(4,021,998)	14,277,302
<b>Fund balances - beginning, as previously reported</b>	<b>84,641,226</b>	<b>23,751,705</b>	<b>5,167,640</b>	<b>24,653,640</b>	<b>806,499</b>	<b>45,660,917</b>	<b>184,681,627</b>	<b>170,404,325</b>
Change within financial report unit (major to nonmajor)	-	-	(5,167,640)	-	-	5,167,640	-	-
Fund balances - beginning, as adjusted or restated	84,641,226	23,751,705	-	24,653,640	806,499	50,828,557	184,681,627	170,404,325
<b>Fund balances - ending</b>	<b>\$ 86,659,905</b>	<b>\$ 18,892,182</b>	<b>\$ -</b>	<b>\$ 28,930,725</b>	<b>\$ 547,256</b>	<b>\$ 45,629,561</b>	<b>\$ 180,659,629</b>	<b>\$ 184,681,627</b>

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, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

Amounts reported for the governmental activities in the Statement of Net Activities are different because:

	<u>2024</u>		<u>2023</u>	
<b>Net changes in fund balances - total governmental funds</b>	\$ (4,021,998)		\$ 14,277,302	
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. This is the amount by which capital outlay exceeded depreciation expense in the current period.				
Acquisition of capital assets	30,950,175		13,304,043	
Depreciation expense	<u>(28,401,177)</u>	2,548,998	<u>(26,666,299)</u>	(13,362,256)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds for:				
Property taxes	20,863		2,930	
Hotel/motel tax	(77,340)		-	
Franchise fees	(84,710)		9,284	
Insurance reimbursements	-		(1,525,131)	
Court fines	212,012		5,494	
Police extra duty	24,090		-	
Grant revenues	(1,170,394)		1,367,558	
Contributed capital assets	<u>15,343,797</u>	14,268,318	<u>5,404,904</u>	5,265,039
The net effect of various miscellaneous transactions involving capital and other assets that increase or decrease net position.				
Disposals, adjustments and reclassifications of capital assets	\$ (15,394,206)		(36,997,778)	
Change in investment in joint venture - Conference Center	<u>\$ (35,130)</u>	(15,429,336)	<u>(44,140)</u>	(37,041,918)
Bond and other debt proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.				
Leases issued	(288,695)		(85,618)	
Principal paid on bonds	11,555,000		10,540,000	
Principal paid on leases	<u>119,154</u>	11,385,459	<u>74,506</u>	10,528,888
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds and certain expenditures in the governmental funds are capitalized.				
Accrued interest on long-term debt	17,932		112,299	
Accrued interest on SBITA leases	(49)		(1,246)	
Amortization of bond premiums	1,626,526		1,648,053	
Amortization of deferred amounts of refunding	(71,654)		(80,418)	
Compensated absences	(1,835,369)		(1,060,890)	
Changes in pension liabilities and related deferred outflows and inflows of resources-closed plan	(15,671,444)		(7,105,227)	
Changes in pension liabilities and related deferred outflows and inflows of resources-TCRS plan	717,495		840,590	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>\$ (3,635,166)</u>	<u>(18,851,729)</u>	<u>\$ (3,481,345)</u>	<u>(9,128,184)</u>
<b>Change in net position of governmental activities</b>		<u>\$ (10,100,288)</u>		<u>\$ (29,461,129)</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>	<b>2023</b>
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
<b>Taxes:</b>					
Real and personal property taxes	\$ 11,632,486	\$ 12,132,486	\$ 11,732,303	\$ (400,183)	\$ 11,213,112
Penalty and interest	42,000	42,000	36,759	(5,241)	44,811
In lieu of tax	369,251	369,251	369,292	41	376,479
Sales tax	59,547,555	61,797,555	62,424,823	627,268	60,556,943
Wholesale beer tax	1,784,124	1,784,124	1,675,086	(109,038)	1,819,226
Wholesale liquor tax	2,047,697	2,047,697	1,932,197	(115,500)	1,858,357
Mixed drink tax (state shared)	1,533,259	1,533,259	1,881,940	348,681	1,796,903
Beer privilege tax	27,813	27,813	40,426	12,613	26,749
Liquor privilege tax	142,619	142,619	146,900	4,281	(275,575)
	<b>77,126,804</b>	<b>79,876,804</b>	<b>80,239,726</b>	<b>362,922</b>	<b>77,417,005</b>
<b>Licenses and permits:</b>					
Franchise fees	2,551,351	2,551,351	2,391,990	(159,361)	2,441,864
Building permits	1,516,538	1,516,538	1,878,751	362,213	1,435,153
Demo Permit	-	-	2,450	2,450	-
Pool Permit	-	-	35,409	35,409	-
Mechanical licenses	2,967	2,967	4,050	1,083	2,975
Mechanical permits	143,041	143,041	111,541	(31,500)	142,968
Technology fee	61,800	61,800	70,110	8,310	57,685
Plumbing permits	78,427	78,427	78,753	326	90,508
Electric permits	270,933	270,933	226,847	(44,086)	288,297
Inspection fees	100,457	100,457	85,487	(14,970)	205,707
Licenses and permits	86,446	86,446	110,544	24,098	-
Site review, rezoning and submittal fees	166,065	166,065	188,994	22,929	211,829
Beer permits and licenses	12,095	12,095	13,250	1,155	10,750
Yard sale permits	4,839	4,839	4,105	(734)	4,210
Business license	14,932	14,932	14,915	(17)	15,154
Alarm permits	26,121	26,121	24,078	(2,043)	26,895
Miscellaneous permits	24,109	24,109	11,850	(12,259)	20,450
	<b>5,060,121</b>	<b>5,060,121</b>	<b>5,253,124</b>	<b>193,003</b>	<b>4,954,445</b>
<b>Intergovernmental:</b>					
State income tax	-	-	3,782	3,782	34,723
Sales tax	9,854,610	9,854,610	10,269,176	414,566	9,949,094
State beer tax	38,525	38,525	36,682	(1,843)	38,106
State excise tax	245,495	245,495	417,503	172,008	396,896
Cemetery excise tax	-	-	-	-	3,981
Sports wagering privilege tax	120,000	-	-	-	115,626
Transportation Modernization	-	-	15,454	15,454	-
In lieu of tax - TVA	1,003,528	1,003,528	1,022,878	19,350	1,003,531
Business tax from State	4,660,775	4,660,775	5,689,807	1,029,032	5,390,052
Business tax recording fee	403,520	403,520	569,636	166,116	549,517
Federal & State grants	1,297,500	4,110,722	3,276,075	(834,647)	121,123
	<b>17,623,953</b>	<b>20,317,175</b>	<b>21,300,993</b>	<b>983,818</b>	<b>17,602,649</b>

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

**CITY OF FRANKLIN, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2023</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
<b>Charges for services:</b>					
Regional fire training	1,591	1,591	-	(1,591)	750
Maps sold	3,520	3,520	640	(2,880)	1,870
Plans sold	2,483	2,483	900	(1,583)	3,700
Records sold	1,331	1,331	2,257	926	4,350
Special event services fee	2,349	2,349	4,100	1,751	2,500
Accident reports	711	711	2,229	1,518	5,510
Offender registry	1,833	1,833	1,950	117	2,250
License seizure fees	597	597	1,220	623	1,090
Citizens Police Academy	-	-	175	175	-
3rd party billable overtime	754,232	754,232	932,074	177,842	849,265
Technology Fee - PD	-	-	8	8	-
Compost vouchers	21,300	21,300	48,550	27,250	33,740
	<b>789,947</b>	<b>789,947</b>	<b>994,103</b>	<b>204,156</b>	<b>905,025</b>
<b>Fines and fees:</b>					
Fines - city court	152,041	152,041	179,065	27,024	163,458
Fines - general sessions/circuit court	171,413	171,413	169,188	(2,225)	192,979
Parking fines	58,224	58,224	118,993	60,769	89,492
Technology fee - court	-	-	2	2	-
Confiscated goods - state	-	-	-	-	238
Beer board violations	1,030	1,030	250	(780)	250
Building & street standards appeals fees	1,030	1,030	250	(780)	250
Business tax fees	4,929	4,929	-	(4,929)	-
Tree bank fees	11,603	35,853	-	(35,853)	-
	<b>400,270</b>	<b>424,520</b>	<b>467,748</b>	<b>43,228</b>	<b>446,667</b>
<b>Use of money and property:</b>					
Interest income	116,604	3,216,604	3,617,959	401,355	1,156,425
Lease interest revenue	-	-	22,637	22,637	11,357
Settlement proceeds	-	-	-	-	62
Opioid settlement	-	-	24,401	24,401	21,091
Rebates on purchases	85,860	85,860	126,322	40,462	128,634
Rent - mall and other	12,361	12,361	22,901	10,540	14,901
Park concessions and rentals	121,309	121,309	176,861	55,552	153,303
Christmas Tree Lighting Donations	20,000	20,000	31,000	11,000	39,150
Sale of surplus assets	141,921	141,921	123,145	(18,776)	192,229
Electric Charging Stations-Garages	1,000	1,000	2,839	1,839	2,277
	<b>499,055</b>	<b>3,599,055</b>	<b>4,148,065</b>	<b>549,010</b>	<b>1,719,429</b>
<b>Miscellaneous:</b>					
Reimb of prior year expenditures	-	-	128	128	-
Insurance reimbursements	-	-	-	-	1,525,131
Called performance bonds	-	-	113,824	113,824	309,991
Miscellaneous income	33,986	33,975	1,280	(32,695)	148,338
	<b>33,986</b>	<b>33,975</b>	<b>115,232</b>	<b>81,257</b>	<b>1,983,460</b>
<b>Total revenues</b>	<b>\$ 101,534,136</b>	<b>\$ 110,101,597</b>	<b>\$ 112,518,991</b>	<b>\$ 2,417,394</b>	<b>\$ 105,028,680</b>

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

**CITY OF FRANKLIN, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>	<b>2023</b>
	<b>Original</b>	<b>Final</b>			
<b>Expenditures:</b>					
<b>Governance &amp; Management:</b>					
<b>Elected officials:</b>					
Personnel	264,046	294,047	284,408	9,639	254,666
Services	143,025	153,025	118,428	34,597	40,754
Supplies	19,135	19,135	13,052	6,083	10,367
Business expenses	1,991	1,991	98	1,893	1,896
	<u>428,197</u>	<u>468,198</u>	<u>415,986</u>	<u>52,212</u>	<u>307,683</u>
<b>Administration:</b>					
Personnel	1,687,253	1,871,715	1,839,741	31,974	1,796,339
Services	181,239	181,239	133,687	47,552	128,255
Supplies	74,437	74,437	65,331	9,106	88,314
Business expenses	19,242	19,242	19,206	36	23,930
Reimbursement of interfund services	(406,196)	(338,748)	(338,748)	-	(232,112)
	<u>1,555,975</u>	<u>1,807,885</u>	<u>1,719,217</u>	<u>88,668</u>	<u>1,804,726</u>
<b>Human resources:</b>					
Personnel	1,503,041	1,733,158	1,732,944	214	1,510,792
Services	637,625	642,625	463,579	179,046	422,713
Supplies	86,200	86,200	38,924	47,276	54,203
Business expenses	23,722	23,722	23,010	712	22,610
Reimbursement of interfund services	(401,855)	(439,006)	(439,006)	-	(229,631)
	<u>1,848,733</u>	<u>2,046,699</u>	<u>1,819,451</u>	<u>227,248</u>	<u>1,780,687</u>
<b>Legal:</b>					
Personnel	802,326	868,204	887,591	(19,387)	794,210
Services	253,888	253,888	274,415	(20,527)	111,125
Supplies	26,470	26,470	10,451	16,019	20,260
Business expenses	14,734	14,734	7,192	7,542	8,339
Lease principal	-	-	-	-	10,547
Lease interest	-	-	-	-	549
Reimbursement of interfund services	(196,955)	(80,658)	(80,658)	-	(112,546)
	<u>900,463</u>	<u>1,082,638</u>	<u>1,098,991</u>	<u>(16,353)</u>	<u>832,484</u>
<b>Communications:</b>					
Personnel	562,695	607,142	614,864	(7,722)	517,866
Services	112,905	112,905	111,406	1,499	87,822
Supplies	39,115	39,115	26,478	12,637	22,291
Operational units	5,260	5,260	5,914	(654)	4,904
Business expenses	7,477	7,477	9,564	(2,087)	7,121
Reimbursement of interfund services	(122,672)	(46,452)	(46,451)	(1)	(70,098)
	<u>604,780</u>	<u>725,447</u>	<u>721,775</u>	<u>3,672</u>	<u>569,906</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>	<b>2023</b>
	<b>Original</b>	<b>Final</b>			
<b>Expenditures:</b>					
<b>Emergency management:</b>					
Personnel	225,006	244,720	257,993	(13,273)	174,024
Services	67,400	67,400	23,731	43,669	36,272
Supplies	19,100	20,100	17,269	2,831	42,215
Business expenses	2,025	2,025	-	2,025	-
	<u>313,531</u>	<u>334,245</u>	<u>298,993</u>	<u>35,252</u>	<u>252,511</u>
<b>Total Governance &amp; Management</b>	<b><u>5,651,679</u></b>	<b><u>6,465,112</u></b>	<b><u>6,074,413</u></b>	<b><u>390,699</u></b>	<b><u>5,547,997</u></b>
<b>Public Safety:</b>					
<b>Police department-administration:</b>					
Personnel	3,625,958	3,993,349	3,683,404	309,945	3,306,761
Services	2,711,059	2,711,059	2,478,531	232,528	2,041,411
Supplies	1,298,775	1,298,775	1,327,612	(28,837)	1,103,469
Operational units	23,772	23,772	20,559	3,213	15,854
Business expenses	187,601	187,601	119,159	68,442	190,119
	<u>7,847,165</u>	<u>8,214,556</u>	<u>7,629,265</u>	<u>585,291</u>	<u>6,657,614</u>
<b>Police department-criminal investigations:</b>					
Personnel	2,276,482	2,556,259	2,672,333	(116,074)	2,291,615
Services	140,805	140,805	100,562	40,243	101,450
Supplies	-	-	8,092	(8,092)	84,306
Operational units	22,092	22,092	18,999	3,093	18,835
Business expenses	80,160	80,160	130,489	(50,329)	76,214
	<u>2,519,539</u>	<u>2,799,316</u>	<u>2,930,475</u>	<u>(131,159)</u>	<u>2,572,420</u>
<b>Police department-patrol:</b>					
Personnel	11,808,550	13,025,444	13,090,514	(65,070)	12,363,086
Services	72,601	72,601	157,198	(84,597)	126,211
Supplies	99,526	99,526	112,183	(12,657)	132,065
Operational units	34,502	58,892	65,303	(6,411)	65,555
Business expenses	318,255	318,255	406,903	(88,648)	326,307
	<u>12,333,434</u>	<u>13,574,718</u>	<u>13,832,101</u>	<u>(257,383)</u>	<u>13,013,224</u>
<b>Fire department:</b>					
Personnel	22,897,086	25,244,081	25,212,287	31,794	22,522,487
Services	1,643,803	1,643,803	1,550,068	93,735	1,288,999
Supplies	1,291,385	1,291,385	1,308,694	(17,309)	1,047,736
Operational units	4,000	4,000	1,182	2,818	4,670
Business expenses	215,196	215,196	242,765	(27,569)	196,239
	<u>26,051,470</u>	<u>28,398,465</u>	<u>28,314,996</u>	<u>83,469</u>	<u>25,060,131</u>
<b>Total Public Safety</b>	<b><u>48,751,608</u></b>	<b><u>52,987,055</u></b>	<b><u>52,706,837</u></b>	<b><u>280,218</u></b>	<b><u>47,303,389</u></b>

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

**CITY OF FRANKLIN, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>	<b>2023</b>
	<b>Original</b>	<b>Final</b>			
<b>Expenditures:</b>					
<b>Finance &amp; Administration:</b>					
<b>Finance:</b>					
Personnel	1,319,111	1,402,555	1,353,984	48,571	1,175,385
Services	69,385	100,385	93,012	7,373	119,242
Supplies	66,500	66,500	40,645	25,855	12,852
Business expenses	121,374	121,374	127,599	(6,225)	95,466
Reimbursement of interfund services	(295,612)	(216,262)	(216,261)	(1)	(168,921)
	<u>1,280,758</u>	<u>1,474,552</u>	<u>1,398,979</u>	<u>75,573</u>	<u>1,234,024</u>
<b>Purchasing:</b>					
Personnel	433,713	455,272	450,308	4,964	432,095
Services	54,400	54,400	23,957	30,443	25,439
Supplies	10,235	10,235	15,341	(5,106)	3,615
Business expenses	3,580	3,580	3,490	90	3,409
Lease principal	-	-	-	-	17,070
Reimbursement of interfund services	(96,403)	(93,872)	(93,872)	-	(55,087)
	<u>405,525</u>	<u>429,615</u>	<u>399,224</u>	<u>30,391</u>	<u>426,541</u>
<b>Information technology:</b>					
Personnel	3,156,480	3,389,763	3,480,392	(90,629)	3,053,753
Services	2,884,922	2,884,922	3,222,518	(337,596)	2,373,065
Supplies	387,900	387,900	387,521	379	253,350
Business expenses	52,720	177,720	132,351	45,369	86,895
Lease principal	-	-	74,454	(74,454)	46,889
Lease interest	-	-	2,701	(2,701)	1,200
Reimbursement of interfund services	(1,134,055)	(915,778)	(915,780)	2	(648,031)
	<u>5,347,967</u>	<u>5,924,527</u>	<u>6,384,157</u>	<u>(459,630)</u>	<u>5,167,121</u>
<b>Revenue management:</b>					
Personnel	1,332,745	1,466,488	1,489,378	(22,890)	1,321,114
Services	36,050	36,050	19,923	16,127	23,864
Supplies	53,675	53,675	40,475	13,200	36,479
Business expenses	479,700	479,700	429,832	49,868	392,988
Reimbursement of interfund services	(1,466,557)	(1,069,233)	(1,069,234)	1	(864,398)
	<u>435,613</u>	<u>966,680</u>	<u>910,374</u>	<u>56,306</u>	<u>910,047</u>
<b>Court:</b>					
Personnel	240,998	261,445	261,662	(217)	236,268
Services	313,362	313,362	12,708	300,654	12,152
Supplies	14,850	14,850	5,798	9,052	9,574
Business expenses	6,000	6,000	11,016	(5,016)	10,650
Lease principal	-	-	44,700	(44,700)	-
	<u>575,210</u>	<u>595,657</u>	<u>335,884</u>	<u>259,773</u>	<u>268,644</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>	<b>2023</b>
	<b>Original</b>	<b>Final</b>			
<b>Expenditures:</b>					
<b>Project &amp; facilities management:</b>					
Personnel	549,426	671,972	631,837	40,135	531,801
Services	1,202,056	1,627,056	1,886,639	(259,583)	1,995,565
Supplies	84,000	84,000	141,844	(57,844)	117,419
Business expenses	35,181	35,181	33,427	1,754	39,150
Reimbursement of interfund services	(364,889)	(209,239)	(209,238)	(1)	(208,508)
	<u>1,505,774</u>	<u>2,208,970</u>	<u>2,484,509</u>	<u>(275,539)</u>	<u>2,475,427</u>
<b>Total Finance &amp; Administration</b>	<b><u>9,550,847</u></b>	<b><u>11,600,001</u></b>	<b><u>11,913,127</u></b>	<b><u>(313,126)</u></b>	<b><u>10,481,804</u></b>
<b>Community &amp; Economic Development:</b>					
<b>Building &amp; neighborhood services:</b>					
Personnel	3,710,794	3,814,982	3,552,737	262,245	3,380,463
Services	240,775	240,775	340,831	(100,056)	101,355
Supplies	86,450	86,450	75,046	11,404	79,834
Business expenses	73,021	73,021	61,875	11,146	78,539
	<u>4,111,040</u>	<u>4,215,228</u>	<u>4,030,489</u>	<u>184,739</u>	<u>3,640,191</u>
<b>Planning &amp; sustainability:</b>					
Personnel	1,747,387	1,812,198	1,852,004	(39,806)	1,652,584
Services	297,600	297,600	166,582	131,018	241,090
Supplies	75,250	75,250	71,820	3,430	44,585
Operational units	5,000	5,000	-	5,000	4,000
Business expenses	15,919	15,919	14,987	932	14,459
	<u>2,141,156</u>	<u>2,205,967</u>	<u>2,105,393</u>	<u>100,574</u>	<u>1,956,718</u>
<b>Engineering:</b>					
Personnel	2,049,954	2,145,841	2,123,605	22,236	1,982,203
Services	115,531	115,531	57,509	58,022	76,670
Supplies	21,596	21,596	25,730	(4,134)	52,829
Business expenses	17,257	17,257	14,045	3,212	15,747
Reimbursement of interfund services	(432,571)	(193,668)	(193,667)	(1)	(247,183)
	<u>1,771,767</u>	<u>2,106,557</u>	<u>2,027,222</u>	<u>79,335</u>	<u>1,880,266</u>
<b>Traffic operations center:</b>					
Personnel	533,722	552,251	540,950	11,301	371,519
Services	532,306	532,306	1,355,230	(822,924)	107,617
Supplies	209,938	209,938	153,294	56,644	46,750
Business expenses	18,025	18,025	14,607	3,418	16,913
	<u>1,293,991</u>	<u>1,312,520</u>	<u>2,064,081</u>	<u>(751,561)</u>	<u>542,799</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>	<b>2023</b>
	<b>Original</b>	<b>Final</b>			
<b>Expenditures:</b>					
<b>Economic Development:</b>					
Appropriations	96,819	96,819	66,150	30,669	92,209
	<u>96,819</u>	<u>96,819</u>	<u>66,150</u>	<u>30,669</u>	<u>92,209</u>
<b>Total Community &amp; Economic Development</b>	<b><u>9,414,773</u></b>	<b><u>9,937,091</u></b>	<b><u>10,293,335</u></b>	<b><u>(356,244)</u></b>	<b><u>8,112,183</u></b>
<b>Public Works:</b>					
<b>Streets-Maintenance:</b>					
Personnel	3,866,176	4,248,180	4,463,580	(215,400)	3,856,193
Services	880,285	880,285	903,810	(23,525)	914,071
Supplies	496,905	496,905	523,546	(26,641)	252,284
Business expenses	161,079	161,079	98,692	62,387	135,802
	<u>5,404,445</u>	<u>5,786,449</u>	<u>5,989,628</u>	<u>(203,179)</u>	<u>5,158,350</u>
<b>Streets-Traffic:</b>					
Personnel	1,088,090	1,235,511	1,211,357	24,154	1,074,118
Services	215,820	215,820	224,825	(9,005)	220,151
Supplies	387,835	387,835	294,971	92,864	329,346
Business expenses	88,507	88,507	91,984	(3,477)	78,586
	<u>1,780,252</u>	<u>1,927,673</u>	<u>1,823,137</u>	<u>104,536</u>	<u>1,702,201</u>
<b>Streets-Fleet:</b>					
Personnel	1,057,402	1,130,307	1,057,215	73,092	1,025,023
Services	438,608	438,608	656,199	(217,591)	447,811
Supplies	(222,278)	(222,278)	(474,247)	251,969	(269,708)
Business expenses	11,097	11,097	17,344	(6,247)	12,135
	<u>1,284,829</u>	<u>1,357,734</u>	<u>1,256,511</u>	<u>101,223</u>	<u>1,215,261</u>
<b>Parks:</b>					
Personnel	3,963,126	4,566,571	4,505,975	60,596	3,935,976
Services	1,481,771	1,481,771	1,251,745	230,026	1,246,006
Supplies	881,459	881,459	668,404	213,055	992,834
Operational units	49,250	49,250	-	49,250	13,134
Business expenses	141,110	141,110	146,534	(5,424)	129,472
	<u>6,516,716</u>	<u>7,120,161</u>	<u>6,572,658</u>	<u>547,503</u>	<u>6,317,422</u>
<b>Total Public Works</b>	<b><u>14,986,242</u></b>	<b><u>16,192,017</u></b>	<b><u>15,641,934</u></b>	<b><u>550,083</u></b>	<b><u>14,393,234</u></b>
<b>Other General Government:</b>					
<b>General expenses:</b>					
Personnel	3,124,662	367,839	(832,720)	1,200,559	(1,945,638)
Services	303,084	303,084	215,868	87,216	152,722
Supplies	2,000	2,000	(255)	2,255	(22,325)
Operational units	-	2,980,050	2,980,050	-	-
Business expenses	4,450	154,450	229,681	(75,231)	12,500
	<u>3,434,196</u>	<u>3,807,423</u>	<u>2,592,624</u>	<u>1,214,799</u>	<u>(1,802,741)</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>	<b>2023</b>
	<b>Original</b>	<b>Final</b>			
<b>Expenditures:</b>					
<b>Contributions:</b>					
Appropriations	685,758	668,802	668,802	-	661,032
Total Contributions	<u>685,758</u>	<u>668,802</u>	<u>668,802</u>	<u>-</u>	<u>661,032</u>
<b>Total Other General Government</b>	<b><u>4,119,954</u></b>	<b><u>4,476,225</u></b>	<b><u>3,261,426</u></b>	<b><u>1,214,799</u></b>	<b><u>(1,141,709)</u></b>
<b>Capital Outlay:</b>					
Governance & Management:					
Public Safety:					
Police - administration	575,000	584,793	-	584,793	61,448
Fire	75,000	100,000	88,573	11,427	-
Finance & Administration:					
Court	-	-	288,695	(288,695)	-
Purchasing	-	-	-	-	85,618
Information technology	405,000	405,000	277,146	127,854	224,518
Community & Economic Development:					
Traffic operations center	1,472,500	731,000	-	731,000	11,990
Public Works:					
Streets-maintenance	-	389,940	389,940	-	321,870
Streets-traffic	152,000	152,000	-	152,000	-
Streets-fleet	-	113,000	90,387	22,613	-
Parks	45,250	45,250	51,104	(5,854)	-
<b>Total Capital Outlay</b>	<b><u>2,724,750</u></b>	<b><u>2,520,983</u></b>	<b><u>1,185,845</u></b>	<b><u>1,335,138</u></b>	<b><u>705,444</u></b>
<b>Total expenditures</b>	<b><u>95,199,853</u></b>	<b><u>104,178,484</u></b>	<b><u>101,076,917</u></b>	<b><u>3,101,567</u></b>	<b><u>85,402,342</u></b>
<b>Excess of revenues over expenditures</b>	<b><u>6,334,283</u></b>	<b><u>5,923,113</u></b>	<b><u>11,442,074</u></b>	<b><u>5,518,961</u></b>	<b><u>19,626,338</u></b>
<b>Other financing sources (uses):</b>					
SBITAs	-	-	288,695	288,695	85,618
Transfers out	(7,334,283)	(9,934,283)	(9,712,090)	222,193	(9,503,936)
<b>Total other financing sources (uses)</b>	<b><u>(7,334,283)</u></b>	<b><u>(9,934,283)</u></b>	<b><u>(9,423,395)</u></b>	<b><u>510,888</u></b>	<b><u>(9,418,318)</u></b>
<b>Net changes in fund balances*</b>	<b><u>\$ (1,000,000)</u></b>	<b><u>\$ (4,011,170)</u></b>	<b>2,018,679</b>	<b><u>\$ 6,029,849</u></b>	<b>10,208,020</b>
<b>Fund balance - beginning</b>			<b>84,641,226</b>		<b>74,433,206</b>
<b>Fund balance - ending</b>			<b><u>\$ 86,659,905</u></b>		<b><u>\$ 84,641,226</u></b>

\* The net change in fund balance was included in the budget as an allocation from fund balance.

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

**CITY OF FRANKLIN, TENNESSEE**  
**ROAD IMPACT FEE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2023</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
<b>Revenues:</b>					
Licenses and permits:					
Road impact fee	\$ 7,236,688	\$ 7,236,689	\$ 9,276,497	\$ 2,039,808	\$ 4,235,737
Use of money and property:					
Interest earned	50,000	50,000	1,293,321	1,243,321	416,000
<b>Total revenues</b>	<u>7,286,688</u>	<u>7,286,689</u>	<u>10,569,818</u>	<u>3,283,129</u>	<u>4,651,737</u>
<b>Expenditures:</b>					
Public works:					
Services	3,000,000	3,000,000	1,332,084	1,667,916	1,243,566
<b>Total expenditures</b>	<u>3,000,000</u>	<u>3,000,000</u>	<u>1,332,084</u>	<u>1,667,916</u>	<u>1,243,566</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,286,688</u>	<u>4,286,689</u>	<u>9,237,734</u>	<u>4,951,045</u>	<u>3,408,171</u>
<b>Other financing sources (uses):</b>					
Transfers out	(4,293,446)	(4,961,455)	(4,960,649)	806	(10,956,852)
<b>Total other financing sources (uses)</b>	<u>(4,293,446)</u>	<u>(4,961,455)</u>	<u>(4,960,649)</u>	<u>806</u>	<u>(10,956,852)</u>
Net change in fund balances	<u>\$ (6,758)</u>	<u>\$ (674,766)</u>	4,277,085	<u>\$ 4,951,851</u>	(7,548,681)
<b>Fund balance - beginning</b>			<u>24,653,640</u>		<u>32,202,321</u>
<b>Fund balance - ending</b>			<u>\$ 28,930,725</u>		<u>\$ 24,653,640</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND (WATER AND SEWER FUND)**  
**JUNE 30, 2024**  
**With Comparative Totals as of June 30, 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,198,211	\$ 2,640,463
Cash and cash equivalents-restricted	4,420,148	1,789,267
Investments	32,586,824	30,945,203
Investments-restricted	11,201,721	9,731,196
Receivables (net of allowance for uncollectibles)	9,582,680	9,687,992
Lease receivables (current)	13,192	12,743
Inventory	1,442,654	873,511
Prepays	9,600	-
<b>Total current assets</b>	<u>61,455,030</u>	<u>55,680,375</u>
Noncurrent assets:		
Lease receivables (long-term)	452,633	465,825
Capital assets (net of accumulated depreciation):		
Land	7,085,091	6,051,103
Construction in progress	12,323,616	160,850,077
Buildings and improvements	170,511,611	17,718,955
Utility plant in service	166,716,259	162,584,574
Machinery and equipment	796,961	351,127
<b>Total capital assets (net of accumulated depreciation):</b>	<u>357,433,538</u>	<u>347,555,836</u>
<b>Total noncurrent assets</b>	<u>357,886,171</u>	<u>348,021,661</u>
<b>Total assets</b>	<u>419,341,201</u>	<u>403,702,036</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refundings	87,779	199,307
OPEB related	31,036	375,237
Pension related	5,036,664	3,726,793
<b>Total deferred outflows of resources</b>	<u>5,155,479</u>	<u>4,301,337</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	2,730,044	5,163,289
Accrued interest payable	359,013	395,420
Compensated absences - current	769,801	674,926
Bank direct borrowing - current	1,520,000	1,485,000
SRF loans - current	3,660,982	3,957,172
Bonds payable - current	2,631,852	2,241,852
<b>Total current liabilities</b>	<u>11,671,692</u>	<u>13,917,659</u>
Long-term liabilities:		
Compensated absences - long-term	797,175	735,167
Bank direct borrowing - long-term	1,560,000	3,080,000
SRF loans - long-term	109,213,772	110,068,148
Bonds payable - long-term	20,738,421	23,720,274
Total OPEB liability	2,622,120	2,365,467
Net pension liability	9,563,756	6,279,358
<b>Total long-term liabilities</b>	<u>144,495,244</u>	<u>146,248,414</u>
<b>Total liabilities</b>	<u>156,166,936</u>	<u>160,166,073</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
OPEB related	492,091	597,240
Pension related	8,328	9,369
Leases	344,156	362,269
<b>Total deferred inflows of resources</b>	<u>844,575</u>	<u>968,878</u>
<b>NET POSITION</b>		
Net investment in capital assets	218,196,290	203,202,697
Restricted-system improvements	15,621,869	11,520,463
Unrestricted	33,667,010	32,145,262
<b>Total net position</b>	<u>\$ 267,485,169</u>	<u>\$ 246,868,422</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND (WATER AND SEWER FUND)**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<b>2024</b>	<b>2023</b>
<b>Operating revenues:</b>		
Metered water sales	\$ 14,892,870	\$ 14,707,819
Sewer service charges	24,990,696	24,185,294
Reclaimed water sales	194,142	183,393
Other revenues from operations	926,495	949,000
Impact fees	6,165,595	1,918,948
<b>Total operating revenues</b>	<b>47,169,798</b>	<b>41,944,454</b>
<b>Operating expenses:</b>		
Water and sewer billing expenses	238,253	244,731
Water distribution expenses	2,633,673	3,030,730
Water plant expenses	7,104,776	6,361,333
Water administration	2,175,017	1,959,369
Sewer administration	5,435,609	3,072,890
General administration	1,970,826	1,822,842
Sewer collection expenses	4,135,715	3,134,772
Sewer plant expenses	6,298,932	4,961,287
Reclaimed water expenses	482,467	108,831
Depreciation	8,040,928	8,363,734
<b>Total operating expenses</b>	<b>38,516,196</b>	<b>33,060,519</b>
<b>Operating income</b>	<b>8,653,602</b>	<b>8,883,935</b>
<b>Nonoperating revenues (expenses):</b>		
Investment (loss) income	2,444,929	771,679
Net (loss)/gain on disposal of assets	82,794	(6,550,319)
Interest expense	(2,552,251)	(2,688,635)
<b>Total nonoperating revenues (expenses)</b>	<b>(24,528)</b>	<b>(8,467,275)</b>
<b>Income before contributions and transfers</b>	<b>8,629,074</b>	<b>416,660</b>
<b>Contributions and transfers:</b>		
Grants	1,663,729	604,455
Capital contributions	1,354,392	4,560
Developer contributions	9,169,552	4,610,033
Transfer to debt service fund	(200,000)	(200,000)
<b>Total contributions and transfers</b>	<b>11,987,673</b>	<b>5,019,048</b>
<b>Change in net position</b>	<b>20,616,747</b>	<b>5,435,708</b>
<b>Net position, beginning of year</b>	<b>246,868,422</b>	<b>241,432,714</b>
<b>Net position, end of year</b>	<b>\$ 267,485,169</b>	<b>\$ 246,868,422</b>

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

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND (WATER AND SEWER FUND)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 39,509,857	\$ 36,556,885
Cash paid to employees for services	(5,988,986)	(5,103,153)
Cash paid to suppliers of goods and services	(24,890,309)	(17,104,208)
Contributions from impact fees	6,165,595	1,918,948
Net cash operating activities	<u>14,796,157</u>	<u>16,268,472</u>
<b>Cash flows from noncapital financing activities:</b>		
Grants	1,663,729	604,455
Transfer to debt service fund	(200,000)	(200,000)
Net cash provided by noncapital financing activities	<u>1,463,729</u>	<u>404,455</u>
<b>Cash flows from capital and related financing activities:</b>		
Purchases of property, plant and equipment	(8,749,078)	(17,526,958)
Capital Contributions	1,354,392	4,560
Sales of property, plant and equipment	82,794	20,444
Cash received from lease activity	31,605	25,224
Interest paid on long-term debt	(2,773,983)	(2,910,599)
Payments on SRF loan eligible projects not reimbursed	1,612,401	2,994,013
Proceeds from issuance of long-term debt	2,456,607	7,273,630
Payments on long-term debt	(7,387,173)	(7,093,414)
Net cash capital and related financing activities	<u>(13,372,435)</u>	<u>(17,213,100)</u>
<b>Cash flows from investing activities:</b>		
Purchases of investments, net	(3,112,146)	2,044,142
Interest received from investments	2,413,324	746,455
Net cash investing activities	<u>(698,822)</u>	<u>2,790,597</u>
Net change in cash and restricted cash	2,188,629	2,250,424
<b>Cash and restricted cash, beginning of year</b>	<u>4,429,730</u>	<u>2,179,306</u>
<b>Cash and restricted cash, end of year</b>	<u>\$ 6,618,359</u>	<u>\$ 4,429,730</u>
<b>Reconciliation of operating income to net cash provided by operations:</b>		
Operating income (loss)	\$ 8,653,602	\$ 8,883,935
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation expense	8,040,928	8,363,734
Increase (decrease) in net pension liability and related amounts	1,973,486	889,746
Increase (decrease) in OPEB liability and related amounts	495,705	474,729
Increase (decrease) in accounts receivable	(1,512,459)	(3,486,735)
Increase (decrease) in inventory	(578,743)	50,954
Increase (decrease) in compensated absences	156,883	105,559
Increase (decrease) in accounts payable	(2,433,245)	986,550
Net cash provided by operating activities	<u>\$ 14,796,157</u>	<u>\$ 16,268,472</u>
<b>Supplemental schedule of non-cash capital and related financing activities:</b>		
Capital assets added as developer contributions	<u>\$ 9,169,552</u>	<u>\$ 4,610,033</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**DECEMBER 31, 2023**  
**With Comparative Totals as of December 31, 2022**

	<b>Franklin Employees' Pension Plan</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and equivalents	\$ 2,427,787	\$ 3,569,211
Total cash and equivalents	2,427,787	3,569,211
Investments:		
Domestic fixed income	44,624,950	40,228,362
Domestic equity	68,216,195	60,807,380
International equity	23,789,607	20,727,928
Timber	2,900,991	5,462,324
Real estate	17,414,615	12,860,801
Total investments	156,946,358	140,086,795
<b>Total assets</b>	159,374,145	143,656,006
 <b>NET POSITION RESTRICTED FOR PENSIONS</b>	 \$ 159,374,145	 \$ 143,656,006

Franklin Employees' Pension Plan as of December 31, 2023.  
This pension was closed to new hires after December 16, 2016.

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2023  
**With Comparative Totals for the Year Ended December 31, 2022**

	<b>Franklin Employees' Pension Plan</b>	<b>2022</b>
<b>Additions:</b>		
Contributions:		
Employer	\$ 8,019,361	\$ 6,660,363
Plan members	782,747	700,782
Total contributions	<u>8,802,108</u>	<u>7,361,145</u>
Investment income:		
Net (depreciation) appreciation in fair value of investments	16,293,388	(16,722,101)
Less: investment expense	<u>(221,139)</u>	<u>(218,060)</u>
Total investment income	<u>16,072,249</u>	<u>(16,940,161)</u>
<b>Total additions</b>	<u>24,874,357</u>	<u>(9,579,016)</u>
<b>Deductions:</b>		
Benefits	9,072,879	7,473,103
Administration expense	<u>83,339</u>	<u>75,699</u>
<b>Total deductions</b>	<u>9,156,218</u>	<u>7,548,802</u>
<b>Net increase in fiduciary net position</b>	15,718,139	(17,127,818)
<b>Net position restricted for pension benefits - beginning</b>	<u>143,656,006</u>	<u>160,783,824</u>
<b>Net position restricted for pension benefits - ending</b>	<u>\$ 159,374,145</u>	<u>\$ 143,656,006</u>

Franklin Employees' Pension Plan as of December 31, 2023.  
This pension plan was closed to new hires after December 16, 2016.

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**CITY OF FRANKLIN, TENNESSEE**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024

## **I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Franklin, TN (the City), have been prepared in conformity with accounting principles generally accepted in the United State of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City of Franklin's significant accounting policies are described below:

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

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

### **B. Reporting entity**

The City was incorporated in 1799. The City operates under a mayor-alderman form of government. The City provides the following services: public safety, streets, sanitation, parks, planning, codes, and water and sewer services.

The accompanying financial statements present the government and any component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Based on the City's analysis as of June 30, 2024, the City had no component units that were required to be included in these financial statements.

*Joint Operation of the Cool Springs Conference Center:* In June 1999, the City completed construction of the Conference Center at Cool Springs (Conference Center), which operates a conference center facility. An Interlocal Agreement executed between the City and Williamson County, Tennessee (the Parties) provides for equal ownership by each of the Parties of a one-half undivided interest in the Conference Center and further specifies that each of the Parties shall be entitled to one-half of the net revenue and shall be responsible for one-half of all costs and expenses of the operation and maintenance of the Conference Center. The City's undivided interest in the investment in the Conference Center facility totaled \$5,087,621 on June 30, 2024 and is accounted for as a joint venture asset of the City. The City's one-half interest in Conference Center operations is presented with governmental activities in the statements of net position and activities. Complete financial statements for the Conference Center may be obtained from the Department of Finance at City Hall.

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

*Franklin Industrial Development Board and Health and Educational Facilities Board:* The City, through the Industrial Development Board, established August 1966, has in the past authorized issuance of various Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition of industrial and commercial facilities deemed to be in the public interest. The activities of the Board related solely to the issuance of such bonds. The bonds are secured by the property financed and payable solely from payments received on the underlying mortgage loans. Neither the City, State, nor any political subdivision thereof is obligated in any manner for repayment of bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Also, the Board's actions do not require the substantive approval of the City.

**CITY OF FRANKLIN, TENNESSEE**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024

Board members of the IDB also act as board members for the Health and Educational Facilities Board. The Health and Educational Facilities Board, established March 1977, is a public, nonprofit corporation organized under the laws of the State of Tennessee for the benefit of the citizens to promote welfare, education, prosperity, health, and living conditions. The bonds are secured by the revenues pledged as security for the bonds. Board members are chosen by the Board of Mayor and Aldermen and serve 6-year terms. Because there was no activity in fiscal year 2024, there is no annual audit.

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

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

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

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

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

The City reports the following major governmental funds:

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

The *Multi-Purpose Capital Project Fund* accounts for the various capital projects of the City. (In fiscal year 2024, the fleet replacement portion of this fund was separated in accordance with GASB Statement 100.)

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

The *Debt Service Fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal, interest, and related fees on long-term obligations of governmental funds.

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fiduciary fund type:

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

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

**CITY OF FRANKLIN, TENNESSEE**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024

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

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

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are earned and they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on long-term debt, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, and postemployment benefits are recorded generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt financing through leases are reported as other financing sources.

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

**F. Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, the Special Revenue Funds, Debt Service Fund, and the Fleet Replacement Capital Projects Fund. The Board of Mayor and Aldermen approve and appropriate the budgets for these funds annually. All annual appropriations lapse at fiscal-year end. The appropriated budget is prepared by fund, function, and department. During the fiscal year, the Board of Mayor and Aldermen may transfer or appropriate additional funds for expenditures not anticipated at the time of budget adoption. The City's policy is to not allow expenditures to exceed budgetary amounts at the total fund expenditure level without obtaining additional appropriation approval from the Board.

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

**1. Cash and cash equivalents**

The City's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the City's proprietary fund considers its demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 JUNE 30, 2024

**2. Investments**

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

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

**3. Inventories and prepaid items**

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

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

**4. Capital assets**

Capital assets are tangible and intangible asset, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$50,000 if non-infrastructure and \$100,000 or more if infrastructure and an estimated useful life of three years or more.

As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right to use leased equipment, and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following useful lives:

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

Infrastructure	50 years
Buildings and building improvements	25 - 50 years
Parks and park improvements	25 - 50 years
Equipment	3 - 10 years
Furniture and fixtures	3 - 10 years
Intangible assets	Term per agreement

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

Proprietary (business-type) capital assets of the City are depreciated using the straight-line method over the following useful lives adopted by the Tennessee Board of Utility Regulation (TBOUR):

Building (office and plant)	30 - 50 years
Furniture and fixtures	5 - 10 years
Machinery, equipment, and vehicles	5 - 20 years
Water and wastewater lines and storage	40 - 50 years

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

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, and deferred amounts related to pension and OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position includes a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes levied on January 1, 2024 that will not be available for collection until fiscal year 2025, beginning October 2024; uncollected property taxes; assessments; grants; in lieu of taxes; court fines; franchise fees; hotel/motel taxes; and miscellaneous. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The amount for leases relates to leases for which the City is the lessor and will be recognized as revenue as lease receivable payments are received from the lessees. The City also reports deferred inflows of resources related to pensions and OPEB.

**6. *Net position***

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction, or improvement of those assets. Deferred outflows or resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- *Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- *Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

**CITY OF FRANKLIN, TENNESSEE**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024

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

**7. Fund balance policies**

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance". The City's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- *Nonspendable* fund balance represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.
- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- *Committed* fund balance represents amounts that can be used only for the specific purposes determined by of the adoption of an ordinance committing fund balance for a specified purpose by the City's Board prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation.
- *Assigned* fund balance represents amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- *Unassigned* fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

**8. Leases**

Lessee: The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$50,000 or more.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 JUNE 30, 2024

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor for a noncancellable lease of a building. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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

### ***1. Program revenues***

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

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**2. *Property taxes***

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

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

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

For fiscal year 2024, taxes were levied at a rate of .3261 per \$100 of assessed valuation.

**3. *Compensated absences***

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

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

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

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

**I. *Estimates***

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

**J. *Summarized Financial Information***

The summarized financial information shown for fiscal year 2023 in the accompanying Basic Financial Statements and Combining and Individual Fund Statements and Schedules is included to provide a basis for comparison with fiscal year 2024.

**K. *Change in Accounting of Fund from Major to Nonmajor Fund***

As of July 1, 2024, the City changes its accounting policy in regard to its Fleet Replacement Fund and ceased accounting for them as part of the Multi-Purple Capital Project Fund and began accounting for these activities within their own special revenue fund. As a result, fund balance and net position of \$5,167,640 were reclassified from Multi-Purpose Capital Project Fund, a major fund for the City, to Fleet Replacement Fund, a non-major fund as of July 1, 2024.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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

**III. DETAILED NOTE ON ALL ACTIVITIES AND FUNDS**

**A. Cash and investments**

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital), liquidity, and yield.

**B. Cash Deposits with financial institutions**

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

**C. Investments**

State statutes authorize the City to invest in direct obligations of the U.S., certificates of deposit, money market accounts, and government sponsored agency securities.

*Interest rate risk.* Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the maximum maturity length of investments to four years.

As of June 30, 2024, the City had the following investments:

	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less than 1 year</u>	<u>1 - 4 years</u>
<b>Investments by fair value level</b>			
Certificates of Deposit	\$ 2,000,000	\$ -	\$ 2,000,000
Money Market Accounts	951,464	951,464	-
U.S Treasury Obligations	134,779,049	57,759,135	77,019,914
U.S Agency Obligations	65,937,147	25,268,425	40,668,722
<b>Total Investments</b>	<u>\$ 203,667,660</u>	<u>\$ 83,979,024</u>	<u>\$ 119,688,636</u>

*Credit risk.* Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City's investment policy requires that fixed income securities and equities have a weighted average of no less than investment grade, as rated by Moody's and Standard & Poor's. Unrated securities are limited to no more than 20% of the total investments. The certificates of deposit and money market accounts are in banks covered by the State collateral pool or under FDIC. U.S. securities guaranteed by the U.S. government were rated Aaa by Moody's and Fitch and AA+ by Standard & Poor's on 6/30/2024. U.S. securities linked to the U.S. government, were rated Aaa by Moody's and AA+ by Fitch and Standard & Poor's on 6/30/2024. Without at least 2 Aaa ratings, the Tennessee Comptroller of the Treasury provided that local governments suspend purchasing new U.S. securities linked to the U.S. government effective August 11, 2023.

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*Concentration of credit risk.* The concentration of credit risk is the risk of loss that may be caused by the City's investment in a single issuer. The City's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle to no more than 40% of the portfolio, except for U.S. Treasury obligations. As of June 30, 2024, the investments that constituted a concentration risk due to investments exceeding 5% of the portfolio balance were the U.S. Treasury securities and within U.S. Agency securities (Federal Home Loan Bank and Federal Farm Credit Bank).

*Fair value of investments.* The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund. Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs. Securities classified as Level 3 have limited trade information, these securities are priced or using the last trade price or estimated using recent trade prices.

At June 30, 2024, the City had the following recurring fair value measurements:

<u>Investments by fair value level</u>	<u>6/30/2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of Deposit	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -
Money Market Accounts	951,464	85,669	-	-
U.S Treasury Obligations	134,779,049	134,779,049	-	-
U.S Agency Obligations	65,937,147	-	65,937,147	-
<b>Total investments at Fair Value</b>	<u>\$ 203,667,660</u>	<u>\$ 136,864,718</u>	<u>\$ 65,937,147</u>	<u>\$ -</u>

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

As of December 31, 2023, the City of Franklin Employees' Pension Plan (closed plan) had the following fair value measurements:

<u>Investments by fair value level</u>	<u>12/31/2023</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in</u>	<u>Significant Other</u>	<u>Significant</u>
		<u>Active Markets</u>	<u>Observable Inputs</u>	<u>Unobservable</u>
		<u>for Identical</u>	<u>(Level 2)</u>	<u>Inputs (Level 3)</u>
		<u>Assets (Level 1)</u>		
Cash and equivalents	\$ 2,427,787	2,427,787	-	-
Domestic Equity	68,216,195	68,216,195	-	-
Domestic Fixed Income	44,624,950	-	44,624,950	-
International equity	23,789,607	-	23,789,607	-
<b>Total investments at fair value level</b>	<u>139,058,539</u>	<u>70,643,982</u>	<u>68,414,557</u>	<u>-</u>
<b>Investments measured at the net asset value (NAV)</b>				
Real estate funds	17,414,615			
Timber funds	2,900,991			
<b>Total investments at the NAV</b>	<u>20,315,606</u>			
<b>Total investments measured at fair value</b>	<u>\$ 159,374,145</u>			

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

**D. Receivables**

Amounts other than leases receivable are aggregated into a single accounts receivable (net of allowance for doubtful accounts) line for certain funds and aggregated columns. Property tax receivables are shown net of an allowance for uncollectibles. The allowance is based on the history of collections. Court fines receivable is also shown net of an allowance for uncollectibles. The allowance is based on management's estimate of what portion of the outstanding receivable will be collected in the future.

Below is the detail of receivables for the general and debt service funds and the nonmajor governmental funds in the aggregate, including the applicable allowances for doubtful accounts:

	<b>General Fund</b>	<b>Multi-Purpose Capital Project Fund</b>	<b>Road Impact Fee Fund</b>	<b>Debt Service Fund</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Receivables:</b>						
Accounts	\$ 947,413	\$ 1,299	\$ -	\$ -	\$ 3,244,142	\$ 4,192,854
Property taxes	13,706,486	-	-	10,583,309	1,153,357	25,443,152
In Lieu of Tax	119,768	-	-	-	-	119,768
Local option sales tax	10,900,751	-	-	-	-	10,900,751
Special assessments	43,200	-	-	-	-	43,200
Due from county	12,230	-	-	-	-	12,230
State shared revenue	2,708,738	-	-	-	633,726	3,342,464
Grants	355,982	227,786	-	-	602,219	1,185,987
Fines	1,103,787	-	-	-	-	1,103,787
Events	126,103	-	-	-	-	126,103
Interest	574,363	209,880	213,066	2,465	288,255	1,288,029
<b>Gross receivables</b>	<b>30,598,821</b>	<b>438,965</b>	<b>213,066</b>	<b>10,585,774</b>	<b>5,921,699</b>	<b>47,758,325</b>
Less: Allowance for uncollectibles	(791,532)	-	-	-	-	(791,532)
<b>Net receivables</b>	<b>\$ 29,807,289</b>	<b>\$ 438,965</b>	<b>\$ 213,066</b>	<b>\$ 10,585,774</b>	<b>\$ 5,921,699</b>	<b>\$ 46,966,793</b>

Amounts are aggregated into a single accounts receivable (net of allowance for doubtful accounts) line. Receivables in the Water and Sewer Fund on June 30, 2024 represent accounts due from customers for services provided, special assessments, due from the state for SRF loan reimbursements, and interest income. The receivables are presented net of an allowance of \$1,442,879. The allowance for uncollectible customer accounts is based on the history of uncollectible accounts and management's analysis of current accounts. Bad debts in the proprietary fund are recorded by the direct write-off method.

<b>Receivables</b>	<b>Proprietary Fund</b>
Customers	\$ 8,391,740
Special assessments	47,537
Due from State (SRF Loans)	1,612,401
Grants	595,381
Miscellaneous	19,858
Interest	358,642
<b>Gross receivables</b>	<b>11,025,559</b>
Less: allowance for doubtful accounts	(1,442,879)
<b>Net receivables</b>	<b>\$ 9,582,680</b>

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**E. Capital Assets**

Capital asset activity for the year ended June 30, 2024 was as follows:

<b>Governmental activities:</b>	<b>Balance June 30, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2024</b>
<b>Capital assets, not being depreciated:</b>				
Land	\$ 67,657,319	\$ 4,510,004	\$ -	\$ 72,167,323
Construction in process-non-infrastructure	5,519,220	6,520,209	945,216	11,094,213
Construction in process-infrastructure	13,755,587	7,499,152	4,625,547	16,629,192
<b>Total capital assets, not being depreciated</b>	<b>86,932,126</b>	<b>18,529,365</b>	<b>5,570,763</b>	<b>99,890,728</b>
<b>Capital assets, being depreciated:</b>				
Buildings and improvements	84,280,131	-	-	84,280,131
Improvements other than buildings	30,592,551	945,216	-	31,537,767
Machinery and equipment	56,503,466	7,235,015	1,322,759	62,415,722
Infrastructure	764,444,249	25,053,593	16,791,359	772,706,483
Joint use agreement	6,483,518	-	-	6,483,518
<b>Total capital assets, being depreciated</b>	<b>942,303,915</b>	<b>33,233,824</b>	<b>18,114,118</b>	<b>957,423,621</b>
<b>Accumulated depreciation:</b>				
Buildings and improvements	24,921,290	1,724,176	-	26,645,466
Improvements other than buildings	19,812,684	1,480,481	-	21,293,165
Machinery and equipment	38,836,123	3,851,131	1,118,810	41,568,444
Infrastructure	248,396,862	20,048,685	1,702,648	266,742,899
Joint use agreement	648,352	1,296,704	-	1,945,056
<b>Total accumulated depreciation</b>	<b>332,615,311</b>	<b>28,401,177</b>	<b>2,821,458</b>	<b>358,195,030</b>
<b>Total capital assets being depreciated, net</b>	<b>609,688,604</b>	<b>4,832,647</b>	<b>15,292,660</b>	<b>599,228,591</b>
<b>Total governmental activities capital assets, net</b>	<b>696,620,730</b>	<b>23,362,012</b>	<b>20,863,423</b>	<b>699,119,319</b>
<b>Business-type activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	6,051,102	1,033,989	-	7,085,091
Construction in process	160,850,078	7,225,511	155,751,974	12,323,616
<b>Total capital assets, not being depreciated</b>	<b>166,901,180</b>	<b>8,259,500</b>	<b>155,751,974</b>	<b>19,408,707</b>
<b>Capital assets, being depreciated:</b>				
Buildings and improvements	32,099,946	153,831,369	-	185,931,315
Utility plant in service	271,043,997	10,890,843	-	281,934,840
Machinery and equipment	4,099,976	688,893	274,170	4,514,699
<b>Total capital assets, being depreciated</b>	<b>307,243,919</b>	<b>165,411,105</b>	<b>274,170</b>	<b>472,380,854</b>
<b>Accumulated depreciation:</b>				
Buildings and improvements	14,380,990	1,038,714	-	15,419,704
Utility plant in service	108,459,423	6,759,158	-	115,218,581
Machinery and equipment	3,748,850	243,058	274,170	3,717,738
<b>Total accumulated depreciation</b>	<b>126,589,263</b>	<b>8,040,930</b>	<b>274,170</b>	<b>134,356,023</b>
<b>Total capital assets being depreciated, net</b>	<b>180,654,656</b>	<b>157,370,175</b>	<b>-</b>	<b>338,024,831</b>
<b>Business-type activities capital assets, net</b>	<b>347,555,836</b>	<b>165,629,675</b>	<b>155,751,974</b>	<b>357,433,538</b>
<b>Total capital assets, net</b>	<b>\$ 1,044,176,566</b>	<b>\$ 188,991,687</b>	<b>\$ 176,615,397</b>	<b>\$ 1,056,552,857</b>

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Depreciation expense was charged to functions/programs of the governmental activities of the primary government as follows:

Governance and management	\$ 34,312
Public safety	2,243,653
Finance and administration	1,559,969
Community and economic development	29,722
Public works	<u>24,533,521</u>
<b>Total depreciation expense - governmental activities</b>	<b><u><u>28,401,177</u></u></b>

Depreciation expense was charged to functions/programs of the business-type activities of the primary government as follows:

<b>Water and sewer</b>	<b><u><u>\$ 8,040,930</u></u></b>
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#### **F. Accrued Liabilities**

Accrued liabilities reported by governmental funds on June 30, 2024, were as follows:

<b>Accrued employee payroll</b>	<b>\$ 3,195,341</b>
<b>Accrued employee insurance claims</b>	<b><u>1,869,114</u></b>
<b>Total accrued liabilities</b>	<b><u><u>5,064,455</u></u></b>

#### **G. Unearned revenue**

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

	<b><u>Unearned</u></b>
Confiscated funds	<u>\$ 111,738</u>
Tree bank reserve	753,453
Sidewalk reserve	868,102
Affordable housing reserves	321,851
Capital project grant	90,094
American Rescue Plan Act proceeds	<u>4,554,619</u>
<b>Total unearned revenue for fund financial statements</b>	<b><u><u>6,699,857</u></u></b>

#### **H. Pension Plans**

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

#### **Summary of Significant Accounting Policies**

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

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

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

*Plan Description*

The City of Franklin administers the City of Franklin Employees' Pension Plan and Trust, a single employer defined benefit pension plan. The assets of the Plan are held for investment and may be used only for the payment of benefits to members of the Plan. The Plan's fiscal year ends on December 31. It was deemed impractical to report the financial activity of the Plan as of and for the year ended June 30, 2024. Accordingly, all financial statement information regarding the Plan is as of December 31, 2023 and the year then ended. Section 4-204(2)(p) of the City's Charter assigns the Human Resources Director the responsibility to administer the pension program under the direction of the City Administrator. All of the benefits and provisions of the Plan are at the discretion of the Board of Mayor and Aldermen consistent with the laws of Tennessee and the Federal government. The following is a general description of the Plan; refer to the Plan document for further details. The Plan is operated under the direction of the Employee Pension Committee, which consists of the following seven members: City Mayor, Alderman, Employee Representatives (2), Citizens (2), and Human Resources Director. The financial statements of the plan are presented solely in this Annual Comprehensive Financial Report of the City; there are no separate financial statements issued for the plan. Administrative costs are paid from the pension fund as shown on page 49.

*Plan membership*

At the measurement date of December 31, 2023, membership consisted of:

<b>Inactive plan participants:</b>	
Retiree participants and beneficiaries (receiving benefits)	309
Terminated employees entitled to deferred benefits	189
Disabled participants (receiving benefits)	<u>3</u>
Inactive plan participants total	<u>501</u>
<b>Active plan participants:</b>	
Vested	370
Nonvested	<u>-</u>
Active plan participants total	<u>370</u>
<b>Total participants</b>	<u><u>871</u></u>

*Benefits provided*

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

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

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*Contributions and funding policy*

For employees hired before February 15, 2010, the City of Franklin Employees' Pension Plan is funded entirely by the City of Franklin; employees are not required to contribute to the Plan. Additionally, Plan members hired after July 1, 1995 through February 14, 2010 are required to contribute between 3% and 10% of their annual covered salary to a cash balance plan or 401(a) defined contribution Plan. Any plan member may also voluntarily contribute between 1% and 10% of their annual covered salary. For these Plan employees, there is also an optional 457 plan available.

Plan members hired February 15, 2010 through December 15, 2016 are required to contribute 5% of their compensation to participate and would be matched by the City. The Plan changes for employees hired on or after February 15, 2010 were due to a freeze on admittance to the prior non-contributory Pension Plan approved in January 2010. This approval was due to actuarial reports that showed that the Plan was underfunded and would require substantial increase in annual contributions for many years to bring the Plan to a fully funded level.

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

**Net Pension Liability (Asset) - closed plan**

At June 30, 2024, The City reported a net pension liability for the closed plan of \$78,355,761. The closed plan net pension liability was measured as of January 1, 2024, and the total pension liability used to calculate the closed plan's net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions*

The closed plan net pension liability was determined by an actuarial valuation performed as of December 31, 2023, using the following actuarial methods and assumptions:

Inflation	2.25%
Salary increases	Prior year to December 31, 2018, 4% annual increase. Beginning December 31, 2018, based on age (age 25, 7.5%, Age 30, 7.0%, Age 35, 6.0%, Age 40, 5%, Age 45, 4.5%, Age 50, 4%, Age 55, 3.5%, and Ages 60+, 3%).
Investment rate of return	Beginning December 31, 2023, 6.8%. (Prior year, 6.90%).
Cost of living adjustment	2.0%

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

Actuarial assumptions used in the January 1, 2023 valuation were based on an actuarial experience study for the period January 1, 2014 through December 31, 2018.

*Long-term expected rate of return*

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

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

For closed plan pension investments managed by TCRS, the target allocation and long-term expected return would be the same as the TCRS pension plan. For the year ended December 31, 2023, the annual money-weighted rate of return based on monthly cash flows on pension investments, net of pension plan investment expense, was 11.34%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for changing amounts actually invested. Further information can be found on page 88.

*Discount rate*

The discount rate used to measure the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability**

	<b>Total Pension Liability</b>	<b>Increase (Decrease) Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balances at January 1, 2023</b>	<u>\$ 195,578,819</u>	<u>\$ 143,656,006</u>	<u>\$ 51,922,813</u>
<b>Changes for year:</b>			
Service cost	2,354,516	-	2,354,516
Interest	13,176,586	-	13,176,586
Differences between expected and actual experience	27,274,797	-	27,274,797
Changes of assumptions	8,106,830	-	8,106,830
Contributions - employer	-	8,019,361	(8,019,361)
Contributions - employee	311,237	782,747	(471,510)
Net investment income	-	16,072,249	(16,072,249)
Benefit payments, including refunds of employee contributions	(9,072,879)	(9,072,879)	-
Administrative expense	-	(83,339)	83,339
<b>Net changes</b>	<u>42,151,087</u>	<u>15,718,139</u>	<u>26,432,948</u>
<b>Balances at December 31, 2023</b>	<u><u>\$ 237,729,906</u></u>	<u><u>\$ 159,374,145</u></u>	<u><u>\$ 78,355,761</u></u>

The components of the net pension liability at December 31, 2023 were as follows:

Total pension liability	\$ 237,729,906
Plan fiduciary net position	<u>159,374,145</u>
	<u><u>78,355,761</u></u>
Plan fiduciary net position as a percent of total pension liability	67.0%

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**Tennessee Consolidated Retirement System (TCRS)**

*Plan description*

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

*Plan membership*

At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

<b>Inactive plan participants</b>	
Retirees or beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	131
Active employees	319
<b>Total participants</b>	<u><u>451</u></u>

*Benefits provided*

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

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to July 2nd of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*Contributions*

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, the employer contributions for City of Franklin were \$1,486,186 based on a rate of 7.22 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept City's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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*Net pension liability (asset)*

The City's net pension liability (asset) was measured as of June 30, 2023, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of date.

*Actuarial assumptions*

The total pension liability as of the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 percent to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Discount rate	6.75%
Cost-of-living adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2017 through June 30, 2020. The demographic assumptions were adjusted to reflect more closely actual and expected future experience.

*Long-term expected rate of return*

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. Equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short term securities	0.00%	1%
		<u>100%</u>

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The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

*Discount rate.*

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from City of Franklin will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Changes in the TCRS Plan net pension liability***

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at June 30, 2022</b>	\$ 5,164,298	\$ 4,759,165	\$ 405,133
<b>Changes for year:</b>			
Service cost	1,628,405	-	1,628,405
Interest	456,366	-	456,366
Differences between expected and actual experience	1,751,075	-	1,751,075
Contributions - employer	-	1,486,186	(1,486,186)
Contributions - employee	-	1,029,216	(1,029,216)
Net investment income	-	401,698	(401,698)
Benefit payments, including refunds of employee contributions	(63,444)	(63,444)	-
Administrative expense	-	(18,296)	18,296
<b>Net changes</b>	<u>3,772,402</u>	<u>2,835,360</u>	<u>937,042</u>
<b>Balances at June 30, 2023</b>	<u>\$ 8,936,700</u>	<u>\$ 7,594,525</u>	<u>\$ 1,342,175</u>

*Net pension liability (asset) - Closed and TCRS*

The City reports for the plans the following net pension liability (asset) as of June 30, 2024 in the Statement of Net Position:

<b>Net pension liability (asset)</b>	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Closed Plan	\$ 68,953,069	\$ 9,402,692	\$ 78,355,761
TCRS Plan	<u>1,181,111</u>	<u>161,064</u>	<u>1,342,175</u>
	<u>\$ 70,134,180</u>	<u>\$ 9,563,756</u>	<u>\$ 79,697,936</u>

**CITY OF FRANKLIN, TENNESSEE**  
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*Discount rate sensitivity analysis*

The following presents the net pension liability of the City, calculated using the current discount rate of (6.8% for the closed plan, 6.75% for the TCRS plan) as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8% closed plan, 5.75% TCRS) or 1-percentage-point higher (7.8% closed plan, 7.75% TCRS) than the current rate:

<b>Sensitivity to discount rate</b>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Closed Plan	\$ 109,137,747	\$ 78,355,761	\$ 52,812,144
TCRS Plan	3,602,124	1,342,175	(392,699)
	<u>\$ 112,739,871</u>	<u>\$ 79,697,936</u>	<u>\$ 52,419,445</u>

*Closed and TCRS pensions expense and deferred items summary*

For the year ended June 30, 2024, the City recognized pension (negative pension) expense of \$18,484,929 as follows:

<b>Pension (negative pension) expense</b>	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Closed Plan	\$ 15,671,442	\$ 2,034,739	\$ 17,706,181
TCRS Plan	(717,495)	(61,253)	(778,748)
	<u>\$ 14,953,947</u>	<u>\$ 1,973,486</u>	<u>\$ 16,927,433</u>

On June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the closed and TCRS plans from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Differences between expected and actual experience:</b>		
Closed Plan	\$ 27,671,219	\$ -
TCRS Plan	2,296,520	69,401
<b>Changes of assumptions:</b>		
Closed Plan	6,795,021	-
TCRS Plan	216,399	-
<b>Net difference between projected and actual earnings on pension plan investments:</b>		
Closed Plan	4,897,189	-
TCRS Plan	95,832	-
<b>Contributions made subsequent to the measurement date:</b>		
Closed Plan	250,000	-
TCRS Plan	1,750,719	-
<b>Total</b>	<u>\$ 43,972,899</u>	<u>\$ 69,401</u>

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

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

<b>Deferred Outflows of Resources</b>	Governmental activities	Business-type activities	Total
Closed Plan	\$ 34,889,816	\$ 4,723,613	\$ 39,613,429
TCRS Plan	4,046,419	313,051	4,359,470
	<u>\$ 38,936,235</u>	<u>\$ 5,036,664</u>	<u>\$ 43,972,899</u>

<b>Deferred Inflows of Resources</b>	Governmental activities	Business-type activities	Total
Closed Plan	\$ -	\$ -	\$ -
TCRS Plan	61,073	8,328	69,401
	<u>\$ 61,073</u>	<u>\$ 8,328</u>	<u>\$ 69,401</u>

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

Year ended June 30:	Closed Plan	TCRS Plan
2025	\$ 18,728,518	\$ 305,534
2026	10,120,229	298,925
2027	5,697,879	390,210
2028	60,187	300,061
2029	1,263,932	285,036
Thereafter	<u>3,490,684</u>	<u>959,585</u>
	<u>39,361,429</u>	<u>2,539,351</u>

*Payable to the Pension Plans*

As of June 30, 2023, the City of Franklin had a payable of \$250,000 relating to an approved additional contribution to the closed plan and \$1,750,719 for an outstanding amount of contributions to the TCRS plan.

**I. Other postemployment Benefits (OPEB) obligations**

*Plan Description*

The City of Franklin self-insures its retired employees for healthcare benefits (the "OPEB Plan"). Benefits are established and amended by an insurance committee. The City provides health insurance from the date the employee retires up until the age of 65.

*Plan Membership*

Employees covered by the benefit terms. At the measurement date of June 30, 2024, the following employees were covered by the benefit terms:

Retirees (receiving benefits)	34
Actives	680
Covered spouses of retirees (receiving benefits)	15
Total	<u>729</u>

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*Benefits Provided*

Retirees and their covered spouses/family are eligible to remain on the City's self-insured group health plan until reaching Medicare eligibility. Eligibility is defined by normal or alternative retirement.

Normal retirement eligibility is age 62 with 20 years of service. Retirees pay 15% of the total monthly premium rate for single coverage and 20% for family coverage. For those retiring under normal retirement with medical plan option I, vision benefits are also available.

Alternative retirement, hired prior to July 1, 2006 eligibility is 25 years of service. Alternative retirement, hired on or after July 1, 2006 and before January 1, 2017 eligibility is age 55 with 25 years of service. Alternative retirement, hired on or after January 1, 2017 eligibility is age 60 or 30 years of service. As of May 2023, retirees pay 50% (previously 60%) of the total monthly premium rate.

The benefits provided are identical to the medical and prescription drug benefits provided to actual employees under the City's medical plan. Benefits are provided to Medicare eligibility. For spouses, coverage ends at the earlier of the spouse's and member's Medicare eligibility.

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

*Funding Policy*

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

*Total OPEB Liability*

The City of Franklin's total OPEB liability of \$21,850,998 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date. (This was the second year of the 2-year valuation from 2023.)

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*Actuarial assumptions*

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Amortization period	For contribution calculations: 20 years (closed) beginning July 1, 2018.
Remaining amortization period	Experience gains or losses are amortized over the average working lifetime of all participants which for the current period is 6 years. Plan amendments are recognized immediately. Investment gains or losses are amortized over a 5 year period. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.
Asset valuation	Not applicable
Inflation	4.21% per annum based on the S&P 500 High Grade 20 Year Rate Index as of June 30, 2024
Salary increases	2.00% per annum
Investment rate of return	Not applicable
Retirement age	Pattern of retirement determined by experience for administrative, general government, and fire and police employees.
Mortality	Active and retired: 105% RP-2014 Blue Collar Mortality Tables for Males and Females adjusted back to 2006. For disabled: 105% RP-2014 Disabled Retiree Mortality Tables for Males and Females adjusted back to 2006.
Funding policy	Funded on a pay-as-you-go basis. Funds on a cash basis as benefits are paid. No assets have been segregated and restricted to provide for post-employment benefits.
Plan participation	100% of future eligible retirees are assumed to elect the medical coverage upon retirement.
Marital status	64% of future eligible retirees are assumed to cover a spouse.

The valuation reflects the May 2023 change for the cost of Option II coverage to 50% City / 50% retiree. Previously, the City the cost was 40% City / 60% retiree.

**CITY OF FRANKLIN, TENNESSEE**  
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**Changes in the Total OPEB liability**

	<b>Total OPEB Liability (a)</b>	<b>Plan Net Position (b)</b>	<b>OPEB Liability (a) - (b)</b>
<b>Balance at June 30, 2023</b>	\$ 19,712,226	\$ -	\$ 19,712,226
<b>Changes for the year:</b>			
Service cost	537,676	-	537,676
Interest	812,373	-	812,373
Change of benefit terms	1,860,229	-	1,860,229
Differences between expected and actual experience	(324,700)	-	(324,700)
Changes in assumptions or other inputs	(166,957)	-	(166,957)
Contributions - employer	-	579,849	(579,849)
Benefit payments	(579,849)	(579,849)	-
<b>Net changes</b>	<b>2,138,772</b>	<b>-</b>	<b>2,138,772</b>
<b>Balance at June 30, 2024</b>	<b>21,850,998</b>	<b>-</b>	<b>21,850,998</b>

*Sensitivity of the total OPEB liability to changes in the discount rate*

The following presents the total OPEB liability of the City of Franklin, as well as what the City of Franklin's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.21 percent) or 1-percentage-point higher (5.21 percent) than the current discount rate.

	<b>1% Decrease (3.21%)</b>	<b>Current Rate (4.21%)</b>	<b>1% Increase (5.21%)</b>
Total OPEB Liability	\$ 24,056,369	\$ 21,850,998	\$ 19,893,305

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates*

The following presents the total OPEB liability of the City of Franklin, as well as what the City of Franklin's total OPEB liability would be if it were calculated using healthcare costs trend rates that are 1-percentage-point lower (4.75 percent to 4.20 percent) or 1-percentage-point higher (6.75 percent to 6.20 percent) than the current healthcare cost trend rates:

	<b>1% Decrease (5.25% to 4.20%) over 2 year and following the Getzen model</b>	<b>Current Rate (6.25% to 5.20%) over 2 year and following the Getzen model</b>	<b>1% Increase (7.25% to 6.20%) over 2 year and following the Getzen model</b>
Total OPEB Liability	\$ 19,441,460	\$ 21,850,998	\$ 24,646,218

**OPEB expense and deferred items summary**

For the year ended June 30, 2024, the City of Franklin recognized OPEB expense of \$4,130,871.

	<b>Governmental activities</b>	<b>Business-type activities</b>	<b>Total</b>
<b>OPEB (negative OPEB) expense</b>	\$ 3,635,166	\$ 495,705	\$ 4,130,871

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The City reports the following net pension liability (asset) as of June 30, 2024 in the Statement of Net Position:

	Governmental activities	Business-type activities	Total
<b>OPEB liability</b>	\$ 19,228,878	\$ 2,622,120	\$ 21,850,998

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience:	\$ -	\$ 757,619
Changes of assumptions:	258,636	3,343,139
<b>Total</b>	<u>\$ 258,636</u>	<u>\$ 4,100,758</u>

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

	Governmental activities	Business-type activities	Total
<b>Deferred Outflows of Resources</b>	\$ 227,600	\$ 31,036	\$ 258,636

	Governmental activities	Business-type activities	Total
<b>Deferred Inflows of Resources</b>	\$ 3,608,667	\$ 492,091	\$ 4,100,758

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

Year ended	
June 30:	
2025	\$ (918,866)
2026	(918,861)
2027	(1,002,199)
2028	(1,002,196)
	<u>\$ (3,842,122)</u>

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

## **J. Construction and Other Significant Commitments**

### **1. Construction Contracts**

During 2024, various street, public works and park improvements projects were in process. On June 30, 2024, there were approximately \$43,105,735 in uncompleted contracts for these projects. The projects are primarily funded in the Multi-Purpose Capital Project Fund. There were \$12,348,456 of uncompleted contracts for Water and Sewer Fund projects.

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**2. Fuel-Hedging Program**

The City participates in a fuel hedging program with the Metropolitan Government of Nashville and Davidson County, Tennessee. The City's objective is to hedge the changes in cash flows due to market price fluctuations related to a portion of expected purchases of fuel. The City is committed to its portion of the fuel hedges through June 30, 2024. Renewals of the contracts are expected in the normal course of operations. On June 30, 2024, the contracts are in an asset position; however, the City's portion of the contracts, approximately 4%, is immaterial to the financial statements. City practice has been to hedge no more than 60% of estimated purchases.

**3. Water Purchase Contract**

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 46,325
2026	46,325
2027	46,325
2028	46,325
2029	46,325
2030-2034	231,625
2035-2039	231,625
2040-2044	212,323
Total	<u>\$ 907,198</u>

**4. Defined Contribution Plans**

Employees hired after July 1, 1995 through February 14, 2010 are required to contribute between 3% and 10% of their annual covered salary to a 401(a) cash balance plan. Any plan member may also voluntarily contribute between 1% and 10% of their annual covered salary. The City makes employer and employee contributions for the cash balance plan to a pension account at US Bank. US Bank disburses eligible participant withdrawals from requests by the City. For these employees, there is also an optional 457 plan available. Mission Square (formerly ICMA-RC) administers the optional 457 plan for the City. The employee has no risk of forfeiture on these amounts.

Employees hired February 15, 2010 through December 31, 2016, may select the City of Franklin 2010 Defined Contribution Plan which requires a 5% contribution but includes a 5% employer match. An additional 3% may be contributed that would be matched by the City. The City's match for the year ended June 30, 2023, totaled \$268,476. Mission Square administers the defined contribution plan for the City.

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

Also, the City has established a deferred compensation pension plan for employees who are members of the TCRS defined benefit pension plan. Upon their two year anniversary of hire, eligible employees who contribute to a 457 plan will have up to a 2% salary match provided by the City to a 401(a) plan. The employee is 100% vested at the time of two-year anniversary of hire. Employee participation is voluntary and may be initiated or ended at any time after two years of employment. The City's match for the year ended June 30, 2023, totaled \$99,865. The City administers this defined contribution plan, which is an additional benefit for employees who are members of TCRS. Mission Square is the administrator of the investment of these funds.

**CITY OF FRANKLIN, TENNESSEE**  
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**5. Retiree Health Savings (RHS) Program**

In 2016, a retiree health savings (RHS) program was adopted, via Resolution 2016-78, to provide reasonable security regarding health needs during retirement. A portion of terminal leave of \$24,000 or more is required as contribution to the plan at separation of service (with minimum of ten years of service). The contribution reduces tax liability in the year of separation and increases the security of the pension plans by decreasing unplanned demands on Plan assets. The Plan applies to the City Administrator, Assistant City Administrators, and Department Directors. There is no City match to the Plan. Mission Square administers the retiree health savings (RHS) program for the City.

**K. Risk Management**

The City is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and cybersecurity risks. The City decided it is more economically feasible to purchase commercial insurance for certain general liability, auto liability, errors and omissions, worker's compensation, and physical damage coverage. The City pays an annual premium to Travelers Companies for its general liability and casualty insurance coverage. The City also carries commercial insurance for all other risks of loss, including employees' health and accident and environmental. In the past three fiscal years, the City has had certain settlements which exceeded insurance coverage, primarily personnel-related judgments.

*Self-insured Employee Health Insurance*

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

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

<b>Fiscal Year Ending</b>	<b>Claims Liability, July 1</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claims Paid</b>	<b>Claims Liability, June 30</b>
<b>6/30/2024</b>	\$ 1,743,489	\$ 12,148,994	\$ (12,023,369)	\$ 1,869,114
<b>6/30/2023</b>	\$ 1,268,485	\$ 10,188,811	\$ (9,713,807)	\$ 1,743,489

**L. Leases**

In fiscal year 2021, the City's General Fund began leasing the Harlinsdale Arena to Friends of Franklin Parks. In the current fiscal year, the fund received payments of \$16,363. The fund recognized \$4,886 in lease revenue and \$11,477 in interest revenue during the current fiscal year related to the lease. As of June 30, 2024, the receivable for lease payments was \$254,621. Also, the fund has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow or resources is \$224,056

In fiscal year 2024, the City's General Fund began leasing the Hayes House to Friends of Franklin Parks. In the current fiscal year, the fund received payments of \$2,022. The fund recognized \$1,215 in lease revenue and \$807 in interest revenue during the current fiscal year related to the lease. As of June 30, 2024, the receivable for lease payments was \$210,250. Also, the fund has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow or resources is \$209,626

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In fiscal year 2014, the City's proprietary fund began leasing the 5 Points Building to FirstBank. In the current fiscal year, the fund received payments of \$29,148. The fund recognized \$16,405 in lease revenue and \$12,743 in interest revenue during the current fiscal year related to the lease. As of June 30, 2024, the receivable for lease payments was \$465,828. Also, the fund has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow or resources is \$344,156.

Year Ending	Governmental Activities Future Lease Payment		Business Type Activities Future Lease Payment		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30,						
2025	\$ 8,640	\$ 20,852	\$ 13,192	\$ 15,956	\$ 21,832	\$ 36,808
2026	10,091	20,433	13,658	15,490	23,749	35,923
2027	11,647	19,946	14,139	15,009	25,786	34,955
2028	13,311	19,387	14,638	14,510	27,949	33,897
2029	15,092	18,750	18,177	13,947	33,269	32,697
2030-2034	106,748	81,083	104,293	59,603	211,041	140,686
2035-2039	173,064	50,021	142,221	38,391	315,285	88,412
2040-2043	126,278	9,785	145,507	10,541	271,785	20,326
Total	<u>\$ 464,871</u>	<u>\$ 240,257</u>	<u>\$ 465,825</u>	<u>\$ 183,447</u>	<u>\$ 930,696</u>	<u>\$ 423,704</u>

In fiscal year 2022, the City's General Fund entered into a five-year technology arrangement for budget software (OpenGov). An initial lease liability was recorded in the amount of \$167,555 at the end of fiscal year 2022. As of June 30, 2024, the value of the lease liability was \$84,263.67. The City is required to make annual payments of \$42,500. The lease has an interest rate of .582%. The value of the right-to-use asset as of the end of the current fiscal year was \$258,895 and had accumulated amortization of \$155,337, and is reported in machinery and equipment of governmental activities in Note III, E.

In fiscal year 2022, the City's General Fund entered into a three-year technology arrangement for contract software (HighQ). An initial lease liability was recorded in the amount of \$48,663 at the end of fiscal year 2022. As of June 30, 2024, the value of the lease liability was \$16,036. The City is required to make annual payments of \$17,186. The lease has an interest rate of 1.868%. The value of the right-to-use asset as of the end of the current fiscal year was \$50,050 and had accumulated amortization of \$34,757, and is reported in machinery and equipment of governmental activities in Note III, E.

In fiscal year 2023, the City's General Fund entered into a five-year technology arrangement for bid software (IonWave). An initial lease liability was recorded in the amount of \$85,618 during fiscal year 2023. As of June 30, 2024, the value of the lease liability was \$52,576. The City is required to make annual payments of \$17,470. The lease has an interest rate of 2.186%. The value of the right-to-use asset as of the end of the current fiscal year was \$85,618 and had accumulated amortization of \$34,247, and is reported in machinery and equipment of governmental activities in Note III, E.

In fiscal year 2024, the City's General Fund entered into a five-year technology arrangement for court software (Catalis). An initial lease liability was recorded in the amount of \$288,695 during fiscal year 2024. As of June 30, 2024, the value of the lease liability was \$243,996. The City is required to make annual payments of \$44,700. The lease has an interest rate of 2.616%. The value of the right-to-use asset as of the end of the current fiscal year was \$288,695 and had accumulated amortization of \$57,739, and is reported in machinery and equipment of governmental activities in Note III, E.

Year Ending	Governmental Activities Future Lease Payments	
	Principal	Interest
June 30,		
2025	\$ 191,394	\$ 8,172
2026	101,138	4,362
2027	60,779	2,651
2028	43,560	1,140
Totals	<u>\$ 396,871</u>	<u>\$ 16,325</u>

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**M. Long-term liabilities**

The City issues most general obligation bonds to provide funds for the acquisition and construction of major capital facilities. One bond issue relates to pension plan funding. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds outstanding at June 30, 2024 are as follows:

	<b>Original Borrowing</b>	<b>Interest Rates</b>	<b>Final Maturity</b>	<b>Outstanding at Year-End</b>
<b>Governmental Activities:</b>				
<b>General Obligation Bonds:</b>				
Refunding Bonds 2012	22,500,000	2.13%	5/1/2027	5,205,000
Public Improvement Bonds 2013A	7,405,000	2.00% - 4.00%	3/1/2034	4,210,000
Public Improvement Bonds 2015	15,000,000	3.00% - 5.00%	4/1/2035	9,705,000
Public Improvement Bonds 2017	23,120,000	2.00% - 5.00%	4/1/2037	17,045,000
Public Improvement Bonds 2019A	29,585,000	4.00% - 5.00%	3/1/2039	22,440,000
Refunding Bonds 2019B	22,940,000	5.00%	3/1/2029	12,705,000
Refunding Bonds 2019C	29,245,000	4.00% - 5.00%	6/1/2032	26,970,000
Refunding Bonds (Taxable) 2019D	2,305,000	1.00% - 3.50%	6/1/2027	1,185,000
<b>Total Governmental Activities</b>				<b>\$ 99,465,000</b>

During 2024, debt service for the debt was provided by the Debt Service Fund through property tax collections as well as transfers from the Sanitation Fund, Road Impact Fund and the Hotel/Motel Tax Fund.

The City's Water and Sewer fund has issued revenue tax bonds and entered into bank and SRF loans to provide funds for the acquisition and construction of major capital facilities. The 2005 bonds are secured by the full faith and credit of the City and backed by the revenues of the Water and Sewer Fund. The 2017 and 2021 bonds are backed by the revenues of the Water and Sewer Fund. The notes payable is backed by the revenues of the Water and Sewer Fund and are subject to the State of Tennessee using City's portion of state shared revenues toward repayment. During 2024, debt service for the debt was provided solely by the Water and Sewer Fund.

	<b>Original Borrowing</b>	<b>Interest Rates</b>	<b>Final Maturity</b>	<b>Outstanding at Year-End</b>
<b>Business - Type Activities:</b>				
<b>Revenue and tax bonds:</b>				
Revenue and Tax Refunding Bonds 2005	24,670,000	3.00% - 5.00%	4/1/2025	1,450,000
Revenue Bonds 2017	12,000,000	3.00% - 5.00%	2/1/2037	8,970,000
Revenue Bonds 2021	10,660,000	3.00% - 5.00%	2/1/2042	9,980,000
<b>Bank direct borrowing</b>				
Truist Loan Program	19,430,000	2.48%	5/25/2026	3,080,000
<b>SRF Loans</b>				
Drinking Water SRF through ARRA	1,500,000	2.82%	12/20/2030	582,666
Clean Water SRF through ARRA	1,888,200	2.69%	10/20/2032	911,179
SRF CG2 2016-367	1,822,741	.89%	6/20/2033	1,122,709
SRF 2016-374	1,677,259	.89%	6/20/2033	198,619
SRF CG5 2017-375	1,275,000	1.47%	8/20/2049	1,105,580
SRF 2017-376	78,500,000	1.47%	4/20/2051	71,750,364
SRF 2017-398	20,000,000	1.47%	9/20/2051	18,511,201
SRF 2017-398-01	17,043,394	1.47%	9/20/2053	18,692,436
<b>Total Business-Type Activities Long-Term Debt</b>				<b>\$ 136,354,754</b>

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

The annual requirements, by type of issue, to amortize outstanding bonds and notes payable on June 30, 2024, are as follows:

Year Ending	General Obligation Bonds		Revenue and Tax Bonds and Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30, 2025	\$ 10,780,000	\$ 4,305,602	\$ 7,515,982	\$ 2,566,736	\$ 18,295,982	\$ 6,872,338
2026	11,240,000	3,843,001	6,205,651	2,368,413	17,445,651	6,211,414
2027	11,740,000	3,358,486	4,746,191	2,230,909	16,486,191	5,589,395
2028	10,430,000	2,855,990	4,852,584	2,125,766	15,282,584	4,981,756
2029	10,925,000	2,349,040	4,959,847	2,017,253	15,884,847	4,366,293
2030-2034	31,125,000	5,951,000	25,752,902	8,432,783	56,877,902	14,383,783
2035-2039	13,225,000	1,331,085	25,515,988	5,691,552	38,740,988	7,022,637
2040-2044	-	-	23,535,468	3,354,672	23,535,468	3,354,672
2045-2049	-	-	22,905,564	1,584,576	22,905,564	1,584,576
2050-2053	-	-	10,364,577	176,151	10,364,577	176,151
Totals	<u>\$ 99,465,000</u>	<u>\$ 23,994,204</u>	<u>\$ 136,354,754</u>	<u>\$ 30,548,811</u>	<u>\$ 235,819,754</u>	<u>\$ 54,543,015</u>

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

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

Changes in long-term liabilities

	Beginning Balance	Additions	Reductions/ Amortization	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds-capital	\$ 109,895,000	\$ -	\$ 10,430,000	\$ 99,465,000	\$ 10,780,000
Premium-Capital	15,667,582	-	1,626,526	14,041,056	1,568,610
Pension related Bonds	1,125,000	-	1,125,000	-	-
Total Bonds Payable	<u>126,687,582</u>	<u>-</u>	<u>13,181,526</u>	<u>113,506,056</u>	<u>12,348,610</u>
SBITA Payable	227,330	288,695	119,154	396,871	191,394
Compensated absences	13,547,440	7,695,763	5,860,394	15,382,809	5,860,394
Net pension liability-closed	45,692,074	23,260,995	-	68,953,069	-
Net pension liability-TCRS	356,514	824,597	-	1,181,111	-
Total OPEB liability	17,346,759	1,882,119	-	19,228,878	-
Total Governmental Activities	<u>\$ 203,857,699</u>	<u>\$ 33,952,169</u>	<u>\$ 19,161,074</u>	<u>\$ 218,648,794</u>	<u>\$ 18,400,398</u>
Business-type activities:					
Revenue and tax bonds	\$ 22,695,000	\$ -	\$ 2,295,000	\$ 20,400,000	\$ 2,335,000
Premium	3,267,126	-	296,853	2,970,273	296,852
Total bonds payable	<u>25,962,126</u>	<u>-</u>	<u>2,591,853</u>	<u>23,370,273</u>	<u>2,631,852</u>
Bank Direct Borrowing	4,565,000	-	1,485,000	3,080,000	1,520,000
SRF Loans	114,025,320	2,456,607	3,607,173	112,874,754	3,660,982
Compensated absences	1,410,093	926,684	769,801	1,566,976	769,801
Net pension liability-closed	6,230,739	3,171,953	-	9,402,692	-
Net pension liability-TCRS	48,619	112,445	-	161,064	-
Total OPEB liability	2,365,467	256,653	-	2,622,120	-
Total long-term liabilities	<u>\$ 154,607,364</u>	<u>\$ 6,924,342</u>	<u>\$ 8,453,827</u>	<u>\$ 153,077,879</u>	<u>\$ 8,582,635</u>

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

*Issuance of Long-term Debt*

The proprietary fund added \$2,456,607 of state revolving loan funds in FY 2024. Governmental activities added \$288,695 in SBITA payables. There was no other new debt in governmental activities.



**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

There are no interfund receivables or payables for fiscal year 2024. The composition of interfund transfers for the year ended June 30, 2024, is as follows:

<u>Transfer Out:</u>	<u>Transfers In</u>			
	<u>Multi-purpose</u>			<u>Nonmajor</u>
	<u>Capital</u>	<u>Debt Service</u>	<u>Governmental</u>	<u>Total</u>
	<u>Projects Fund</u>	<u>Fund</u>	<u>Funds</u>	
General	(1) \$ 6,100,000	\$ -	(2) \$ 3,612,090	\$ 9,712,090
Road Impact Fund	(3) 1,668,010	(4) 3,292,639	-	4,960,649
Nonmajor Governmental Funds				
Sanitation Fund	(6) -	(5) 193,151	-	193,151
Facilities Tax Fund	(6) 3,500,000	-	-	3,500,000
Stormwater Fund	(6) 350,000	-	-	350,000
Hotel/Motel Tax Fund	(6) 1,097,308	(5) 1,164,473	-	2,261,781
Parkland Fund	(6) 2,957,800	-	-	2,957,800
Water/Sewer	-	(7) 200,000	-	200,000
<b>Total</b>	<u>\$ 15,673,118</u>	<u>\$ 4,850,263</u>	<u>\$ 3,612,090</u>	<u>\$ 24,135,471</u>

During the year, transfers were made as follows:

- (1) The transfers out from the General Fund to the Multi-Purpose Capital Projects Fund were to provide \$5,750,000 toward approved CIP projects and \$350,000 for Liberty Hills Stream Restoration.
- (2) The transfers out from the General Fund to the Nonmajor Governmental Funds were to provide the Street Aid Fund \$500,000 for the sidewalk gap project and paving program, to provide the Sanitation Fund \$1,750,000 toward the fund's ending cash balance, to provide the Transit Fund \$549,280 as the annual operating subsidy, and to provide \$812,810 toward fleet replacement.
- (3) The transfers out from the Road Impact Fund to the Multi-Purpose Capital Projects Fund was to provide \$1,000,000 for East McEwen Phase 5; \$468,010 for Carothers Parkway Intersection, and \$200,000 for Del Rio Pike.
- (4) The transfers out from the Road Impact Fund to the Debt Service Fund was to provide \$3,292,639 to cover annual debt service requirements.
- (5) The transfers out from the Nonmajor Governmental Funds to the Debt Service Fund was for the Sanitation Fund to provide \$193,151 and the Hotel/Motel Tax Fund to provide \$1,164,473 to cover annual debt service requirements.
- (6) The transfers out from Nonmajor governmental funds to the Multi-Purpose Capital Projects Fund was for the Facilities Tax Fund to provide \$3,500,000 for Southeast Park/Bicentennial Park, for the Stormwater Fund to provide \$350,000 for Liberty Hills Stream Restoration, for the Hotel/Motel Tax Fund to provide \$1,002,200 for Southeast Park/Pinkerton Park Greenway and \$95,108 for Hayes Home, and for the Parkland Fund to provide \$1,257,800 for Liberty Park/Pinkerton Park Greenway and \$1,700,000 for Southeast Municipal Complex.
- (7) The transfer from Water/Sewer to the Debt Service fund is to provide \$200,000 for a portion of costs in the consolidated public works building.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**P. Contingencies**

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

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

**Q. Tax abatements**

City property tax revenues were reduced by \$122,684 in fiscal year 2024 under five (5) in lieu of property tax agreements and a prior year refund. The first three agreements are with the City only. The Nissan and Ramsey Solution agreements are with the City, County, and the Industrial Development Board.

The amount is comprised of:

	<u>Estimated Property Tax</u>	<u>In Lieu of Tax Payment</u>	<u>Difference</u>
1. Franklin Housing Authority (1967)	\$ 7,494	\$ 11,956	\$ (4,462)
2. Franklin Housing Authority (2018)	114,135	92,177	21,958
3. Franklin Housing Authority (2019)	26,740	6,400	20,340
4. Nissan	191,527	168,176	23,351
5. Ramsey Solutions	152,080	90,583	61,497
Totals	<u>\$ 491,976</u>	<u>\$ 369,292</u>	<u>\$ 122,684</u>

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

**R. Subsequent events**

On August 13, 2024, the Board of Mayor and Aldermen approved Resolution 2024-76 authorizing the City Administrator to enter into a lease agreement for an interim City Hall in the First Bank Building located at 722 Columbia Avenue.

On August 27, 2024, the Board of Mayor and Aldermen approved Resolution 2024-74 awarding the City Hall Construction Manager At Risk to Skanska USA.

On November 12, 2024, the Board of Mayor and Aldermen approved Contract 2024-0315 to enter into a lease agreement with Franklin Special School District Building located at 507 New Highway 96 West to augment the First Bank space.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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

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

(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>										
Service cost	\$ 2,354,516	\$ 2,257,541	\$ 2,303,771	\$ 2,344,647	\$ 2,438,659	\$ 2,017,416	\$ 1,894,635	\$ 1,911,994	\$ 2,093,993	\$ 1,977,349
Interest	13,176,586	12,145,206	11,448,477	10,650,805	10,165,977	9,572,072	8,725,546	7,983,916	7,209,696	6,583,224
Cash balance increase	311,237	330,978	267,298	293,738	291,703	289,162	270,241	273,366	-	-
Changes of benefit items	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	27,274,797	8,801,410	3,987,815	5,262,761	622,830	2,887,307	5,623,929	3,597,048	3,542,156	3,336,925
Changes of assumptions	8,106,830	2,177,793	1,990,837	1,853,652	1,706,426	1,191,865	1,530,808	771,750	1,852,274	-
Benefit payments, including refunds of employee contributions	(9,072,879)	(7,473,103)	(7,937,323)	(6,289,974)	(6,812,691)	(5,310,361)	(4,668,158)	(4,238,026)	(3,699,996)	(3,234,121)
<b>Net change in total pension liability</b>	42,151,087	18,239,825	12,060,875	14,115,629	8,412,904	10,647,461	13,377,001	10,300,048	10,998,123	8,663,377
<b>Total pension liability—beginning</b>	195,578,819	177,338,994	165,278,119	151,162,490	142,749,586	132,102,125	118,725,124	108,425,076	97,426,953	88,763,576
<b>Total pension liability—ending (a)</b>	\$ 237,729,906	\$ 195,578,819	\$ 177,338,994	\$ 165,278,119	\$ 151,162,490	\$ 142,749,586	\$ 132,102,125	\$ 118,725,124	\$ 108,426,953	\$ 97,426,953
<b>Plan fiduciary net position</b>										
Contributions—employer	\$ 8,019,361	\$ 6,660,363	\$ 6,160,363	\$ 5,061,105	\$ 5,988,709	\$ 4,254,456	\$ 4,471,922	\$ 3,888,628	\$ 2,846,724	\$ 2,354,417
Contributions—employee	782,747	700,782	896,492	688,835	702,598	831,941	593,845	548,163	525,364	419,334
Net investment income (loss)	16,072,249	(16,940,161)	24,962,458	14,134,655	18,743,979	(3,237,304)	14,823,429	6,452,638	(1,678,689)	5,973,819
Benefit payments, including refunds of employee contributions	(9,072,879)	(7,473,103)	(7,937,323)	(6,289,974)	(6,812,691)	(5,310,361)	(4,668,158)	(4,238,026)	(3,699,996)	(3,234,121)
Administrative expenses	(83,339)	(75,699)	(102,925)	(115,649)	(142,565)	(114,344)	(112,112)	(171,371)	(584,138)	(561,992)
<b>Net change in plan fiduciary net position</b>	15,718,139	(17,127,818)	23,979,065	13,478,972	18,480,030	(3,575,612)	15,108,926	6,480,032	(2,590,735)	4,951,457
<b>Plan fiduciary net position—beginning</b>	143,656,006	160,783,824	136,804,759	123,325,787	104,845,757	108,421,369	93,312,443	86,832,411	89,423,146	84,471,689
<b>Plan fiduciary net position—ending (b)</b>	\$ 159,374,145	\$ 143,656,006	\$ 160,783,824	\$ 136,804,759	\$ 123,325,787	\$ 104,845,757	\$ 108,421,369	\$ 93,312,443	\$ 86,832,411	\$ 89,423,146
<b>Net pension liability—ending (a) - (b)</b>	\$ 78,355,761	\$ 51,922,813	\$ 16,555,170	\$ 28,473,360	\$ 27,836,703	\$ 37,903,829	\$ 23,680,756	\$ 25,412,681	\$ 21,592,665	\$ 8,003,807
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	67.0%	73.5%	90.7%	82.8%	81.6%	73.4%	82.1%	78.6%	80.1%	91.8%
<b>Covered payroll</b>	\$ 37,030,890	\$ 30,238,979	\$ 29,370,570	\$ 29,868,272	\$ 30,013,785	\$ 31,795,391	\$ 31,118,096	\$ 30,832,419	\$ 30,362,658	\$ 27,440,025
<b>Net Pension liability as a percentage of covered payroll</b>	211.6%	171.7%	56.4%	95.3%	92.7%	119.2%	76.1%	82.4%	71.1%	29.2%

**Notes to Schedule:**

*Changes of assumptions*  
 In 2016, amounts reported as changes of assumptions resulted from changes to using entry age normal for costs.  
 In 2017, amounts reported as changes of assumptions resulted from changes to salary increases from 3.5% to 4.0%.  
 In 2018, amounts reported as changes of assumptions resulted from changes to the discount rate from 7.5% to 7.4%.  
 In 2019, amounts reported as changes of assumptions resulted from changes to the inflation rate and investment rate of return from 7.4% to 7.3%, salary increases, mortality rates, and withdrawal rates.  
 In 2020, amounts reported as changes of assumptions resulted from changes to the inflation rate and investment rate of return from 7.3% to 7.2%.  
 In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate and investment rate of return from 7.2% to 7.1%.  
 In 2022, amounts reported as changes of assumptions resulted from changes to the inflation rate and investment rate of return from 7.1% to 7.0%.  
 In 2023, amounts reported as changes of assumptions resulted from changes to the inflation rate and investment rate of return from 7.0% to 6.9%.  
 In 2024, amounts reported as changes of assumptions resulted from changes to the inflation rate and investment rate of return from 6.9% to 6.8%.

In 2023, a five-year smoothed valued for determining the annual contribution began. This is called the Actuarial Value of Assets to differentiate from the Market Value of Assets. All GASB information continues to be based on Market Value of Assets

Market Value of Assets as of December 31, 2023	\$ 159,374,145
-80% of 2023 Variance	(5,084,122)
-60% of 2022 Variance	16,679,156
-40% of 2021 Variance	(6,148,400)
-20% of 2020 Variance	(1,193,856)
<b>Actuarial Valuation Assets Before Limits</b>	<u>163,626,923</u>
Total Pension Liability	\$ 195,578,819
Funded Ratio	83.7%

**CITY OF FRANKLIN, TENNESSEE  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
CITY OF FRANKLIN EMPLOYEES' PENSION PLAN  
LAST THE FISCAL YEARS**

(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 7,019,361	\$ 4,117,465	\$ 6,160,363	\$ 5,061,105	\$ 5,988,709	\$ 4,254,456	\$ 4,205,916	\$ 3,888,628	\$ 2,846,724	\$ 2,417,920
Contributions in relation to the actuarially determined contribution	8,019,361	6,660,363	6,160,363	5,061,105	5,988,709	4,254,456	4,471,922	3,888,628	2,846,724	2,354,417
<b>Contribution (deficiency) excess</b>	<u>\$ 1,000,000</u>	<u>\$ 2,542,898</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,006</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (63,503)</u>
<b>Covered payroll</b>	\$ 32,310,727	\$ 30,919,356	\$ 29,804,775	\$ 29,619,421	\$ 29,941,029	\$ 30,904,588	\$ 31,456,744	\$ 30,975,258	\$ 30,597,539	\$ 29,283,919
<b>Contributions as a percentage of covered payroll</b>	24.8%	21.5%	20.7%	17.1%	20.0%	13.8%	14.2%	12.6%	9.3%	8.0%

**Notes to Schedule**

*Valuation date:*

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

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry age normal
Amortization method	Level dollar closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	Fair market value
Inflation rate	2.25%
Salary increases	Prior to December 31, 2018, 4% annual increase. Beginning December 31, 2018, based on age (Age 25, 7.5%, Age 30, 7.0%, Age 35, 6.0%, Age 40, 5%, Age 45, 4.5%, Age 50, 4%, Age 55, 3.5%, and Age 60+, 3%).
Investment rate of return	Beginning December 31, 2022, 6.8%. Prior year, 6.9% percent.
Retirement age	Pattern of retirement determined by experience study. For administrative employees, 2003 SOA Pension Plan Turnover Study - Based Age Table used. For police and fire employees, 115% of 2003 SOA Pension Plan Turnover Study - Basic Age Table used.
Mortality	105% of the RP-2014 Healthy Annuitants and Non-Annuitants, Blue Collar Mortality Tables, adjusted back to 2006, separate for males and females.

*Covered payroll for June 30*

Covered payroll for this schedule is based on the fiscal year end date. Covered payroll on page 87 is based on the December 31 measurement date. December 31 covered payrolls were averaged to calculate June 30 amounts. A December 31, 2023 amount was estimated to use with the December 31, 2022 amount. (All covered payrolls in this schedule were updated to be on a fiscal year end basis instead of a measurement date.)

CITY OF FRANKLIN, TENNESSEE  
 SCHEDULE OF INVESTMENT RETURNS  
 CITY OF FRANKLIN EMPLOYEES' PENSION PLAN  
 LAST THEN FISCAL YEARS  
 (Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
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Annual money-weighted rate of return,  
 net of investment expenses

	11.3%	-10.6%	18.4%	11.3%	18.1%	-4.0%	16.1%	7.3%	-2.5%	6.4%
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**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
(Unaudited)

	2023	2022	2021	2020	2019	2018	2017
<b>Total pension liability</b>							
Service cost	\$ 1,628,405	\$ 1,153,748	\$ 926,140	\$ 653,668	\$ 372,276	\$ 124,730	\$ -
Interest	456,366	301,268	213,489	119,330	51,291	12,799	-
Changes of benefit items	-	-	(95,425)	-	-	-	52,267
Differences between expected and actual experience	1,751,075	433,770	(95,425)	282,980	246,960	146,886	-
Changes of assumptions	-	-	297,549	-	-	-	-
Benefit payments, including refunds of employee contributions	(63,444)	(67,940)	(33,675)	(25,724)	(1,183)	(906)	-
<b>Net change in total pension liability</b>	<b>3,772,402</b>	<b>1,820,846</b>	<b>1,308,078</b>	<b>1,030,254</b>	<b>669,344</b>	<b>283,509</b>	<b>52,267</b>
<b>Total pension liability-beginning</b>	<b>5,164,298</b>	<b>3,343,452</b>	<b>2,035,374</b>	<b>1,005,120</b>	<b>335,776</b>	<b>52,267</b>	<b>-</b>
<b>Total pension liability-ending (a)</b>	<b>\$ 8,936,700</b>	<b>\$ 5,164,298</b>	<b>\$ 3,343,452</b>	<b>\$ 2,035,374</b>	<b>\$ 1,005,120</b>	<b>\$ 335,776</b>	<b>\$ 52,267</b>
<b>Plan fiduciary net position</b>							
Contributions-employer	\$ 1,486,186	\$ 765,476	\$ 581,981	\$ 498,785	\$ 344,345	\$ 166,897	\$ 23,007
Contributions-employee	1,029,216	646,517	480,976	422,700	278,151	128,382	17,698
Net investment income (loss)	401,698	(163,051)	634,842	71,587	48,394	15,395	2,220
Benefit payments, including refunds of employee contributions	(63,444)	(67,940)	(33,675)	(25,724)	(1,183)	(906)	-
Administrative expenses	(18,296)	(23,817)	(16,862)	(15,947)	(11,344)	(6,220)	(1,519)
<b>Net change in plan fiduciary net position</b>	<b>2,835,360</b>	<b>1,157,185</b>	<b>1,647,262</b>	<b>951,401</b>	<b>658,363</b>	<b>303,548</b>	<b>41,406</b>
<b>Plan fiduciary net position-beginning</b>	<b>4,759,165</b>	<b>3,601,980</b>	<b>1,954,718</b>	<b>1,003,317</b>	<b>344,954</b>	<b>41,406</b>	<b>-</b>
<b>Plan fiduciary net position-ending (b)</b>	<b>\$ 7,594,525</b>	<b>\$ 4,759,165</b>	<b>\$ 3,601,980</b>	<b>\$ 1,954,718</b>	<b>\$ 1,003,317</b>	<b>\$ 344,954</b>	<b>\$ 41,406</b>
<b>Net pension (asset) liability-ending (a) - (b)</b>	<b>\$ 1,342,175</b>	<b>\$ 405,133</b>	<b>\$ (258,528)</b>	<b>\$ 80,656</b>	<b>\$ 1,803</b>	<b>\$ (9,178)</b>	<b>\$ 10,861</b>
<b>Plan fiduciary net position as a percentage of the total pension (asset) liability</b>	84.98%	92.16%	107.73%	96.04%	99.82%	102.73%	79.22%
<b>Covered payroll</b>	\$ 20,584,291	\$ 12,690,108	\$ 9,619,509	\$ 8,453,990	\$ 5,563,006	\$ 2,567,642	\$ 353,953
<b>Net pension (asset) liability as a percentage of covered payroll</b>	6.52%	3.19%	-2.69%	0.95%	0.03%	-0.36%	3.07%

**Notes to Schedule:**

*Changes of assumptions* - In 2021, amounts reported as changes of assumptions results from changes to the inflation rate (from 2.5% to 2.25%), investment rate of return (from 7.25% to 6.75%), cost-of-living adjustment (from 2.5% to 2.125%), salary growth (from 4.25% to 4%), and mortality improvements.

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

(Continued)

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS**

(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 1,750,719	\$ 1,486,186	\$ 765,476	\$ 581,981	\$ 498,785	\$ 344,345	\$ 166,897	\$ 23,007
Contributions in relation to the actuarially determined contribution	1,750,719	1,486,186	765,476	581,981	498,785	344,345	166,897	23,007
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Covered payroll</b>	<b>\$ 23,819,307</b>	<b>\$ 20,531,922</b>	<b>\$ 12,690,108</b>	<b>\$ 9,619,509</b>	<b>\$ 8,453,990</b>	<b>\$ 5,563,006</b>	<b>\$ 2,567,642</b>	<b>\$ 353,953</b>
<b>Contributions as a percentage of covered payroll</b>	<b>7.3%</b>	<b>7.2%</b>	<b>6.0%</b>	<b>6.1%</b>	<b>5.9%</b>	<b>6.2%</b>	<b>6.5%</b>	<b>6.5%</b>

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

**Notes to Schedule**

*Valuation date:* Actuarially determined contribution rates and covered payroll for fiscal year 2024 were calculated based on the June 30, 2023 actuarial valuation.

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry age normal
Amortization method	Level dollar closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation method	10-year smoothed within a 20 percent corridor to market value
Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.0%
Investment rate of return	6.75%, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including projection of mortality improvement using Scale MP-2017 (generational projection)
Cost of living adjustments	2.125%

(Continued)

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**LAST SEVEN FISCAL YEARS**

June 30, 2024  
(Unaudited)

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>							
Service cost	\$ 537,676	\$ 659,120	\$ 645,058	\$ 574,635	\$ 559,038	\$ 532,417	\$ 142,900
Interest	812,373	499,967	485,969	586,392	566,552	155,371	158,282
Changes of benefit items	1,860,229	1,701,196	-	-	-	(6,939)	-
Differences between expected and actual experience	(324,700)	(608,842)	-	(275,901)	-	(1,918,330)	-
Changes of assumptions or other inputs	(166,957)	(4,814,361)	-	775,904	-	16,434,163	-
Benefit payments	(579,849)	(502,979)	(456,949)	(430,070)	(485,623)	(451,742)	(645,902)
<b>Net change in total OPEB liability</b>	<b>2,138,772</b>	<b>(3,065,899)</b>	<b>674,078</b>	<b>1,230,960</b>	<b>639,967</b>	<b>14,744,940</b>	<b>(344,720)</b>
<b>Total OPEB liability-beginning</b>	<b>19,712,226</b>	<b>22,778,125</b>	<b>22,104,047</b>	<b>20,873,087</b>	<b>20,233,120</b>	<b>5,488,180</b>	<b>5,832,900</b>
<b>Total OPEB liability-ending</b>	<b>\$ 21,850,998</b>	<b>\$ 19,712,226</b>	<b>\$ 22,778,125</b>	<b>\$ 22,104,047</b>	<b>\$ 20,873,087</b>	<b>\$ 20,233,120</b>	<b>\$ 5,488,180</b>
<b>Plan net position</b>							
Contributions - employer	\$ 579,849	\$ 502,979	\$ 456,949	\$ 430,070	\$ 485,623	\$ 451,742	\$ 645,902
Benefit payments	(579,849)	(502,979)	(456,949)	(430,070)	(485,623)	(451,742)	(645,902)
<b>Net change in net position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net OPEB liability-beginning</b>	<b>19,712,226</b>	<b>22,778,125</b>	<b>22,104,047</b>	<b>20,873,087</b>	<b>20,233,120</b>	<b>5,488,180</b>	<b>5,832,900</b>
<b>Net OPEB liability-ending</b>	<b>\$ 21,850,998</b>	<b>\$ 19,712,226</b>	<b>\$ 22,778,125</b>	<b>\$ 22,104,047</b>	<b>\$ 20,873,087</b>	<b>\$ 20,233,120</b>	<b>\$ 5,488,180</b>
<b>Plan net position as a percentage of total OPEB liability</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Covered-employee payroll</b>	<b>\$ 54,845,949</b>	<b>\$ 53,770,538</b>	<b>\$ 42,888,447</b>	<b>\$ 42,047,497</b>	<b>\$ 40,104,752</b>	<b>\$ 39,318,384</b>	<b>n/a</b>
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	<b>39.8%</b>	<b>36.7%</b>	<b>53.1%</b>	<b>52.6%</b>	<b>52.0%</b>	<b>51.5%</b>	<b>n/a</b>

**Notes to Schedule**

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

*Changes of assumptions and methods*

In FY 2019, the discount rate was 2.79% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2019 under Statement No. 75, compared to the prior discount rate of 3.00%. The assumed trend rate for the medical claims was changed to 7.25% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.9% in the year 2076. The medical claims aging table was updated to be based on the aging factors in the Dale Yamamoto study released by the Society of Actuaries in June 2013. The mortality, retirement, termination, and disability rates were updated to be based on the 2019 experience study for the City.

In FY 2021, the discount rate was 2.18% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2021 under Statement No. 75, compared to the prior discount rate of 2.79%. The assumed trend rate for the medical claims was changed to 6.25% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.9% in the year 2076.

In FY 2023, the discount rate was 4.13% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2023 under Statement No. 75, compared to the prior discount rate of 2.18%. The assumed trend rate for the medical claims was changed to 6.25% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075. Effective May 23, 2023, the Retiree Health Care Cost to 50% City / 50% retiree for current and future option II retirees. The impact was included in FY 2023 results.

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

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



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

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

**NONMAJOR GOVERNMENTAL FUNDS SUMMARY PAGE:**

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

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

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

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

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

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

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

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

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

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

**Fleet Replacement Fund (reported with Multi-purpose Capital Projects Fund in prior years)** - To account for replacement of consumer vehicles used by the General Fund

**CITY OF FRANKLIN, TENNESSEE  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024  
With Comparative Totals as of June 30, 2023**

	Special Revenue Funds											
	State Street Aid Fund	Sanitation Fund	Facilities Tax Fund	County Facilities Tax Fund	Storm Water Fund	Drug Fund	Hotel/Motel Tax Fund	Parkland Dedication Fund	Transit Authority Fund	CDBG Fund	Fleet Replacement Fund	2023
<b>ASSETS</b>												
Cash and cash equivalents	\$ 1,474,634	\$ 68,109	\$ 850,871	\$ 637,746	\$ 452,770	\$ 513,874	\$ 1,920,765	\$ 1,185,632	\$ 953,962	\$ 506,995	\$ 1,167,767	\$ 9,733,125
Investments	-	-	13,034,731	4,888,023	1,323,840	-	6,110,030	5,499,028	-	-	2,240,344	33,095,996
Receivables (net of allowance for uncollectibles)	1,732,412	2,002,897	100,787	128,331	519,725	16,469	747,354	44,068	553,160	54,311	22,185	5,921,699
Inventories	-	48,136	-	-	-	-	-	-	-	-	-	48,136
Prepaid items	-	1,200	-	-	600	-	-	-	-	-	-	1,800
<b>Total assets</b>	<b>\$ 3,207,046</b>	<b>\$ 2,120,342</b>	<b>\$ 13,986,389</b>	<b>\$ 5,654,100</b>	<b>\$ 2,296,935</b>	<b>\$ 530,343</b>	<b>\$ 8,778,149</b>	<b>\$ 6,728,728</b>	<b>\$ 1,507,122</b>	<b>\$ 561,306</b>	<b>\$ 3,430,296</b>	<b>\$ 48,800,756</b>
<b>LIABILITIES</b>												
Accounts payable	\$ 303,538	\$ 478,541	\$ -	\$ -	\$ 66,400	\$ -	\$ 41,633	\$ -	\$ 691,260	\$ 23,227	\$ 82,780	\$ 1,687,379
Unearned revenue	-	-	-	-	-	-	-	-	-	321,851	-	321,851
<b>Total liabilities</b>	<b>\$ 303,538</b>	<b>\$ 478,541</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 66,400</b>	<b>\$ -</b>	<b>\$ 41,633</b>	<b>\$ -</b>	<b>\$ 691,260</b>	<b>\$ 345,078</b>	<b>\$ 82,780</b>	<b>\$ 2,504,538</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>												
Unavailable revenue-property tax-Jan. 1 levy	1,153,357	-	-	-	-	-	-	-	-	-	-	1,153,357
Unavailable revenue-hotel/motel tax	-	-	-	-	-	-	-	-	-	-	-	77,340
Unavailable revenue-grant proceeds	-	-	-	-	-	-	-	-	8,608	-	-	8,608
<b>Total deferred inflows of resources</b>	<b>\$ 1,153,357</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,608</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,161,965</b>
<b>FUND BALANCES</b>												
Non-spendable	-	49,336	-	-	600	-	-	-	-	-	-	49,936
Restricted	1,750,151	1,592,465	-	5,654,100	-	530,343	-	-	-	216,228	-	9,743,287
Committed	-	-	13,986,389	-	2,229,935	-	4,017,746	6,728,728	807,254	-	2,807,000	30,577,052
Assigned	-	-	-	-	-	-	4,718,770	-	-	-	540,516	5,259,286
<b>Total fund balances</b>	<b>\$ 1,750,151</b>	<b>\$ 1,641,801</b>	<b>\$ 13,986,389</b>	<b>\$ 5,654,100</b>	<b>\$ 2,230,535</b>	<b>\$ 530,343</b>	<b>\$ 8,736,516</b>	<b>\$ 6,728,728</b>	<b>\$ 807,254</b>	<b>\$ 216,228</b>	<b>\$ 3,347,516</b>	<b>\$ 45,629,561</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,207,046</b>	<b>\$ 2,120,342</b>	<b>\$ 13,986,389</b>	<b>\$ 5,654,100</b>	<b>\$ 2,296,935</b>	<b>\$ 530,343</b>	<b>\$ 8,778,149</b>	<b>\$ 6,728,728</b>	<b>\$ 1,507,122</b>	<b>\$ 561,306</b>	<b>\$ 3,430,296</b>	<b>\$ 48,800,756</b>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	Special Revenue Funds												
	State Street Aid Fund	Sanitation Fund	Facilities Tax Fund	County Facilities Tax Fund	Storm Water Fund	Drug Fund	Hotel/Motel Tax Fund	Parkland Dedication Fund	Transit Authority Fund	CDBG Fund	Fleet Replacement Fund	2024	2023
<b>Revenues:</b>													
Taxes													
Property tax	\$ 1,116,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,116,441	\$ 1,094,550
Facilities tax	-	-	2,321,255	896,506	-	-	-	-	-	-	-	3,217,761	1,963,476
Hotel/ motel tax	-	-	-	-	-	-	5,907,179	-	-	-	-	5,907,179	5,638,692
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Road impact fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Other licenses and permits	-	-	-	-	133,402	-	-	3,983,352	-	-	-	3,983,352	2,225,168
Intergovernmental													
State shared revenue	3,229,981	-	-	-	-	-	333,384	-	-	-	-	3,563,365	3,419,448
Federal and state grants	-	-	-	-	-	4,269	98,515	-	3,634,273	854,207	-	4,591,264	3,516,858
Charges for services	-	10,288,564	-	-	2,644,860	-	-	-	82,472	-	-	13,015,896	13,375,588
Fines and fees	-	166,283	-	-	58,307	59,621	-	-	-	-	-	284,211	417,470
Use of money and property	199,354	254,377	609,969	243,843	94,583	75,737	386,908	199,394	62,706	27,091	460,290	2,614,252	895,652
Miscellaneous and other	-	-	-	-	7,376	-	308,344	-	-	-	-	315,720	383,578
<b>Total revenues</b>	<b>4,545,776</b>	<b>10,709,224</b>	<b>2,931,224</b>	<b>1,140,349</b>	<b>2,938,528</b>	<b>139,627</b>	<b>7,034,330</b>	<b>4,182,746</b>	<b>3,779,451</b>	<b>881,298</b>	<b>460,290</b>	<b>38,742,843</b>	<b>33,049,649</b>
<b>Expenditures:</b>													
Current													
Public Safety	-	-	-	-	-	143,993	-	-	-	-	-	143,993	160,285
Community & Economic Development	-	-	-	-	-	-	-	-	3,845,151	854,432	-	4,699,583	-
Public Works	6,543,034	11,029,429	69,847	-	3,173,690	-	-	777,948	-	-	903,914	22,497,862	5,092,188
Other General Government	-	-	-	-	-	-	1,358,042	-	-	-	-	1,358,042	17,954,934
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-
Community & Economic Development	-	-	-	-	-	-	-	-	483,580	-	2,189,310	4,849,054	348,550
Public Works	-	2,659,744	-	-	-	-	4,259,083	-	-	-	-	4,259,083	323,827
General Government	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>6,543,034</b>	<b>13,689,173</b>	<b>69,847</b>	<b>-</b>	<b>3,173,690</b>	<b>143,993</b>	<b>5,617,125</b>	<b>777,948</b>	<b>4,328,731</b>	<b>854,432</b>	<b>3,093,224</b>	<b>38,291,197</b>	<b>23,879,784</b>
Excess (deficiency) of revenues over (under) expenditures	(1,997,258)	(2,979,949)	2,861,377	1,140,349	(235,162)	(4,366)	1,417,205	3,404,798	(549,280)	26,866	(2,632,934)	451,646	9,169,865
<b>Other financing sources (uses):</b>													
Transfers in	500,000	1,750,000	-	-	-	-	-	-	549,280	-	812,810	3,612,090	2,271,269
Transfers out	-	(193,151)	(3,500,000)	-	(350,000)	-	(2,261,781)	(2,957,800)	-	-	-	(9,262,732)	(9,063,912)
<b>Total other financing sources (uses)</b>	<b>500,000</b>	<b>1,556,849</b>	<b>(3,500,000)</b>	<b>-</b>	<b>(350,000)</b>	<b>-</b>	<b>(2,261,781)</b>	<b>(2,957,800)</b>	<b>549,280</b>	<b>-</b>	<b>812,810</b>	<b>(5,650,642)</b>	<b>(6,792,643)</b>
<b>Net changes in fund balances</b>	<b>(1,497,258)</b>	<b>(1,423,100)</b>	<b>(638,623)</b>	<b>1,140,349</b>	<b>(585,162)</b>	<b>(4,366)</b>	<b>(844,576)</b>	<b>446,998</b>	<b>-</b>	<b>26,866</b>	<b>(1,820,124)</b>	<b>(5,198,996)</b>	<b>2,377,222</b>
<b>Fund balances - beginning, as previously reported</b>	<b>3,247,409</b>	<b>3,064,901</b>	<b>14,625,012</b>	<b>4,513,751</b>	<b>2,815,697</b>	<b>534,709</b>	<b>9,581,092</b>	<b>6,281,730</b>	<b>807,254</b>	<b>189,362</b>	<b>-</b>	<b>45,660,917</b>	<b>43,283,695</b>
Change within financial report unit (major to nonmajor)	-	-	-	-	-	-	-	-	-	-	5,167,640	-	-
<b>Fund balances - beginning, as adjusted or restated</b>	<b>3,247,409</b>	<b>3,064,901</b>	<b>14,625,012</b>	<b>4,513,751</b>	<b>2,815,697</b>	<b>534,709</b>	<b>9,581,092</b>	<b>6,281,730</b>	<b>807,254</b>	<b>189,362</b>	<b>5,167,640</b>	<b>50,828,557</b>	<b>43,283,695</b>
<b>Fund balances - ending</b>	<b>1,750,151</b>	<b>1,641,801</b>	<b>13,986,389</b>	<b>5,654,100</b>	<b>2,230,535</b>	<b>530,343</b>	<b>8,736,516</b>	<b>6,728,728</b>	<b>807,254</b>	<b>216,228</b>	<b>3,347,516</b>	<b>45,629,561</b>	<b>45,660,917</b>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**STATE STREET AID FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2023</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Taxes:					
Property tax	\$ 1,116,441	\$ 1,116,441	\$ 1,116,441	\$ -	\$ 1,094,550
Sports wagering privilege tax	-	120,000	158,620	38,620	33,160
Intergovernmental:					
Gasoline tax, State of Tennessee:					
Gas & motor fuel	1,436,726	1,436,726	1,497,354	60,628	1,487,069
Petroleum special	149,763	149,763	152,749	2,986	152,888
Gas 1989	239,621	239,621	234,093	(5,528)	232,725
Gas 3 cent	419,337	419,337	432,252	12,915	429,724
Gas 2018	749,816	748,816	754,913	6,097	749,627
Use of money and property:					
Interest earned	2,500	2,500	199,354	196,854	135,806
<b>Total revenues</b>	<u>4,114,204</u>	<u>4,233,204</u>	<u>4,545,776</u>	<u>312,572</u>	<u>4,315,549</u>
<b>Expenditures:</b>					
Current:					
Highways and streets:					
Services	6,601,742	6,601,742	6,543,034	58,708	5,022,229
Total current	6,601,742	6,601,742	6,543,034	58,708	5,022,229
<b>Total expenditures</b>	<u>6,601,742</u>	<u>6,601,742</u>	<u>6,543,034</u>	<u>58,708</u>	<u>5,022,229</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,487,538)</u>	<u>(2,368,538)</u>	<u>(1,997,258)</u>	<u>371,280</u>	<u>(706,680)</u>
<b>Other financing sources (uses):</b>					
Transfers in	500,000	500,000	500,000	-	1,083,921
<b>Total other financing sources (uses)</b>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>1,083,921</u>
Net changes in fund balances	<u>\$ (1,987,538)</u>	<u>\$ (1,868,538)</u>	<u>(1,497,258)</u>	<u>\$ 371,280</u>	<u>377,241</u>
<b>Fund balance - beginning</b>			<u>3,247,409</u>		<u>2,870,168</u>
<b>Fund balance - ending</b>			<u>\$ 1,750,151</u>		<u>\$ 3,247,409</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**SANITATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2023</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Fines and fees	\$ 166,997	\$ 166,997	\$ 166,283	\$ (714)	\$ 218,908
Special event services fee	5,770	5,770	1,366	(4,404)	2,352
Charges for services	11,596,720	11,596,720	10,287,198	(1,309,522)	10,693,151
Use of money and property	25,569	25,569	30,975	5,406	24,675
Interest earned	8,006	8,006	20,179	12,173	34,555
Sale of surplus property	255,000	255,000	203,223	(51,777)	34,512
<b>Total revenues</b>	<u>12,058,062</u>	<u>12,058,062</u>	<u>10,709,224</u>	<u>(1,348,838)</u>	<u>11,008,153</u>
<b>Expenditures:</b>					
Sanitation:					
Personnel	4,529,743	4,891,162	4,891,650	(488)	4,357,618
Services	6,045,253	6,045,253	4,343,642	1,701,611	4,376,784
Supplies	760,458	760,458	585,555	174,903	689,864
Operational units	992,780	797,593	797,592	1	567,300
Business expenses	132,267	132,267	410,990	(278,723)	145,660
	<u>12,460,501</u>	<u>12,626,733</u>	<u>11,029,429</u>	<u>1,597,304</u>	<u>10,137,226</u>
Capital outlay - Sanitation	<u>1,989,027</u>	<u>2,739,027</u>	<u>2,659,744</u>	<u>79,283</u>	<u>125,409</u>
<b>Total expenditures</b>	<u>14,449,528</u>	<u>15,365,760</u>	<u>13,689,173</u>	<u>1,676,587</u>	<u>10,262,635</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,391,466)</u>	<u>(3,307,698)</u>	<u>(2,979,949)</u>	<u>327,749</u>	<u>745,518</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	1,750,000	1,750,000	-	500,000
Transfers out	(217,555)	(193,132)	(193,151)	(19)	(209,206)
<b>Total other financing sources (uses)</b>	<u>(217,555)</u>	<u>1,556,868</u>	<u>1,556,849</u>	<u>(19)</u>	<u>290,794</u>
Net changes in fund balances	<u>\$ (2,609,021)</u>	<u>\$ (1,750,830)</u>	<u>(1,423,100)</u>	<u>\$ 327,730</u>	<u>1,036,312</u>
<b>Fund balance - beginning</b>			<u>3,064,901</u>		<u>2,028,589</u>
<b>Fund balance - ending</b>			<u>\$ 1,641,801</u>		<u>\$ 3,064,901</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**FACILITIES TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>	<b>2023</b>
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
Licenses and permits:					
Facilities tax	\$ 2,369,711	\$ 2,369,711	\$ 2,321,255	\$ (48,456)	\$ 1,301,950
Use of money and property:					
Interest earned	50,000	50,000	609,969	559,969	212,857
Miscellaneous income	-	-	-	-	1,245
<b>Total revenues</b>	<u>2,419,711</u>	<u>2,419,711</u>	<u>2,931,224</u>	<u>511,513</u>	<u>1,516,052</u>
<b>Expenditures:</b>					
Services	-	-	-	-	10,207
Services	656	656	121	535	32
Supplies	262,306	264,027	69,726	194,301	-
Capital outlay - Parks	-	-	-	-	52,372
<b>Total expenditures</b>	<u>262,962</u>	<u>264,683</u>	<u>69,847</u>	<u>194,836</u>	<u>62,611</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,156,749</u>	<u>2,155,028</u>	<u>2,861,377</u>	<u>706,349</u>	<u>1,453,441</u>
<b>Other financing sources (uses):</b>					
Transfers out	<u>(3,500,000)</u>	<u>(3,500,000)</u>	<u>(3,500,000)</u>	-	-
<b>Total other financing sources (uses)</b>	<u>(3,500,000)</u>	<u>(3,500,000)</u>	<u>(3,500,000)</u>	-	-
Net changes in fund balances	<u>\$ (1,343,251)</u>	<u>\$ (1,344,972)</u>	(638,623)	<u>\$ 706,349</u>	1,453,441
<b>Fund balance - beginning</b>			<u>14,625,012</u>		<u>13,171,571</u>
<b>Fund balance - ending</b>			<u>\$ 13,986,389</u>		<u>\$ 14,625,012</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**COUNTY FACILITIES TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2023</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
<b>Revenues:</b>					
Licenses and permits:					
Facilities tax	\$ 684,017	\$ 684,017	\$ 896,506	\$ 212,489	\$ 661,526
Use of money and property:					
Interest earned	15,000	15,000	243,843	228,843	75,094
<b>Total revenues</b>	<u>699,017</u>	<u>699,017</u>	<u>1,140,349</u>	<u>441,332</u>	<u>736,620</u>
<b>Other financing sources (uses):</b>					
Transfers out	-	-	-	-	(600,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(600,000)</u>
Net changes in fund balances	<u>\$ 699,017</u>	<u>\$ 699,017</u>	1,140,349	<u>\$ 441,332</u>	136,620
<b>Fund balance - beginning</b>			<u>4,513,751</u>		<u>4,377,131</u>
<b>Fund balance - ending</b>			<u>\$ 5,654,100</u>		<u>\$ 4,513,751</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**STORMWATER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2023</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Inspection fees	\$ -	\$ -	\$ -	\$ -	\$ 19,800
Licenses and permits	138,250	138,250	133,402	(4,848)	99,569
Fines and fees	36,000	36,000	58,307	22,307	75,906
Federal and state grants	1,307	1,307	-	(1,307)	-
Charges for services	2,554,462	2,554,462	2,644,860	90,398	2,595,654
Use of money and property:					
Interest earned	50,000	50,000	94,583	44,583	41,307
Sale of surplus property	33,739	33,739	-	(33,739)	-
Called performance bonds	-	-	7,376	7,376	-
<b>Total revenues</b>	<u>2,813,758</u>	<u>2,813,758</u>	<u>2,938,528</u>	<u>124,770</u>	<u>2,832,236</u>
<b>Expenditures:</b>					
Storm water:					
Personnel	2,321,385	2,509,324	2,485,228	24,096	2,068,699
Services	336,410	336,410	284,641	51,769	258,607
Supplies	300,243	400,243	162,661	237,582	330,285
Operational units	397,114	192,592	192,521	71	226,922
Business expenses	69,327	69,327	48,639	20,688	46,048
	<u>3,424,479</u>	<u>3,507,896</u>	<u>3,173,690</u>	<u>334,206</u>	<u>2,930,561</u>
Capital outlay	145,052	145,052	-	145,052	-
<b>Total expenditures</b>	<u>3,569,531</u>	<u>3,652,948</u>	<u>3,173,690</u>	<u>479,258</u>	<u>2,930,561</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(755,773)</u>	<u>(839,190)</u>	<u>(235,162)</u>	<u>604,028</u>	<u>(98,325)</u>
<b>Other financing sources (uses):</b>					
Transfers out	-	(350,000)	(350,000)	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>\$ (755,773)</u>	<u>\$ (1,189,190)</u>	<u>(585,162)</u>	<u>\$ 604,028</u>	<u>(98,325)</u>
<b>Fund balance - beginning</b>			<u>2,815,697</u>		<u>2,914,022</u>
<b>Fund balance - ending</b>			<u>\$ 2,230,535</u>		<u>\$ 2,815,697</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**DRUG FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2023</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Fines and fees	\$ 146,470	\$ 146,470	\$ 59,621	\$ (86,849)	\$ 62,435
Federal and state grants	-	-	4,269	4,269	-
Confiscated goods - state	-	-	-	-	60,221
Use of money and property:					
Interest earned	6,000	6,000	26,185	20,185	19,876
Sale of surplus property	3,000	3,000	49,552	46,552	3,489
<b>Total revenues</b>	<u>155,470</u>	<u>155,470</u>	<u>139,627</u>	<u>(15,843)</u>	<u>146,021</u>
<b>Expenditures:</b>					
Police:					
Services	-	5,000	996	4,004	-
Supplies	109,504	109,504	93,173	16,331	123,359
Operational units	40,000	52,500	47,318	5,182	25,270
Business expenses	2,500	2,500	2,506	(6)	1,449
<b>Total expenditures</b>	<u>152,004</u>	<u>169,504</u>	<u>143,993</u>	<u>25,511</u>	<u>150,078</u>
<b>Total expenditures</b>	<u>152,004</u>	<u>169,504</u>	<u>143,993</u>	<u>25,511</u>	<u>150,078</u>
Net changes in fund balances	<u>\$ 3,466</u>	<u>\$ (14,034)</u>	(4,366)	<u>\$ 9,668</u>	(4,057)
<b>Fund balance - beginning</b>			<u>534,709</u>		<u>538,766</u>
<b>Fund balance - ending</b>			<u>\$ 530,343</u>		<u>\$ 534,709</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**HOTEL/MOTEL TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2023</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Taxes:					
Hotel/Motel tax	\$ 4,202,759	\$ 4,202,759	\$ 5,907,179	\$ 1,704,420	\$ 5,638,692
State shared revenue	150,000	150,000	333,384	183,384	334,255
Federal and state grants	-	-	98,515	98,515	366,137
Use of money and property:					
Interest earned	5,000	5,000	386,908	381,908	147,474
Distributions from conference center	-	-	308,344	308,344	382,133
<b>Total revenues</b>	<u>4,357,759</u>	<u>4,357,759</u>	<u>7,034,330</u>	<u>2,676,571</u>	<u>6,868,691</u>
<b>Expenditures:</b>					
Services	-	-	-	-	69,959
General:					
Services	-	-	10,000	(10,000)	33,165
Supplies	-	-	40,017	(40,017)	7,211
Appropriations	1,308,025	1,308,025	1,308,025	-	934,609
	<u>1,308,025</u>	<u>1,308,025</u>	<u>1,358,042</u>	<u>(50,017)</u>	<u>974,985</u>
Capital outlay - Parks	-	-	-	-	296,178
Capital outlay - General	168,250	7,222,250	4,259,083	2,963,167	198,418
<b>Total expenditures</b>	<u>1,476,275</u>	<u>8,530,275</u>	<u>5,617,125</u>	<u>2,913,150</u>	<u>1,539,540</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,881,484</u>	<u>(4,172,516)</u>	<u>1,417,205</u>	<u>5,589,721</u>	<u>5,329,151</u>
<b>Other financing sources (uses):</b>					
Transfers out	<u>(2,156,743)</u>	<u>(2,261,851)</u>	<u>(2,261,781)</u>	<u>70</u>	<u>(3,754,706)</u>
<b>Total other financing sources (uses)</b>	<u>(2,156,743)</u>	<u>(2,261,851)</u>	<u>(2,261,781)</u>	<u>70</u>	<u>(3,754,706)</u>
Net changes in fund balances	<u>\$ 724,741</u>	<u>\$ (6,434,367)</u>	<u>(844,576)</u>	<u>\$ 5,589,791</u>	<u>1,574,445</u>
<b>Fund balance - beginning</b>			<u>9,581,092</u>		<u>8,006,647</u>
<b>Fund balance - ending</b>			<u>\$ 8,736,516</u>		<u>\$ 9,581,092</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**PARKLAND DEDICATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2023</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Parkland dedication fees	\$ 1,061,657	\$ 1,061,656	\$ 3,983,352	\$ 2,921,696	\$ 2,225,168
Interest earned	10,000	10,000	199,394	189,394	105,491
<b>Total revenues</b>	<u>1,071,657</u>	<u>1,071,656</u>	<u>4,182,746</u>	<u>3,111,090</u>	<u>2,330,659</u>
<b>Expenditures:</b>					
Services	-	-	777,948	(777,948)	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>777,948</u>	<u>(777,948)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,071,657</u>	<u>1,071,656</u>	<u>3,404,798</u>	<u>2,333,142</u>	<u>2,330,659</u>
<b>Other financing sources (uses):</b>					
Transfers out	(3,757,800)	(3,757,800)	(2,957,800)	800,000	(4,500,000)
<b>Total other financing sources (uses)</b>	<u>(3,757,800)</u>	<u>(3,757,800)</u>	<u>(2,957,800)</u>	<u>800,000</u>	<u>(4,500,000)</u>
Net changes in fund balances	<u>\$ (2,686,143)</u>	<u>\$ (2,686,144)</u>	446,998	<u>\$ 3,133,142</u>	(2,169,341)
<b>Fund balance - beginning</b>			<u>6,281,730</u>		<u>8,451,071</u>
<b>Fund balance - ending</b>			<u>\$ 6,728,728</u>		<u>\$ 6,281,730</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**TRANSIT AUTHORITY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2023</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Intergovernmental:					
Federal and state grants	\$ 3,445,746	\$ 3,445,745	\$ 3,634,273	\$ 188,528	\$ 2,627,537
Charges for services:					
Transit fares	148,000	148,000	82,472	(65,528)	84,431
Use of money and property:					
Interest earned	-	-	38,198	38,198	34,333
Rental income	9,700	9,700	9,600	(100)	9,700
Sale of surplus property	-	-	14,908	14,908	-
<b>Total revenues</b>	<u>3,603,446</u>	<u>3,603,445</u>	<u>3,779,451</u>	<u>176,006</u>	<u>2,756,001</u>
<b>Expenditures:</b>					
Transit:					
Personnel	16,148	61,148	26,577	34,571	9,271
Supplies	200,000	200,000	-	200,000	-
Operational units	3,704,919	3,704,919	3,818,574	(113,655)	3,434,077
	<u>3,921,067</u>	<u>3,966,067</u>	<u>3,845,151</u>	<u>120,916</u>	<u>3,443,348</u>
Capital outlay - General	470,000	470,000	483,580	(13,580)	-
<b>Total expenditures</b>	<u>4,391,067</u>	<u>4,436,067</u>	<u>4,328,731</u>	<u>107,336</u>	<u>3,443,348</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(787,621)</u>	<u>(832,622)</u>	<u>(549,280)</u>	<u>283,342</u>	<u>(687,347)</u>
<b>Other financing sources (uses):</b>					
Transfers in	771,473	771,473	549,280	(222,193)	687,348
<b>Total other financing sources (uses)</b>	<u>771,473</u>	<u>771,473</u>	<u>549,280</u>	<u>(222,193)</u>	<u>687,348</u>
Net changes in fund balances	<u>\$ (16,148)</u>	<u>\$ (61,149)</u>	-	<u>\$ 61,149</u>	1
<b>Fund balance - beginning</b>			<u>807,254</u>		<u>807,253</u>
<b>Fund balance - ending</b>			<u>\$ 807,254</u>		<u>\$ 807,254</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2023</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
<b>Revenues:</b>					
Intergovernmental:					
Federal and state grants	\$ 375,000	\$ 900,000	\$ 854,207	\$ (45,793)	\$ 523,184
Use of money and property:					
Interest earned	5,000	5,000	27,091	22,091	16,483
<b>Total revenues</b>	<u>380,000</u>	<u>905,000</u>	<u>881,298</u>	<u>(23,702)</u>	<u>539,667</u>
<b>Expenditures:</b>					
General:					
Services	375,000	900,000	401,209	498,791	318,202
Operational units	-	-	453,223	(453,223)	150,580
<b>Total expenditures</b>	<u>375,000</u>	<u>900,000</u>	<u>854,432</u>	<u>45,568</u>	<u>468,782</u>
<b>Total expenditures</b>	<u>375,000</u>	<u>900,000</u>	<u>854,432</u>	<u>45,568</u>	<u>468,782</u>
Net changes in fund balances	<u>\$ 5,000</u>	<u>\$ 5,000</u>	26,866	<u>\$ 21,866</u>	70,885
<b>Fund balance - beginning</b>			189,362		118,477
<b>Fund balance - ending</b>			<u>\$ 216,228</u>		<u>\$ 189,362</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**FLEET REPLACEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2023</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues:</b>					
Interest earned	\$ -	\$ -	\$ 226,562	\$ 226,562	\$ -
Sale of surplus property	-	-	233,728	233,728	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>460,290</u>	<u>460,290</u>	<u>-</u>
<b>Expenditures:</b>					
Supplies	-	-	903,914	(903,914)	-
Vehicles	3,203,489	3,703,489	2,189,310	1,514,179	-
<b>Total expenditures</b>	<u>3,203,489</u>	<u>3,703,489</u>	<u>3,093,224</u>	<u>610,265</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,203,489)</u>	<u>(3,703,489)</u>	<u>(2,632,934)</u>	<u>1,070,555</u>	<u>-</u>
<b>Other financing sources (uses):</b>					
Transfers in	312,810	812,810	812,810	-	-
<b>Total other financing sources (uses)</b>	<u>312,810</u>	<u>812,810</u>	<u>812,810</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>\$ (2,890,679)</u>	<u>\$ (2,890,679)</u>	<u>(1,820,124)</u>	<u>\$ 1,070,555</u>	<u>-</u>
<b>Fund balance - beginning, as previously reported</b>			-		-
<b>Change within financial reporting unit (major to nonmajor)</b>			<u>5,167,640</u>		<u>5,167,640</u>
<b>Fund balance- beginning, as adjusted or restated</b>			<u>5,167,640</u>		<u>5,167,640</u>
<b>Fund balance - ending</b>			<u>\$ 3,347,516</u>		<u>\$ 5,167,640</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2023</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues:</b>					
Taxes:					
Property tax	\$ 11,457,507	\$ 10,957,506	\$ 10,957,506	\$ -	\$ 10,845,720
Use of money and property:					
Interest earned	<u>100,000</u>	<u>100,000</u>	<u>230,624</u>	<u>130,624</u>	<u>197,631</u>
<b>Total revenues</b>	<u>11,557,507</u>	<u>11,057,506</u>	<u>11,188,130</u>	<u>130,624</u>	<u>11,043,351</u>
<b>Expenditures:</b>					
Debt service:					
Principal	11,555,000	11,555,000	11,555,000	-	10,540,000
Interest	4,739,016	4,739,016	4,739,016	-	5,165,460
Debt Service Fees	<u>14,612</u>	<u>14,610</u>	<u>3,620</u>	<u>10,990</u>	<u>3,921</u>
<b>Total expenditures</b>	<u>16,308,628</u>	<u>16,308,626</u>	<u>16,297,636</u>	<u>10,990</u>	<u>15,709,381</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,751,121)</u>	<u>(5,251,120)</u>	<u>(5,109,506)</u>	<u>141,614</u>	<u>(4,666,030)</u>
<b>Other financing sources (uses):</b>					
Transfers in	4,851,121	4,851,120	4,850,263	(857)	4,310,551
<b>Other financing sources-issuance of refunding debt:</b>					
<b>Total other financing sources (uses)</b>	<u>4,851,121</u>	<u>4,851,120</u>	<u>4,850,263</u>	<u>(857)</u>	<u>4,310,551</u>
Net change in fund balances	<u>\$ 100,000</u>	<u>\$ (400,000)</u>	<u>(259,243)</u>	<u>\$ 140,757</u>	<u>(355,479)</u>
<b>Fund balance - beginning</b>			<u>806,499</u>		<u>1,161,978</u>
<b>Fund balance - ending</b>			<u>\$ 547,256</u>		<u>\$ 806,499</u>

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

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Source/Grant Name	Assistance Listing Number	Grant Number	Pass-through Entity Number	Amount Pass-through to Subrecipients	Expenditures
<b>U.S. DEPARTMENT OF JUSTICE</b>					
Bulletproof Vest Partnership	16.607	2022BUBX09046522		\$ -	\$ 9,006
Bulletproof Vest Partnership	16.607	2022BUBX09046522		\$ -	\$ 10,378
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>				-	<b>19,384</b>
<b>U.S. DEPARTMENT OF THE INTERIOR</b>					
Battlefield Land Acquisition Grant - Williams Tract (g)	15.928	P23AP023090	DZXFAMR29K87	\$ 1,980,050	\$ 1,980,050
<b>TOTAL U.S. DEPARTMENT OF THE INTERIOR</b>				<b>1,980,050</b>	<b>1,980,050</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>					
<i>Federal Transit Cluster:</i>					
Transit Capital Grant-FY12 5307 Allocation	20.507	TN-90-X352-00		-	42,144
Transit Capital Grant-FY14 5307 Allocation	20.507	TN-90-X384-00		-	2,775
5307 Capital and Operating Assistance	20.507	TN-2019-021-00		-	412,877
5307 Capital and Operating Assistance (Vanpool) (e)	20.507	TN-2019-021-00	DPCXM6A1QBQ7	29,598	29,598
5307 Operating and Capital	20.507	TN-2020-008-00		-	170,541
CARES Act 5307 Funding	20.507	TN-2020-018-00		-	702,389
FY16 5307 Allocation	20.507	TN-2017-020-00		-	12,960
FY22 5307 Operating Assistance	20.507	TN-2022-031-00		-	517,227
FY23 5307 Operating Assistance	20.507	TN-2022-027-00		-	196,028
FY23 5307 Operating Assistance (Vanpool)(a)	20.507	TN-2022-027-00	DPCXM6A1QBQ7	361,553	361,553
FY24 5310 Operating Assistance	20.513	TN-2023-001-00		-	143,230
FY23 5310 Operating Assistance	20.513	TN-2023-002-00		-	143,228
FY23 5307 Operating Assistance	20.507	TN-2023-037-00		-	239,443
<b>Total Federal Transit Cluster</b>				<b>391,151</b>	<b>2,973,993</b>
<i>Highway Planning and Construction Cluster:</i>					
SR-96 (Murfreesboro Rd) Traffic Signal Improvements (a)	20.205	127913.00 / CM-NH-96(59)		-	272,390
Columbia Ave to Downs Blvd (a)	20.205	121454.00 / STP-M-6(110)		-	24,662
Harlinsdale Farm Multi-Use Path	20.205	126630.33 / TAP-9305(32)		-	1,948,932
<b>Total Highway Planning and Construction Cluster:</b>				-	<b>2,245,984</b>
<i>Highway Safety Cluster:</i>					
Community Based Traffic Safety Enforcement and Education - FY 22 (b)	20.600	Z22THS106		-	23,838
Community Based Traffic Safety Enforcement and Education - FY 23 (b)	20.600	Z22THS100		-	3,263
<b>Total Highway Safety Cluster</b>				-	<b>27,101</b>
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>				<b>391,151</b>	<b>5,247,078</b>

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Source/Grant Name	Assistance Listing Number	Grant Number	Pass-through Entity Number	Amount Pass-through to Subrecipients	Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
<i>CDBG - Entitlement Grants Cluster:</i>					
CDBG	14.218	B-17-MC-47-0014		-	6,611
CDBG	14.218	B-19-MC-47-0014		-	131,053
CDBG	14.218	B-20-MC-47-0014		-	125,000
CDBG	14.218	B-21-MC-47-0014		-	179,492
CDBG	14.218	B-22-MC-47-0014		-	259,251
CDBG	14.218	B-23-MC-47-0014		-	29,067
CDBG - CARES Act	14.218	B-20-MW-47-0014		-	123,732
<b>Total CDBG - Entitlement Grants Cluster</b>				-	<b>854,206</b>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
<b>U.S. DEPARTMENT OF THE TREASURY</b>					
American Rescue Plan Act	21.027	N/A		-	2,331,977
American Rescue Plan Act - TDEC	21.027	32701-05134		-	465,988
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>				-	<b>2,797,965</b>
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>					
Extreme Heat & Fires - Louisiana (d)	97.036	2767-RSA-12485		-	48,637
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>				-	<b>48,637</b>
<b>LOANS</b>					
<b>ENVIRONMENTAL PROTECTION AGENCY</b>					
State Revolving Fund SRF 2017-398-01 (c)	66.458	SRF 2017-398-01		-	2,456,605
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>				-	<b>2,456,605</b>
<b>Total Federal Assistance</b>				<b>\$ 391,151</b>	<b>\$ 13,403,927</b>

- (a) Passed through the TN Department of Transportation
- (b) Passed through the TN Department of Safety and Homeland Security
- (c) Passed through the TN Department of Environment and Conservation
- (d) Passed through the TN Emergency Management Agency
- (e) Passed through to Williamson County
- (f) Passed through the TN Emergency Management Agency
- (g) Passed through to Franklin's Charge, Inc.

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (cont'd)**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Source/Grant Name	Grant Number	Pass-through Entity Number	Amount Pass-through to Subrecipients	Expenditures
<b>GRANTS</b>				
<b>TENNESSEE DEPARTMENT OF TRANSPORTATION</b>				
Transit Capital Grant-FY12 5307 Allocation	TN-90-X352-00		\$ -	5,268
Transit Capital Grant-FY14 5307 Allocation	TN-90-X384-00		-	346
5307 Capital and Operating Assistance	TN-2019-021-00		-	48,848
5307 Capital and Operating Assistance (Vanpool) (e)	TN-2019-021-00	DPCXM6A1QBQ7	3,699	3,699
5307 Operating and Capital	TN-2020-008-00		-	1,405
FY16 5307 Allocation	TN-2017-020-00		-	1,620
FY22 5307 Operating Assistance	TN-2022-031-00		-	2,680
FY23 5307 Operating Assistance	TN-2023-037-00		-	582
2022 IMPROVE Act Capital Assistance (Vanpool) (e)	GG-22-74150	DPCXM6A1QBQ7	199,444	199,444
Columbia Ave to Downs Blvd	121454.00 / 94LPLM-F0-076		-	6,166
FY 2023 Urban Operation Assistance Program (b)	94UROP-S3-021		-	289,220
<b>Total Tennessee Department of Transportation</b>			<b>203,143</b>	<b>559,278</b>
<b>TENNESSEE DEPARTMENT OF COMMERCE &amp; INSURANCE</b>				
Tennessee Law Enforcement Hiring, Training, and Recruitment	33501-2425204		-	2,000
<b>Total Tennessee Department of Commerce and Insurance</b>			-	2,000
<b>Total State Financial Assistance</b>			<b>203,143</b>	<b>561,278</b>

(e) Passed through to Williamson County

See independent auditor's report.

**NOTE 1 - BASIS OF PRESENTATION**

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

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

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

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

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

**NOTE 4 - STATE REVOLVING LOAN FUND**

At June 30, 2024, there was an outstanding balance of \$112,874,754 on loans obtained through the State Revolving Loan Fund. Payments during the current fiscal year totaled \$3,607,173.

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS**  
**GENERAL OBLIGATION DEBT**  
 JUNE 30, 2024

	General Improvement Refunding Bonds Series 2012		General Improvement Refunding Bonds Series 2013A		Public Improvement Bonds Series 2015		Public Improvement Bonds Series 2017	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	1,700,000	110,867	365,000	140,693	730,000	333,540	980,000	333,540
2026	1,735,000	74,656	375,000	131,203	760,000	304,340	1,030,000	304,340
2027	1,770,000	37,701	385,000	120,890	790,000	273,940	1,080,000	273,940
2028	-	-	400,000	107,800	815,000	250,240	1,135,000	250,240
2029	-	-	410,000	94,200	850,000	217,640	1,190,000	217,640
2030	-	-	425,000	80,260	880,000	183,640	1,250,000	183,640
2031	-	-	440,000	65,810	920,000	148,440	1,315,000	148,440
2032	-	-	455,000	50,850	945,000	120,840	1,365,000	120,840
2033	-	-	470,000	35,380	975,000	92,490	1,420,000	92,490
2034	-	-	485,000	19,400	1,005,000	63,240	1,480,000	63,240
2035	-	-	-	-	1,035,000	32,085	1,535,000	32,085
2036	-	-	-	-	-	-	1,600,000	-
2037	-	-	-	-	-	-	1,665,000	-
2038	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-
	<u>\$ 5,205,000</u>	<u>\$ 223,224</u>	<u>\$ 4,210,000</u>	<u>\$ 846,486</u>	<u>\$ 9,705,000</u>	<u>\$ 2,020,435</u>	<u>\$ 17,045,000</u>	<u>\$ 2,020,435</u>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS (Cont.)**  
**GENERAL OBLIGATION DEBT**  
 JUNE 30, 2024

	Public Improvement Bonds Series 2019A		Public Improvement Refunding Bonds Series 2019B		Public Improvement Bonds Series 2019C		Public Improvement Refunding Bonds Series 2019D		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	1,275,000	1,013,850	2,305,000	635,250	3,040,000	1,298,650	385,000	24,303	10,780,000	4,305,602
2026	1,340,000	950,100	2,420,000	520,000	3,185,000	1,146,650	395,000	16,603	11,240,000	3,843,001
2027	1,405,000	883,100	2,535,000	399,000	3,370,000	987,400	405,000	8,502	11,740,000	3,358,486
2028	1,485,000	812,850	2,655,000	272,250	3,940,000	818,900	-	-	10,430,000	2,855,990
2029	1,555,000	738,600	2,790,000	139,500	4,130,000	621,900	-	-	10,925,000	2,349,040
2030	1,450,000	660,850	-	-	4,320,000	415,400	-	-	8,325,000	1,817,850
2031	1,520,000	588,350	-	-	2,450,000	199,400	-	-	6,645,000	1,417,200
2032	1,595,000	512,350	-	-	2,535,000	101,400	-	-	6,895,000	1,148,040
2033	1,675,000	432,600	-	-	-	-	-	-	4,540,000	868,470
2034	1,750,000	365,600	-	-	-	-	-	-	4,720,000	699,440
2035	1,365,000	295,600	-	-	-	-	-	-	3,935,000	519,685
2036	1,420,000	241,000	-	-	-	-	-	-	3,020,000	371,600
2037	1,475,000	184,200	-	-	-	-	-	-	3,140,000	250,800
2038	1,535,000	125,200	-	-	-	-	-	-	1,535,000	125,200
2039	1,595,000	63,800	-	-	-	-	-	-	1,595,000	63,800
	<u>\$ 22,440,000</u>	<u>\$ 7,868,050</u>	<u>\$ 12,705,000</u>	<u>\$ 1,966,000</u>	<u>\$ 26,970,000</u>	<u>\$ 5,589,700</u>	<u>\$ 1,185,000</u>	<u>\$ 49,408</u>	<u>\$ 99,465,000</u>	<u>\$ 23,994,204</u>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE  
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS  
PROPRIETARY FUND DEBT  
JUNE 30, 2024**

	Sewer & Water Revenue & Tax Refunding Bonds-Series 2005		Sewer & Water Refunding Trust Loan 2011		Drinking Water SRF & ARRA Loan		Clean Water SRF & ARRA Loan		Clean Water SRF (Scada-Revere)		Clean Water SRF (Scada-CDM)		Water Plant Bonds-Series 2017	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	1,450,000	61,625	1,520,000	73,243	82,848	15,366	98,878	23,298	120,348	9,504	21,300	1,680	520,000	387,450
2026	-	-	1,560,000	35,464	85,217	12,998	101,570	20,605	121,428	8,424	21,492	1,488	545,000	361,450
2027	-	-	-	-	87,649	10,565	104,338	17,838	122,508	7,344	21,684	1,296	570,000	334,200
2028	-	-	-	-	90,154	8,060	107,178	14,998	123,612	6,240	21,876	1,104	600,000	305,700
2029	-	-	-	-	92,729	5,485	110,098	12,078	124,704	5,148	22,068	912	630,000	275,700
2030	-	-	-	-	95,378	2,837	113,097	9,079	125,820	4,032	22,272	708	665,000	244,200
2031	-	-	-	-	48,691	403	116,176	6,000	126,948	2,904	22,464	516	690,000	217,600
2032	-	-	-	-	-	-	119,340	2,836	128,088	1,764	22,668	312	715,000	190,000
2033	-	-	-	-	-	-	40,504	225	129,253	624	22,795	111	745,000	161,400
2034	-	-	-	-	-	-	-	-	-	-	-	-	775,000	131,600
2035	-	-	-	-	-	-	-	-	-	-	-	-	805,000	100,600
2036	-	-	-	-	-	-	-	-	-	-	-	-	840,000	68,400
2037	-	-	-	-	-	-	-	-	-	-	-	-	870,000	34,800
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>\$ 1,450,000</b>	<b>\$ 61,625</b>	<b>\$ 3,080,000</b>	<b>\$ 108,707</b>	<b>\$ 582,666</b>	<b>\$ 55,714</b>	<b>\$ 911,179</b>	<b>\$ 106,957</b>	<b>\$ 1,122,709</b>	<b>\$ 45,984</b>	<b>\$ 198,619</b>	<b>\$ 8,127</b>	<b>\$ 8,970,000</b>	<b>\$ 2,813,100</b>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE  
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE  
THE FISCAL YEAR ENDED JUNE 30, 2024**

	SRF Loan CG5 17-375 (Wastewater Plant)		SRF Loan SRF 17-376 (Wastewater Plant)		SRF Loan SRF 17-398 (Wastewater Plant)		Sewer & Water Water Plant Bonds-Series 2021		SRF Loan SRF 17-398-01 (Wastewater Plant)		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	36,576	16,008	2,197,524	1,039,968	556,464	268,380	365,000	434,150	547,044	236,064	7,515,982	2,566,736
2026	37,116	15,468	2,230,044	1,007,448	564,696	260,148	385,000	415,900	554,088	229,020	6,205,651	2,368,413
2027	37,668	14,916	2,263,056	974,436	573,060	251,784	405,000	396,650	561,228	221,880	4,746,191	2,230,909
2028	38,220	14,364	2,296,548	940,944	581,544	243,300	425,000	376,400	568,452	214,656	4,852,584	2,125,766
2029	38,796	13,788	2,330,532	906,960	590,148	234,696	445,000	355,150	575,772	207,336	4,959,847	2,017,253
2030	39,360	13,224	2,365,020	872,472	598,884	225,960	465,000	332,900	583,188	199,920	5,073,018	1,905,332
2031	39,948	12,636	2,400,024	837,468	607,740	217,104	490,000	309,650	590,688	192,420	5,132,679	1,796,701
2032	40,536	12,048	2,435,544	801,948	616,740	208,104	515,000	285,150	598,296	184,812	5,191,212	1,686,974
2033	41,136	11,448	2,471,592	765,900	625,872	198,972	540,000	259,400	606,000	177,108	5,222,153	1,575,188
2034	41,748	10,836	2,508,168	729,324	635,124	189,720	560,000	237,800	613,800	169,308	5,133,840	1,468,588
2035	42,360	10,224	2,545,284	692,208	644,532	180,312	585,000	215,400	621,708	161,400	5,243,884	1,360,144
2036	42,996	9,588	2,582,952	654,540	654,072	170,772	610,000	192,000	629,712	153,396	5,359,732	1,248,696
2037	43,632	8,952	2,621,184	616,308	663,744	161,100	630,000	167,600	637,812	145,296	5,466,372	1,134,056
2038	44,268	8,316	2,659,968	577,524	673,572	151,272	655,000	142,400	646,032	137,076	4,678,840	1,016,588
2039	44,928	7,656	2,699,340	538,152	683,544	141,300	685,000	116,200	654,348	128,760	4,767,160	932,068
2040	45,600	6,984	2,739,288	498,204	693,660	131,184	710,000	88,800	662,772	120,336	4,851,320	845,508
2041	46,272	6,312	2,779,824	457,668	703,920	120,924	740,000	60,400	671,304	111,804	4,941,320	757,108
2042	46,956	5,628	2,820,972	416,520	714,336	110,508	770,000	30,800	679,944	103,164	5,032,208	666,620
2043	47,652	4,932	2,862,720	374,772	724,908	99,936	-	-	688,704	94,404	4,323,984	574,044
2044	48,348	4,236	2,905,080	332,412	735,636	89,208	-	-	697,572	85,536	4,386,636	511,392
2045	49,068	3,516	2,948,076	289,416	746,520	78,324	-	-	706,548	76,560	4,450,212	447,816
2046	49,800	2,784	2,991,708	245,784	757,572	67,272	-	-	715,644	67,464	4,514,724	383,304
2047	50,532	2,052	3,035,988	201,504	768,780	56,064	-	-	724,860	58,248	4,580,160	317,868
2048	51,276	1,308	3,080,916	156,576	780,168	44,676	-	-	734,196	48,912	4,646,556	251,472
2049	52,044	540	3,126,504	110,988	791,712	33,132	-	-	743,652	39,456	4,713,912	184,116
2050	8,744	16	3,172,776	64,716	803,424	21,420	-	-	753,228	29,880	4,738,172	116,032
2051	-	-	2,679,732	18,087	815,316	9,528	-	-	762,924	20,184	4,257,972	47,799
2052	-	-	-	-	205,513	504	-	-	772,752	10,356	978,265	10,860
2053	-	-	-	-	-	-	-	-	390,168	1,460	390,168	1,460
	<b>\$ 1,105,580</b>	<b>\$ 217,780</b>	<b>\$ 71,750,364</b>	<b>\$ 15,122,247</b>	<b>\$ 18,511,201</b>	<b>\$ 3,965,604</b>	<b>\$ 9,980,000</b>	<b>\$ 4,416,750</b>	<b>\$ 18,692,436</b>	<b>\$ 3,626,216</b>	<b>\$ 136,354,754</b>	<b>\$ 30,548,811</b>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2023	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2024
<b>Government Activities:</b>									
<b>BONDS PAYABLE</b>									
<b>Payable through Debt Service Fund</b>									
2010 General Obligation Refunding Bonds	\$ 16,590,000	2.000% to 4.000%	10/19/2010	3/1/2024	\$ 1,530,000	\$ -	\$ 1,530,000	\$ -	-
2012 SunTrust Refunding Bond Agreement	22,500,000	2.130%	2/11/2012	5/1/2027	6,870,000	-	1,665,000	-	5,205,000
2013A General Obligation Public Improvement Bonds	7,405,000	2.000% to 4.000%	12/20/2013	3/1/2034	4,565,000	-	355,000	-	4,210,000
2013B General Obligation Pension Bonds (taxable)	10,000,000	1.000% to 3.500%	12/20/2013	3/1/2024	1,125,000	-	1,125,000	-	-
2015 General Obligation Public Improvement Bonds	15,000,000	3.000% to 5.000%	4/16/2015	4/1/2035	10,405,000	-	700,000	-	9,705,000
2017 General Obligation Public Improvement Bonds	23,120,000	2.000% to 5.000%	6/27/2017	4/1/2037	18,005,000	-	960,000	-	17,045,000
2019A General Obligation Public Improvement Bonds	29,585,000	4.000% to 5.000%	5/15/2019	3/1/2039	23,660,000	-	1,220,000	-	22,440,000
2019B General Obligation Public Improvement Bonds	22,940,000	5.000%	5/15/2019	3/1/2029	14,900,000	-	2,195,000	-	12,705,000
2019C General Obligation Refunding Bonds	29,245,000	4.000% to 5.000%	11/20/2019	6/1/2032	28,395,000	-	1,425,000	-	26,970,000
2019D General Obligation Refunding Bonds (taxable)	2,305,000	1.000% to 3.500%	11/20/2019	6/1/2027	1,565,000	-	380,000	-	1,185,000
<b>Total Bonds Payable through Debt Service Fund</b>					<b>111,020,000</b>	<b>-</b>	<b>11,555,000</b>	<b>-</b>	<b>99,465,000</b>
<b>Business-type Activities:</b>									
<b>BANK DIRECT BORROWING</b>									
<b>Payable through Water and Sewer Fund</b>									
2011 SunTrust Loan Program	19,430,000	2.48%	9/29/2011	5/25/2026	4,565,000	-	1,485,000	-	3,080,000
					4,565,000	-	1,485,000	-	3,080,000
<b>NOTES PAYABLE</b>									
<b>Payable through Water and Sewer Fund</b>									
Drinking Water SRF Loan through ARRA	\$ 1,500,000	2.820%	2/21/2018	12/20/2030	\$ 663,213	\$ -	\$ 80,547	\$ -	582,666
Clean Water SRF Loan through ARRA	1,888,200	2.690%	1/1/2011	10/20/2032	1,007,436	-	96,257	-	911,179
State Revolving Fund Loan (CG2 2016-367)	1,822,741	.890%	6/1/2016	6/20/2033	1,241,989	-	119,280	-	1,122,709
State Revolving Fund Loan (SRF 2016-374)	1,677,259	.890%	6/1/2016	6/20/2033	219,727	-	21,108	-	198,619
State Revolving Fund Loan (CG5 2017-375)	1,275,000	1.470%	9/28/2017	8/20/2049	1,141,628	-	36,048	-	1,105,580
State Revolving Fund Loan (SRF 2017-376)	78,500,000	1.470%	9/28/2017	4/20/2051	73,915,848	-	2,165,484	-	71,750,364
State Revolving Fund Loan (SRF 2017-398)	20,000,000	1.470%	9/28/2017	9/20/2051	19,059,553	-	548,352	-	18,511,201
State Revolving Fund Loan (SRF 2017-398-01)	9,769,764	1.470%	9/28/2017	9/20/2053	16,775,926	2,456,607	540,097	-	18,692,436
<b>Total Bonds Payable through Water and Sewer Fund</b>					<b>114,025,320</b>	<b>2,456,607</b>	<b>3,607,173</b>	<b>-</b>	<b>112,874,754</b>
<b>BONDS PAYABLE</b>									
<b>Payable through Water and Sewer Fund</b>									
2005 Water and Sewer Refunding Bonds	\$ 24,670,000	3.000% to 5.000%	3/30/2005	4/1/2025	\$ 2,900,000	\$ -	\$ 1,450,000	\$ -	1,450,000
2017A Water and Sewer Revenue Bonds	12,000,000	3.000% to 5.000%	2/16/2017	2/1/2037	9,465,000	-	495,000	-	8,970,000
2021 Water and Sewer Revenue Bonds	10,660,000	3.000% to 5.000%	2/1/2021	2/1/2042	10,330,000	-	350,000	-	9,980,000
<b>Total Bonds Payable through Water and Sewer Fund</b>					<b>22,695,000</b>	<b>-</b>	<b>2,295,000</b>	<b>-</b>	<b>20,400,000</b>
<b>Total Bonds and Notes Payable through Water and Sewer Fund</b>					<b>\$ 141,285,320</b>	<b>\$ 2,456,607</b>	<b>\$ 7,387,173</b>	<b>\$ -</b>	<b>\$ 136,354,754</b>

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE  
SCHEDULE OF CHANGES IN LEASE OBLIGATIONS  
JUNE 30, 2024**

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2023	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2024
<b>GOVERNMENTAL ACTIVITIES</b>								
<b>SBITA PAYABLE</b>								
<u>Payable through General Fund</u>								
Budget software (COF Contract # 2021-0268)	\$ 258,895	0.582%	12/1/2021	12/1/2025	\$ 126,030	\$ -	41,766	\$ 84,264
Contract software (COF Contract # 2022-0019)	50,050	1.868%	6/1/2022	5/1/2025	32,752	-	16,716	16,036
Bid software (COF Contract #2021-0354)	85,618	2.186%	7/21/2022	7/21/2026	68,548	-	15,972	52,576
Court Software (COF Contract #2024-0076)	288,695	2.616%	5/20/2024	5/20/2028	-	288,695	44,700	243,995
Total SBITA Payable through General Fund					\$ 227,330	\$ 288,695	\$ 119,154	\$ 396,871

See independent auditor's report.

CITY OF FRANKLIN, TENNESSEE  
 SCHEDULE OF LEASE OBLIGATIONS, PRINCIPAL AND INTEREST REQUIREMENTS BY FISCAL YEAR  
 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)  
 JUNE 30, 2024

	SBITA		SBITA		SBITA		SBITA		SBITA		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 42,010	\$ 490	\$ 16,036	\$ 150	\$ 16,731	\$ 1,149	\$ 116,617	\$ 6,383	\$ 191,394	\$ 8,172		
2026	42,254	246	-	-	17,516	784	41,368	3,332	101,138	4,362		
2027	-	-	-	-	18,329	401	42,450	2,250	60,779	2,651		
2028	-	-	-	-	-	-	43,560	1,140	43,560	1,140		
	\$ 84,264	\$ 736	\$ 16,036	\$ 150	\$ 52,576	\$ 2,334	\$ 243,995	\$ 13,105	\$ 396,871	\$ 16,325		

See independent auditor's report.

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE - BY LEVY YEAR**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>Tax Year</b>	<b>Balance June 30, 2023</b>	<b>Taxes Levied</b>	<b>Adjustments and Collections</b>	<b>Balance June 30, 2024</b>
2023	\$ -	\$ 24,006,775	\$ (23,769,831)	\$ 236,944
2022	\$ 208,452	\$ -	\$ (158,135)	\$ 50,317
2021	28,765	-	(11,326)	17,439
2020	16,300	-	(2,606)	13,694
2019	16,253	-	(2,018)	14,235
2018	14,379	-	(185)	14,194
2017	8,531	-	(138)	8,393
2016	5,985	-	(137)	5,848
2015	5,369	-	(239)	5,130
2014	4,072	-	(103)	3,969
	<u>\$ 308,106</u>	<u>\$ 24,006,775</u>	<u>\$ (23,944,718)</u>	<u>\$ 370,163</u>

The balance at June 30, 2024 is comprised of:

Considered current revenue	\$ 73,897
Allowance for uncollectible accounts: 2014-2023 levies	128,744
Unavailable revenue	167,522
	<u>370,163</u>

Balances not included in the schedule above are from the 2024 tax levy due October 1, 2024 (after the fiscal year). The levy is comprised of:

Unavailable revenue	\$ 25,048,918
Allowance for uncollectible accounts	24,071
	<u>25,072,989</u>

Total property tax receivable (as shown on page 61) \$ 25,443,152

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

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF UTILITY RATE STRUCTURE (Cont.)**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
 UNAUDITED

**Utility Customers**

Water/Irrigation	Sewer	Reclaimed	Sanitation	Stormwater
18,461	27,762	113	25,428	26,611

**Water and Sewer Rates**

The following rates were effective January 1, 2024. A minimum bill of 1,000 gallons per customer is levied.

Water Residential Rates				Water Commercial Rates				
Gallons	Inside City Limits		Outside City Limits		Inside City Limits		Outside City Limits	
First 1,000 Gallons	\$	19.76	\$	22.20	\$	26.39	\$	30.11
Next 9,000 Gallons		5.29		8.01		5.27		7.93
Next 15,000 Gallons		6.22		8.59		6.20		8.51
All Additional Gallons		7.15		9.17		7.13		9.09
Irrigation Residential Water Rates								
Gallons	Inside City Limits		Outside City Limits					
First 1,000 Gallons	\$	26.39	\$	30.11				
Next 9,000 Gallons		5.27		7.93				
Next 15,000 Gallons		6.20		8.51				
All Additional Gallons		7.13		9.09				
Sewer Residential Rates				Sewer Commercial Rates				
Gallons	Inside City Limits		Outside City Limits		Inside City Limits		Outside City Limits	
First 1,000 Gallons	\$	25.60	\$	30.68	\$	51.03	\$	48.94
Next 14,000 Gallons		6.41		9.80		6.96		10.63
All Additional Gallons		5.62		8.65		5.97		8.74
Reclaimed Water Rate:								
Gallons	Inside City Limits		Outside City Limits					
For each 1,000 Gallons	\$	1.17	\$	1.17				

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

**Water and Sewer Rates Upcoming**

The following rates are effective January 1, 2025. A minimum bill of 1,000 gallons per customer is levied. The Reclaimed rate is effective January 1, 2023.

Water Residential Rates				Water Commercial Rates				
Gallons	Inside City Limits		Outside City Limits		Inside City Limits		Outside City Limits	
First 1,000 Gallons	\$	21.48	\$	23.92	\$	28.11	\$	31.83
Next 9,000 Gallons		5.29		8.01		5.27		7.93
Next 15,000 Gallons		6.22		8.59		6.20		8.51
All Additional Gallons		7.15		9.17		7.13		9.09
Irrigation Residential Water Rates								
Gallons	Inside City Limits		Outside City Limits					
First 1,000 Gallons	\$	28.11	\$	31.83				
Next 9,000 Gallons		5.27		7.93				
Next 15,000 Gallons		6.20		8.51				
All Additional Gallons		7.13		9.09				
Sewer Residential Rates				Sewer Commercial Rates				
Gallons	Inside City Limits		Outside City Limits		Inside City Limits		Outside City Limits	
First 1,000 Gallons	\$	27.01	\$	32.09	\$	52.44	\$	48.94
Next 14,000 Gallons		6.41		9.80		6.96		10.63
All Additional Gallons		5.62		8.65		5.97		8.74

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF UTILITY RATE STRUCTURE (Cont.)**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
 UNAUDITED

**Water and Sewer Impact Fees:**

The following rates are effective January 1, 2024.

<u>Unit of Measure</u>	<u>Water Impact Fee</u>	<u>Sewer Impact Fee</u>
Single Family United Equivalent (SFUE) = 350 gallons per day	\$3,624 per SFUE	\$5,964 per SFUE

**Water and Sewer Installation Fees**

The following rates are effective January 1, 2024. \* The fee for meter size 3"-8" covers inspection cost. Developer will install meter. The installation fee is adjusted annually on April 1 of each year by the percentage change between the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index-U, U.S. city average, all items less food and energy, not seasonally adjusted. The change shall be determined by comparison of the figure for the previous January 1, with that of January 1 of the current calendar year. In no event shall this calculation cause a reduction in the installation fees payable during the preceding year.

<u>Meter Size</u>	<u>Water</u>		<u>Irrigation</u>	
	<u>Installation-Meter Only</u>	<u>Installation-Complete</u>	<u>Installation-Meter Only</u>	<u>Installation-Complete</u>
3/4" or 5/8"	\$ 500	\$ 3,550	\$ 500	\$ 3,550
1"	550	3,600	550	3,600
1-1/2"	1,600	4,650	1,600	4,650
2"	1,800	4,900	1,800	4,900
3" - 8" *	1,000	1,000	1,000	1,000

<u>Meter Size</u>	<u>Sewer</u>	
	<u>Installation-Meter Only</u>	<u>Installation-Complete</u>
Up to 2"	\$ 550	\$ 3,600
2" - 6"	550	4,500

<u>Meter Size</u>	<u>Reclaimed</u>	
	<u>Installation-Meter Only</u>	<u>Installation-Complete</u>
5/8" x 3/4"	\$ 500	\$ \$ 3,550
1"	500	3,600
1-1/2"	500	4,650
2"	500	4,900
3" - 8" *	500	1,000

**Sanitation Rates**

The following rates were effective July 1, 2023.

<u>Service</u>	<u>Rate</u>
First residential roll out container	\$23.00 per month (one pick-up per week)
Second and subsequent rollout container	\$7.50 per month per container

**Stormwater Rates**

The following rates were effective July 1, 2021.

<u>Service</u>	<u>Rate</u>
Equivalent residential unit (ERU) rate-Non-residential	\$3.83 per month
ERU rate for smaller residential units (less than or equal to 3,350 sq. ft.)	\$2.87 per month (75% of ERU)
ERU rate for larger residential units (greater than 3,350 sq. ft.)	\$4.60 per month (120% of ERU)
ERU rate for non-residential properties	ERU rate times actual sq. ft. of impervious surface divided by ERU rate

**CITY OF FRANKLIN, TENNESEE**  
**SCHEDULE OF UTILITY MAJOR CUSTOMERS**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
UNAUDITED

The following table presents information on the ten largest customers of the System during the fiscal year ended June 30, 2024, ranked according to consumption and billings.

Customer	<b>TOP TEN WATER CUSTOMERS</b>			
	<b>Gallons of Water Purchased (1,000)</b>	<b>% of Total Water Consumed</b>	<b>Revenue</b>	<b>% of Total Water Revenues</b>
Franklin Estates (Residential)	34,646	2.18%	\$ 244,273	1.82%
Carrington Hills (Residential)	25,130	1.58%	\$ 190,803	1.42%
Viera Holdings LLC (Residential)	17,685	1.13%	\$ 147,937	1.09%
Prescott Place (Residential)	11,972	0.75%	\$ 96,291	0.72%
Franklin Housing Authority (Residential)	10,366	0.65%	\$ 65,844	0.49%
APCOM Inc (Mfg)	9,210	0.58%	\$ 65,517	0.49%
IMI Tennessee Inc (Mfg)	9,174	0.58%	\$ 65,256	0.49%
Berry Farms Apt Investments (Residential)	8,043	0.50%	\$ 93,729	0.71%
780 Townhomes & ACPE Franklin LLC	7,575	0.48%	\$ 51,060	0.38%
Wmson Co Jail (Government)	7,362	0.46%	\$ 52,343	0.39%
<b>TOTAL</b>	<b>141,163</b>	<b>8.89%</b>	<b>\$ 1,073,053</b>	<b>8.00%</b>

Customer	<b>TOP TEN WASTEWATER CUSTOMERS</b>			
	<b>Gallons Billed (1,000)</b>	<b>% of Total Gallons Billed</b>	<b>Revenue</b>	<b>% of Total Sewer Revenues</b>
Franklin Estates (Residential)	32,917	1.17%	\$ 289,878	1.14%
Star Brentwood LLC (Residential)	28,850	1.03%	\$ 162,465	0.64%
IMT Capital Reit IV LLC (Residential)	28,850	1.03%	\$ 162,465	0.64%
100 Gillespie Drive LLC (Residential)	26,590	0.95%	\$ 159,437	0.63%
Gateway Village (Residential)	19,786	0.70%	\$ 116,853	0.47%
IMT Capital IV Cool Springs (Residential)	19,457	0.69%	\$ 116,853	0.46%
PB One Aspen Grove LLC (Residential)	18,258	0.65%	\$ 109,696	0.43%
Mid America Apartments LP (Residential)	15,592	0.56%	\$ 93,779	0.37%
Carrington Hills (Residential)	13,315	0.48%	\$ 80,186	0.31%
Embassy Suites Hotel (Business)	12,435	0.44%	\$ 74,933	0.29%
<b>TOTAL</b>	<b>216,050</b>	<b>7.70%</b>	<b>\$ 1,366,545</b>	<b>5.38%</b>

Customer	<b>TOP TEN RECLAIMED WATER CUSTOMERS</b>			
	<b>Gallons of Water Purchased (1,000)</b>	<b>% of Total Water Consumed</b>	<b>Revenue</b>	<b>% of Total Water Revenues</b>
City of Franklin Parks (Government)	23,311	20.08%	\$ 27,276	13.58%
Rural Plains Partnership (Business)	19,462	16.75%	\$ 26,587	13.25%
Boyle Investment (Business/Res)	8,586	7.39%	\$ 10,652	5.31%
Ramsey Solutions (Business)	7,453	6.42%	\$ 21,409	10.66%
Southern Land Co (Business)	6,941	5.98%	\$ 8,124	4.05%
Battle Ground Academy (School)	6,415	5.53%	\$ 8,073	4.02%
Williams County TN (Government)	4,718	4.06%	\$ 5,525	2.75%
Carlisle HOA (Residential)	3,324	2.86%	\$ 3,892	1.94%
John Deere Landscapes (Business)	2,950	2.54%	\$ 3,463	1.72%
Matt 5:14-16 LLC (Business)	2,338	2.01%	\$ 8,559	4.27%
<b>TOTAL</b>	<b>85,498</b>	<b>73.62%</b>	<b>\$ 123,560</b>	<b>61.55%</b>

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

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**STATISTICAL SECTION**

HISTORIC  
**FRANKLIN**  
TENNESSEE

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

**STATISTICAL SECTION SUMMARY PAGE:**

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

**Contents:**

**Financial Trends**

These schedules contain trend information to help readers understand how the City's financial performance and financial position have changed over time. 128-132

**Revenue Capacity**

These schedules contain information to help readers assess the City's revenue sources, including its most significant local tax sources, local sales tax and its property tax. 133-137

**Debt Capacity**

These schedules present information to help readers assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 138-142

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help readers understand the environment within which the City's financial activities take place. 143-144

**Operating Information**

These schedules contain service and infrastructure data to help readers understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 145-147

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

**CITY OF FRANKLIN, TENNESSEE**  
**Net Position By Component**  
**Last Ten Years**

(Prepared using the accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 607,252,196	\$ 598,771,346	\$ 623,690,227	\$ 600,239,617	\$ 581,817,963	\$ 553,517,545	\$ 528,661,334	\$ 528,657,327	\$ 531,232,432	\$ 526,598,701
Restricted for:										
State street aid	1,750,151	3,247,409	2,870,168	771,402	601,819	496,410	645,435	502,481	373,415	287,224
Sanitation use	1,592,465	3,019,834	1,957,699	1,992,796	1,000,240	1,922,723	1,160,474	610,969	767,350	-
Drug fund use	530,343	534,709	538,766	602,402	520,472	438,184	508,522	541,205	515,642	295,296
Development use	24,546,282	33,433,096	23,700,256	30,019,751	38,165,088	39,890,216	4,804,517	3,488,072	-	-
Grant program use	216,228	189,362	118,477	114,745	113,066	100,451	89,691	86,263	85,185	20,212
Pensions	-	-	-	-	-	7,999	-	-	-	-
Unrestricted	66,368,980	73,161,177	88,942,469	63,722,583	42,976,500	39,950,296	74,003,922	46,098,515	35,391,194	25,106,842
<b>Total net position</b>	<b>\$ 702,256,645</b>	<b>\$ 712,356,933</b>	<b>\$ 741,818,062</b>	<b>\$ 697,463,296</b>	<b>\$ 665,195,148</b>	<b>\$ 636,323,824</b>	<b>\$ 609,873,895</b>	<b>\$ 579,984,832</b>	<b>\$ 568,365,218</b>	<b>\$ 552,308,275</b>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 218,196,290	\$ 203,202,697	\$ 195,995,094	\$ 186,313,737	\$ 176,897,094	\$ 166,254,831	\$ 160,464,694	\$ 144,008,929	\$ 139,229,139	\$ 128,272,969
Restricted for:										
Water & Sewer	15,621,869	11,520,463	11,288,887	10,784,987	10,882,442	10,180,317	10,665,267	9,757,361	8,916,035	13,452,592
Pensions	-	-	-	-	-	1,179	-	-	-	-
Unrestricted	33,667,010	32,145,262	34,148,733	33,856,599	34,170,434	32,220,082	25,591,650	30,877,222	25,339,325	15,771,418
<b>Total net position</b>	<b>\$ 267,485,169</b>	<b>\$ 246,868,422</b>	<b>\$ 241,432,714</b>	<b>\$ 230,955,323</b>	<b>\$ 221,949,970</b>	<b>\$ 208,656,409</b>	<b>\$ 196,721,611</b>	<b>\$ 184,643,512</b>	<b>\$ 173,484,499</b>	<b>\$ 157,496,979</b>
<b>Primary government:</b>										
Net investment in capital assets	\$ 825,448,486	\$ 801,974,043	\$ 819,685,321	\$ 786,553,354	\$ 758,715,057	\$ 719,772,376	\$ 689,126,028	\$ 672,666,256	\$ 670,461,571	\$ 654,871,670
Restricted for:										
State street aid use	1,750,151	3,247,409	2,870,168	771,402	601,819	496,410	645,435	502,481	373,415	287,224
Sanitation use	1,592,465	3,019,834	1,957,699	1,992,796	1,000,240	1,922,723	1,160,474	610,969	767,350	-
Drug fund use	530,343	534,709	538,766	602,402	520,472	438,184	508,522	541,205	515,642	295,296
Development use	24,546,282	33,433,096	23,700,256	30,019,751	38,165,088	39,890,216	4,804,517	3,488,072	-	-
Grant program use	216,228	189,362	118,477	114,745	113,066	100,451	89,691	86,263	85,185	20,212
Water & Sewer use	15,621,869	11,520,463	11,288,887	10,784,987	10,882,442	10,180,317	10,665,267	9,757,361	8,916,035	13,452,592
Pensions	-	-	-	-	-	9,178	-	-	-	-
Unrestricted	100,035,990	105,306,439	123,091,202	97,579,182	77,146,934	72,170,378	99,595,572	76,975,737	60,730,519	40,878,260
<b>Total net position</b>	<b>\$ 969,741,814</b>	<b>\$ 959,225,355</b>	<b>\$ 983,250,776</b>	<b>\$ 928,418,619</b>	<b>\$ 887,145,118</b>	<b>\$ 844,980,233</b>	<b>\$ 806,595,506</b>	<b>\$ 764,628,344</b>	<b>\$ 741,849,717</b>	<b>\$ 709,805,254</b>

**CITY OF FRANKLIN, TENNESSEE**  
**Changes in Net Position**

(Prepared using the accrual basis of accounting)

Expenses:	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Governmental activities:</b>										
Governance & Management	\$ 6,285,343	\$ 5,638,534	\$ 4,534,452	\$ 3,838,257	\$ 3,978,636	\$ 3,832,394	\$ 3,488,326	\$ 2,980,546	\$ 2,740,612	\$ 2,573,848
Public Safety	56,188,230	50,162,660	44,746,791	39,473,372	38,983,557	36,876,843	35,899,745	33,146,980	30,882,484	29,283,373
Finance & Administration	13,561,989	11,823,798	8,474,788	7,245,426	7,430,302	7,768,504	7,584,348	7,308,604	6,729,110	7,089,041
Community & Economic Development	14,414,252	11,919,172	10,370,880	9,492,101	9,743,950	9,260,316	8,849,272	8,483,737	7,483,304	7,684,155
Public Works	69,520,518	62,768,154	51,815,561	50,166,264	49,814,813	46,900,551	49,187,544	46,173,011	38,690,214	34,690,487
Other general government	39,580,757	47,190,052	2,663,427	4,644,218	6,392,927	6,353,001	(700,908)	3,728,463	12,305,479	4,370,952
Interest	3,172,582	3,492,442	4,397,319	4,914,713	4,484,444	5,281,715	4,587,179	4,074,621	3,988,622	4,087,064
<b>Total Governmental Activities</b>	<b>202,723,671</b>	<b>192,994,812</b>	<b>127,003,218</b>	<b>119,774,351</b>	<b>120,828,629</b>	<b>116,273,324</b>	<b>108,895,506</b>	<b>105,895,962</b>	<b>102,819,825</b>	<b>89,778,920</b>
<b>Business-type activities:</b>										
Water & sewer	40,985,653	42,299,473	32,536,107	33,754,490	29,702,843	29,846,225	28,476,942	26,189,612	24,245,697	23,353,227
<b>Total Business-type Activities</b>	<b>40,985,653</b>	<b>42,299,473</b>	<b>32,536,107</b>	<b>33,754,490</b>	<b>29,702,843</b>	<b>29,846,225</b>	<b>28,476,942</b>	<b>26,189,612</b>	<b>24,245,697</b>	<b>23,353,227</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for services	\$ 4,100	\$ 2,500	\$ 3,958	\$ 2,715	\$ 2,696	\$ 2,000	\$ 2,906	\$ 2,549	\$ 3,600	\$ -
Governance & Management	1,700,625	1,432,432	726,477	470,956	583,248	498,781	374,937	703,245	814,774	782,681
Public Safety	642	1,870	7,422	1,620	3,560	4,020	1,234	3,682	2,752	-
Finance & Administration	2,947,013	2,605,312	2,685,754	2,824,742	2,740,784	2,653,845	3,510,782	3,266,688	3,182,015	2,099,544
Community & Economic Development	13,378,317	13,763,755	13,432,497	12,912,409	12,070,604	11,949,193	11,193,112	10,295,841	10,826,167	10,054,484
General Government	311,433	384,660	417,040	(296,265)	134,014	326,081	256,860	158,340	121,946	487,716
Operating grants and contributions	97,123	75,105	96,499	(121,045)	256,833	108,981	136,685	47,103	22,308	47,607
Public Safety	-	-	-	-	-	-	-	-	15,071	-
Finance & Administration	5,167,505	2,287,936	2,113,225	2,732,457	1,877,358	1,279,702	1,084,498	1,326,698	1,059,230	1,568,418
Community & Economic Development	2,111,363	1,653,663	2,156,665	844,640	1,406,832	1,431,263	2,854,914	1,124,865	2,015,653	2,193,912
Public Works	1,963,006	523,184	1,870,778	3,277,235	269,780	373,845	257,808	230,374	1,751,180	320,853
Capital grants and contributions	542,159	517,524	300,099	326,266	310,616	326,622	292,985	168,701	113,535	145,439
Community & Economic Development	15,756,766	9,155,550	22,982,418	27,063,854	26,208,813	25,423,245	15,911,374	10,902,402	13,432,150	65,382,484
Public Works	43,980,052	32,403,491	46,792,832	50,039,584	45,865,138	44,377,578	35,878,095	28,230,488	33,360,381	83,083,138
<b>Total governmental activities</b>	<b>\$ 47,169,798</b>	<b>\$ 41,944,454</b>	<b>\$ 36,950,009</b>	<b>\$ 35,209,857</b>	<b>\$ 32,254,195</b>	<b>\$ 31,626,191</b>	<b>\$ 30,650,210</b>	<b>\$ 28,803,497</b>	<b>\$ 27,749,661</b>	<b>\$ 25,283,748</b>
<b>Business-Type activities:</b>										
Charges for services	1,663,729	604,455	-	-	-	-	-	-	-	-
Operating grants & contributions	10,523,944	4,614,593	7,353,158	7,527,829	9,027,798	9,269,803	11,005,568	9,382,488	12,429,719	9,517,652
Capital grants & contributions	59,357,471	47,163,502	44,303,167	42,737,686	41,281,993	40,895,994	41,655,778	38,185,985	40,179,380	34,801,400
<b>Total business-type activities</b>	<b>\$ 103,337,523</b>	<b>\$ 79,566,993</b>	<b>\$ 91,095,999</b>	<b>\$ 92,777,270</b>	<b>\$ 87,147,131</b>	<b>\$ 85,273,572</b>	<b>\$ 77,533,873</b>	<b>\$ 66,416,473</b>	<b>\$ 73,539,761</b>	<b>\$ 117,884,538</b>
<b>Net (expense) revenue</b>	<b>(158,743,619)</b>	<b>(160,591,321)</b>	<b>(80,210,386)</b>	<b>(69,734,767)</b>	<b>(74,963,491)</b>	<b>(71,895,746)</b>	<b>(73,017,411)</b>	<b>(77,665,474)</b>	<b>(69,459,444)</b>	<b>(6,695,782)</b>
Governmental activities	18,371,818	4,864,029	11,767,060	8,983,196	11,579,150	11,049,769	13,178,836	11,996,373	15,933,683	11,448,173
Business-Type activities	(140,371,801)	(155,727,292)	(68,443,326)	(60,751,571)	(63,384,341)	(60,845,977)	(59,838,575)	(65,669,101)	(53,525,761)	(4,752,391)
<b>Total net (expense) revenue</b>	<b>\$ (140,371,801)</b>	<b>\$ (155,727,292)</b>	<b>\$ (68,443,326)</b>	<b>\$ (60,751,571)</b>	<b>\$ (63,384,341)</b>	<b>\$ (60,845,977)</b>	<b>\$ (59,838,575)</b>	<b>\$ (65,669,101)</b>	<b>\$ (53,525,761)</b>	<b>\$ (4,752,391)</b>

**CITY OF FRANKLIN, TENNESSEE**  
**Changes in Net Position (continued)**

(Prepared using the accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>General revenues:</b>										
<b>Governmental activities:</b>										
Property taxes	\$ 24,233,164	\$ 23,156,312	\$ 21,108,237	\$ 20,586,971	\$ 20,084,308	\$ 19,031,452	\$ 18,621,275	\$ 18,023,515	\$ 13,679,737	\$ 13,278,605
Sales taxes	62,424,823	60,556,943	57,745,532	41,999,727	35,453,379	36,168,178	34,151,972	32,694,269	31,309,367	28,943,994
Wholesale beer tax	1,675,086	1,819,226	2,046,920	1,956,503	1,905,377	1,556,121	1,691,204	1,655,448	1,612,550	1,544,139
Wholesale liquor tax	1,932,197	1,858,357	1,953,827	1,868,263	1,761,915	1,487,062	1,400,552	1,343,791	1,349,136	1,190,758
Hotel/Motel tax	5,829,839	5,638,692	4,875,687	2,600,807	3,103,649	4,086,455	4,225,990	3,710,589	3,557,971	3,162,382
Other taxes	187,326	172,464	166,815	105,501	106,111	199,041	115,590	127,106	118,311	112,460
Intergovernmental	23,470,223	22,697,877	21,271,769	18,654,225	16,968,677	18,408,753	17,460,926	15,842,220	17,777,101	13,223,732
Impact fees and taxes	16,477,610	8,424,381	15,826,819	11,393,647	17,655,889	12,424,812	19,355,412	12,250,087	15,579,078	7,360,679
Franchise fees	2,307,280	2,451,148	2,528,510	2,479,203	2,477,946	2,566,246	2,600,634	2,239,414	2,289,483	2,450,568
Use of money and property	8,723,488	3,097,397	(3,158,964)	140,802	4,682,564	2,217,555	1,757,971	2,059,244	(1,956,347)	(668,516)
Miscellaneous	1,182,295	1,057,395	-	-	-	-	-	-	-	-
Transfers	200,000	200,000	200,000	200,000	-365,000	200,000	825,000	1,125,000	200,000	200,000
<b>Total general revenues and transfers</b>	<b>\$ 148,643,331</b>	<b>\$ 131,130,192</b>	<b>\$ 124,565,152</b>	<b>\$ 101,985,649</b>	<b>\$ 103,834,815</b>	<b>\$ 98,345,675</b>	<b>\$ 102,206,526</b>	<b>\$ 91,070,683</b>	<b>\$ 85,516,387</b>	<b>\$ 70,798,801</b>
<b>Business-type Activities:</b>										
Use of money and property	2,444,929	771,679	(1,136,760)	156,217	1,346,001	1,273,512	-	-	-	-
Miscellaneous	-	-	47,091	(12,282)	3,410	(188,483)	424,211	287,640	253,837	170,074
Transfers	(200,000)	(200,000)	(200,000)	(200,000)	365,000	(200,000)	(825,000)	(1,125,000)	(200,000)	(200,000)
<b>Total business-type activities</b>	<b>\$ 2,244,929</b>	<b>\$ 571,679</b>	<b>\$ (1,289,669)</b>	<b>\$ (56,065)</b>	<b>\$ 1,714,411</b>	<b>\$ 885,029</b>	<b>\$ (400,789)</b>	<b>\$ (837,360)</b>	<b>\$ 53,837</b>	<b>\$ (29,926)</b>
<b>Total primary government</b>	<b>\$ 150,888,260</b>	<b>\$ 131,701,871</b>	<b>\$ 123,275,483</b>	<b>\$ 101,929,584</b>	<b>\$ 105,549,226</b>	<b>\$ 99,230,704</b>	<b>\$ 101,805,737</b>	<b>\$ 90,233,323</b>	<b>\$ 85,570,224</b>	<b>\$ 70,768,875</b>
<b>Change in net position</b>										
Governmental activities	(10,100,288)	(29,461,129)	44,354,766	32,250,882	28,871,324	26,449,929	29,189,115	13,405,209	16,056,943	64,103,019
Business-Type activities	20,616,747	5,435,708	10,477,391	8,927,131	13,293,561	11,934,798	12,778,047	11,159,013	15,987,520	11,418,247
<b>Total change in net position</b>	<b>\$ 10,516,459</b>	<b>\$ (24,025,421)</b>	<b>\$ 54,832,157</b>	<b>\$ 41,178,013</b>	<b>\$ 42,164,885</b>	<b>\$ 38,384,727</b>	<b>\$ 41,967,162</b>	<b>\$ 24,564,222</b>	<b>\$ 32,044,463</b>	<b>\$ 75,521,266</b>

**CITY OF FRANKLIN, TENNESSEE**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**

(Prepared using the modified accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>General Fund</b>										
Non-Spendable	\$ 1,610,585	\$ 2,027,527	\$ 1,297,773	\$ 1,484,303	\$ 1,624,813	\$ 1,719,567	\$ 2,061,344	\$ 2,223,101	\$ 1,879,610	\$ 1,712,291
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	85,049,320	82,613,699	73,135,433	63,997,207	51,591,473	51,482,407	47,398,627	41,060,041	37,369,976	33,757,157
<b>Total General Fund</b>	<b>86,659,905</b>	<b>84,641,226</b>	<b>74,433,206</b>	<b>65,481,510</b>	<b>53,216,286</b>	<b>53,201,974</b>	<b>49,459,971</b>	<b>43,283,142</b>	<b>39,249,586</b>	<b>35,469,448</b>
<b>All Other Governmental Funds</b>										
Non-Spendable	49,936	45,067	70,890	64,332	65,841	34,840	65,380	76,130	57,121	32,553
Restricted	28,635,469	40,424,410	29,185,366	33,501,096	40,400,685	42,847,984	13,355,873	20,737,909	1,685,971	602,732
Committed	60,055,033	55,937,906	63,901,621	44,167,253	41,255,928	39,173,328	33,902,797	24,541,530	17,248,117	12,675,025
Assigned	5,259,286	3,633,018	2,813,242	10,764,432	11,940,200	13,175,194	8,806,157	5,353,767	7,060,075	5,243,672
Unassigned	-	-	-	-	-	-	-	-	(7,887,886)	(10,104,657)
<b>Total All Other Governmental Funds</b>	<b>93,999,724</b>	<b>100,040,401</b>	<b>95,971,119</b>	<b>88,497,113</b>	<b>93,662,654</b>	<b>95,231,346</b>	<b>56,130,207</b>	<b>50,709,336</b>	<b>18,163,398</b>	<b>8,449,325</b>
<b>Total Governmental Funds</b>	<b>\$ 180,659,629</b>	<b>\$ 184,681,627</b>	<b>\$ 170,404,325</b>	<b>\$ 153,978,623</b>	<b>\$ 146,878,940</b>	<b>\$ 148,433,320</b>	<b>\$ 105,590,178</b>	<b>\$ 93,992,478</b>	<b>\$ 57,412,984</b>	<b>\$ 43,918,773</b>

In fiscal year 2015, the deficit unassigned fund balance reported is due to the City's Multi-Purpose Capital Project Fund being in a deficit fund balance position.

**CITY OF FRANKLIN, TENNESSEE**  
**Changes in Fund Balances - Governmental Funds**  
 (Prepared using the modified accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Revenues</b>										
Taxes										
Property tax	\$ 24,212,301	\$ 23,153,382	\$ 21,089,663	\$ 20,215,870	\$ 19,626,189	\$ 18,728,545	\$ 18,304,565	\$ 18,713,592	\$ 13,363,982	\$ 12,904,549
Sales tax	62,424,823	60,556,943	57,745,532	41,999,727	35,453,379	36,168,178	34,151,972	32,694,269	31,309,367	28,943,994
Wholesale beer tax	1,675,086	1,819,226	2,046,920	1,956,363	1,905,377	1,556,121	1,691,204	1,655,448	1,612,550	1,544,139
Wholesale liquor tax	1,932,197	1,858,357	1,953,827	1,868,263	1,761,915	1,487,062	1,400,552	1,343,791	1,349,136	1,190,758
Mixed drink tax	1,881,940	1,796,903	1,677,314	1,331,902	826,109	1,148,352	992,939	894,745	846,714	782,681
Facilities tax	3,217,761	1,963,476	3,669,629	3,617,950	3,940,537	3,370,185	5,759,856	3,864,453	4,827,968	2,468,473
Hotel/motel tax	5,907,179	5,638,692	4,875,687	2,575,830	3,138,814	4,103,235	4,097,695	3,710,589	3,557,971	3,291,019
Other taxes	187,326	172,464	166,815	514,348	563,626	502,773	415,968	462,124	478,775	469,876
Licenses and permits										
Franchise fees	2,391,990	2,441,864	2,506,169	2,497,407	2,489,287	2,566,246	2,586,092	2,230,782	2,255,565	2,462,903
Impact fees	1,878,751	6,460,905	12,157,190	7,775,697	13,715,352	9,054,627	13,595,556	7,317,604	9,509,869	3,570,279
Building permits	13,259,849	1,435,153	1,661,426	1,796,670	1,714,700	1,548,109	2,339,364	2,153,262	2,136,322	1,426,188
Other licenses and permits	1,115,785	1,196,797	954,269	988,541	958,044	1,018,543	1,053,393	1,002,763	953,698	1,255,146
Intergovernmental										
State shared revenue	21,588,283	20,900,974	18,955,133	17,305,852	16,142,568	17,318,322	16,467,987	14,947,475	16,930,387	14,668,056
Federal and state grants	11,051,550	3,694,310	7,839,110	6,996,488	5,143,660	4,528,220	5,256,506	4,679,158	6,122,270	5,121,694
Charges for services	14,009,999	14,280,613	13,696,560	12,971,447	12,166,255	12,099,847	11,109,359	10,518,112	10,952,510	10,194,368
Fines and fees	751,959	864,137	511,375	442,069	560,779	511,864	583,048	753,497	845,422	758,369
Use of money and property	9,808,073	3,765,560	-2,292,805	435,541	4,087,802	4,101,263	874,412	686,672	979,599	792,690
Miscellaneous	895,343	5,388,937	2,618,550	1,099,418	2,809,455	797,299	262,053	1,153,394	2,489,638	3,301
<b>Total revenues</b>	<b>178,190,195</b>	<b>157,388,693</b>	<b>151,832,364</b>	<b>126,389,523</b>	<b>127,003,848</b>	<b>120,608,791</b>	<b>120,942,521</b>	<b>108,783,730</b>	<b>110,521,743</b>	<b>91,848,483</b>
<b>Expenditures</b>										
Current:										
Government and Management	6,074,413	5,547,997	4,469,418	3,598,339	3,817,218	3,638,266	3,200,436	2,970,433	2,895,391	2,713,052
Public Safety	53,082,476	47,465,522	40,987,942	36,093,445	35,976,343	34,636,278	34,668,055	32,487,786	30,454,419	27,876,815
Finance and Administration	11,913,127	10,481,804	7,540,590	6,371,421	6,594,412	7,064,014	7,039,117	7,094,684	6,350,676	6,541,545
Community & Economic Development	15,051,099	8,112,183	9,981,238	6,302,368	6,927,265	6,616,452	6,308,160	6,134,076	5,429,147	5,040,160
Public Works	44,659,920	26,098,034	32,712,631	20,048,195	20,372,246	19,571,417	22,693,327	20,954,256	14,065,839	12,011,714
Other General Government	4,672,042	17,402,137	2,413,491	15,569,321	14,026,288	15,187,811	11,698,838	13,676,830	16,150,402	13,200,407
Debt service:										
Principal	11,555,000	10,540,000	10,160,000	9,385,000	9,520,000	7,945,000	8,118,000	7,992,000	7,783,000	7,449,000
Interest	4,739,016	5,165,460	5,572,934	5,932,143	5,720,563	5,544,524	5,514,705	4,886,022	4,973,106	4,644,723
Debt service fees	3,620	3,921	4,514	2,665	2,804,902	142,027	7,976	18,726	16,838	151,263
Capital outlay:										
Government and Management	-	-	50,050	-	-	-	-	-	-	168,398
Public Safety	740,288	61,448	450,282	4,751,238	5,828,280	6,580,659	1,794,219	716,878	4,597,830	1,858,164
Finance and Administration	565,841	310,136	662,786	181,070	584,235	2,214,222	3,106,759	316,479	211,859	338,397
Community & Economic Development	597,562	11,990	193,684	1,191,035	92,864	261,166	432,054	95,251	60,361	186,326
Public Works	23,376,235	11,006,850	19,717,130	8,278,381	9,904,865	1,105,381	5,393,666	2,930,527	5,166,768	10,878,037
Other General Government	5,670,249	1,189,527	998,916	1,785,220	6,337,153	1,775,589	1,000,578	1,604,294	2,308,084	2,652,553
<b>Total expenditures</b>	<b>182,700,888</b>	<b>143,397,009</b>	<b>135,915,606</b>	<b>119,489,841</b>	<b>128,506,634</b>	<b>112,282,806</b>	<b>110,975,890</b>	<b>101,878,242</b>	<b>100,463,720</b>	<b>95,710,554</b>
Excess (deficiency) of revenues over (under) expenditures	(4,510,693)	13,991,684	15,916,758	6,899,682	(1,502,786)	8,325,985	9,966,631	6,905,488	10,058,023	(3,862,071)
<b>Other financing sources (uses):</b>										
Bonds issued	-	-	-	-	31,550,000	52,525,000	800,069	25,008,840	3,236,188	17,196,020
Bond premiums	-	-	-	-	7,080,224	8,462,517	-	-	-	-
Transfer to bond escrow agent	-	-	-	-	(35,725,000)	(26,670,360)	-	3,540,166	-	1,327,480
Leases (as lessee)	288,695	85,618	308,945	-	-	-	-	-	-	-
Transfers in	24,135,471	29,724,700	20,250,030	11,051,877	14,168,841	10,265,312	10,496,177	15,285,099	9,303,969	9,242,452
Transfers out	(23,935,471)	(29,524,700)	(20,050,031)	(10,851,876)	(17,125,659)	(10,065,312)	(9,671,177)	(14,160,099)	(9,103,969)	(9,042,452)
<b>Total other financing sources (uses)</b>	<b>488,695</b>	<b>285,618</b>	<b>508,944</b>	<b>200,001</b>	<b>(51,594)</b>	<b>34,517,157</b>	<b>1,625,069</b>	<b>29,674,006</b>	<b>3,436,188</b>	<b>18,723,500</b>
<b>Net changes in fund balances</b>	<b>(4,021,998)</b>	<b>14,277,302</b>	<b>16,425,702</b>	<b>7,099,683</b>	<b>(1,554,380)</b>	<b>42,843,142</b>	<b>11,591,700</b>	<b>36,579,494</b>	<b>13,494,211</b>	<b>14,861,429</b>
Debt service as a % of noncapital expenditures	10.74%	12.07%	13.79%	14.80%	14.37%	13.41%	13.74%	13.36%	14.54%	15.19%

**CITY OF FRANKLIN, TENNESSEE**  
**Local Sales Tax Collections**  
**Last Ten Fiscal Years**

FISCAL YEAR	Estimate of Taxable Sales to Local Sales Tax (1)		Local Sales Tax Rate (City & Williamson County)		Total Local Sales Tax Collected	Less: County Portion (1/2 of tax)		Less: County Admin Fee (1% of City's 1/2 of tax)		Less: County School Debt Service (4)	Local Sales Tax Received by City	Percent of General Fund Revenue
	Local Sales Tax (1)	Williamson County	2.75%	2.75%		(1/2 of tax)	(2)	City's 1/2 of tax	(3)			
2024	\$ 4,585,845,583	2.75%	\$ 126,110,754	2.75%	\$ (63,055,377)	\$ (630,554)	-	\$ 62,424,823	55.5%			
2023	4,448,627,564	2.75%	122,337,258	2.75%	(61,168,629)	(611,686)	-	60,556,943	57.7%			
2022	4,242,096,003	2.75%	116,657,640	2.75%	(58,328,820)	(583,288)	-	57,745,532	60.4%			
2021	3,771,019,289	2.75%	84,847,934	2.75%	(42,423,967)	(424,240)	(6,298,283)	41,999,727	52.1%			
2020	3,183,243,914	2.75%	71,622,988	2.75%	(35,811,494)	(358,115)	(7,430,205)	35,453,379	50.7%			
2019	3,247,423,397	2.75%	73,067,026	2.75%	(36,533,513)	(365,335)	(7,052,013)	36,168,178	49.7%			
2018	3,066,394,800	2.75%	68,993,883	2.75%	(34,496,941)	(344,969)	(1,692,308)	34,151,972	49.4%			
2017	2,935,512,368	2.25%	66,049,028	2.25%	(33,024,514)	(330,245)	-	32,694,269	49.1%			
2016	2,811,166,510	2.25%	63,251,246	2.25%	(31,625,623)	(316,256)	-	31,309,367	49.3%			
2015	2,598,787,340	2.25%	58,472,715	2.25%	(29,236,358)	(292,364)	-	28,943,994	50.4%			

- (1) Tennessee Code Annotated Section 67-6-702 authorizes the levy of a local option sales tax. The tax is applied only to the first \$1,600 of any single article of personal property.
- (2) These taxes are split between the County and the City. The Tennessee Department of Revenue sends a monthly report to Williamson County totaling the collections for the month.
- (3) The County charges the City 1% of the City's 1/2 share as an administrative fee.
- (4) In February 2018, the voters of Williamson County approved by referendum an increase in the local option sales tax rate from 2.25% to 2.75%, which is the maximum rate authorized by state law. The new rate became effective April 1, 2018. For a three year period, from April 2018 through March 2021, the City's portion of additional revenues, generated under the new tax rate (0.05%) remained with the County for the purposes of funding County School debt service. Beginning April 2021, the City began receiving its portion of the additional revenue.

**CITY OF FRANKLIN, TENNESSEE**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

FISCAL YEAR	Real Property Assessment			Personal Property Assessment			Public Utility Assessment			Taxable Assessed Value as a Percentage of Estimated Actual Value			Total Direct Rate
	Residential & Farm Property	Industrial & Commercial Property	Industrial & Commercial Property	Intangible Property	State Assessment	Local Assessment	Total Taxable Assessed Value	Actual Value	Estimated Actual Taxable Value	Actual Value	Estimated Actual Taxable Value		
2024	\$ 3,432,724,750	\$ 3,697,993,880	\$ 222,990,143	\$ 7,973,460	\$ 60,807,932	\$ -	7,422,490,165	31.43%	\$ 23,619,111,794	31.43%	\$ 23,619,111,794	0.3261	
2023	3,351,765,235	3,641,981,575	280,460,946	7,134,432	89,352,901	\$ -	7,370,695,089	31.14%	23,669,423,873	31.14%	23,669,423,873	0.3261	
2022	3,268,413,100	3,508,052,500	282,058,611	2,760,000	84,915,601	-	7,146,199,812	31.09%	22,985,416,480	31.09%	22,985,416,480	0.3261	
2021	2,457,984,895	2,721,802,980	212,141,723	2,400,000	64,423,153	-	5,458,752,751	25.76%	21,190,144,675	25.76%	21,190,144,675	0.4176	
2020	2,383,570,565	2,611,168,485	195,053,443	106,128	64,804,129	-	5,254,702,750	27.77%	18,920,390,435	27.77%	18,920,390,435	0.4176	
2019	2,307,323,295	2,485,463,471	190,862,365	110,259	64,399,468	-	5,048,158,858	27.72%	18,208,229,470	27.72%	18,208,229,470	0.4176	
2018	2,225,948,965	2,394,850,296	196,029,038	127,836	66,131,091	-	4,883,087,226	31.11%	15,696,174,389	31.11%	15,696,174,389	0.4176	
2017	2,124,725,620	2,290,475,081	164,777,885	115,036	68,350,538	-	4,648,444,160	31.13%	14,931,225,106	31.13%	14,931,225,106	0.4176	
2016	1,686,264,015	1,675,073,222	157,978,412	84,526	57,576,973	-	3,576,977,148	30.86%	11,591,451,146	30.86%	11,591,451,146	0.4065	
2015	1,628,904,915	1,586,857,868	163,708,520	53,322	60,066,953	471,130	3,440,062,708	30.14%	11,413,859,405	30.14%	11,413,859,405	0.4065	

Source: Tax Aggregate Report of Tennessee

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

**CITY OF FRANKLIN, TENNESSEE**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Fiscal Year	Direct Rate						Overlapping Rate		Total Direct and Overlapping
	City of Franklin						Williamson County (a)		
	General Fund	Debt Service Fund	Street Aid Fund	Capital Projects Fund	Total Direct Rate	Total Overlapping Rate	Total Overlapping Rate		
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.3261	\$ 2.3951	\$ 2.7212
2023	-	-	-	-	-	-	0.3261	2.3951	2.7212
2022	0.1464	0.1647	0.0150	0.0150	0.0150	0.0150	0.3261	2.3951	2.7212
2021	0.2002	0.2024	0.0150	0.0150	0.0150	0.0150	0.4176	2.8090	3.2266
2020	0.1916	0.2110	0.0150	0.0150	0.0150	0.0150	0.4176	2.8090	3.2266
2019	0.2290	0.1736	0.0150	0.0150	0.0150	0.0150	0.4176	2.7390	3.1566
2018	0.2137	0.1889	0.0150	0.0150	0.0150	0.0150	0.4176	2.6890	3.1066
2017	0.2262	0.1614	0.0150	0.0150	0.0150	0.0150	0.4176	2.6790	3.0966
2016	0.1517	0.2248	0.0150	0.0150	0.0150	0.0150	0.4065	3.0541	3.4606
2015	0.1716	0.2049	0.0150	0.0150	0.0150	0.0150	0.4065	2.9775	3.3840

For fiscal year 2014, the direct rate was separated between the General Fund and the Debt Service Fund. From fiscal years 2015-2017, the direct rate was separated between the General Fund, the Debt Service Fund, the Street Aid Fund, and the Capital Projects Fund. For fiscal years 2019-2022, the direct rate was separated between the General Fund, the Debt Service Fund, and the Street Aid Fund. Beginning fiscal year 2023, the direct rate is not separated. Property tax allocations by fund are determined in the approved budget.

(a) Levied on County property within the City. Rate is applicable to City property located in the special school district. County rates for City of Franklin property not in the special school district are as follows:

Fiscal Year	Rate
2024	1.8300
2023	1.8300
2022	1.8300
2021	2.1600
2020	2.1600
2019	2.0900
2018	2.0700
2017	2.0400
2016	2.2000
2015	2.2000

**CITY OF FRANKLIN, TENNESSEE**  
**Principal Property Taxpayers**  
**Current Year and Ten Years Ago**

<b>Taxpayer</b>	<b>2024</b>			<b>2015</b>		
	<b>Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>	<b>Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
<b>Real and Personal Property Tax</b>						
Highwoods Properties	\$ 146,158,800	1	1.97%	\$ 57,704,500	3	1.68%
NRB McEwen	138,376,160	2	1.86%			
Boyle Investments	135,205,560	3	1.82%	50,583,400	4	1.47%
IMT	131,486,800	4	1.77%			
Galleria Associates (CBL Assoc.)	97,377,160	5	1.31%	66,485,400	2	1.93%
Northwood Investors	87,698,400	6	1.18%			
Stock Bridge Capital	69,263,000	7	0.93%			
PBONE Aspen Grove LLC	50,317,000	8	0.68%			
LCFRE Nashville Carothers	49,064,360	9	0.66%			
STAR Brentwood LLC	48,959,320	10	0.66%			
Spectrum Partners				112,482,900	1	3.27%
Tromwell Crow Investments				37,403,500	5	1.09%
Lionstone Investments				29,792,480	6	0.87%
NWI/Duke Weeks				29,329,700	7	0.85%
SVT				27,582,600	8	0.80%
Berkshire Communities				24,208,600	9	0.70%
Venterra Realty				21,843,500	10	0.63%
<b>Totals</b>	<b>\$ 953,906,560</b>		<b>12.85%</b>	<b>\$ 457,416,580</b>		<b>13.29%</b>

Sources: For 2024, assessor's office. For 2015, City's 2015 ACFR

**CITY OF FRANKLIN, TENNESSEE**  
**Property Taxes Levies and Collections**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30</b>	<b>Collected within the Fiscal year of the Levy</b>				<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
	<b>Total Tax Levy for Fiscal Year</b>	<b>Amount Collected</b>	<b>Percentage of Levy</b>			<b>Total Collections</b>	<b>Percentage of Levy</b>
2024	\$ 24,006,775	\$ 23,769,831	99.0%	\$ -	23,769,831	99.0%	
2023	23,744,832	23,536,380	99.1%	151,498	23,687,878	99.8%	
2022	23,026,943	22,818,189	99.1%	179,989	22,998,178	99.9%	
2021	22,527,506	22,328,725	99.1%	182,481	22,511,206	99.9%	
2020	21,688,376	21,436,320	98.8%	235,803	21,672,123	99.9%	
2019	20,834,771	20,584,843	98.8%	235,549	20,820,392	99.9%	
2018	20,126,690	19,895,443	98.9%	222,716	20,118,159	100.0%	
2017	19,203,126	19,013,067	99.0%	184,074	19,197,141	100.0%	
2016	14,306,693	14,114,206	98.7%	187,118	14,301,324	100.0%	
2015	13,742,347	13,551,648	98.6%	186,627	13,738,275	100.0%	

Source: City of Franklin Finance Department

**CITY OF FRANKLIN, TENNESSEE**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-type Activities			Total Outstanding Debt	Population (3)	Percentage of Personal Income	Debt Per Capita
	General Obligation		Water & Sewer	Revenue & Tax		Leases				
	Bonds (1)	Leases	Bonds (1)	Leases	Leases					
2024	\$ 113,505,056	\$ 396,871	\$ 139,325,027	\$ -	\$ 253,226,954	88,558	2.5%	2,859		
2023	126,687,582	227,330	144,552,446	-	271,467,358	83,454	3.0%	3,253		
2022	138,875,636	216,218	144,669,081	-	283,760,935	83,454	3.6%	3,400		
2021	150,034,179	-	129,005,230	-	279,039,409	83,454	3.5%	3,344		
2020	160,358,676	-	85,275,963	-	245,634,639	70,908	3.7%	3,464		
2019	167,912,949	-	49,621,380	-	217,534,329	70,908	3.2%	3,068		
2018	141,697,493	884,974	42,926,581	17,187	185,526,235	70,908	2.8%	2,616		
2017	150,159,179	2,170,299	45,705,483	30,737	198,065,698	70,908	3.0%	2,793		
2016	131,675,830	3,428,930	35,463,236	-	170,567,996	66,370	2.6%	2,570		
2015	139,649,696	3,188,492	38,987,696	-	181,825,884	66,370	2.8%	2,740		

- (1) This amount includes unamortized premiums
- (2) Personal income is disclosed on page 143. (Values are updated to match income table updates.)
- (3) Tennessee Certified Populations reports

**CITY OF FRANKLIN, TENNESSEE**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended</b>	<b>General Obligation</b>	<b>Percentage of Estimated Actual</b>	<b>Per Capita</b>
<b>June 30</b>	<b>Debt (1)</b>	<b>Taxable Value of Property (2)</b>	
2024	\$ 113,505,056	0.5%	\$ 1,282
2023	126,687,582	0.5%	1,518
2022	138,875,636	0.6%	1,664
2021	150,034,179	0.7%	1,798
2020	160,358,676	0.8%	2,262
2019	167,912,949	0.9%	2,368
2018	141,697,493	0.9%	1,998
2017	150,159,179	1.0%	2,118
2016	131,675,830	1.1%	1,984
2015	139,649,696	1.2%	2,104

(1) This amount includes unamortized premiums

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

**CITY OF FRANKLIN, TENNESSEE**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2024**

<b>Jurisdiction</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to City</b>	<b>Estimated Share of Overlapping Debt</b>
Williamson County	\$ 1,097,740,000	39.71%(a)	435,912,554
Franklin Special School District	166,969,815	100.00%(b)	166,969,815 (1)
Subtotal, overlapping debt			602,882,369
City of Franklin direct debt of governmental			113,506,056 (2)
Total direct and overlapping debt			\$ 716,388,425

Based upon Assessed Value of Property in:

County	\$ 18,690,889,181
City	\$ 7,422,490,165

- (1) All of the Special School District is located within the City of Franklin. Amount shown includes a bond total of \$166,951,113 and a Note Payable total of \$18,702.
- (2) This amount includes unamortized premiums. This amount includes total governmental debt of \$99,465,000 and governmental unamortized premiums of \$14,041,056.

**CITY OF FRANKLIN, TENNESSEE**  
**Legal Debt Margin Information**  
**June 30, 2024**

Fiscal Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Taxable Assessed Value	\$ 7,422,490,165	\$ 7,370,695,089	\$ 7,146,199,812	\$ 5,458,752,751	\$ 5,254,702,750	\$ 5,048,158,858	\$ 4,883,087,226	\$ 4,648,444,160	\$ 3,576,977,148	\$ 3,440,062,708
General Obligation Debt (1)	\$ 113,505,056	\$ 126,687,582	\$ 138,875,636	\$ 150,034,179	\$ 160,358,676	\$ 167,912,949	\$ 141,697,493	\$ 150,159,179	\$ 131,675,830	\$ 139,649,696
Taxable Assessed Value as a Percentage of Estimated Actual Value	1.5%	1.7%	1.9%	2.7%	3.1%	3.3%	2.9%	3.2%	3.7%	4.1%

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

(1) This amount includes unamortized premiums.

**CITY OF FRANKLIN, TENNESSEE**  
**Pledged-Revenue Coverage**  
**Water & Sewer Fund**

Fiscal Year	Gross Revenues (1)(2)	Direct Operating Expense (3)	Net Revenue Available for Debt Service	Debt Service Requirements (4)			Coverage
				Principal	Interest	Total	
2024	\$ 43,531,926	\$ 30,475,268	\$ 13,056,658	\$ 7,387,173	\$ 2,773,983	10,161,156	1.28
2023	40,797,185	24,896,785	15,900,400	7,093,414	2,910,599	10,004,013	1.59
2022	35,860,340	23,923,117	11,937,223	6,988,147	1,144,734	8,132,881	1.47
2021	35,366,077	22,620,728	12,745,349	4,746,471	1,132,600	5,879,071	2.17
2020	42,631,404	21,979,783	20,651,621	4,357,931	1,295,795	5,653,726	3.65
2019	42,169,506	21,337,078	20,832,428	4,303,193	1,472,058	5,775,251	3.61
2018	42,079,989	21,519,614	20,560,375	3,949,947	1,597,882	5,547,829	3.71
2017	38,473,625	20,123,220	18,350,405	3,510,885	1,224,102	4,734,987	3.88
2016	40,433,217	17,477,139	22,956,078	3,411,934	1,354,570	4,766,504	4.82
2015	34,971,474	16,467,456	18,504,018	3,358,090	1,484,732	4,842,822	3.82

- (1) Includes interest income and gain on sale of assets.
- (2) Impact fees are not included beginning in 2021 to match pledged revenue on bonds and State Revolving Fund (SRF) loans.
- (3) Excludes depreciation, interest expense, and loss on sale/disposal of assets. Includes transfers out.
- (4) Includes bonds and loans. Principal and interest is from Proprietary Fund Statement of Cash Flows.

**CITY OF FRANKLIN, TENNESSEE**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Year	Population (1)	Per Capita Personal		Education Level in			Unemployment Rate (6)
		Income (2)	Personal Income (3)	Schooling (4)	School Enrollment (5)	Years of	
2024	88,558	\$ 113,024	\$ 10,009,179,392	15.5	15,019	2.7%	
2023	83,454	107,698	8,987,828,892	15.2	13,487	2.7%	
2022	83,454	107,698	7,907,099,592	15.5	13,821	2.8%	
2021	83,454	107,698	7,907,099,592	15.3	14,245	3.2%	
2020	70,908	99,408	6,718,391,184	15.3	15,652	7.1%	
2019	70,908	95,806	6,773,132,160	15.4	16,345	2.7%	
2018	70,908	92,569	6,683,149,908	15.3	16,754	2.8%	
2017	70,908	91,608	6,591,820,404	15.0	17,428	2.9%	
2016	66,370	92,784	6,649,184,976	15.2	14,876	3.7%	
2015	66,370	92,247	6,599,620,284	15.2	14,249	4.3%	

- (1) Tennessee Certified Population reports
- (2) U.S. Bureau of Economic Analysis (BEA) for Williamson County: Per Capita Personal Income. (Values are updated to match table CAINCI updates.)
- (3) Personal Income is calculation of Population times Per Capita Personal Income.
- (4) U.S. Census/American Community Survey. Educational Attainment for Adults Age 25 or Older for Franklin.
- (5) Tennessee Department of Education Annual Reports. Population of Franklin is compared to County's to estimate the enrollment from Franklin. (Values are updated to match school enrollment updates.)
- (6) U.S. Bureau of Labor Statistics, rate for June of each year, not seasonally adjusted.

**CITY OF FRANKLIN, TENNESSEE**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	2024 (a)			2015		
	Employees	Rank	Percentage of Total City Employment	Employees (a)	Rank	Percentage of Total City Employment
Community Health Systems	3,923	1	7.68%	3,092	1	8.26%
Williamson Medical Center	1,900	2	3.72%	1,400	3	3.74%
Lee Company	1,616	3	3.16%	1,910	6	2.43%
Nissan North America	1,550	4	3.03%	1,850	2	4.94%
Cigna Healthcare	1,500	5	2.94%			
Mars Petcare	1,240	6	2.43%			
Schneider Electric	1,080	7	2.11%	659	10	1.76%
Ramsey Solutions	1,054	8	2.06%			
eviCore Healthcare	653	9	1.28%			
Jackson National Life Insurance Co.	634	10	1.24%			
MEDHOST, Inc	375	11	0.73%			
Fresenius Medical Care	315	12	0.62%			
Franklin American Mortgage	306	13	0.60%			
APCOM, Inc.	299	14	0.59%			
Parallon Business Solutions				1,100	4	2.94%
Verizon Wireless				1,001	5	2.67%
Optum				801	7	2.14%
Ford Motor Credit				800	8	2.14%
Healthways				717	9	1.92%
Total	16,445		32.19%	13,330		32.94%

(a) Number of employees (job counts) were provided by Williamson, Inc. and were based on information available.  
<https://williamsonchamber.com/economic-development/>

**CITY OF FRANKLIN, TENNESSEE**  
**Authorized Full Time Employees by Function**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Governance and Management (1)</b>										
Administration	11	12	13	11	11	10	9	6	6	6
Capital Investment Planning	-	-	-	-	-	-	-	-	2	2
Communications	5	4	4	4	4	4	4	4	4	3
Emergency Management	2	2	-	-	-	-	-	-	-	-
HR	14	14	12	12	12	12	12	11	11	11
Law	7	6	5	5	5	5	5	5	4	4
<b>Public Safety</b>										
Fire	176	173	172	172	172	172	172	171	171	171
Police	151	150	146	145	145	142	143	142	157	156
<b>Finance and Administration</b>										
Court	2	2	2	3	3	3	2	3	3	2
Finance	9	9	9	9	9	9	9	10	10	10
IT	26	26	25	24	24	23	22	21	20	20
Purchasing	4	4	4	4	4	3	3	3	3	3
Projects and Facilities Management	6	6	6	6	6	6	6	5	7	7
Revenue Management	14	14	14	14	14	14	14	13	13	13
<b>Community and Economic Development</b>										
Building and Neighborhood Services	38	37	37	36	36	36	36	35	33	32
Engineering	16	17	16	15	15	14	13	13	12	12
Traffic Operations Center	4	4	4	4	4	4	4	3	3	4
Planning and Sustainability	16	16	15	15	15	15	15	16	16	16
<b>Public Works</b>										
Parks	53	53	51	46	46	44	41	39	37	31
Streets	61	61	61	60	60	59	58	54	53	53
Sanitation	48	48	46	45	45	45	45	45	49	49
Storm water	22	22	22	22	22	22	21	20	19	18
Water & wastewater	99	98	100	96	96	96	94	92	86	85
<b>TOTAL</b>	<b>784</b>	<b>778</b>	<b>764</b>	<b>748</b>	<b>748</b>	<b>738</b>	<b>728</b>	<b>711</b>	<b>719</b>	<b>708</b>

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

**CITY OF FRANKLIN, TENNESSEE**  
**Operating Indicators by Function**  
**Last Ten Years**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Public Safety</b>										
<b>Fire</b>										
Fire - Number of alarms	11,395	11,197	10,297	8,537	8,695	8,879	9,058	7,856	7,039	6,790
<b>Police</b>										
Calls for service	61,823	68,666	71,086	53,075	59,138	60,201	68,966 (b)	57,154 (a)	67,533	77,818
<b>Community and Economic Development</b>										
<b>Building and Neighborhood Services</b>										
Single family permits	247	196	292	348	348	358	495	636	691	480
<b>Public Works</b>										
<b>Sanitation</b>										
Landfill usage	73,996	85,865	100,333	101,496	94,043	86,120	87,536	81,137	95,393	81,651
Recycling (tons)	2,573	2,775	2,787	2,472(d)	4,862 (d)	6,623	7,875	8,726	7,904	7,897
<b>Water</b>										
Average daily usage	6,136,000	6,327,000	6,327,000	6,994,000	6,994,000	6,314,000	5,770,000 (c)	5,737,000	5,755,000	5,636,146
Water storage capacity (gallons)	11,500,000	11,500,000	11,500,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000

Source: City of Franklin departments

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

**CITY OF FRANKLIN, TENNESSEE**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Public Safety</b>										
<b>Fire</b>										
Fire stations	8	8	8	8 (d)	8	8	8	8	7	7
Fire response vehicles	28	26	26	26	26	23	22	22	22	22
Fire hydrants	4,235	4,579	4,501	3,983	3,930	3,921 (a)	3,810 (a)	3,675 (a)	3,576 (a)	3,416 (a)
<b>Police</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles (radio equipped)	162	158	138	142	136	128 (c)	140	150	136	139
<b>Public Works</b>										
<b>Parks</b>										
Number of parks	17	17	17	17 (e)	17	17	16	16	16	16
<b>Street</b>										
Streets (miles)	383	368	367	357	351	344	339 (b)	347	325	317
<b>Water</b>										
Water lines (miles)	313	311	308	308	306	303	302	301	296	293
Sewer lines (miles)	437	431	426	421	419	415	408	393	387	371
Reclaimed lines (miles)	32	32	30	29	28	28	28	--	--	--

Source: City of Franklin departments

- (a) Provided by City of Franklin Fire Department (for hydrants within City limits)
- (b) FY18: Improvements in the GIS street layer process removed centerline segments, which caused a street mileage reduction
- (c) FY19: Switch to 700mhz radios. Pool cars and special use vehicles were not assigned the new radios (portables are being used in those vehicles).
- (d) FY21: The City added 3 to 4 satellite fire stations for a period of 9 months due to the COVID-19 response.
- (e) FY21 & FY22: Southeast Municipal Complex and Robinson Lake are in the construction process and are not included in this total.

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**INTERNAL CONTROL AND COMPLIANCE SECTION**



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

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF HISTORICAL UTILITY SYSTEM GROWTH**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
 UNAUDITED

**WATER PRODUCTION**

<u>Year</u>	Average Daily Production (MGD)	Maximum Daily Production (MGD)
2016	1.21	2.35
2017	0.68	1.90
2018	2.04	3.41
2019	2.40	3.00
2020	2.69	3.69
2021	2.64	5.56
2022	2.54	3.68
2023	2.04	3.10

**WATER SYSTEM USAGE**

<u>Year</u>	Gallons Sold (000)	Total Revenues
2016	1,573,538	\$ 10,252,017
2017	1,634,058	\$ 10,556,568
2018	1,605,061	\$ 11,034,782
2019	1,541,561	\$ 11,692,199
2020	1,578,277	\$ 11,360,773
2021	1,630,799	\$ 12,086,608
2022	1,596,813	\$ 12,406,282
2023	1,796,797	\$ 14,179,250

**WASTEWATER SYSTEM USAGE**

<u>Year</u>	Gallons Sold (000)	Total Revenues
2016	2,449,963	\$ 16,215,570
2017	2,572,765	\$ 17,022,240
2018	2,492,648	\$ 18,430,468
2019	2,558,374	\$ 18,790,102
2020	2,528,764	\$ 20,204,854
2021	2,610,451	\$ 21,550,196
2022	2,664,252	\$ 22,797,493
2023	2,854,358	\$ 24,721,780

**RECLAIMED WATER USAGE**

<u>Year</u>	Gallons Sold (000)	Total Revenues
2016	124,230	\$ 123,806
2017	133,039	\$ 133,598
2018	133,708	\$ 135,473
2019	111,427	\$ 128,937
2020	95,765	\$ 119,023
2021	124,196	\$ 155,186
2022	103,657	\$ 146,946
2023	123,373	\$ 183,894

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

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF DEBT**  
**JUNE 30, 2024**

**General Obligation Bonded Debt**

Total Bonded Debt <sup>1</sup>	\$ 103,995,000
Less: Self Supporting Debt	(4,530,000)
Net Bonded Debt	<u>\$ 99,465,000</u>
Overlapping Bonded Debt <sup>2</sup>	\$ 602,882,369
Less: Self Supporting Bonded Debt	(76,256,601)
Net Overlapping Bonded Debt	<u>\$ 526,625,768</u>
Total Bonded Debt Including Overlapping Bonded Debt	\$ 706,877,369
Net Bonded Debt Including Net Overlapping Bonded Debt	626,090,768

	<u>City of Franklin</u>	<u>City and Overlapping</u>
Bonded Debt Per Capita	\$ 1,174	\$ 7,982
Net Direct Bonded Debt Per Capita	\$ 1,123	\$ 7,070
Bonded Debt / Assessed Value	1.40%	9.52%
Net Bonded Debt / Assessed Value	1.34%	8.44%
Bonded Debt / Actual Value	0.44%	2.99%
Net Bonded Debt / Actual Value	0.42%	2.65%

	<u>Franklin</u>	<u>Williamson County</u>
FY 2024 Assessed Value	\$ 7,422,490,165	\$ 18,690,889,181
FY 2024 Appraised Value	\$ 23,619,111,794	\$ 102,613,324,824
2024 Population <sup>3</sup>	88,558	264,460

**Williamson County's Bonded Debt as of June 30, 2024 <sup>4</sup>**

Bonded Debt	\$ 435,912,554	\$ 1,097,740,000
Self Supporting Bonded Debt	(76,256,601)	(192,025,000)
Net Bonded Debt	<u>\$ 359,655,953</u>	<u>\$ 905,715,000</u>

Franklin's Assessed Value as a Percentage of Williamson County's Assessed Value: 39.71%

**Franklin Special School District Bonded Debt as of June 30, 2024 <sup>5</sup>**

Bonded Debt	\$ 166,969,815	\$ 166,969,815
-------------	----------------	----------------

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

## Notes:

<sup>1</sup> Includes self-supporting tax-backed water and sewer revenue and tax bonds.

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

<sup>2</sup> Source: Overlapping debt is for Williamson County and Franklin Special School District

<sup>3</sup> Source: US Census Bureau QuickFacts

<sup>4</sup> Source: Williamson County

<sup>5</sup> Source: Franklin Special School District

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF BOND AND NOTE INDEBTEDNESS - WATER AND SEWER FUND**  
 JUNE 30, 2024

<b>Amount Issued</b>	<b>Purpose</b>	<b>Due Date</b>	<b>Interest Rate</b>	<b>Outstanding as of 6/30/2024</b>
\$ 24,670,000	Revenue & Tax Bonds: Series 2005 - Sewer and Water Revenue and Tax Refunding (1) (2)	April 2025	Fixed	\$ 1,450,000
19,430,000	Revenue & Tax Bonds: Series 2011 - Truist (formally SunTrust) Loan Program (1) (2)	May 2026	Fixed	3,080,000
12,000,000	Revenue Bonds: Series 2017 - Water and Sewer Revenue	February 2037	Fixed	8,970,000
10,660,000	Revenue Bonds: Series 2021 - Water and Sewer Revenue	February 2042	Fixed	9,980,000
1,500,000	Notes Payable: 2009 - Drinking Water SRF Loan through ARRA (1) (3)	December 2030	Fixed	582,666
1,888,200	Notes Payable: 2009 - Clean Water SRF Loan through ARRA (1) (3)	October 2032	Fixed	911,179
1,822,741	Notes Payable: 2016 - SCADA SRF Loan through ARRA (1)	2031	Fixed	1,122,709
1,677,259	Notes Payable: 2016 - SCADA SRF Loan through ARRA (1)	2031	Fixed	198,619
1,275,000	Notes Payable: 2017 - Wastewater Plant SRF Loan	August 2049	Fixed	1,105,580
78,500,000	Notes Payable: 2017 - Wastewater Plant SRF Loan	30 years	Fixed	71,750,364
20,000,000	Notes Payable: 2017 - Wastewater Plant SRF Loan	30 years	Fixed	18,511,201
19,500,000	Notes Payable: 2017 - Wastewater Plant SRF Loan	30 years	Fixed	<u>18,692,436</u>
<u>\$ 192,923,200</u>	<b>Total Bonded Debt</b>			<u>\$ 136,354,754</u>

## Notes:

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

**CITY OF FRANKLIN, TENNESSEE  
SCHEDULE OF GENERAL OBLIGATION DEBT  
JUNE 30, 2024**

	<u>Amount of Indebtedness</u>	<u>Per Capita <sup>1</sup></u>	<u>Percentage Of Assessed Valuation <sup>2</sup></u>	<u>Percentage Of Full Valuation <sup>3</sup></u>
Gross Direct Indebtedness	\$ 103,995,000	\$ 1,174	1.40%	0.44%
Net Direct Indebtedness	\$ 99,465,000	\$ 1,123	1.34%	0.42%
Gross Direct and Gross Overlapping Indebtedness <sup>4 5</sup>	\$ 706,877,369	\$ 7,982	9.52%	2.99%
Net Direct and Net Overlapping Indebtedness <sup>4 5</sup>	\$ 626,090,768	\$ 7,070	8.44%	2.65%

Notes:

<sup>1</sup> The City's certified population as of June 30, 2024 is 88,558.

<sup>2</sup> The City's assessed valuation of taxable property as of June 30, 2024 is \$7,442,490,165.

<sup>3</sup> The City's estimated full valuation of taxable property as of June 30, 2024 is \$23,619,111,794.

<sup>4</sup> The County's debt outstanding is \$1,097,740,000 as of June 30, 2024. The City's share is \$435,912,554. (39.71%)

Of the County's debt outstanding, \$192,025,000 is self-supporting. The City's share is \$76,256,601. (39.71%)

<sup>5</sup> The Franklin Special School District's debt outstanding is \$166,969,815 as of June 30, 2024. The City's share is \$166,969,815 (100%)

**CITY OF FRANKLIN, TENNESSEE  
SCHEDULE OF INDEBTEDNESS AND DEBT RATIOS  
JUNE 30, 2024**

	For Fiscal Year Ending June 30					
	2024	2023	2022	2021	2019	2018
<b>INDEBTEDNESS</b>						
<b>TAX SUPPORTED</b>						
General Obligation Bonds <sup>1</sup>	\$ 99,465,000	\$ 111,020,000	\$ 121,560,000	\$ 131,720,000	\$ 141,105,000	\$ 136,500,000
<b>TOTAL TAX SUPPORTED</b>	<u>\$ 99,465,000</u>	<u>\$ 111,020,000</u>	<u>\$ 121,560,000</u>	<u>\$ 131,720,000</u>	<u>\$ 141,105,000</u>	<u>\$ 136,500,000</u>
<b>REVENUE SUPPORTED</b>						
Water & Sewer Bonds with General Obligation backing	\$ 4,530,000	\$ 7,465,000	\$ 10,470,000	\$ 14,165,000	\$ 17,800,000	\$ 21,385,000
Water & Sewer Bonds without General Obligation backing	\$ 18,950,000	\$ 19,795,000	\$ 20,595,000	\$ 10,385,000	\$ 10,815,000	\$ 11,230,000
Water & Sewer Loans without General Obligation backing	\$ 112,874,754	\$ 114,025,320	\$ 110,040,104	\$ 103,113,487	\$ 55,147,025	\$ 15,320,246
<b>TOTAL REVENUE SUPPORTED</b>	<u>\$ 136,354,754</u>	<u>\$ 141,285,320</u>	<u>\$ 141,105,104</u>	<u>\$ 127,663,487</u>	<u>\$ 83,762,025</u>	<u>\$ 47,935,246</u>
<b>TOTAL DEBT</b>	\$ 235,819,754	\$ 252,305,320	\$ 262,665,104	\$ 259,383,487	\$ 224,867,025	\$ 177,568,251
Less: Revenue Supported Debt	\$(131,824,754)	\$(133,820,320)	\$(130,635,104)	\$(113,498,487)	\$(65,962,025)	\$(16,153,251)
Less: Debt Service Fund Balance	(547,256)	(806,499)	(1,161,978)	(937,169)	(806,499)	(372,887)
<b>NET DIRECT DEBT</b>	\$ 103,447,744	\$ 117,678,501	\$ 130,868,022	\$ 144,947,831	\$ 158,098,501	\$ 161,308,413
<b>OVERLAPPING DEBT</b> <sup>2</sup>	\$ 706,877,369	\$ 682,669,041	\$ 437,443,384	\$ 400,488,727	\$ 375,250,215	\$ 304,236,383
<b>NET DIRECT &amp; OVERLAPPING DEBT</b>	\$ 810,325,113	\$ 800,347,542	\$ 568,311,406	\$ 545,436,558	\$ 533,348,716	\$ 465,544,796
<b>PROPERTY TAX BASE</b> <sup>3</sup>						
Actual Value	23,619,111,974	23,669,423,873	22,985,416,480	21,190,144,675	18,920,390,435	15,696,174,389
Assessed Value	7,422,490,165	7,370,695,089	7,146,199,812	5,458,752,751	7,370,695,089	4,883,087,226

Notes:

<sup>1</sup> Does not include leases.

<sup>2</sup> Overlapping Debt includes the City's portion of Williamson County's debt and of the Franklin Special School District

<sup>3</sup> Actual and Assessed Values are from Tennessee Tax Aggregate Report

**CITY OF FRANKLIN, TENNESSEE  
SCHEDULE OF INDEBTEDNESS AND DEBT RATIOS (Cont.)  
JUNE 30, 2024**

	For Fiscal Year ending June 30						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>DEBT RATIOS</u></b>							
TOTAL DEBT to Actual Value	1.00%	1.07%	1.14%	1.22%	1.19%	1.11%	1.13%
TOTAL DEBT to Assessed Value	3.18%	3.42%	3.68%	4.75%	3.05%	4.05%	3.64%
NET DIRECT DEBT to Actual Value	0.44%	0.50%	0.57%	0.68%	0.84%	0.97%	1.03%
NET DIRECT DEBT to Assessed Value	1.40%	1.60%	1.83%	2.66%	2.14%	3.51%	3.30%
OVERLAPPING DEBT to Actual Value	2.99%	2.88%	1.90%	1.89%	1.98%	1.93%	1.94%
OVERLAPPING DEBT to Assessed Value	9.52%	9.26%	6.12%	7.34%	5.09%	7.03%	6.23%
NET DIRECT & OVERLAPPING DEBT to Actual Value	3.43%	3.38%	2.47%	2.57%	2.82%	2.90%	2.97%
NET DIRECT & OVERLAPPING DEBT to Assessed Value	10.92%	10.86%	7.95%	9.99%	7.24%	10.54%	9.53%
<b><u>PER CAPITA RATIOS</u></b>							
POPULATION <sup>1</sup>	88,558	83,454	83,454	83,454	70,908	70,908	70,908
PER CAPITA PERSONAL INCOME <sup>2</sup>	119,937	107,698	107,698	107,698	99,408	85,806	94,251
Actual Value to POPULATION	\$ 266,708	\$ 283,622	\$ 275,426	\$ 253,914	\$ 266,830	\$ 256,787	\$ 221,360
Assessed Value to POPULATION	\$ 83,815	\$ 88,320	\$ 85,630	\$ 65,410	\$ 103,947	\$ 70,629	\$ 68,865
Total Debt to POPULATION	\$ 2,663	\$ 3,023	\$ 3,147	\$ 3,108	\$ 3,171	\$ 2,859	\$ 2,504
Net Direct Debt to POPULATION	\$ 1,168	\$ 1,410	\$ 1,568	\$ 1,737	\$ 2,230	\$ 2,479	\$ 2,275
Overlapping Debt to POPULATION	\$ 7,982	\$ 8,180	\$ 5,242	\$ 4,799	\$ 5,292	\$ 4,967	\$ 4,291
Net Direct Debt & Overlapping Debt to POPULATION	\$ 9,150	\$ 9,590	\$ 6,810	\$ 6,536	\$ 7,522	\$ 7,446	\$ 6,565
Total Debt Per Capital as a percent of PER CAPITA PERSONAL INCOME	2.22%	2.81%	2.92%	2.89%	3.19%	3.33%	2.66%
Net Direct Debt Per Capital as a percent of PER CAPITA PERSONAL INCOME	0.97%	1.31%	1.66%	1.61%	2.24%	2.89%	2.41%
Overlapping Debt Per Capital as a percent of PER CAPITA PERSONAL INCOME	6.66%	7.60%	4.87%	4.46%	5.32%	5.79%	4.55%
Net Direct & Overlapping Debt Per Capital as a percent of PER CAPITA PERSONAL INCOME	7.63%	8.90%	6.32%	6.07%	7.57%	8.68%	6.97%

Notes:

<sup>1</sup> Per Capita computations are based on Tennessee certified population

<sup>2</sup> Per Capita Personal Income is based on data from the Bureau of Economic Analysis for Williamson County

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Franklin, Tennessee (the "City"), as of and for the year ended June 30, 2024 (except for the Fiduciary Pension Fund, which was as of and for the year ended December 31, 2023), and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 10, 2024.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, but other matters that are required to be reported under the State of Tennessee Audit Manual are described in the accompanying schedule of findings and questioned costs as item 2024-001.

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**City of Franklin, Tennessee’s Response to Finding**

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

**Purpose of This Report**

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

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

Nashville, Tennessee  
December 10, 2024

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

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

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

***Opinion on Each Major Federal Program***

We have audited the City of Franklin, Tennessee's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

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### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

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

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

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

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

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

Nashville, Tennessee  
December 10, 2024

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**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?     yes   x   no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major program:

- Community Development Block Grants – ALN 14.218
- Battlefield Land Acquisition Land Grants – ALN 15.928
- Highway Planning and Construction Cluster – ALN 20.205
- Coronavirus State and Local Fiscal Recovery Funds – ALN 21.027

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

Auditee qualified as low-risk auditee?   x   yes     no

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

None Reported.

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

None Reported.

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

***ITEM #2024-001***

**Accounts Payable Fraud**

Criteria, Condition, Context, Cause and Effect

In August of 2023, the City's accounts payable department received a request from an established vendor to change their banking information for payment. The City, per their established policies and procedures, sent a written request to change the banking information to the vendor, which was completed and returned to the City. The City sent a remittance to the vendor, which was returned as undeliverable, at which time research was conducted to ensure the correct email address and resent without incident. Payment to the vendor was made for service in August and September of 2023 to the new banking information totaling \$337,581. Subsequently, the vendor contacted the City to notify them they had not received payment for service. Upon further discussion, the City learned the vendor had not requested the change in banking information. The City's Risk Management department submitted a claim to their insurance carrier, which reimbursed the City for their limit of \$100,000. The City's net loss from the occurrence, after insurance coverage received was \$237,581.

Recommendation

Although the City has internal controls in place to ensure changes to vendor information are verified, we recommend additional cyber security controls are considered in order to ensure controls cannot be circumvented by outside parties.

Views of Responsible Officials and Planned Corrective Actions

Additional controls have been implemented by the City, including verbally confirming vendor changes, to ensure fraud can be prevented in the future.

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

None Reported.

ADMINISTRATION

Dr. Ken Moore  
MayorEric S. Stuckey  
City Administrator

HISTORIC  
FRANKLIN  
TENNESSEE

### Management's Corrective Action Plan

The City of Franklin respectfully submits the following corrective action plan for the year ended June 30, 2024.

Contact Person/Person Responsible for Implementing Corrective Action:  
Eric Stuckey, City Administrator, 615-791-3217

#### **2024-001                      ACCOUNT'S PAYABLE FRAUD**

##### Corrective Action

The City concurs with the recommendation above.

The City immediately changed payment procedures by requiring verbal confirmation of vendor banking information modifications. This procedure was incorporated into the Disbursements Policy and adopted by the Board of Aldermen on June 25, 2024.

On May 23, 2023, the Board of Mayor and Aldermen adopted Resolution No. 2023-28 to approve the City of Franklin Cyber Security Plan as required by the Comptroller of the Treasury. While the plan is maintained as a confidential document, it is routinely assessed and updated no less than frequently than every two years. Moreover, the City's FY 2025 Budget includes funds for a security assessment which is underway. Recommendations from the assessment will be reviewed by the IT Director and the City Administrator for strategies to mitigate security threats and appropriate policy modifications.

City staff also reported the fraud incident to the Franklin Police Department on September 25, 2023, and the case remains under investigation.

Anticipated Completion Date:        June 30, 2025

Sincerely,

Eric Stuckey  
City Administrator