

# City of Franklin, Tennessee

## Annual Comprehensive Financial Report



*Opening of Bicentennial Park*

For the Fiscal Year Ended June 30, 2025



**CITY OF FRANKLIN, TENNESSEE**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2025**

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

**CITY OF FRANKLIN, TENNESSEE**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**INTRODUCTORY SECTION**



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TENNESSEE

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HISTORIC  
FRANKLIN  
TENNESSEE

December 9, 2025

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, 2025.

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.

Crosslin, PLLC, Certified Public Accountants, has issued an unmodified ("clean") opinion on the City of Franklin's financial statements for the year ended June 30, 2025. The independent auditor's report is presented as the first component of the financial section of this report.

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 44.9 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 late fall/winter of the calendar year prior to the next Fiscal Year. The Administrator, in concert with the Executive Leadership Team and the Chief Budget & Performance Officer, uses these requests as a starting point for developing a proposed budget. After meetings with department heads and reviews by the Budget & Finance Committee, 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 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. Amendments to 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 50,000 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.

The City is a retail hub of the Metro Nashville area. The Cool Springs Galleria has one million square feet of retail shops and restaurants including anchors Belk, Dillard's, JC Penny, and Macy's. Other notable retail includes Trader Joe's (2021), The Factory at Franklin (initial phase of renovation completed in 2023) and Historic Downtown Franklin.

Tourism is another significant aspect of the local economy. In 2024, Williamson County ranked 6th of Tennessee's 95 counties for direct visitor spending, with \$1.37 billion. Visitors to Franklin enjoy the City's historic downtown, shopping options, arts and entertainment venues, and historic sites. One such place, the Carter House State Historic site, broke ground in March 2025 for a new \$8.5 million visitor center, which will open in 2026.

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, Huskey Truss & Building Supply, Iasis Healthcare, Jackson National Life, Landmark Recovery, Lee Company, Mars Petcare, Medhost, Mitsubishi Motors North America, Nissan North America, Ramsey Solutions, Schneider Electric, OMNIA Partners, and Video Gaming Technologies. In September 2024, In-N-Out Burger broke ground on the corporate hub in Franklin, which is expected to be completed in 2026.

### **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 October 14, 2025, the Board of Mayor and Alderman via Resolution 2025-85 amended the CIP previously approved to include a new list of approved capital projects for the ten-year window of FY 2026-2035 period of time. These include:

#### *Under Construction*

1. New City Hall
2. The Pearlene M. Bransford Complex (The Pearl) - Phase 1
3. East McEwen Drive - Phase 4
4. Robinson Lake
5. USACE - Home Raising Project

### *Right-of-Way/Acquisition/Bidding*

6. Long Lane & Old Peytonsville
7. McEwen Phase 5
8. Liberty Park Improvements
9. Lewisburg Sidewalk - to Collins Farm

### *Design*

10. Goose Creek By-Pass & Carothers Extensions
11. Mallory/N Royal Oaks/Liberty
12. Church Street
13. Franklin Road Improvements (SR-397 to Mallory St.)
14. Fire Station 3 Replacement
15. Boyd Mill Avenue (South of SR96-Downs Blvd)
16. Eddy Lane (SR-96 to Liberty Pike)
17. Peytonsville Rd & Pratt Ln Intersection Improvements
18. Mack Hatcher Parkway & Hillsboro Road Intersection
19. South Margin Street & 5th Avenue Intersection
20. Main Street Sidewalk Repair Project
21. Lewisburg Sidewalk - Carriage Park Drive to Mack Hatcher
22. Lewisburg Sidewalk - Collins Farm to Carriage Park Drive
23. Greenway (Aspen Grove to Mack Hatcher)
24. Mack Hatcher Multiuse Trail (Franklin-Hillsboro)
25. Greenway (Pinkerton Park to Franklin Road Bridge)

As of October 14, 2025, of the 25 projects shown above, 5 were under construction, 4 were under right of way acquisition, conceptual design or actively being bid, and 15 were in early preliminary design. In the last five years, the City has completed 18 projects approved in prior capital investment plans.

Continued revisitation of the 10-year window (FY 2026-2035) of capital projects will occur sporadically, with the Board set to receive quarterly status updates on projects beginning in January 2026

### **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. Updated in June 2025.
- 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 2025.
- Uncollectible Accounts Receivable Write-offs. Adopted in June 2022. Updated in June 2023.

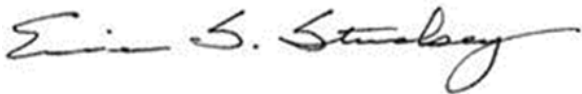
The City continues to explore adopting additional best practice financial policies including budgeting, revenues, economic development, enterprise risk management, capital improvements, and reserves for funds other than the General Fund.

### **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, 2024. This was the thirty-fourth (34th) 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 that reads "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

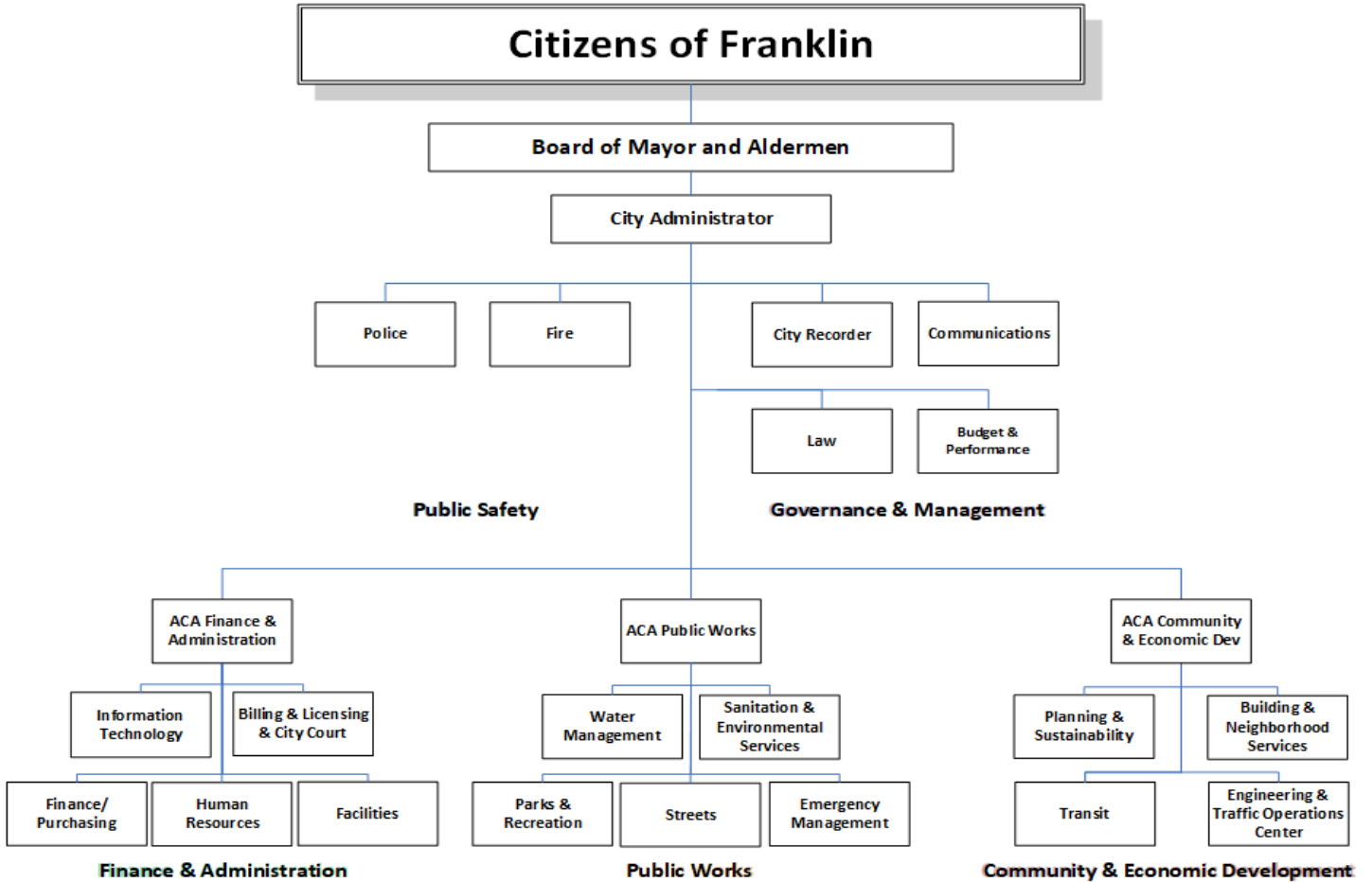
June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

# CITY OF FRANKLIN, TENNESSEE ORGANIZATIONAL CHART

FOR THE FISCAL YEAR ENDED JUNE 30, 2025



**CITY OF FRANKLIN, TENNESSEE**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
JUNE 30, 2025

**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
Billing & Licensing Director / City Court Clerk	Jessica Davey, J.D.
Building & Neighborhood Services (BNS) Director	Tom Marsh
City Attorney	Shauna Billingsley, J.D.
Engineering Director	Paul Holzen, P.E.
Finance Director	Margaret Wilson, CPFO
Fire Chief	Glenn Johnson
Human Resources Director	Kevin Townsel, J.D.
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	Nate Ridley
Streets Director	Jerry Hatcher
Water Management Director	Michelle Hatcher, P.E.

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**FINANCIAL SECTION**



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**FRANKLIN**  
TENNESSEE

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## INDEPENDENT AUDITOR'S REPORT

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

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin, Tennessee (the "City"), as of and for the year ended June 30, 2025 (except for the Fiduciary Pension Fund, which is as of December 31, 2024 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, 2025 (except for the Fiduciary Pension Fund which is as of December 31, 2024), 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, 2024), 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, 2024, from which the summarized information was derived. We have previously audited the City's 2024 financial statements, and we expressed an unmodified opinion on those statements in our report, dated December 10, 2024. In our opinion, the summarized comparative information presented herein as of and for the year end June 30, 2024, 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 121 - 124, 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 9, 2025, 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.

*Crosslin, PLLC*

Nashville, Tennessee  
December 9, 2025

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**CITY OF FRANKLIN, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

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, 2025. 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 \$984,270,670, compared to \$969,741,814 in the previous fiscal year. Of this amount, \$52,982,078 (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 \$205,336,278. In the prior year, this amount was \$180,659,629. There is a increase in fund balances of \$24,676,649 due primarily to the issuance of new debt.
- **General Fund – Fund Balance.** At the end of the current fiscal year, fund balance in the General Fund is \$89,483,990, or 78% of General Fund expenditures (including transfers to other funds) of \$115,456,899. The fund balance increased \$2,824,085 from the prior year. The primary impacts on fund balance in 2025 included slight increases in specific revenues, such as sales and state shared revenues, and lower need of transfers among city funds.
- **Budget.** The City's 2025 original General Fund budget had an original draw of \$1,508,078 and final draw of \$1,508,078 from the accumulated fund balance. In actuality, a use of fund balance was not 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 increased by \$25,445,333 (from \$236,216,625 to \$261,661,958) during the current fiscal year. There was \$214,902 in new SBITA and \$43,775,000 in new bonds in governmental activities. A total of \$18,544,570 (\$11,028,588 governmental and \$7,515,982 business-type) in debt was repaid. The City issued its first new money General Obligation Bond issue since 2019 with the issuance of \$43,775,000 Series 2025 Bonds.

**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, 2025**

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, budget and performance, legal, and communications);

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

***Finance & administration*** (finance, purchasing, human resources, information technology, billing and licensing, 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, emergency management, 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, 2025**

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 51-84 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, 2025**

**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 \$984,270,670 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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<b>Assets</b>						
Current and other assets	\$ 275,155,869	\$ 242,025,644	\$ 73,502,863	\$ 61,907,663	\$ 348,658,732	\$ 303,933,307
Capital assets, net of accumulated depreciation	718,489,023	699,119,319	359,299,485	357,433,538	1,077,788,508	1,056,552,857
<b>Total assets</b>	<u>993,644,892</u>	<u>941,144,963</u>	<u>432,802,348</u>	<u>419,341,201</u>	<u>1,426,447,240</u>	<u>1,360,486,164</u>
<b>Total deferred outflows of resources</b>	<u>30,686,622</u>	<u>39,253,782</u>	<u>3,894,272</u>	<u>5,155,479</u>	<u>34,580,894</u>	<u>44,409,261</u>
<b>Liabilities</b>						
Long-term liabilities outstanding	240,343,922	200,248,396	139,312,106	144,495,244	379,656,028	344,743,640
Current and other liabilities	50,057,686	48,741,364	10,882,538	11,671,692	60,940,224	60,413,056
<b>Total liabilities</b>	<u>290,401,608</u>	<u>248,989,760</u>	<u>150,194,644</u>	<u>156,166,936</u>	<u>440,596,252</u>	<u>405,156,696</u>
<b>Total deferred inflows of resources</b>	<u>35,446,368</u>	<u>29,152,340</u>	<u>714,844</u>	<u>844,575</u>	<u>36,161,212</u>	<u>29,996,915</u>
<b>Net position:</b>						
Net investment in capital assets	622,346,270	607,252,196	227,754,169	218,196,290	850,100,439	825,448,486
Restricted	61,751,971	28,635,469	19,436,182	15,621,869	81,188,153	44,257,338
Unrestricted	14,385,297	66,368,980	38,596,781	33,667,010	52,982,078	100,035,990
<b>Total net position</b>	<u>\$ 698,483,538</u>	<u>\$ 702,256,645</u>	<u>\$ 285,787,132</u>	<u>\$ 267,485,169</u>	<u>\$ 984,270,670</u>	<u>\$ 969,741,814</u>

Governmental Activities

Current and other assets increased in governmental activities by \$33,130,225 primarily from additional revenues from local sales tax (from increased sales and prices) and state shared taxes. Capital assets increased by \$19,369,704. Long term liabilities increased by \$40,095,525 due to issuance of new debt in 2025.

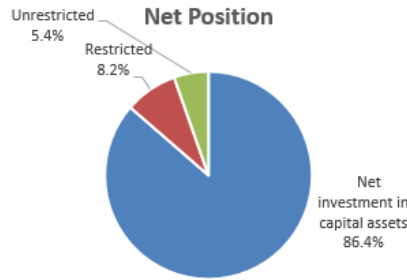
Business-Type Activities

Current and other assets increased in business-type activities slightly from water and sewer rates that increased on January 1, 2025. Capital assets had a net increase from water and sewer projects. Long term liabilities decreased as principal is amortized annually. In addition, the final maturity of the Series 2005 Water and Sewer Reveue Bond occurred in 2025.

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, \$850,100,439, or 86.4%, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less the portion of related debt outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to repay these liabilities. A portion of the City's net position, \$81,188,153, or 8.2%, represents resources that are subject to external restriction on how they may be used. The remaining balance of \$52,982,078, or 5.4%, 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, 2025**



Governmental and business-type activities changed the City's net position by \$(3,773,107) and \$18,301,959, respectively.

Key elements of this increase are as follows:

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Revenues</b>						
<b>Program revenues:</b>						
Charges for services	\$ 20,232,299	\$ 18,342,130	\$ 49,418,660	\$ 47,169,798	\$ 69,650,959	\$ 65,511,928
Operating grants & contributions	9,390,863	9,338,997	7,300,170	1,663,729	16,691,033	11,002,726
Capital grants & contributions	11,597,145	16,298,925	4,160,559	10,523,944	15,757,704	26,822,869
<b>General Revenues:</b>						
Property taxes	23,956,584	24,233,164	-	-	23,956,584	24,233,164
Sales taxes	65,865,952	62,424,823	-	-	65,865,952	62,424,823
Wholesales beer tax	1,580,025	1,675,086	-	-	1,580,025	1,675,086
Wholesale liquor tax	1,804,208	1,932,197	-	-	1,804,208	1,932,197
Hotel/motel tax	5,476,275	5,829,839	-	-	5,476,275	5,829,839
Other taxes	243,993	187,326	-	-	243,993	187,326
Intergovernmental	24,410,710	23,470,223	-	-	24,410,710	23,470,223
Impact fees and taxes	10,494,553	16,477,610	-	-	10,494,553	16,477,610
Franchise fees	2,616,141	2,307,280	-	-	2,616,141	2,307,280
Use of money and property	9,651,088	8,723,488	3,129,311	2,444,929	12,780,399	11,168,417
Miscellaneous	666,703	1,182,295	-	-	666,703	1,182,295
<b>Total revenues</b>	<b>187,986,539</b>	<b>192,423,383</b>	<b>64,008,700</b>	<b>61,802,400</b>	<b>251,995,239</b>	<b>254,225,783</b>
<b>Expenses:</b>						
Governance & management	4,381,249	6,285,343	-	-	4,381,249	6,285,343
Public safety	55,488,193	56,188,230	-	-	55,488,193	56,188,230
Finance & administration	16,139,634	13,561,989	-	-	16,139,634	13,561,989
Community & economic development	14,150,631	14,414,252	-	-	14,150,631	14,414,252
Public Works	69,767,418	69,520,518	-	-	69,767,418	69,520,518
Other general government	28,914,862	39,580,757	-	-	28,914,862	39,580,757
Interest expense on long-term debt:	3,117,659	3,172,582	-	-	3,117,659	3,172,582
Water & sewer:	-	-	45,506,741	40,985,653	45,506,741	40,985,653
<b>Total expenses</b>	<b>191,959,646</b>	<b>202,723,671</b>	<b>45,506,741</b>	<b>40,985,653</b>	<b>237,466,387</b>	<b>243,709,324</b>
Increase (decrease) in net position before transfers	(3,973,107)	(10,300,288)	18,501,959	20,816,747	14,528,852	10,516,459
Transfers	200,000	200,000	(200,000)	(200,000)	-	-
<b>Increase (decrease) in net position</b>	<b>(3,773,107)</b>	<b>(10,100,288)</b>	<b>18,301,959</b>	<b>20,616,747</b>	<b>14,528,852</b>	<b>10,516,459</b>
<b>Net position - beginning 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>
<b>Net position, end of year</b>	<b>\$ 698,483,538</b>	<b>\$ 702,256,645</b>	<b>\$ 285,787,128</b>	<b>\$ 267,485,169</b>	<b>\$ 984,270,666</b>	<b>\$ 969,741,814</b>

**Governmental Activities**

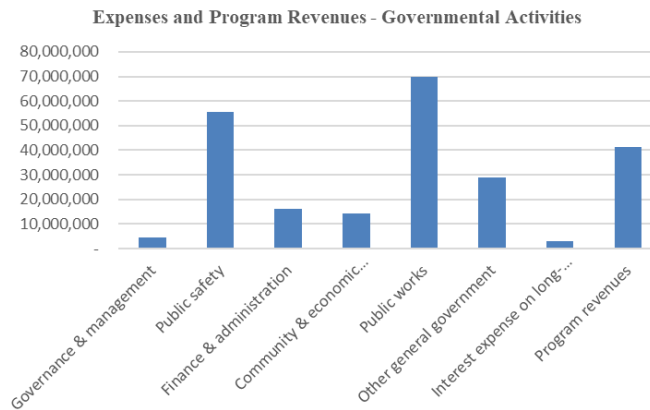
Revenues for governmental activities decreased approximately \$4.4 million, or (2.3)% due primarily to three factors: (1) lower total property tax collections due to \$220,000 of prior year refunds issued by the State Board Of Equalization, (2) lower operating grants & contributions and (3) lower capital grants & contributions. Impact fees and taxes were \$16.5 million in 2024 but \$10.5 million in 2025. 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, 2025**

Business-Type Activities

Revenues for business-type activities increased 3.6%. The primary factor underlying the increase was planned rate increases in 2025 compared to 2024.

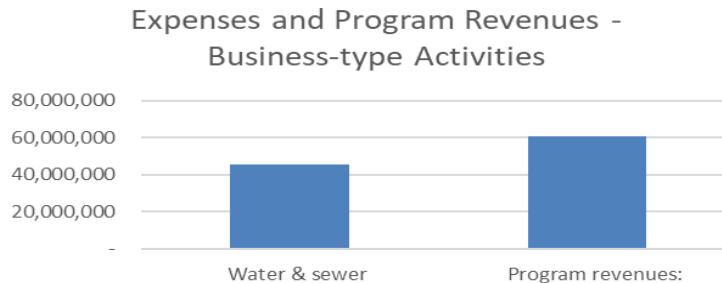
***Expenses and Program Revenues – Governmental Activities***



Governmental Activities

Expenses for governmental activities were \$191,959,646. Expenses were offset by \$41,220,307 in program revenues. The remainder of \$150,739,339 was covered by \$146,766,232 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 \$(3,773,107) represents the decrease in net position in 2025.

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



Business-Type Activities

Expenses for business-type activities were \$45,506,741. Expenses were offset by \$64,008,700 in program and general revenues. (Program revenues include \$49.4 million in charges for services). There is also the net \$(200,000) transfer mentioned above. The amount of \$18,301,959 represents the improvement in net position in 2025.

**Financial Analysis of Governmental Funds**

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

**CITY OF FRANKLIN, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

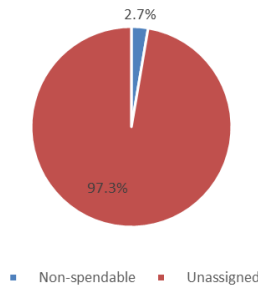
*Governmental Funds*

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, 2025, the City's governmental funds reported combined ending fund balances of \$205,336,278, an increase of \$24,676,649 in comparison with the prior year of \$180,659,629. The increase is due primarily to increased revenues from charges for services, grants, increase in capital expenditures, and issuance of new debt.

The General Fund is the chief operating fund of the City. The 2025 ending fund balance of \$89,483,990 has the following composition: An amount of \$2,387,636, or 2.7%, is non-spendable for inventory and prepaid items. The remainder of \$87,096,354, or 97.3%, 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



The most significant continuing revenue sources in the General Fund are derived from taxes. Of total General Fund revenues, \$84,344,562, or 71.4%, was from taxes. Local option sales tax increased by \$3,441,129 (from \$62,424,823 to \$65,865,952). 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 \$1,215,816 (from \$11,732,303 to \$12,948,119) due to the lower allocation necessary 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 \$127,752. It is the City's intention to hold minimal cash and fund balance in the Debt Service Fund.

The Road Impact Fee Fund saw collections decrease from \$10.5 million in 2024 to \$6.9 million in 2025. Collections are based on the timing and type of development. With \$18 million in expenditures including transfers to the debt service fund, the fund balance decreased from \$28.9 million to \$17.7 million. The Facilities Tax Fund saw lower collections from \$2.9 million in 2024 to \$2.7 million in 2025. However, its fund balance decreased from \$13,986,389 to \$13,149,491 as the fund spent \$3.6 million.

The Multi-Purpose Capital Project Fund had an increase in fund balance from \$18,892,182 to \$51,412,319 due to issuance of Series 2025 General Obligation Bonds.

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 \$8,736,516 to \$7,901,812. 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 \$5,654,100 to \$6,567,671 due to an increase in facilities tax, which is based on the timing and type of development.

**CITY OF FRANKLIN, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**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	\$ 112,252,391	\$ 116,771,802	\$ 4,519,411
Street Aid	\$ 6,220,212	\$ 6,318,939	\$ 98,727
Sanitation	\$ 13,680,920	\$ 13,649,764	\$(31,156)
Road Impact	\$ 7,293,446	\$ 7,961,455	\$ 668,009
Facilities Tax	\$ 405,673	\$ 3,613,642	\$ 3,207,969
County Facilities Tax	\$ 200,000	\$ 200,000	\$ -
Stormwater	\$ 3,587,343	\$ 4,503,273	\$ 915,930
Drug	\$ 206,415	\$ 206,415	\$ -
Hotel/Motel	\$ 3,967,746	\$ 9,017,746	\$ 5,050,000
Parkland Dedication	\$ -	\$ -	\$ -
Transit	\$ 4,350,253	\$ 4,350,253	\$ -
CDBG	\$ 368,352	\$ 368,352	\$ -
Fleet Replacement	\$ 2,807,000	\$ 2,807,000	\$ -
Debt Service	\$ 15,698,603	\$ 15,098,603	\$(600,000)
	\$ 171,038,354	\$ 184,867,244	\$ 13,828,890

The original General Fund budget was \$112,252,391. The final budget (including transfers) was increased by \$4,519,411 to \$116,771,802. During the year, the budget was amended to add \$4.5 million to the original budget for transfers to Stormwater Management in regards to Fund Balance, cruiser replacements in the Fleet Replacement Fund, Sidewalk Gap Initiatives, and various CIP Projects such as the Pearl Bransford Recreational Complex.

*Final budget compared to actual results*

In the General Fund, the original budget (including transfers) of \$112.2 million anticipated \$110 million in current revenues. Actual revenues were almost \$118 million. This was \$3 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 \$115.5 million in expenditures (including transfers). Actual results showed an increase in fund balance of \$2,824,085.

**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, 2025, is \$1,077,788,509 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, park facilities, roads, highways, and bridges.

The City of Franklin passed Resolution 2024-112, January 14, 2025, stating the intent to commence with the planning, design, construction, and eventual operation of a six (6) million gallon per day Clean Water Facility. This facility will be located in the southern portion of the City between Carothers Parkway and I-65 in the Southeast Municipal Complex.

**CITY OF FRANKLIN, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

*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>	\$ 76,835,161	\$ 7,649,291	\$ 84,484,452
<b>Construction in progress</b>	39,820,744	20,458,608	60,279,352
<b>Buildings and improvements</b>	55,626,227	165,952,718	221,578,945
<b>Improvements other than buildings</b>	18,493,650	-	18,493,650
<b>Utility plant in service</b>	-	164,547,952	164,547,952
<b>Infrastructure</b>	503,910,478	-	503,910,478
<b>Machinery &amp; equipment</b>	20,561,005	690,916	21,251,921
<b>Intangible assets</b>	3,241,759	-	3,241,759
<b>Total capital assets</b>	<u>\$ 718,489,024</u>	<u>\$ 359,299,485</u>	<u>\$ 1,077,788,509</u>

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

- The City's governmental activities received \$15,128,573 in developer-contributed assets.
- Construction on Bicentennial Park Improvements finished.
- Design of Liberty Park Master Plan Phase 1 continued.
- Construction on the Harlinsdale Farm Main Barn restoration continued.
- Construction on Pearl Bransford Recreational Complex began.
- Construction on a new City Hall started.
- Design on Lewisburg Pike Sidewalk - Multi-Use Trail continued.
- Construction of East McEwen Drive Improvements, Phase 4 began.
- Design on East McEwen Drive Improvements, Phase 5 continued.
- Design on Intersection Improvements at Mallory Lane continued.
- Design on Long Lane Bridge and Connector project continued.
- Construction on Jordan Road Improvements finished.
- Construction on Ewingville Drive Emergency Sewer Replacement project began.
- Design on Church Street Improvements continued.
- Design of Del Rio Pike Improvements began.
- Design on Lewisburg Pike Area Waterline continued.
- Design on Lewisburg Pike Water Main Relocation continued.
- Construction on Brine Making Facility began.
- Construction on Adams Street Water and Sewer Improvements continued.
- Evaluation of Southeast Wastewater Facility continued.
- Design on Carter's Creek Sewer Line Improvements continued.
- Design and Evaluation of Wastewater Treatment Plant Resiliency Improvements continued.

Additional information on the City of Franklin's capital assets can be found in the notes to the financial statements section of this report beginning on page 62.

***Long-term Debt***

At the end of the current year, the City of Franklin had bonded debt (excluding premiums) of \$261,661,958. Of this amount, \$132,460,000 comprises general obligation bonds backed by the full faith and credit of the government and \$363,186 of SBITA payable. Of the \$128,838,772 of business-type activities debt, \$18,065,000 is secured by Water and Sewer fund revenues, \$1,560,000 is direct borrowing, and \$109,213,772 in SRF loans.

**CITY OF FRANKLIN, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

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

	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
	<b><u>Activities</u></b>	<b><u>Activities</u></b>	
General obligation bonds - capital	\$ 132,460,000	\$ -	\$ 132,460,000
SBITA payable	363,186	-	363,186
Revenue and tax bonds	-	18,065,000	18,065,000
Bank direct borrowing	-	1,560,000	1,560,000
SRF loans	-	109,213,772	109,213,772
<b>Total Outstanding Debt</b>	<b><u>\$ 132,823,186</u></b>	<b><u>\$ 128,838,772</u></b>	<b><u>\$ 261,661,958</u></b>

The City's governmental activities debt of bonds (excluding premiums) and SBITA payable increased by \$32,961,314 (from \$99,861,871 to \$132,823,186). There was \$214,902 in new SBITA payable. Debt of \$11,028,587 was repaid (\$10,780,000 in bonds and \$248,587 in SBITA).

The business-type activities (Water and Sewer) debt of revenue and tax bonds, bank direct borrowing, and SRF loans decreased by a total of \$7,515,982 (\$2,335,000 in business-type bonds, \$1,520,000 in bank direct borrowing, and \$3,660,982 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 March 2025 by both Moody's and Standard & Poor's. A general obligation bond in the par amount of \$43,775,000 was issued in March 2025 with a rating by Moody's of Aaa/AAA. The most recent business-type debt issue backed by system revenues 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 August 2025 for the City of Franklin was 2.9%, compared to the State of Tennessee's rate of 3.6% and a national average of 4.5%. In addition to the unemployment rate, factors considered in preparing the City's budget for fiscal year 2026 included:

1. The property tax rate for fiscal year 2026 of 29.6 cents per \$100 of assessed value allows payment of debt service, streets maintenance, and funding for capital projects. FY2026 (tax year 2025) is a reappraisal year for property in Williamson County, TN. The adopted rate of 29.6 cents represents an increase of 6.5 cents from the certified rate of 23.1 cents. The additional property tax revenue is dedicated to city operations and capital projects.
2. The City received \$9.2 million of ARPA funds in 2021 and 2022. Of this amount, \$8.5 million has been spent with \$700,000 available to budget in 2026.

**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, 2025  
With Comparative Totals as of June 30, 2024

	Governmental Activities	Business-type Activities	Total	2024
<b>ASSETS</b>				
Cash and cash equivalents	\$ 31,924,162	\$ 3,727,927	\$ 35,652,089	\$ 25,643,921
Cash and cash equivalents-restricted	8,732,311	3,891,187	12,623,498	8,941,161
Investments	110,552,919	37,172,815	147,725,734	162,323,126
Investments-restricted	57,788,861	15,544,995	73,333,856	41,344,534
Receivables (net of allowance for uncollectibles)	57,614,144	11,135,050	68,749,194	56,549,473
Lease receivable	456,231	452,632	908,863	930,696
Inventories	1,152,203	1,556,082	2,708,285	2,879,424
Prepays	1,261,938	22,175	1,284,113	233,351
Net investment in joint venture - Conference Center	5,673,101	-	5,673,101	5,087,621
Capital assets, not being depreciated	116,655,905	28,107,899	144,763,804	119,299,435
Capital assets, net of accumulated depreciation	601,833,117	331,191,586	933,024,703	937,253,422
<b>Total assets</b>	<b>993,644,892</b>	<b>432,802,348</b>	<b>1,426,447,240</b>	<b>1,360,486,164</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related	27,360,658	3,439,229	30,799,887	43,972,899
OPEB related	3,281,383	447,461	3,728,844	258,636
Deferred charge on refundings	44,581	7,582	52,163	177,726
<b>Total deferred outflows of resources</b>	<b>30,686,622</b>	<b>3,894,272</b>	<b>34,580,894</b>	<b>44,409,261</b>
<b>LIABILITIES</b>				
Accounts payable	19,136,818	2,927,558	22,064,376	20,225,884
Accrued liabilities	5,274,657	-	5,274,657	5,064,455
Accrued interest payable	1,410,273	324,557	1,734,830	1,439,827
Unearned revenue	2,815,406	462,971	3,278,377	6,699,857
Noncurrent liabilities				
Due within one year: bonds, SBITA, compensated absences	21,420,532	7,167,452	28,587,984	26,983,033
Due in more than one year: bonds, SBITA, compensated absences	140,677,738	125,721,261	266,398,999	243,194,706
Net pension liability	76,179,202	10,388,075	86,567,277	79,697,936
OPEB liability	23,486,982	3,202,770	26,689,752	21,850,998
<b>Total liabilities</b>	<b>290,401,608</b>	<b>150,194,644</b>	<b>440,596,252</b>	<b>405,156,696</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
January 1 property tax levy	32,185,951	-	32,185,951	25,048,918
Lease related	409,206	326,043	735,249	777,838
Pension related	164,945	22,492	187,437	69,401
OPEB related	2,686,266	366,309	3,052,575	4,100,758
<b>Total deferred inflows of resources</b>	<b>35,446,368</b>	<b>714,844</b>	<b>36,161,212</b>	<b>29,996,915</b>
<b>NET POSITION</b>				
Net investment in capital assets	622,346,270	227,754,169	850,100,439	825,448,486
Restricted for:				
State street aid	575,999	-	575,999	1,750,151
Sanitation use	2,325,334	-	2,325,334	1,592,465
Drug fund use	377,833	-	377,833	530,343
CDBG program use	492,815	-	492,815	216,228
Development	57,979,990	-	57,979,990	24,546,282
Water and sewer	-	19,436,182	19,436,182	15,621,869
Unrestricted	14,385,297	38,596,781	52,982,078	100,035,990
<b>Total net position</b>	<b>\$ 698,483,538</b>	<b>\$ 285,787,132</b>	<b>\$ 984,270,670</b>	<b>\$ 969,741,814</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, 2025  
With Comparative Totals for the Fiscal Year Ended June 30, 2024

Functions/Program:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total	2024
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
<b>Primary government</b>								
<b>Governmental activities:</b>								
Governance & management	\$ 4,381,249	\$ 3,200	\$ -	\$ -	\$ (4,378,049)	\$ -	\$ (4,378,049)	\$ (6,281,243)
Public safety	55,488,193	1,673,684	268,895	-	(53,545,614)	-	(53,545,614)	(54,390,482)
Finance & administration	16,139,634	3,769	-	-	(16,135,865)	-	(16,135,865)	(13,561,347)
Community & economic development	14,150,631	3,279,103	5,480,061	400,057	(4,991,410)	-	(4,991,410)	(5,757,575)
Public works	69,767,418	14,915,790	3,010,276	11,197,088	(40,644,264)	-	(40,644,264)	(38,274,072)
Other general government	28,914,862	356,753	631,631	-	(27,926,478)	-	(27,926,478)	(37,306,318)
Interest	3,117,659	-	-	-	(3,117,659)	-	(3,117,659)	(3,172,582)
	191,959,646	20,232,299	9,390,863	11,597,145	(150,739,339)	-	(150,739,339)	(158,743,619)
<b>Business-type activities:</b>								
Water and sewer	45,506,741	49,418,660	7,300,170	4,160,559	-	15,372,648	15,372,648	18,371,818
<b>Total primary government</b>	<b>\$ 237,466,387</b>	<b>\$ 69,650,959</b>	<b>\$ 16,691,033</b>	<b>\$ 15,757,704</b>	<b>\$ (150,739,339)</b>	<b>\$ 15,372,648</b>	<b>\$ (135,366,691)</b>	<b>\$ (140,371,801)</b>
General revenues and transfers								
Property taxes					23,956,584	-	23,956,584	24,233,164
Sales taxes					65,865,952	-	65,865,952	62,424,823
Wholesale privilege tax					1,580,025	-	1,580,025	1,675,086
Wholesale liquor tax					1,804,208	-	1,804,208	1,932,197
Hotel/motel tax					5,476,275	-	5,476,275	5,829,839
Other taxes					243,993	-	243,993	187,326
State shared revenue					24,410,710	-	24,410,710	23,470,223
Impact fees and taxes					10,494,553	-	10,494,553	16,477,610
Franchise taxes					2,616,141	-	2,616,141	2,307,280
Use of money and property					9,651,088	3,047,001	12,698,089	11,168,417
Miscellaneous					666,703	82,317	749,020	1,182,295
Transfers					200,000	(200,000)	-	-
<b>Total general revenues and transfers</b>					<b>146,966,232</b>	<b>2,929,318</b>	<b>149,895,550</b>	<b>150,888,260</b>
Change in net position					(3,773,107)	18,301,966	14,528,859	10,516,459
Net position - beginning, as restated					702,256,645	267,485,169	969,741,814	959,087,081
<b>Net position - ending</b>					<b>\$ 698,483,538</b>	<b>\$ 285,787,135</b>	<b>\$ 984,270,673</b>	<b>\$ 969,603,540</b>

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

**CITY OF FRANKLIN, TENNESSEE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**  
**With Comparative Totals as of June 30, 2024**

	General	Multi-Purpose Capital Project	Road Impact	Debt Service	Total Nonmajor Funds	Total Governmental Funds	
						2025	2024
<b>ASSETS</b>							
Cash and cash equivalents	\$ 23,091,824	\$ 5,638,530	\$ 2,102,908	\$ 128,144	\$ 9,695,067	\$ 40,656,473	\$ 27,966,722
Investments	68,166,255	51,126,720	15,448,442	-	33,600,363	168,341,780	159,879,116
Receivables (net of allowance for uncollectibles)	35,046,839	2,804,476	152,643	13,502,196	6,107,990	57,614,144	46,966,793
Lease receivable	456,231	-	-	-	-	456,231	464,871
Inventories	1,125,698	-	-	-	26,505	1,152,203	1,436,770
Prepaid items	1,261,938	-	-	-	-	1,261,938	223,751
<b>Total assets</b>	<b>\$ 129,148,785</b>	<b>\$ 59,569,726</b>	<b>\$ 17,703,993</b>	<b>\$ 13,630,340</b>	<b>\$ 49,429,925</b>	<b>\$ 269,482,769</b>	<b>\$ 236,938,023</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 12,091,602	\$ 5,740,999	\$ -	\$ 480	\$ 1,303,737	\$ 19,136,818	\$ 17,495,840
Accrued liabilities	5,274,657	-	-	-	-	5,274,657	5,064,455
Unearned revenue	2,391,142	90,094	-	-	334,170	2,815,406	6,699,857
<b>Total liabilities</b>	<b>19,757,401</b>	<b>5,831,093</b>	<b>-</b>	<b>480</b>	<b>1,637,907</b>	<b>27,226,881</b>	<b>29,260,152</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue-property tax-Jan. 1 levy	17,520,814	-	-	13,502,108	1,163,029	32,185,951	25,048,918
Unavailable revenue-property taxes	267,749	-	-	-	-	267,749	167,522
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	594,677	-	-	-	-	594,677	465,070
Unavailable revenue-franchise fees	401,901	-	-	-	-	401,901	412,912
Unavailable revenue-grant proceeds	596,128	2,326,314	-	-	20,765	2,943,207	390,457
Unavailable revenue-police extra duty	41,328	-	-	-	-	41,328	24,090
Lease related	409,206	-	-	-	-	409,206	433,682
<b>Total deferred inflows of resources</b>	<b>19,907,394</b>	<b>2,326,314</b>	<b>-</b>	<b>13,502,108</b>	<b>1,183,794</b>	<b>36,919,610</b>	<b>27,018,242</b>
<b>FUND BALANCES</b>							
Non-spendable	2,387,636	-	-	-	26,505	2,414,141	1,660,521
Restricted	-	51,412,319	-	-	10,339,652	61,751,971	28,635,469
Committed	-	-	17,703,993	127,752	32,041,965	49,873,710	60,055,033
Assigned	-	-	-	-	4,200,102	4,200,102	5,259,286
Unassigned	87,096,354	-	-	-	-	87,096,354	85,049,320
<b>Total fund balances</b>	<b>89,483,990</b>	<b>51,412,319</b>	<b>17,703,993</b>	<b>127,752</b>	<b>46,608,224</b>	<b>205,336,278</b>	<b>180,659,629</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 129,148,785</b>	<b>\$ 59,569,726</b>	<b>\$ 17,703,993</b>	<b>\$ 13,630,340</b>	<b>\$ 49,429,925</b>	<b>\$ 269,482,769</b>	<b>\$ 236,938,023</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, 2025**  
With Comparative Totals as of June 30, 2024

Amounts reported for the governmental activities in the Statement of Net Position (Pages 30 and 31) are different because:

	2025		2024	
<b>Fund balance - total governmental funds (Page 34)</b>	\$ 205,336,278		\$ 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	1,101,598,428		1,057,314,349	
Less related accumulated depreciation	(383,109,404)		(358,195,031)	
Investment in joint venture - conference center	5,673,101	724,162,125	5,087,621	704,206,939
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	27,360,658		38,936,235	
Deferred outflows of resources - OPEB related	3,281,383		227,600	
Deferred inflows of resources - pension related	(164,945)		(61,073)	
Deferred inflows of resources - OPEB related	(2,686,266)	27,790,830	(3,608,667)	35,494,095
Receivables not available to pay for current expenditures and, therefore are unavailable in the funds				
Property taxes	267,749		167,522	
In lieu of taxes	32,391		32,391	
Assessments	43,200		43,200	
Franchise fees	401,901		412,912	
Court fines	594,677		465,070	
Police extra duty	41,328		24,090	
Hotel/motel tax	-		-	
Grant revenues	2,943,207	4,324,453	390,457	1,535,642
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	(132,460,000)		(99,465,000)	
Leases payable (GASB 96 SBITA)	(363,186)		(396,871)	
Accrued interest payable	(1,410,273)		(1,080,814)	
Compensated absences	(12,814,954)		(15,382,809)	
Net pension liability	(76,179,202)		(70,134,180)	
OPEB liability	(23,486,981)	(246,714,596)	(19,228,878)	(205,688,552)
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	44,581		89,947	
Bond premiums	(16,460,131)	(16,415,550)	(14,041,056)	(13,951,109)
<b>Net position - governmental activities</b>	<b>\$ 698,483,538</b>		<b>\$ 702,256,645</b>	

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

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	General Fund	Multi-Purpose Capital Project Fund	Road Impact Fee Fund	Debt Service Fund	Other Governmental Funds	2025	2024
<b>Revenues:</b>							
Taxes							
Property tax	\$ 12,948,119	\$ -	\$ -	\$ 9,787,155	\$ 1,121,083	\$ 23,856,357	\$ 24,212,301
Sales tax	65,865,952	-	-	-	-	65,865,952	62,424,823
Wholesale beer tax	1,580,025	-	-	-	-	1,580,025	1,675,086
Wholesale liquor tax	1,804,208	-	-	-	-	1,804,208	1,932,197
Mixed drink tax (state shared)	1,902,265	-	-	-	-	1,902,265	1,881,940
Facilities tax (impact tax)	-	-	-	-	2,805,181	2,805,181	3,217,761
Hotel/ motel tax	-	-	-	-	5,476,275	5,476,275	5,907,179
Other taxes	243,993	-	-	-	-	243,993	187,326
Licenses and permits							
Franchise fees	2,627,152	-	-	-	-	2,627,152	2,391,990
Impact fee	-	-	5,425,420	-	2,263,952	7,689,372	-
Road impact fee	-	-	-	-	-	-	13,259,849
Building permits	2,002,762	-	-	-	-	2,002,762	1,878,751
Other licenses and permits	1,182,445	-	-	-	177,631	1,360,076	1,115,785
Intergovernmental							
State shared revenue	18,939,648	-	-	-	3,568,797	22,508,445	21,588,283
Federal and state grants	3,002,958	513,532	-	-	3,721,680	7,238,170	11,051,550
Charges for services	974,491	-	-	-	14,441,894	15,416,385	14,009,999
Fines and fees	697,425	-	-	-	195,792	893,217	751,959
Use of money and property	4,168,173	1,327,721	1,486,680	136,623	2,369,555	9,488,752	9,808,073
Sidewalk reserve fees	100,746	-	-	-	-	100,746	-
Miscellaneous	25,720	211,558	-	-	523,047	760,325	895,343
<b>Total revenues</b>	<b>118,066,082</b>	<b>2,052,811</b>	<b>6,912,100</b>	<b>9,923,778</b>	<b>36,664,887</b>	<b>173,619,658</b>	<b>178,190,195</b>
<b>Expenditures:</b>							
Current							
Governance & management	4,370,970	-	-	-	-	4,370,970	6,074,413
Public Safety	56,015,887	609,292	-	-	146,735	56,771,914	53,082,476
Finance & administration	13,831,079	541	-	-	-	13,831,620	11,913,127
Community & Economic Development	10,348,013	48,130	-	-	3,855,257	14,251,400	15,051,099
Public Works	16,970,083	2,502,955	3,599,087	-	21,013,253	44,085,378	44,659,920
Other General Government	4,182,623	1,919,681	-	-	2,011,414	8,113,718	4,672,042
Debt service							
Principal	246,451	-	-	10,780,000	-	11,026,451	11,555,000
Interest	9,265	-	-	4,305,603	-	4,314,868	4,739,016
Debt Service Fees	-	263,766	-	3,259	-	267,025	3,620
Capital outlay							
Public Safety	-	-	-	-	-	-	740,288
Finance and Administration	419,517	-	-	-	-	419,517	565,841
Community & Economic Development	71,032	-	-	-	-	71,032	597,562
Public Works	36,625	31,418,346	-	-	3,244,930	34,699,901	23,376,235
Other General Government	124,213	4,777,137	-	-	-	4,901,350	5,670,249
<b>Total expenditures</b>	<b>106,625,758</b>	<b>41,539,848</b>	<b>3,599,087</b>	<b>15,088,862</b>	<b>30,271,589</b>	<b>197,125,144</b>	<b>182,700,888</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 11,440,324	\$ (39,487,037)	\$ 3,313,013	\$ (5,165,084)	\$ 6,393,298	\$ (23,505,486)	\$ (4,510,693)
<b>Other financing sources (uses):</b>							
Issuance of debt	-	43,775,000	-	-	-	43,775,000	-
Leases (as lessee)	214,902	-	-	-	-	214,902	288,695
Premium on debt issuance	-	3,992,232	-	-	-	3,992,232	-
Transfers from other funds	-	24,239,942	-	4,745,580	3,791,200	32,776,722	24,135,471
Transfers to other funds	(8,831,141)	-	(14,539,745)	-	(9,205,835)	(32,576,721)	(23,935,471)
<b>Total other financing sources (uses)</b>	<b>(8,616,239)</b>	<b>72,007,174</b>	<b>(14,539,745)</b>	<b>4,745,580</b>	<b>(5,414,635)</b>	<b>48,182,135</b>	<b>488,695</b>
Net changes in fund balances	2,824,085	32,520,137	(11,226,732)	(419,504)	978,663	24,676,649	(4,021,998)
<b>Fund balances - beginning</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>Fund balances - ending</b>	<b>\$ 89,483,990</b>	<b>\$ 51,412,319</b>	<b>\$ 17,703,993</b>	<b>\$ 127,752</b>	<b>\$ 46,608,224</b>	<b>\$ 205,336,278</b>	<b>\$ 180,659,629</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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

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

	<u>2025</u>		<u>2024</u>	
<b>Net changes in fund balances - total governmental funds</b>	\$ 24,676,649		\$ (4,021,998)	
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	39,963,464		30,950,175	
Depreciation expense	<u>(28,935,440)</u>	11,028,024	<u>(28,401,177)</u>	2,548,998
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds for:				
Property taxes	100,227		20,863	
Hotel/motel tax	-		(77,340)	
Franchise fees	(11,011)		(84,710)	
Insurance reimbursements	-		-	
Court fines	129,606		212,012	
Police extra duty	17,238		24,090	
Grant revenues	2,552,750		(1,170,394)	
Contributed capital assets	<u>10,992,592</u>	13,781,402	<u>15,343,797</u>	14,268,318
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	(2,650,910)		(15,394,206)	
Change in investment in joint venture - Conference Center	<u>585,480</u>	(2,065,430)	<u>(35,130)</u>	(15,429,336)
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.				
Bond issuance	(43,775,000)		-	
Bond premiums	(3,992,232)		-	
Leases issued	(214,902)		(288,695)	
Principal paid on bonds	10,780,000		11,555,000	
Principal paid on leases	<u>246,448</u>	(36,955,686)	<u>119,154</u>	11,385,459
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	(333,870)		17,932	
Accrued interest on SBITA leases	6,547		(49)	
Amortization of bond premiums	1,573,157		1,626,526	
Amortization of deferred amounts of refunding	(45,366)		(71,654)	
Compensated absences	2,567,856		(1,835,369)	
Changes in pension liabilities and related deferred outflows and inflows of resources-closed plan	(18,147,097)		(15,671,444)	
Changes in pension liabilities and related deferred outflows and inflows of resources-TCRS plan	422,627		717,495	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>\$ (281,920)</u>	<u>(14,238,066)</u>	<u>\$ (3,635,166)</u>	<u>(18,851,729)</u>
<b>Change in net position of governmental activities</b>		<u>\$ (3,773,107)</u>		<u>\$ (10,100,288)</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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2024</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
<b>Revenues:</b>					
<b>Taxes:</b>					
Real and personal property taxes	\$ 13,217,427	\$ 13,817,427	\$ 12,538,875	\$ (1,278,552)	\$ 11,732,303
Penalty and interest	44,819	44,819	28,530	(16,289)	36,759
In lieu of tax	376,673	376,673	380,714	4,041	369,292
Sales tax	63,163,748	65,367,321	65,865,952	498,631	62,424,823
Wholesale beer tax	1,755,491	1,755,491	1,580,025	(175,466)	1,675,086
Wholesale liquor tax	2,103,166	2,103,166	1,804,208	(298,958)	1,932,197
Mixed drink tax (state shared)	1,840,121	1,840,121	1,902,265	62,144	1,881,940
Beer privilege tax	26,482	26,482	27,184	702	40,426
Liquor privilege tax	144,258	144,258	216,809	72,551	146,900
	<u>82,672,185</u>	<u>85,475,758</u>	<u>84,344,562</u>	<u>(1,131,196)</u>	<u>80,239,726</u>
<b>Licenses and permits:</b>					
Franchise fees	2,455,799	2,455,799	2,627,152	171,353	2,391,990
Building permits	1,463,857	1,463,857	2,002,762	538,905	1,878,751
Demo Permit	2,100	2,100	3,150	1,050	2,450
Pool Permit	30,000	30,000	30,404	404	35,409
Mechanical licenses	3,035	3,035	3,525	490	4,050
Mechanical permits	145,828	145,828	128,201	(17,627)	111,541
Technology fee	56,532	56,532	76,895	20,363	70,110
Plumbing permits	92,319	92,319	85,342	(6,977)	78,753
Electric permits	294,063	294,063	256,164	(37,899)	226,847
Inspection fees	96,953	96,953	137,800	40,847	85,487
Licenses and permits	99,641	99,641	114,047	14,406	110,544
Site review, rezoning and submittal fees	202,321	202,321	228,711	26,390	188,994
Beer permits and licenses	10,024	10,024	14,900	4,876	13,250
Yard sale permits	4,035	4,035	3,660	(375)	4,105
Business license	15,073	15,073	20,631	5,558	14,915
Alarm permits	26,042	26,042	59,065	33,023	24,078
Miscellaneous permits	19,886	19,886	19,950	64	11,850
	<u>5,017,508</u>	<u>5,017,508</u>	<u>5,812,359</u>	<u>794,851</u>	<u>5,253,124</u>
<b>Intergovernmental:</b>					
State income tax	-	-	8,341	8,341	3,782
Sales tax	10,051,703	10,051,703	10,550,609	498,906	10,269,176
State beer tax	38,240	38,240	35,122	(3,118)	36,682
State excise tax	245,496	245,496	454,463	208,967	417,503
Transportation Modernization	-	-	38,582	38,582	15,454
In lieu of tax - TVA	1,022,878	1,022,878	1,014,006	(8,872)	1,022,878
Business tax from State	4,342,404	4,872,404	6,227,233	1,354,829	5,689,807
Business tax recording fee	529,769	529,769	611,292	81,523	569,636
Federal & State grants	1,342,000	2,312,935	3,002,958	690,023	3,276,075
	<u>17,572,490</u>	<u>19,073,425</u>	<u>21,942,606</u>	<u>2,869,181</u>	<u>21,300,993</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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2024</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues:</b>					
<b>Charges for services:</b>					
Maps sold	3,500	3,500	1,938	(1,562)	640
Plans sold	2,500	2,500	1,450	(1,050)	900
Records sold	2,801	2,801	3,821	1,020	2,257
Special event services fee	2,620	2,620	3,200	580	4,100
Accident reports	1,655	1,655	1,656	1	2,229
Offender registry	2,025	2,025	2,250	225	1,950
License seizure fees	774	774	830	56	1,220
Citizens Police Academy	-	-	-	-	175
3rd party billable overtime	983,904	983,904	912,629	(71,275)	932,074
Technology Fee - PD	-	-	7,347	7,347	8
Compost vouchers	26,252	26,252	39,370	13,118	48,550
	<u>1,026,031</u>	<u>1,026,031</u>	<u>974,491</u>	<u>(51,540)</u>	<u>994,103</u>
<b>Fines and fees:</b>					
Fines - city court	153,084	153,084	280,570	127,486	179,065
Fines - general sessions/circuit court	159,888	159,888	136,761	(23,127)	169,188
Parking fines	65,416	65,416	128,010	62,594	118,993
Technology fee - court	-	-	1,831	1,831	2
Confiscated goods - state	-	-	74,693	74,693	-
Beer board violations	1,030	1,030	-	(1,030)	250
Building & street standards appeals fees	1,030	1,030	-	(1,030)	250
Tree bank fees	-	-	75,560	75,560	-
Sidewalk reserve fees	-	-	100,746	100,746	-
	<u>380,448</u>	<u>380,448</u>	<u>798,171</u>	<u>417,723</u>	<u>467,748</u>
<b>Use of money and property:</b>					
Interest income	3,515,398	3,515,398	3,764,855	249,457	3,617,959
Lease interest revenue	-	-	20,851	20,851	22,637
Opioid settlement	-	-	2,906	2,906	24,401
Rebates on purchases	103,029	103,029	145,564	42,535	126,322
Rent - mall and other	13,414	13,414	14,401	987	22,901
Park concessions and rentals	151,339	151,339	189,278	37,939	176,861
Christmas Tree Lighting Donations	35,000	35,000	29,000	(6,000)	31,000
Sale of surplus assets	176,149	176,149	16,945	(159,204)	123,145
Electric Charging Stations-Garages	1,000	1,000	1,318	318	2,839
	<u>3,995,329</u>	<u>3,995,329</u>	<u>4,185,118</u>	<u>189,789</u>	<u>4,148,065</u>
<b>Miscellaneous:</b>					
Reimb of prior year expenditures	-	-	-	-	128
Called performance bonds	-	-	-	-	113,824
Miscellaneous income	80,322	80,322	8,775	(71,547)	1,280
	<u>80,322</u>	<u>80,322</u>	<u>8,775</u>	<u>(71,547)</u>	<u>115,232</u>
<b>Total revenues</b>	<b>\$ 110,744,313</b>	<b>\$ 115,048,821</b>	<b>\$ 118,066,082</b>	<b>\$ 3,017,261</b>	<b>\$ 112,518,991</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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2024</u>
	<u>Original</u>	<u>Final</u>			
<b>Expenditures:</b>					
<b>Governance &amp; Management:</b>					
<b>Elected officials:</b>					
Personnel	264,756	277,956	267,303	10,653	284,408
Services	73,875	73,875	67,703	6,172	118,428
Supplies	17,135	17,135	25,755	(8,620)	13,052
Business expenses	3,785	3,785	3,654	131	98
	<u>359,551</u>	<u>372,751</u>	<u>364,415</u>	<u>8,336</u>	<u>415,986</u>
<b>Administration:</b>					
Personnel	1,646,242	1,676,242	1,719,256	(43,014)	1,839,741
Services	193,897	193,897	122,857	71,040	133,687
Supplies	52,838	52,838	55,046	(2,208)	65,331
Business expenses	21,457	21,457	19,828	1,629	19,206
Reimbursement of interfund services	(338,748)	(338,748)	(338,748)	-	(338,748)
	<u>1,575,686</u>	<u>1,605,686</u>	<u>1,578,239</u>	<u>27,447</u>	<u>1,719,217</u>
<b>Legal:</b>					
Personnel	859,449	931,346	942,032	(10,686)	887,591
Services	250,741	250,741	188,491	62,250	274,415
Supplies	23,769	23,769	7,357	16,412	10,451
Business expenses	15,142	15,142	8,170	6,972	7,192
Reimbursement of interfund services	(80,658)	(80,658)	(80,658)	-	(80,658)
	<u>1,068,443</u>	<u>1,140,340</u>	<u>1,065,392</u>	<u>74,948</u>	<u>1,098,991</u>
<b>Communications:</b>					
Personnel	597,540	640,630	643,435	(2,805)	614,864
Services	126,553	167,153	141,924	25,229	111,406
Supplies	26,911	26,911	21,394	5,517	26,478
Operational units	2,062	2,062	4,229	(2,167)	5,914
Business expenses	10,045	10,045	8,789	1,256	9,564
Reimbursement of interfund services	(46,452)	(46,452)	(46,451)	(1)	(46,451)
	<u>716,659</u>	<u>800,349</u>	<u>773,320</u>	<u>27,029</u>	<u>721,775</u>
<b>Budget &amp; Performance:</b>					
Personnel	529,284	565,124	562,089	3,035	-
Services	38,552	38,552	16,415	22,137	-
Supplies	6,250	6,250	6,632	(382)	-
Business expenses	5,000	5,000	4,468	532	-
	<u>579,086</u>	<u>614,926</u>	<u>589,604</u>	<u>25,322</u>	<u>-</u>
<b>Total Governance &amp; Management</b>	<u><b>4,299,425</b></u>	<u><b>4,534,052</b></u>	<u><b>4,370,970</b></u>	<u><b>163,082</b></u>	<u><b>3,955,969</b></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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2024</u>
	<u>Original</u>	<u>Final</u>			
<b>Expenditures:</b>					
<b>Public Safety:</b>					
<b>Police department-administration:</b>					
Personnel	3,713,405	4,792,328	3,970,353	821,975	3,683,404
Services	2,559,735	2,476,706	2,294,383	182,323	2,478,531
Supplies	1,337,818	1,438,418	1,138,414	300,004	1,327,612
Operational units	37,900	37,900	31,182	6,718	20,559
Business expenses	126,715	126,715	123,075	3,640	119,159
	<u>7,775,573</u>	<u>8,872,067</u>	<u>7,557,407</u>	<u>1,314,660</u>	<u>7,629,265</u>
<b>Police department-criminal investigations:</b>					
Personnel	2,746,861	2,955,286	2,998,310	(43,024)	2,672,333
Services	124,109	124,109	124,087	22	100,562
Supplies	33,550	33,550	20,091	13,459	8,092
Operational units	22,985	22,985	17,021	5,964	18,999
Business expenses	151,760	151,760	103,141	48,619	130,489
	<u>3,079,265</u>	<u>3,287,690</u>	<u>3,262,650</u>	<u>25,040</u>	<u>2,930,475</u>
<b>Police department-patrol:</b>					
Personnel	12,720,350	13,391,372	14,649,819	(1,258,447)	13,090,514
Services	127,300	127,300	114,239	13,061	157,198
Supplies	181,400	181,400	200,794	(19,394)	112,183
Operational units	113,253	113,253	109,866	3,387	65,303
Business expenses	365,161	365,161	436,388	(71,227)	406,903
	<u>13,507,464</u>	<u>14,178,486</u>	<u>15,511,106</u>	<u>(1,332,620)</u>	<u>13,832,101</u>
<b>Fire department:</b>					
Personnel	24,804,353	25,855,894	26,412,515	(556,621)	25,212,287
Services	1,693,358	1,793,358	1,673,241	120,117	1,550,068
Supplies	1,271,079	1,346,079	1,313,808	32,271	1,308,694
Operational units	2,000	2,000	1,533	467	1,182
Business expenses	241,797	241,797	283,627	(41,830)	242,765
	<u>28,012,587</u>	<u>29,239,128</u>	<u>29,684,724</u>	<u>(445,596)</u>	<u>28,314,996</u>
<b>Total Public Safety</b>	<u><b>52,374,889</b></u>	<u><b>55,577,371</b></u>	<u><b>56,015,887</b></u>	<u><b>(438,516)</b></u>	<u><b>52,706,837</b></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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2024</u>
	<u>Original</u>	<u>Final</u>			
<b>Expenditures:</b>					
<b>Finance &amp; Administration:</b>					
<b>Finance:</b>					
Personnel	1,108,382	1,094,846	1,118,313	(23,467)	1,353,984
Services	53,140	53,140	27,666	25,474	93,012
Supplies	43,500	43,500	16,941	26,559	40,645
Business expenses	126,376	126,376	123,243	3,133	127,599
Reimbursement of interfund services	(216,262)	(216,262)	(216,261)	(1)	(216,261)
	<u>1,115,136</u>	<u>1,101,600</u>	<u>1,069,902</u>	<u>31,698</u>	<u>1,398,979</u>
<b>Human resources:</b>					
Personnel	1,724,709	1,817,285	1,805,663	11,622	1,732,944
Services	666,250	705,850	554,120	151,730	463,579
Supplies	68,700	68,700	51,105	17,595	38,924
Business expenses	24,026	24,026	29,205	(5,179)	23,010
Reimbursement of interfund services	(439,006)	(439,006)	(439,006)	-	(439,006)
	<u>2,044,679</u>	<u>2,176,855</u>	<u>2,001,087</u>	<u>175,768</u>	<u>1,819,451</u>
<b>Purchasing:</b>					
Personnel	442,526	460,563	483,634	(23,071)	450,308
Services	47,140	47,140	9,131	38,009	23,957
Supplies	7,225	7,225	7,897	(672)	15,341
Business expenses	3,665	3,665	3,669	(4)	3,490
Reimbursement of interfund services	(93,872)	(93,872)	(93,872)	-	(93,872)
	<u>406,684</u>	<u>424,721</u>	<u>410,459</u>	<u>14,262</u>	<u>399,224</u>
<b>Information technology:</b>					
Personnel	3,541,926	3,691,926	3,693,269	(1,343)	3,480,392
Services	3,413,293	3,566,264	3,465,855	100,409	3,222,518
Supplies	352,901	352,901	509,546	(156,645)	387,521
Business expenses	52,724	52,724	33,431	19,293	132,351
Lease principal	-	-	94,105	(94,105)	74,454
Lease interest	-	-	3,927	(3,927)	2,701
Reimbursement of interfund services	(915,778)	(915,778)	(915,780)	2	(915,780)
	<u>6,445,066</u>	<u>6,748,037</u>	<u>6,884,353</u>	<u>(136,316)</u>	<u>6,384,157</u>
<b>Billing &amp; Licensing management:</b>					
Personnel	1,433,779	1,564,609	1,507,804	56,805	1,489,378
Services	32,690	32,690	15,569	17,121	19,923
Supplies	49,425	49,425	19,270	30,155	40,475
Business expenses	474,012	474,012	429,160	44,852	429,832
Reimbursement of interfund services	(1,069,233)	(1,069,233)	(1,069,234)	1	(1,069,234)
	<u>920,673</u>	<u>1,051,503</u>	<u>902,569</u>	<u>148,934</u>	<u>910,374</u>
<b>Court:</b>					
Personnel	272,006	319,197	280,276	38,921	261,662
Services	16,584	94,884	10,160	84,724	12,708
Supplies	16,850	16,850	7,078	9,772	5,798
Business expenses	10,730	10,730	13,442	(2,712)	11,016
Lease principal	-	-	39,362	(39,362)	44,700
Lease interest	-	-	5,338	(5,338)	-
	<u>316,170</u>	<u>441,661</u>	<u>355,656</u>	<u>86,005</u>	<u>335,884</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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2024</u>
	<u>Original</u>	<u>Final</u>			
<b>Expenditures:</b>					
<b>Project &amp; facilities management:</b>					
Personnel	620,661	620,661	634,310	(13,649)	631,837
Services	1,371,983	2,076,508	1,902,653	173,855	1,886,639
Supplies	77,397	77,397	102,318	(24,921)	141,844
Business expenses	34,234	34,234	37,506	(3,272)	33,427
Reimbursement of interfund services	(209,239)	(209,239)	(209,238)	(1)	(209,238)
	<u>1,895,036</u>	<u>2,599,561</u>	<u>2,467,549</u>	<u>132,012</u>	<u>2,484,509</u>
<b>Total Finance &amp; Administration</b>	<b><u>13,143,444</u></b>	<b><u>14,543,938</u></b>	<b><u>14,091,575</u></b>	<b><u>452,363</u></b>	<b><u>13,732,578</u></b>
<b>Community &amp; Economic Development:</b>					
<b>Building &amp; neighborhood services:</b>					
Personnel	3,593,773	3,679,653	3,588,123	91,530	3,552,737
Services	156,100	181,100	175,035	6,065	340,831
Supplies	73,550	73,550	77,187	(3,637)	75,046
Business expenses	79,707	79,707	62,512	17,195	61,875
	<u>3,903,130</u>	<u>4,014,010</u>	<u>3,902,857</u>	<u>111,153</u>	<u>4,030,489</u>
<b>Planning &amp; sustainability:</b>					
Personnel	1,824,881	1,938,375	1,931,911	6,464	1,852,004
Services	241,000	211,000	124,202	86,798	166,582
Supplies	64,250	64,250	43,444	20,806	71,820
Operational units	5,000	5,000	-	5,000	-
Business expenses	16,422	16,422	15,876	546	14,987
	<u>2,151,553</u>	<u>2,235,047</u>	<u>2,115,433</u>	<u>119,614</u>	<u>2,105,393</u>
<b>Engineering:</b>					
Personnel	2,131,612	2,237,113	2,146,880	90,233	2,123,605
Services	67,660	167,660	117,447	50,213	57,509
Supplies	60,803	60,803	59,572	1,231	25,730
Business expenses	21,656	21,656	10,305	11,351	14,045
Reimbursement of interfund services	(193,668)	(193,668)	(193,667)	(1)	(193,667)
	<u>2,088,063</u>	<u>2,293,564</u>	<u>2,140,537</u>	<u>153,027</u>	<u>2,027,222</u>
<b>Traffic operations center:</b>					
Personnel	615,185	637,816	557,166	80,650	540,950
Services	609,157	1,434,157	1,444,533	(10,376)	1,355,230
Supplies	179,484	179,484	104,441	75,043	153,294
Business expenses	21,988	21,988	16,896	5,092	14,607
	<u>1,425,814</u>	<u>2,273,445</u>	<u>2,123,036</u>	<u>150,409</u>	<u>2,064,081</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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2024</u>
	<u>Original</u>	<u>Final</u>			
<b>Expenditures:</b>					
<b>Economic Development:</b>					
Personnel	254,616	267,745	265,636	2,109	257,993
Services	79,850	79,850	38,462	41,388	23,731
Supplies	20,750	20,750	34,562	(13,812)	17,269
Appropriations	98,353	98,353	66,150	32,203	66,150
	<u>453,569</u>	<u>466,698</u>	<u>404,810</u>	<u>61,888</u>	<u>365,143</u>
<b>Total Community &amp; Economic Development</b>	<b><u>10,022,129</u></b>	<b><u>11,282,764</u></b>	<b><u>10,686,673</u></b>	<b><u>596,091</u></b>	<b><u>10,592,328</u></b>
<b>Public Works:</b>					
<b>Streets-Maintenance:</b>					
Business expenses	2,025	2,025	4,305	(2,280)	-
	<u>2,025</u>	<u>2,025</u>	<u>4,305</u>	<u>(2,280)</u>	<u>-</u>
<b>Parks:</b>					
Personnel	4,291,067	4,463,414	4,686,231	(222,817)	4,463,580
Services	942,220	952,220	1,043,832	(91,612)	903,810
Supplies	493,480	508,480	537,614	(29,134)	523,546
Business expenses	87,688	152,688	210,832	(58,144)	98,692
	<u>5,814,455</u>	<u>6,076,802</u>	<u>6,478,509</u>	<u>(401,707)</u>	<u>5,989,628</u>
<b>Streets-Traffic:</b>					
Personnel	1,220,283	1,276,412	1,263,344	13,068	1,211,357
Services	181,900	181,900	149,006	32,894	224,825
Supplies	381,135	381,135	345,598	35,537	294,971
Business expenses	90,429	90,429	116,846	(26,417)	91,984
	<u>1,873,747</u>	<u>1,929,876</u>	<u>1,874,794</u>	<u>55,082</u>	<u>1,823,137</u>
<b>Streets-Fleet:</b>					
Personnel	1,094,779	1,146,894	1,165,738	(18,844)	1,057,215
Services	462,648	462,648	748,447	(285,799)	656,199
Supplies	(208,401)	(208,401)	(786,035)	577,634	(474,247)
Business expenses	18,869	18,869	32,049	(13,180)	17,344
Payments on capital leases	-	-	112,984	(112,984)	-
	<u>1,367,895</u>	<u>1,420,010</u>	<u>1,273,183</u>	<u>146,827</u>	<u>1,256,511</u>
<b>Emergency management:</b>					
Personnel	4,652,189	4,879,077	4,730,492	148,585	4,505,975
Services	1,537,095	1,597,095	1,331,162	265,933	1,251,745
Supplies	941,896	941,896	833,936	107,960	668,404
Operational units	40,000	40,000	24,250	15,750	-
Business expenses	183,966	183,966	200,225	(16,259)	146,534
	<u>7,355,146</u>	<u>7,642,034</u>	<u>7,120,065</u>	<u>521,969</u>	<u>6,572,658</u>
<b>Total Public Works</b>	<b><u>16,413,268</u></b>	<b><u>17,070,747</u></b>	<b><u>16,750,856</u></b>	<b><u>319,891</u></b>	<b><u>15,641,934</u></b>
<b>Other General Government:</b>					
<b>General expenses:</b>					
Personnel	3,976,382	1,192,208	1,866,947	(674,739)	(832,720)
Services	403,084	423,084	404,799	18,285	215,868
Supplies	2,000	2,000	51,365	(49,365)	(255)
Operational units	-	970,935	1,010,935	(40,000)	2,980,050
Business expenses	4,450	4,450	145,274	(140,824)	229,681
	<u>4,385,916</u>	<u>2,592,677</u>	<u>3,479,320</u>	<u>(886,643)</u>	<u>2,592,624</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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2024</u>
	<u>Original</u>	<u>Final</u>			
<b>Expenditures:</b>					
<b>Contributions:</b>					
Appropriations	703,302	703,302	703,303	(1)	668,802
Total Contributions	<u>703,302</u>	<u>703,302</u>	<u>703,303</u>	<u>(1)</u>	<u>668,802</u>
<b>Total Other General Government</b>	<b><u>5,089,218</u></b>	<b><u>3,295,979</u></b>	<b><u>4,182,623</u></b>	<b><u>(886,644)</u></b>	<b><u>3,261,426</u></b>
<b>Capital Outlay:</b>					
Governance & Management:					
Public Safety:					
Fire	-	-	-	-	88,573
Finance & Administration:					
Court	-	-	-	-	288,695
Information technology	325,000	325,000	295,001	29,999	277,146
Community & Economic Development:					
Traffic operations center	2,455,000	555,000	71,032	483,968	-
Public Works:					
Streets-maintenance	165,000	165,000	36,625	128,375	389,940
Streets-traffic	183,970	-	-	-	-
Streets-fleet	-	214,903	124,516	90,387	90,387
Parks	300,000	300,000	-	300,000	51,104
Engineering	74,000	-	-	-	-
<b>Total Capital Outlay</b>	<b><u>3,502,970</u></b>	<b><u>1,559,903</u></b>	<b><u>527,174</u></b>	<b><u>1,032,729</u></b>	<b><u>1,185,845</u></b>
<b>Total expenditures</b>	<b><u>104,845,343</u></b>	<b><u>107,864,754</u></b>	<b><u>106,625,758</u></b>	<b><u>1,238,996</u></b>	<b><u>101,076,917</u></b>
<b>Excess of revenues over expenditures</b>	<b><u>5,898,970</u></b>	<b><u>7,184,067</u></b>	<b><u>11,440,324</u></b>	<b><u>4,256,257</u></b>	<b><u>11,442,074</u></b>
<b>Other financing sources (uses):</b>					
SBITAs	-	214,903	214,902	(1)	288,695
Transfers out	(7,407,048)	(8,907,048)	(8,831,141)	75,907	(9,712,090)
<b>Total other financing sources (uses)</b>	<b><u>(7,407,048)</u></b>	<b><u>(8,692,145)</u></b>	<b><u>(8,616,239)</u></b>	<b><u>75,906</u></b>	<b><u>(9,423,395)</u></b>
<b>Net changes in fund balances*</b>	<b><u>\$ (1,508,078)</u></b>	<b><u>\$ (1,508,078)</u></b>	<b><u>2,824,085</u></b>	<b><u>\$ 4,332,163</u></b>	<b><u>2,018,679</u></b>
<b>Fund balance - beginning</b>			<b><u>86,659,905</u></b>		<b><u>84,641,226</u></b>
<b>Fund balance - ending</b>			<b><u>\$ 89,483,990</u></b>		<b><u>\$ 86,659,905</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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2024</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues:</b>					
Licenses and permits:					
Impact fee	\$ 6,122,176	\$ 6,122,176	\$ 5,425,420	\$ (696,756)	\$ -
Road impact fee	-	-	-	-	9,276,497
Use of money and property:					
Interest earned	598,612	598,612	1,486,680	888,068	1,293,321
<b>Total revenues</b>	<u>6,720,788</u>	<u>6,720,788</u>	<u>6,912,100</u>	<u>191,312</u>	<u>10,569,818</u>
<b>Expenditures:</b>					
Public works:					
Services	3,200,001	3,200,001	3,599,087	(399,086)	1,332,084
<b>Total expenditures</b>	<u>3,200,001</u>	<u>3,200,001</u>	<u>3,599,087</u>	<u>(399,086)</u>	<u>1,332,084</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,520,787</u>	<u>3,520,787</u>	<u>3,313,013</u>	<u>(207,774)</u>	<u>9,237,734</u>
<b>Other financing sources (uses):</b>					
Transfers out	(3,939,602)	(14,939,102)	(14,539,745)	399,357	(4,960,649)
<b>Total other financing sources (uses)</b>	<u>(3,939,602)</u>	<u>(14,939,102)</u>	<u>(14,539,745)</u>	<u>399,357</u>	<u>(4,960,649)</u>
Net change in fund balances	<u>\$ (418,815)</u>	<u>\$ (11,418,315)</u>	(11,226,732)	<u>\$ 191,583</u>	4,277,085
<b>Fund balance - beginning</b>			<u>28,930,725</u>		<u>24,653,640</u>
<b>Fund balance - ending</b>			<u>\$ 17,703,993</u>		<u>\$ 28,930,725</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, 2025  
**With Comparative Totals as of June 30, 2024**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,727,927	\$ 2,198,211
Cash and cash equivalents-restricted	3,891,187	4,420,148
Investments	37,172,815	32,586,824
Investments-restricted	15,544,995	11,201,721
Receivables (net of allowance for uncollectibles)	11,135,050	9,582,680
Lease receivables (current)	13,657	13,192
Inventory	1,556,082	1,442,654
Prepays	22,175	9,600
Total current assets	73,063,888	61,455,030
Noncurrent assets:		
Lease receivables (long-term)	438,975	452,633
Capital assets (net of accumulated depreciation):		
Land	7,649,291	7,085,091
Construction in progress	20,458,608	12,323,616
Buildings and improvements	165,952,718	170,511,611
Utility plant in service	164,547,952	166,716,259
Machinery and equipment	690,916	796,961
Total capital assets (net of accumulated depreciation):	359,299,485	357,433,538
Total noncurrent assets	359,738,460	357,886,171
<b>Total assets</b>	<b>432,802,348</b>	<b>419,341,201</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refundings	7,582	87,779
OPEB related	447,461	31,036
Pension related	3,439,229	5,036,664
Total deferred outflows of resources	3,894,272	5,155,479
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	2,927,558	2,730,044
Accrued interest payable	324,557	359,013
Unearned revenue	462,971	-
Compensated absences - current	777,475	769,801
Bank direct borrowing - current	1,560,000	1,520,000
SRF loans - current	3,715,651	3,660,982
Bonds payable - current	1,114,326	2,631,852
Total current liabilities	10,882,538	11,671,692
Long-term liabilities:		
Compensated absences - long-term	558,337	797,175
Bank direct borrowing - long-term	-	1,560,000
SRF loans - long-term	105,498,124	109,213,772
Bonds payable - long-term	19,664,800	20,738,421
Total OPEB liability	3,202,770	2,622,120
Net pension liability	10,388,075	9,563,756
Total long-term liabilities	139,312,106	144,495,244
<b>Total liabilities</b>	<b>150,194,644</b>	<b>156,166,936</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
OPEB related	366,309	492,091
Pension related	22,492	8,328
Leases	326,043	344,156
Total deferred inflows of resources	714,844	844,575
<b>NET POSITION</b>		
Net investment in capital assets	227,754,169	218,196,290
Restricted-system improvements	19,436,182	15,621,869
Unrestricted	38,596,781	33,667,010
<b>Total net position</b>	<b>\$ 285,787,132</b>	<b>\$ 267,485,169</b>

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, 2025  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<b>2025</b>	<b>2024</b>
<b>Operating revenues:</b>		
Metered water sales	\$ 15,637,115	\$ 14,892,870
Sewer service charges	26,672,448	24,990,696
Reclaimed water sales	174,085	194,142
Other revenues from operations	1,171,744	926,495
Impact fees	5,763,269	6,165,595
<b>Total operating revenues</b>	<b>49,418,661</b>	<b>47,169,798</b>
<b>Operating expenses:</b>		
Water and sewer billing expenses	328,280	238,253
Water distribution expenses	3,762,273	2,633,673
Water plant expenses	7,500,334	7,104,776
Water administration	2,362,443	2,175,017
Sewer administration	3,790,603	5,435,609
General administration	2,373,760	1,970,826
Sewer collection expenses	4,050,087	4,135,715
Sewer plant expenses	7,060,364	6,298,932
Reclaimed water expenses	165,978	482,467
Depreciation	11,755,332	8,040,928
<b>Total operating expenses</b>	<b>43,149,454</b>	<b>38,516,196</b>
<b>Operating income</b>	<b>6,269,207</b>	<b>8,653,602</b>
<b>Nonoperating revenues (expenses):</b>		
Investment (loss) income	3,047,002	2,444,929
Net (loss)/gain on disposal of assets	82,310	82,794
Interest expense	(2,357,286)	(2,552,251)
<b>Total nonoperating revenues (expenses)</b>	<b>772,026</b>	<b>(24,528)</b>
<b>Income before contributions and transfers</b>	<b>7,041,233</b>	<b>8,629,074</b>
<b>Contributions and transfers:</b>		
Operating grants	7,300,170	1,663,729
Capital contributions	24,580	1,354,392
Developer contributions	4,135,980	9,169,552
Transfer to debt service fund	(200,000)	(200,000)
<b>Total contributions and transfers</b>	<b>11,260,730</b>	<b>11,987,673</b>
<b>Change in net position</b>	<b>18,301,963</b>	<b>20,616,747</b>
<b>Net position, beginning of year</b>	<b>267,485,169</b>	<b>246,868,422</b>
<b>Net position, end of year</b>	<b>\$ 285,787,132</b>	<b>\$ 267,485,169</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, 2025**

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

	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 42,116,216	\$ 39,509,857
Cash paid to employees for services	(5,718,909)	(5,988,986)
Cash paid to suppliers of goods and services	(22,915,638)	(24,890,309)
Contributions from impact fees	5,763,269	6,165,595
Net cash operating activities	19,244,938	14,796,157
<b>Cash flows from noncapital financing activities:</b>		
Grants	7,300,170	1,663,729
Transfer to debt service fund	(200,000)	(200,000)
Net cash provided by noncapital financing activities	7,100,170	1,463,729
<b>Cash flows from capital and related financing activities:</b>		
Purchases of property, plant and equipment	(9,485,298)	(8,749,078)
Capital Contributions	24,580	1,354,392
Sales of property, plant and equipment	82,303	82,794
Cash received from lease activity	34,239	31,605
Interest paid on long-term debt	(2,567,692)	(2,773,983)
Payments on SRF loan eligible projects not reimbursed	-	1,612,401
Proceeds from issuance of long-term debt	-	2,456,607
Payments on long-term debt	(7,515,982)	(7,387,173)
Net cash capital and related financing activities	(19,427,850)	(13,372,435)
<b>Cash flows from investing activities:</b>		
Purchases of investments, net	(8,929,267)	(3,112,146)
Interest received from investments	3,012,764	2,413,324
Net cash investing activities	(5,916,503)	(698,822)
Net change in cash and restricted cash	1,000,755	2,188,629
<b>Cash and restricted cash, beginning of year</b>	6,618,359	4,429,730
<b>Cash and restricted cash, end of year</b>	\$ 7,619,114	\$ 6,618,359
<b>Reconciliation of operating income to net cash provided by operations:</b>		
Operating income (loss)	\$ 6,269,207	\$ 8,653,602
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation expense	11,755,332	8,040,928
Increase (decrease) in net pension liability and related amounts	2,435,918	1,973,486
Increase (decrease) in OPEB liability and related amounts	38,443	495,705
Increase (decrease) in accounts receivable	(1,094,316)	(1,512,459)
Increase (decrease) in inventory	(125,998)	(578,743)
Increase (decrease) in compensated absences	(231,164)	156,883
Increase (decrease) in accounts payable	197,516	(2,433,245)
Net cash provided by operating activities	\$ 19,244,938	\$ 14,796,157
<b>Supplemental schedule of non-cash capital and related financing activities:</b>		
Capital assets added as developer contributions	\$ 4,135,980	\$ 9,169,552

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

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**DECEMBER 31, 2024**  
**With Comparative Totals as of December 31, 2023**

	<b>Franklin Employees' Pension Plan</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and equivalents	\$ 2,788,158	\$ 2,427,787
Total cash and equivalents	2,788,158	2,427,787
Investments:		
Domestic fixed income	51,458,511	44,624,950
Domestic equity	74,185,261	68,216,195
International equity	25,388,471	23,789,607
Timber	2,953,030	2,900,991
Real estate	17,039,242	17,414,615
Total investments	171,024,515	156,946,358
<b>Total assets</b>	173,812,673	159,374,145
 <b>NET POSITION RESTRICTED FOR PENSIONS</b>	 \$ 173,812,673	 \$ 159,374,145

Franklin Employees' Pension Plan as of December 31, 2024.  
This pension was closed to new hires after December 16, 2016.

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

**CITY OF FRANKLIN, TENNESSEE**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2024  
**With Comparative Totals for the Year Ended December 31, 2023**

	<b>Franklin Employees' Pension Plan</b>	<b>2023</b>
<b>Additions:</b>		
Contributions:		
Employer	\$ 10,960,000	\$ 8,019,361
Plan members	825,734	782,747
Total contributions	11,785,734	8,802,108
Investment income:		
Net (depreciation) appreciation in fair value of investments	13,458,142	16,293,388
Less: investment expense	(240,021)	(221,139)
Total investment income	13,218,121	16,072,249
<b>Total additions</b>	<b>25,003,855</b>	<b>24,874,357</b>
<b>Deductions:</b>		
Benefits	10,429,240	9,072,879
Administration expense	136,087	83,339
<b>Total deductions</b>	<b>10,565,327</b>	<b>9,156,218</b>
<b>Net increase in fiduciary net position</b>	<b>14,438,528</b>	<b>15,718,139</b>
<b>Net position restricted for pension benefits - beginning</b>	<b>159,374,145</b>	<b>143,656,006</b>
<b>Net position restricted for pension benefits - ending</b>	<b>\$ 173,812,673</b>	<b>\$ 159,374,145</b>

Franklin Employees' Pension Plan as of December 31, 2024.  
This pension plan was closed to new hires after December 16, 2016.

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

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**CITY OF FRANKLIN, TENNESSEE**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

**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, 2025, 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 \$5,673,101 on June 30, 2025 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. The office of the Franklin Housing Authority is located at 200 Spring Street, Franklin, TN 37064.

*Franklin Industrial Development Board and Health and Educational Facilities Board:* Established in 1966, the Industrial Development Board, has in the past authorized issuance of various 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, 2025

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 2025, 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, 2025**

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 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, 2025

**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 are selected by the funds manager, the Tennessee Department of Treasury Tennessee Consolidated Retirement System (TCRS) in accordance with the policy set by the TCRS Board of Trustees.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased (consumption method).

**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, 2025**

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, 2025 that will not be available for collection until fiscal year 2026, beginning October 2025; 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, 2025

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 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, 2025**

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, 2025**

**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 2025, 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 2024 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 2025.

**K. New Accounting Pronouncement - GASB Statement No. 101, *Compensated Absences***

During the fiscal year ended June 30,2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB 101 establishes recognition and measurement guidance for all types of compensated absences, replacing the previous model under GASB Statement No. 16. The implementation of GASB 101 did not result in any changes to the City's previously reported beginning net position or fund balances.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 JUNE 30, 2025

**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, 2025, 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	\$ -	\$ -	\$ -
Money Market Accounts	1,297,914	1,297,914	-
U.S Treasury Obligations	178,724,163	27,252,144	151,472,019
U.S Agency Obligations	41,037,513	41,037,513	-
<b>Total Investments</b>	<u>\$ 221,059,590</u>	<u>\$ 69,587,571</u>	<u>\$ 151,472,019</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.

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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.

*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, 2025, the City had the following recurring fair value measurements:

<u>Investments by fair value level</u>	<u>6/30/2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of Deposit	\$ -	\$ -	\$ -	\$ -
Money Market Accounts	1,297,914	1,297,914	-	-
U.S Treasury Obligations	178,724,163	178,724,163	-	-
U.S Agency Obligations	41,037,513	-	41,037,513	-
<b>Total investments at Fair Value</b>	<u>\$ 221,059,590</u>	<u>\$ 180,022,077</u>	<u>\$ 41,037,513</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, 2024, the City of Franklin Employees' Pension Plan (closed plan) had the following fair value measurements:

<u>Investments by fair value level</u>	<u>12/31/2024</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>	<u>(Level 2)</u>	<u>Inputs (Level 3)</u>
Cash and equivalents	\$ 2,788,158	2,788,158	-	-
Domestic Equity	74,185,261	74,185,261	-	-
Domestic Fixed Income	51,458,511	-	51,458,511	-
International equity	25,388,471	-	25,388,471	-
<b>Total investments at fair value level</b>	<u>153,820,401</u>	<u>76,973,419</u>	<u>76,846,982</u>	<u>-</u>
<b>Investments measured at the net asset value (NAV)</b>				
Real estate funds	17,039,242			
Timber funds	2,953,030			
<b>Total investments at the NAV</b>	<u>19,992,272</u>			
<b>Total investments measured at fair value</b>	<u>\$ 173,812,673</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 timber funds has been determined using the NAV per share (or its equivalent) of the ownership interest in capital. Distributions from each fund will be received as the underlying assets of the fund are liquidated.

**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	\$ 1,133,757	\$ 3,976	\$ -	\$ -	\$ 3,598,227	\$ 4,735,960
Property taxes	17,986,102	-	-	13,502,108	1,163,029	32,651,239
In Lieu of Tax	32,391	-	-	-	-	32,391
Local option sales tax	10,968,900	-	-	-	-	10,968,900
Special assessments	43,200	-	-	-	-	43,200
Due from county	90,032	-	-	-	-	90,032
State shared revenue	2,929,382	-	-	-	623,526	3,552,908
Grants	664,826	2,439,626	-	-	376,512	3,480,964
Fines	1,267,235	-	-	-	-	1,267,235
Events	122,992	-	-	-	-	122,992
Interest	671,732	360,874	152,643	88	346,696	1,532,033
<b>Gross receivables</b>	<b>35,910,549</b>	<b>2,804,476</b>	<b>152,643</b>	<b>13,502,196</b>	<b>6,107,990</b>	<b>58,477,854</b>
Less: Allowance for uncollectibles	(863,710)	-	-	-	-	(863,710)
<b>Net receivables</b>	<b>\$ 35,046,839</b>	<b>\$ 2,804,476</b>	<b>\$ 152,643</b>	<b>\$ 13,502,196</b>	<b>\$ 6,107,990</b>	<b>\$ 57,614,144</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, 2025 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 \$1,751,202. 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	\$ 8,311,207
Special assessments	50,049
Due from State (SRF Loans)	-
Grants	3,983,326
Miscellaneous	19,605
Interest	522,066
<b>Gross receivables</b>	<b>12,886,252</b>
Less: allowance for doubtful accounts	(1,751,202)
<b>Net receivables</b>	<b>\$ 11,135,050</b>

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**E. Capital Assets**

Capital asset activity for the year ended June 30, 2025 was as follows:

	<b>Balance June 30, 2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2025</b>
<b>Governmental activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 72,167,323	\$ 4,667,838	\$ -	\$ 76,835,161
Construction in process-non-infrastructure	11,094,213	16,299,064	8,224,120	19,169,157
Construction in process-infrastructure	16,629,192	9,697,709	5,675,315	20,651,587
<b>Total capital assets, not being depreciated</b>	<b>99,890,728</b>	<b>30,664,611</b>	<b>13,899,435</b>	<b>116,655,905</b>
<b>Capital assets, being depreciated:</b>				
Buildings and improvements	84,280,131	-	3,430,186	80,849,945
Improvements other than buildings	31,537,767	9,793,986	-	41,331,754
Machinery and equipment	62,415,722	5,150,832	1,052,201	66,514,352
Infrastructure	772,706,483	19,087,366	2,030,892	789,762,954
Joint use agreement	6,483,518	-	-	6,483,518
<b>Total capital assets, being depreciated</b>	<b>957,423,621</b>	<b>34,032,184</b>	<b>6,513,279</b>	<b>984,942,523</b>
<b>Accumulated depreciation:</b>				
Buildings and improvements	26,645,466	1,723,773	3,145,522	25,223,718
Improvements other than buildings	21,293,165	1,544,938	-	22,838,104
Machinery and equipment	41,568,444	5,209,677	824,772	45,953,347
Infrastructure	266,742,899	19,160,349	50,772	285,852,476
Joint use agreement	1,945,056	1,296,704	-	3,241,759
<b>Total accumulated depreciation</b>	<b>358,195,030</b>	<b>28,935,440</b>	<b>4,021,066</b>	<b>383,109,404</b>
<b>Total capital assets being depreciated, net</b>	<b>599,228,591</b>	<b>5,096,744</b>	<b>2,492,213</b>	<b>601,833,117</b>
<b>Total governmental activities capital assets, net</b>	<b>699,119,319</b>	<b>35,761,355</b>	<b>16,391,648</b>	<b>718,489,024</b>
<b>Business-type activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	7,085,091	564,200	-	7,649,291
Construction in process	12,323,616	8,824,798	689,805	20,458,608
<b>Total capital assets, not being depreciated</b>	<b>19,408,707</b>	<b>9,388,998</b>	<b>689,805</b>	<b>28,107,899</b>
<b>Capital assets, being depreciated:</b>				
Buildings and improvements	185,931,315	-	-	185,931,315
Utility plant in service	281,934,840	4,770,125	-	286,704,965
Machinery and equipment	4,514,699	151,961	132,359	4,534,301
<b>Total capital assets, being depreciated</b>	<b>472,380,854</b>	<b>4,922,086</b>	<b>132,359</b>	<b>477,170,581</b>
<b>Accumulated depreciation:</b>				
Buildings and improvements	15,419,704	4,558,894	-	19,978,597
Utility plant in service	115,218,581	6,938,432	-	122,157,013
Machinery and equipment	3,717,738	258,006	132,359	3,843,385
<b>Total accumulated depreciation</b>	<b>134,356,023</b>	<b>11,755,332</b>	<b>132,359</b>	<b>145,978,995</b>
<b>Total capital assets being depreciated, net</b>	<b>338,024,831</b>	<b>(6,833,246)</b>	<b>-</b>	<b>331,191,586</b>
<b>Business-type activities capital assets, net</b>	<b>357,433,538</b>	<b>2,555,752</b>	<b>689,805</b>	<b>359,299,485</b>
<b>Total capital assets, net</b>	<b>\$ 1,056,552,857</b>	<b>\$ 38,317,107</b>	<b>\$ 17,081,453</b>	<b>\$ 1,077,788,508</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	\$	6,482
Public safety		110,678
Finance and administration		2,599,459
Community and economic development		221,886
Public works		25,996,935
<b>Total depreciation expense - governmental activities</b>	<b>\$</b>	<b><u>28,935,440</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>\$</b>	<b><u>11,755,332</u></b>
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**F. Accrued Liabilities**

Accrued liabilities reported by governmental funds on June 30, 2025, were as follows:

Accrued employee payroll	\$	3,374,663
Accrued employee insurance claims		1,899,994
<b>Total accrued liabilities</b>		<b><u>5,274,657</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>Unearned</b>
Confiscated funds	\$	117,309
Tree bank reserve		702,143
Sidewalk reserve		767,356
Affordable housing reserves		334,171
Capital project grant		90,094
Opioid and sponsorship reserve		18,170
American Rescue Plan Act proceeds		786,163
<b>Total unearned revenue for fund financial statements</b>	<b>\$</b>	<b><u>2,815,406</u></b>
Business-type activities		462,971
<b>Total business-type activities unearned revenue</b>	<b>\$</b>	<b><u>462,971</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.

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**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.

**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, 2025. Accordingly, all financial statement information regarding the Plan is as of December 31, 2024 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, 2024, membership consisted of:

<b>Inactive plan participants:</b>	
Retiree participants and beneficiaries (receiving benefits)	338
Terminated employees entitled to deferred benefits	165
Disabled participants (receiving benefits)	3
<b>Inactive plan participants total</b>	<b>506</b>
 <b>Active plan participants:</b>	
Vested	347
Nonvested	-
<b>Active plan participants total</b>	<b>347</b>
<b>Total participants</b>	<b>853</b>

*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.

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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.

*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 the Plan. In accordance with the Public Employee Defined Benefit Financial Security Act of 2014, found in TCA Title 8, Chapters 34-37, the City must annually appropriate 100% of the Actuarially Determined Contribution (ADC) of the pension plan. The ADC is calculated by an independent, licensed actuary. Oversight of this Act is delegated to the State Treasurer's Office.

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, 2025, The City reported a net pension liability for the closed plan of \$85,739,678. The closed plan net pension liability was measured as of January 1, 2025, 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, 2024, 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, 2024, 6.75%. (Prior year, 6.80%).
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.

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Actuarial assumptions used in the January 1, 2025 valuation were based on an actuarial experience study for the period January 1, 2019 through December 31, 2024.

*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:

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

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, 2024, the annual money-weighted rate of return based on monthly cash flows on pension investments, net of pension plan investment expense, was 8.39%. 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 89.

*Discount rate*

The discount rate used to measure the total pension liability was 6.75%. 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**

	<u>Total Pension Liability</u>	<u>Increase (Decrease) Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
<b>Balances at January 1, 2024</b>	\$ 237,729,906	\$ 159,374,145	\$ 78,355,761
<b>Changes for year:</b>			
Service cost	2,818,765	-	2,818,765
Interest	15,806,190	-	15,806,190
Differences between expected and actual experience	11,802,153	-	11,802,153
Changes of assumptions	1,505,193	-	1,505,193
Contributions - employer	-	10,960,000	(10,960,000)
Contributions - employee	319,384	825,734	(506,350)
Net investment income	-	13,218,121	(13,218,121)
Benefit payments, including refunds of employee contributions	(10,429,240)	(10,429,240)	-
Administrative expense	-	(136,087)	136,087
<b>Net changes</b>	<u>21,822,445</u>	<u>14,438,528</u>	<u>7,383,917</u>
<b>Balances at December 31, 2024</b>	<u>\$ 259,552,351</u>	<u>\$ 173,812,673</u>	<u>\$ 85,739,678</u>

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The components of the net pension liability at December 31, 2024 were as follows:

Total pension liability	\$	259,552,351
Plan fiduciary net position		<u>(173,812,673)</u>
		<u><u>85,739,678</u></u>
Plan fiduciary net position as a percent of total pension liability		66.97%

**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, 2024, the following employees were covered by the benefit terms:

<b>Inactive plan participants</b>		
Retirees or beneficiaries currently receiving benefits		3
Inactive employees entitled to but not yet receiving benefits		158
Active employees		<u>352</u>
<b>Total participants</b>		<u><u>513</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.

Members are authorized to establish retirement credit in TCRS for expanded armed conflict military service credit pursuant to Tennessee Code Annotated, section 8-34-605 per Resolution 2024-68 adopted October 8, 2024. Active TCRS members who are employed by the City are able to establish retirement credit in TCRS for the time in which the employee performed active duty military services in the armed forces of the United States during a period of armed conflict, Multinational Force in Lebanon, Invasion of Grenada/Operation Urgent Fury, Invasion of Panama/Operation Just Cause, Persian Gulf War, Operation Enduring Freedom, or Operation Iraqi Freedom. The total amount of retirement credit granted for military service shall not exceed four (4) years.

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*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, 2025, the employer contributions for City of Franklin were \$2,139,657 based on a rate of 7.35 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.

*Net pension liability (asset)*

The City's net pension liability (asset) was measured as of June 30, 2024, 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, 2024 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, 2024 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:

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

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

*Discount rate.*

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

*Changes in the TCRS Plan net pension liability*

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
<b>Balances at June 30, 2023</b>	\$ 8,936,700	\$ 7,594,525	\$ 1,342,175
<b>Changes for year:</b>			
Service cost	2,467,301	-	2,467,301
Interest	765,630	-	765,630
Differences between expected and actual experience	51,086	-	51,086
Contributions - employer	-	1,752,895	(1,752,895)
Contributions - employee	-	1,192,447	(1,192,447)
Net investment income	-	877,977	(877,977)
Benefit payments, including refunds of employee contributions	(122,666)	(122,666)	-
Administrative expense	-	(24,726)	24,726
<b>Net changes</b>	<u>3,161,351</u>	<u>3,675,927</u>	<u>(514,576)</u>
<b>Balances at June 30, 2024</b>	<u>\$ 12,098,051</u>	<u>\$ 11,270,452</u>	<u>\$ 827,599</u>

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

The City reports for the plans the following net pension liability (asset) as of June 30, 2025 in the Statement of Net Position:

<u>Net pension liability (asset)</u>	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Closed Plan	\$ 75,450,917	\$ 10,288,761	\$ 85,739,678
TCRS Plan	<u>728,285</u>	<u>99,314</u>	<u>827,599</u>
	<u>\$ 76,179,202</u>	<u>\$ 10,388,075</u>	<u>\$ 86,567,277</u>

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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 (6.75% 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 (5.75% closed plan, 5.75% TCRS) or 1-percentage-point higher (7.75% 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	\$ 118,999,589	\$ 85,739,678	\$ 58,089,457
TCRS Plan	<u>3,749,004</u>	<u>827,599</u>	<u>(1,380,261)</u>
	<u>\$ 122,748,593</u>	<u>\$ 86,567,277</u>	<u>\$ 56,709,196</u>

*Closed and TCRS pensions expense and deferred items summary*

For the year ended June 30, 2025, the City recognized pension (negative pension) expense of \$20,160,390 as follows:

<b>Pension (negative pension) expense</b>	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Closed Plan	\$ 18,147,097	\$ 2,440,515	\$ 20,587,612
TCRS Plan	<u>(422,625)</u>	<u>(4,597)</u>	<u>(427,222)</u>
	<u>\$ 17,724,472</u>	<u>\$ 2,435,918</u>	<u>\$ 20,160,390</u>

On June 30, 2025, 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	\$ 19,998,198	\$ -
TCRS Plan	2,061,147	60,725
<b>Changes of assumptions:</b>		
Closed Plan	3,681,580	-
TCRS Plan	189,349	-
<b>Net difference between projected and actual earnings on pension plan investments:</b>		
Closed Plan	2,729,956	-
TCRS Plan	-	126,712
<b>Contributions made subsequent to the measurement date:</b>		
Closed Plan	-	-
TCRS Plan	2,139,657	-
<b>Total</b>	<u>\$ 30,799,887</u>	<u>\$ 187,437</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	\$ 23,240,567	\$ 3,169,167	\$ 26,409,734
TCRS Plan	4,120,091	270,062	4,390,153
	\$ 27,360,658	\$ 3,439,229	\$ 30,799,887

<b>Deferred Inflows of Resources</b>	Governmental activities	Business-type activities	Total
Closed Plan	\$ -	\$ -	\$ -
TCRS Plan	164,945	22,492	187,437
	\$ 164,945	\$ 22,492	\$ 187,437

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
2026	\$ 15,313,568	\$ 249,851
2027	7,215,038	341,136
2028	(407,650)	250,987
2029	798,095	235,962
2030	1,265,930	290,145
Thereafter	2,224,753	694,989
	26,409,734	2,063,070

*Payable to the Pension Plans*

As of June 30, 2025, the City of Franklin had a payable of \$2,139,657 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, 2025, the following employees were covered by the benefit terms:

Retirees (receiving benefits)	56
Actives	703
Covered spouses of retirees (receiving benefits)	28
Total	787

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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. Retirees pay 45% 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 \$26,689,752 was measured as of June 30, 2025 and was determined by an actuarial valuation as of that date. (This was the first year of the 2-year valuation from 2025).

**CITY OF FRANKLIN, TENNESSEE**  
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*Actuarial assumptions*

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2025 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	4.81% per annum based on the S&P 500 High Grade 20 Year Rate Index as of June 30, 2025
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.

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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, 2024</b>	\$ 21,850,998	\$ -	\$ 21,850,998
<b>Changes for the year:</b>			
Service cost	553,620	-	553,620
Interest	903,743	-	903,743
Change of benefit terms	-	-	-
Differences between expected and actual experience	3,512,614	-	3,512,614
Changes in assumptions or other inputs	806,817	-	806,817
Contributions - employer	-	938,040	(938,040)
Benefit payments	(938,040)	(938,040)	-
<b>Net changes</b>	<b>4,838,754</b>	<b>-</b>	<b>4,838,754</b>
<b>Balance at June 30, 2025</b>	<b>26,689,752</b>	<b>-</b>	<b>26,689,752</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 (3.81 percent) or 1-percentage-point higher (5.81 percent) than the current discount rate.

	<b>1% Decrease (3.81%)</b>	<b>Current Rate (4.81%)</b>	<b>1% Increase (5.81%)</b>
Total OPEB Liability	\$ 29,268,717	\$ 26,689,752	\$ 24,402,541

*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 (6.50 percent to 5.60 percent) or 1-percentage-point higher (8.50 percent to 7.60 percent) than the current healthcare cost trend rates:

	<b>1% Decrease (6.50% to 5.60%) over 2 year and following the Getzen model</b>	<b>Current Rate (7.50% to 6.60%) over 2 year and following the Getzen model</b>	<b>1% Increase (8.50% to 7.60%) over 2 year and following the Getzen model</b>
Total OPEB Liability	\$ 24,140,955	\$ 26,689,752	\$ 29,616,699

**OPEB expense and deferred items summary**

For the year ended June 30, 2025, the City of Franklin recognized OPEB expense of \$320,363.

	<b>Governmental activities</b>	<b>Business-type activities</b>	<b>Total</b>
<b>OPEB (negative OPEB) expense</b>	\$ 281,920	\$ 38,443	\$ 320,363

**CITY OF FRANKLIN, TENNESSEE**  
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The City reports the following net pension liability (asset) as of June 30, 2025 in the Statement of Net Position:

	Governmental activities	Business-type activities	Total
<b>OPEB liability</b>	\$ 23,486,982	\$ 3,202,770	\$ 26,689,752

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience:	\$ 2,927,178	\$ 545,221
Changes of assumptions:	801,666	2,507,354
<b>Total</b>	\$ 3,728,844	\$ 3,052,575

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>	\$ 3,281,383	\$ 447,461	\$ 3,728,844
	Governmental activities	Business-type activities	Total
<b>Deferred Inflows of Resources</b>	\$ 2,686,266	\$ 366,309	\$ 3,052,575

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:	
2026	\$ (198,955)
2027	(282,293)
2028	(282,290)
2029	719,906
2030	719,901
	\$ 676,269

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 2025, various street, public works and park improvements projects were in process. On June 30, 2025, there were approximately \$124,413,267 in uncompleted contracts for these projects. The projects are primarily funded in the Multi-Purpose Capital Project Fund. There were \$11,076,394 of uncompleted contracts for Water and Sewer Fund projects.

**CITY OF FRANKLIN, TENNESSEE**  
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**2. Fuel-Hedging Program**

The City participates in a fuel hedging program with the Metropolitan Government of Nashville and Davidson County, Tennessee. The City's objective is to hedge the changes in cash flows due to market price fluctuations related to a portion of expected purchases of fuel. The City is committed to its portion of the fuel hedges through June 30, 2025. Renewals of the contracts are expected in the normal course of operations. On June 30, 2025, 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>
2026	\$ 46,325
2027	46,325
2028	46,325
2029	46,325
2030	46,325
2031-2035	231,625
2036-2040	231,625
2041-2044	165,998
Total	<u>\$ 860,873</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% employee 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, 2025, totaled \$259,500. Mission Square administers the defined contribution plan for the City.

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, 2025, totaled \$132,410. 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. In 2025, the RHS program was revised via Resolution 2025-27. One-half of the value of all terminal leave in excess of the sum of the maximum amount of the IRS normal contribution to a 457 account along with the maximum 50-catch-up provision for the year in which an employee retires 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 hired on or before December 31, 2016. 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 \$325,000 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>6/30/2025</b>	\$ 1,869,114	\$ 13,642,222	\$ (13,611,342)	\$ 1,899,994
<b>6/30/2024</b>	\$ 1,743,489	\$ 12,148,994	\$ (12,023,369)	\$ 1,869,114

**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 \$16,983. The fund recognized \$5,693 in lease revenue and \$11,242 in interest revenue during the current fiscal year related to the lease. As of June 30, 2025, the receivable for lease payments was \$248,929. 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, 2025, the balance of the deferred inflow or resources is \$210,613.

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 \$12,557. The fund recognized \$2,947 in lease revenue and \$9,610 in interest revenue during the current fiscal year related to the lease. As of June 30, 2025, the receivable for lease payments was \$207,303. 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, 2025, the balance of the deferred inflow or resources is \$198,593.

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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 \$31,605. The fund recognized \$13,192 in lease revenue and \$15,956 in interest revenue during the current fiscal year related to the lease. As of June 30, 2025, the receivable for lease payments was \$452,632. 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, 2025, the balance of the deferred inflow or resources is \$326,043.

Year Ending	Governmental Activities		Business Type Activities		Total	
	Future Lease Payment		Future Lease Payment			
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 10,091	\$ 20,433	\$ 13,658	\$ 15,490	\$ 23,749	\$ 35,923
2027	11,646	19,946	14,139	15,009	25,785	34,955
2028	13,311	19,387	14,638	14,510	27,949	33,897
2029	15,093	18,750	18,177	13,947	33,270	32,697
2030	16,997	18,030	18,818	13,306	35,815	31,336
2031-2035	118,379	76,027	111,299	55,873	229,678	131,900
2036-2040	189,012	41,881	150,906	33,318	339,918	75,199
2041-2043	81,701	4,953	110,997	6,038	192,698	10,991
Total	<u>\$ 456,231</u>	<u>\$ 219,407</u>	<u>\$ 452,632</u>	<u>\$ 167,491</u>	<u>\$ 908,863</u>	<u>\$ 386,898</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, 2025, the value of the lease liability was \$42,254. 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 \$207,116, 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, 2025, the value of the lease liability was \$0. 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 \$50,050, 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, 2025, the value of the lease liability was \$35,846. The City is required to make annual payments of \$16,186. 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 \$51,371, 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 \$204,634. 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 \$115,478, and is reported in machinery and equipment of governmental activities in Note III, E.

In fiscal year 2025, the City's General Fund entered into a five-year technology arrangement for fleet software (Faster). An initial lease liability was recorded in the amount of \$214,902 during fiscal year 2025. As of June 30, 2025, the value of the lease liability was \$61,123. The City is required to make annual payments of \$21,466. 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 \$214,902 and had accumulated amortization of \$85,961, and is reported in machinery and equipment of governmental activities in Note III, E.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

<b>Year Ending</b>	<b>Governmental Activities</b>	
	<b>Future Lease Payments</b>	
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>
2026	197,828	12,814
2027	80,570	4,327
2028	63,877	2,290
2029	20,911	555
Totals	<u>\$ 363,186</u>	<u>\$ 19,986</u>

**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, 2025 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	3,505,000
Public Improvement Bonds 2013A	7,405,000	2.00% - 4.00%	3/1/2034	3,845,000
Public Improvement Bonds 2015	15,000,000	3.00% - 5.00%	4/1/2035	8,975,000
Public Improvement Bonds 2017	23,120,000	2.00% - 5.00%	4/1/2037	16,065,000
Public Improvement Bonds 2019A	29,585,000	4.00% - 5.00%	3/1/2039	21,165,000
Refunding Bonds 2019B	22,940,000	5.00%	3/1/2029	10,400,000
Refunding Bonds 2019C	29,245,000	4.00% -5.00%	6/1/2032	23,930,000
Refunding Bonds (Taxable) 2019D	2,305,000	1.00% - 3.50%	6/1/2027	800,000
Public Improvement Bonds 2025	43,775,000	4.00% -5.00%	6/1/2045	43,775,000
<b>Total Governmental Activities</b>				<u>\$ 132,460,000</u>

During 2025, 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. On March 26, 2025 the City closed the Series 2025 General Obligation Bonds in the par amount of \$43,775,000. Proceeds of the Bonds will be used to finance replacement Fire Apparatus, Major Road Resurfacing, construction of the new Pearl Bransford Park, and McEwen Phase IV road improvements. Final maturity for the bonds is 2045.

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 and were paid in full on April 1, 2025. 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 2025, debt service for the debt was provided solely by the Water and Sewer Fund.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

	<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	-
Revenue Bonds 2017	12,000,000	3.00% - 5.00%	2/1/2037	8,450,000
Revenue Bonds 2021	10,660,000	3.00% - 5.00%	2/1/2042	9,615,000
<b>Bank direct borrowing</b>				
Truist Loan Program	19,430,000	2.48%	5/25/2026	1,560,000
<b>SRF Loans</b>				
Drinking Water SRF through ARRA	1,500,000	2.82%	12/20/2030	499,818
Clean Water SRF through ARRA	1,888,200	2.69%	10/20/2032	812,301
SRF CG2 2016-367	1,822,741	.89%	6/20/2033	1,002,361
SRF 2016-374	1,677,259	.89%	6/20/2033	177,319
SRF CG5 2017-375	1,275,000	1.47%	8/20/2049	1,069,004
SRF 2017-376	78,500,000	1.47%	4/20/2051	69,552,840
SRF 2017-398	20,000,000	1.47%	9/20/2051	17,954,737
SRF 2017-398-01	17,043,394	1.47%	9/20/2053	18,145,392
<b>Total Business-Type Activities Long-Term Debt</b>				<u><u>\$ 128,838,772</u></u>

The annual requirements, by type of issue, to amortize outstanding bonds and notes payable on June 30, 2025, are as follows:

<b>Year Ending</b>	<b>Revenue and Tax Bonds</b>					
	<b>General Obligation Bonds</b>		<b>and Notes</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
<b>June 30,</b>						
2026	13,160,000	5,776,463	6,205,651	2,368,413	19,365,651	8,144,876
2027	13,610,000	5,340,236	4,746,191	2,230,909	18,356,191	7,571,145
2028	12,395,000	4,744,240	4,852,584	2,125,766	17,247,584	6,870,006
2029	12,990,000	4,139,040	4,959,847	2,017,253	17,949,847	6,156,293
2030	10,490,000	3,504,600	5,073,018	1,905,332	15,563,018	5,409,932
2031-2035	39,310,000	11,349,085	25,923,768	7,887,595	65,233,768	19,236,680
2036-2040	19,405,000	4,598,150	25,123,424	5,176,916	44,528,424	9,775,066
2041-2045	11,100,000	1,367,000	23,134,360	2,956,980	34,234,360	4,323,980
2046-2050	-	-	23,193,524	1,252,792	23,193,524	1,252,792
2051-2053	-	-	5,626,405	60,119	5,626,405	60,119
Totals	<u><u>\$ 132,460,000</u></u>	<u><u>\$ 40,818,814</u></u>	<u><u>\$ 128,838,772</u></u>	<u><u>\$ 27,982,075</u></u>	<u><u>\$ 261,298,772</u></u>	<u><u>\$ 68,800,889</u></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.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

Changes in long-term liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions/ Amortization</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
General obligation bonds-capital	\$ 99,465,000	\$ 43,775,000	\$ 10,780,000	\$ 132,460,000	\$ 13,160,000
Premium-Capital	14,041,056	3,992,232	1,573,157	16,460,131	1,772,769
Total Bonds Payable	<u>113,506,056</u>	<u>47,767,232</u>	<u>12,353,157</u>	<u>148,920,131</u>	<u>14,932,769</u>
SBITA Payable	396,871	214,902	248,588	363,186	120,981
Compensated absences	15,382,809	3,798,927	6,366,782	12,814,954	6,366,782
Net pension liability-closed	68,953,069	6,497,848	-	75,450,917	-
Net pension liability-TCRS	1,181,111	-	452,826	728,285	-
Total OPEB liability	<u>19,228,878</u>	<u>4,258,104</u>	<u>-</u>	<u>23,486,982</u>	<u>-</u>
Total Governmental Activities	<u>\$ 218,648,794</u>	<u>\$ 62,537,013</u>	<u>\$ 19,421,353</u>	<u>\$ 261,764,455</u>	<u>\$ 21,420,532</u>
<b>Business-type activities:</b>					
Revenue and tax bonds	\$ 20,400,000	\$ -	\$ 2,335,000	\$ 18,065,000	\$ 930,000
Premium	2,970,273	-	256,147	2,714,126	184,326
Total bonds payable	<u>23,370,273</u>	<u>-</u>	<u>2,591,147</u>	<u>20,779,126</u>	<u>1,114,326</u>
Bank Direct Borrowing	3,080,000	-	1,520,000	1,560,000	1,560,000
SRF Loans	112,874,754	-	3,660,982	109,213,772	3,715,651
Compensated absences	1,566,976	546,311	777,475	1,335,812	777,475
Net pension liability-closed	9,402,692	886,069	-	10,288,761	-
Net pension liability-TCRS	161,064	-	61,750	99,314	-
Total OPEB liability	<u>2,622,120</u>	<u>580,646</u>	<u>-</u>	<u>3,202,770</u>	<u>-</u>
Total long-term liabilities	<u>\$ 153,077,879</u>	<u>\$ 2,013,026</u>	<u>\$ 8,611,354</u>	<u>\$ 146,479,555</u>	<u>\$ 7,167,452</u>

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

*Issuance of Long-term Debt*

Governmental activities added \$43,775,000 in new bonds and \$214,902 in SBITA payables. There was no other new debt in the proprietary fund.

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**N. Fund Balances**

	General Fund	Multi-Purpose Capital Project Fund	Road Impact Fee Fund	Debt Service Fund	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	Other Governmental Funds Totals
<b>Fund balances:</b>																
Non-Spendable	\$ 2,387,636	\$ -	\$ -	\$ -	\$ -	\$ 26,505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,414,141
Restricted	-	51,412,319	-	-	575,999	2,325,334	-	6,567,671	-	377,833	-	-	-	492,815	-	61,751,971
Committed	-	-	17,703,993	127,752	-	-	13,149,491	-	2,894,347	-	3,701,710	9,401,628	807,254	-	2,087,535	49,873,710
Assigned	-	-	-	-	-	-	-	-	-	-	4,200,102	-	-	-	-	4,200,102
Unassigned	87,096,354	-	-	-	-	-	-	-	-	-	-	-	-	-	-	87,096,354
<b>Total fund balances</b>	<b>\$ 89,483,990</b>	<b>\$ 51,412,319</b>	<b>\$ 17,703,993</b>	<b>\$ 127,752</b>	<b>\$ 575,999</b>	<b>\$ 2,351,839</b>	<b>\$ 13,149,491</b>	<b>\$ 6,567,671</b>	<b>\$ 2,894,347</b>	<b>\$ 377,833</b>	<b>\$ 7,901,812</b>	<b>\$ 9,401,628</b>	<b>\$ 807,254</b>	<b>\$ 492,815</b>	<b>\$ 2,087,535</b>	<b>\$ 205,336,278</b>

**Reason for**

**Restriction/Commitment:**

Non-spendable inventory prepaids	\$ 2,387,636	\$ -	\$ -	\$ -	\$ -	\$ 26,505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,414,141
Restricted by state law	-	51,412,319	-	-	575,999	2,325,334	-	6,567,671	-	377,833	-	-	-	-	-	61,259,156
Restricted by federal regulations for fund purpose	-	-	-	-	-	-	-	-	-	-	-	-	-	492,815	-	492,815
Committed by Board ordinance for fund purpose	-	-	17,703,993	127,752	-	-	13,149,491	-	2,894,347	-	3,701,710	9,401,628	807,254	-	2,087,535	49,873,710
Assigned by Board resolutions	-	-	-	-	-	-	-	-	-	-	4,200,102	-	-	-	-	4,200,102
Unassigned*	87,096,354	-	-	-	-	-	-	-	-	-	-	-	-	-	-	87,096,354
<b>Total fund balances</b>	<b>\$ 89,483,990</b>	<b>\$ 51,412,319</b>	<b>\$ 17,703,993</b>	<b>\$ 127,752</b>	<b>\$ 575,999</b>	<b>\$ 2,351,839</b>	<b>\$ 13,149,491</b>	<b>\$ 6,567,671</b>	<b>\$ 2,894,347</b>	<b>\$ 377,833</b>	<b>\$ 7,901,812</b>	<b>\$ 9,401,628</b>	<b>\$ 807,254</b>	<b>\$ 492,815</b>	<b>\$ 2,087,535</b>	<b>\$ 205,336,278</b>

**Fund Balance Policy -**

**General Fund**

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

	Amount
Contingency Commitment	\$ 5,838,590
Emergency Commitment	5,838,590
Cash Flow Commitment	16,348,052
Debt Service Commitment	3,503,154
Property/Casualty/Health Insurance Commitment	4,670,872
Retiree Health Benefits Commitment	2,335,436
Supplemental Reserve	14,012,616
Capital Outlay Reserve	34,549,044
<b>Total Reserves</b>	<b>\$ 87,096,354</b>

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

There are no interfund receivables or payables for fiscal year 2025. The composition of interfund transfers for the year ended June 30, 2025, is as follows:

<u>Transfer Out:</u>	<u>Transfers In</u>			
	<u>Multi-purpose Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
General	(1) \$ 5,039,942	\$ -	(2) \$ 3,791,200	\$ 8,831,142
Road Impact Fund	(3) 11,000,000	(3) 3,539,745	-	14,539,745
Nonmajor Governmental Funds				
Sanitation Fund	-	(4) 192,944	-	192,944
Facilities Tax Fund	(5) 3,000,000	-	-	3,000,000
County Facilities Tax Fund	(5) 200,000	-	-	200,000
Hotel/Motel Tax Fund	(5) 5,000,000	(4) 812,891	-	5,812,891
Water/Sewer	-	(6) 200,000	-	200,000
<b>Total</b>	<u>\$ 24,239,942</u>	<u>\$ 4,745,580</u>	<u>\$ 3,791,200</u>	<u>\$ 32,776,722</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 \$5,039,942 toward approved CIP projects.
- (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 \$1,500,000 the Stormwater fund for additional funds to fund balance, to provide the Transit Fund \$927,710 as the annual operating subsidy, and to provide \$863,490 toward fleet replacement.
- (3) The transfers out from the Road Impact Fund to the Debt Service Fund was to provide \$3,539,745 to cover annual debt service requirements and \$11,000,000 to the Multi-Purpose Capital Projects Fund for Long Lane, East McEwen, and Jordan Road.
- (4) The transfers out from the Nonmajor Governmental Funds to the Debt Service Fund was for the Sanitation Fund to provide \$192,944 and the Hotel/Motel Tax Fund to provide \$812,891 to cover annual debt service requirements.
- (5) The transfers out from Nonmajor governmental funds to the Multi-Purpose Capital Projects Fund was for the Facilities Tax to provide \$3,000,000 for Bicentennial Park, for the County Facilities Tax Fund to provide \$200,000 for FSSD Intersection Improvement and for the Hotel/Motel Tax Fund to provide \$5,000,000 for Ropers Knob.
- (6) 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.

**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 constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time although the City's management expects such amounts, if any, to be immaterial.

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

**CITY OF FRANKLIN, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**Q. Tax abatements**

City property tax revenues were reduced by \$4,774 in fiscal year 2025 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)	\$ 31,163	\$ 19,170	\$ 11,993
2. Franklin Housing Authority (2018)	112,831	96,832	15,999
3. Franklin Housing Authority (2019)	26,740	3,200	23,540
4. Nissan	119,704	170,929	(51,225)
5. Ramsey Solutions	95,050	90,583	4,467
Totals	<u>\$ 385,488</u>	<u>\$ 380,714</u>	<u>\$ 4,774</u>

1. 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.
2. 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 specified end date.
3. 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.
4. The estimated property tax amount is based on the estimated value from Nissan to the State Board of Equalization for PILOT reporting on 9/20/2023. The agreement began 12/21/2005 and ends 12/21/2035.
5. The estimated property tax amount is based on the estimated value from Ramsey Solutions to the State Board of Equalization for PILOT reporting on 9/29/2023. The Industrial Development Board owns the facility and leases to Ramsey Solutions. The City passed the tax abatement on October 13, 2015. The agreement began 10/31/2017 and ends 12/31/2033.

**R. Subsequent events**

On November 11, 2025, the Board of Mayor and Aldermen approved Resolution 2025-73 amending certain provision of Resolution 2018-65 which established defined contribution retirement plans effective January 1, 2019, for employees hired on or after January 1, 2017.

On November 11, 2025, the Board of Mayor and Aldermen adopted Ordinance 2025-45 to amend Ordinance 2003-52 to modify assistance for eligible residents of the City in accordance with the State of Tennessee property tax relief program. The 2025 ordinance increases the City's match of the State assistance to two times the determined amount.

On November 11, 2025 the Board of Mayor and Aldermen approved Addendum 2 to Contract 2013-0041 with Williamson County and Chartwell Hospitality extending the operating agreement of the Cool Springs Conference center to October 2032.

On December 9, 2025, the Board of Mayor and Aldermen approved Resolution 2025-88 authorizing the City to issued General Obligation Bonds in the aggregate principal amount of not to exceed \$118 million. The purpose of the bond issue will be to fund governmental facilities, equipment, roads, parks, and other related uses.

**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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total pension liability</b>										
Service cost	\$ 2,818,765	\$ 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
Interest	15,806,190	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
Cash balance increase	319,384	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	11,802,153	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
Changes of assumptions	1,505,193	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	(10,429,240)	(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)
<b>Net change in total pension liability</b>	<b>21,822,445</b>	<b>42,151,087</b>	<b>18,239,825</b>	<b>12,060,875</b>	<b>14,115,629</b>	<b>8,412,904</b>	<b>10,647,461</b>	<b>13,377,001</b>	<b>10,300,048</b>	<b>10,998,123</b>
<b>Total pension liability-beginning</b>	<b>237,729,906</b>	<b>195,578,819</b>	<b>177,338,994</b>	<b>165,278,119</b>	<b>151,162,490</b>	<b>142,749,586</b>	<b>132,102,125</b>	<b>118,725,124</b>	<b>108,425,076</b>	<b>97,426,953</b>
<b>Total pension liability-ending (a)</b>	<b>\$ 259,552,351</b>	<b>\$ 237,729,906</b>	<b>\$ 195,578,819</b>	<b>\$ 177,338,994</b>	<b>\$ 165,278,119</b>	<b>\$ 151,162,490</b>	<b>\$ 142,749,586</b>	<b>\$ 132,102,125</b>	<b>\$ 118,725,124</b>	<b>\$ 108,425,076</b>
<b>Plan fiduciary net position</b>										
Contributions-employer	\$ 10,960,000	\$ 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
Contributions-employee	825,734	782,747	700,782	896,492	688,835	702,598	831,941	593,845	548,163	525,364
Net investment income (loss)	13,218,121	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)
Benefit payments, including refunds of employee contributions	(10,429,240)	(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)
Administrative expenses	(136,087)	(83,339)	(75,699)	(102,925)	(115,649)	(142,565)	(114,344)	(112,112)	(171,371)	(584,138)
<b>Net change in plan fiduciary net position</b>	<b>14,438,528</b>	<b>15,718,139</b>	<b>(17,127,818)</b>	<b>23,979,065</b>	<b>13,478,972</b>	<b>18,480,030</b>	<b>(3,575,612)</b>	<b>15,108,926</b>	<b>6,480,032</b>	<b>(2,590,735)</b>
<b>Plan fiduciary net position-beginning</b>	<b>159,374,145</b>	<b>143,656,006</b>	<b>160,783,824</b>	<b>136,804,759</b>	<b>123,325,787</b>	<b>104,845,757</b>	<b>108,421,369</b>	<b>93,312,443</b>	<b>86,832,411</b>	<b>89,423,146</b>
<b>Plan fiduciary net position-ending (b)</b>	<b>\$ 173,812,673</b>	<b>\$ 159,374,145</b>	<b>\$ 143,656,006</b>	<b>\$ 160,783,824</b>	<b>\$ 136,804,759</b>	<b>\$ 123,325,787</b>	<b>\$ 104,845,757</b>	<b>\$ 108,421,369</b>	<b>\$ 93,312,443</b>	<b>\$ 86,832,411</b>
<b>Net pension liability-ending (a) - (b)</b>	<b>\$ 85,739,678</b>	<b>\$ 78,355,761</b>	<b>\$ 51,922,813</b>	<b>\$ 16,555,170</b>	<b>\$ 28,473,360</b>	<b>\$ 27,836,703</b>	<b>\$ 37,903,829</b>	<b>\$ 23,680,756</b>	<b>\$ 25,412,681</b>	<b>\$ 21,592,665</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	67.0%	67.0%	73.5%	90.7%	82.8%	81.6%	73.4%	82.1%	78.6%	80.1%
<b>Covered payroll</b>	\$ 37,641,024	\$ 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
<b>Net Pension liability as a percentage of covered payroll</b>	227.8%	211.6%	171.7%	56.4%	95.3%	92.7%	119.2%	76.1%	82.4%	71.1%

**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 2025, amounts reported as changes of assumptions resulted from changes to the inflation rate and investment rate of return from 6.8% to 6.75%

In 2023, a five-year smoothed value 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, 2024	\$ 173,765,612
-80% of 2024 Variance	(1,989,526)
-60% of 2023 Variance	(3,813,092)
-40% of 2022 Variance	11,119,437
-20% of 2021 Variance	(3,074,200)
<b>Actuarial Valuation Assets Before Limits</b>	<b>176,008,231</b>
Total Pension Liability	\$ 259,552,351
Funded Ratio	67.8%

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**CITY OF FRANKLIN EMPLOYEES' PENSION PLAN**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 10,159,294	\$ 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
Contributions in relation to the actuarially determined contribution	<u>10,960,000</u>	<u>8,019,361</u>	<u>6,660,363</u>	<u>6,160,363</u>	<u>5,061,105</u>	<u>5,988,709</u>	<u>4,254,456</u>	<u>4,471,922</u>	<u>3,888,628</u>	<u>2,846,724</u>
<b>Contribution (deficiency) excess</b>	<u>\$ 800,706</u>	<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>
<b>Covered payroll</b>	\$ 39,567,969	\$ 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
<b>Contributions as a percentage of covered payroll</b>	27.7%	24.8%	21.5%	20.7%	17.1%	20.0%	13.8%	14.2%	12.6%	9.3%

**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, 2024 amount was estimated to use with the December 31, 2023 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 TEN FISCAL YEARS  
(Unaudited)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expenses	8.4%	11.3%	-10.6%	18.4%	11.3%	18.1%	-4.0%	16.1%	7.3%	-2.5%

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total pension liability</b>								
Service cost	\$ 2,467,301	\$ 1,628,405	\$ 1,153,748	\$ 926,140	\$ 653,668	\$ 372,276	\$ 124,730	\$ -
Interest	765,630	456,366	301,268	213,489	119,330	51,291	12,799	-
Changes of benefit items	-	-	-	-	-	-	-	52,267
Differences between expected and actual experience	51,086	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	(122,666)	(63,444)	(67,940)	(33,675)	(25,724)	(1,183)	(906)	-
<b>Net change in total pension liability</b>	<u>3,161,351</u>	<u>3,772,402</u>	<u>1,820,846</u>	<u>1,308,078</u>	<u>1,030,254</u>	<u>669,344</u>	<u>283,509</u>	<u>52,267</u>
<b>Total pension liability-beginning</b>	<u>8,936,700</u>	<u>5,164,298</u>	<u>3,343,452</u>	<u>2,035,374</u>	<u>1,005,120</u>	<u>335,776</u>	<u>52,267</u>	<u>-</u>
<b>Total pension liability-ending (a)</b>	<u>\$ 12,098,051</u>	<u>\$ 8,936,700</u>	<u>\$ 5,164,298</u>	<u>\$ 3,343,452</u>	<u>\$ 2,035,374</u>	<u>\$ 1,005,120</u>	<u>\$ 335,776</u>	<u>\$ 52,267</u>
<b>Plan fiduciary net position</b>								
Contributions-employer	\$ 1,752,895	\$ 1,486,186	\$ 765,476	\$ 581,981	\$ 498,785	\$ 344,345	\$ 166,897	\$ 23,007
Contributions-employee	1,192,447	1,029,216	646,517	480,976	422,700	278,151	128,382	17,698
Net investment income (loss)	877,977	401,698	(163,051)	634,842	71,587	48,394	15,395	2,220
Benefit payments, including refunds of employee contributions	(122,666)	(63,444)	(67,940)	(33,675)	(25,724)	(1,183)	(906)	-
Administrative expenses	(24,726)	(18,296)	(23,817)	(16,862)	(15,947)	(11,344)	(6,220)	(1,519)
<b>Net change in plan fiduciary net position</b>	<u>3,675,927</u>	<u>2,835,360</u>	<u>1,157,185</u>	<u>1,647,262</u>	<u>951,401</u>	<u>658,363</u>	<u>303,548</u>	<u>41,406</u>
<b>Plan fiduciary net position-beginning</b>	<u>7,594,525</u>	<u>4,759,165</u>	<u>3,601,980</u>	<u>1,954,718</u>	<u>1,003,317</u>	<u>344,954</u>	<u>41,406</u>	<u>-</u>
<b>Plan fiduciary net position-ending (b)</b>	<u>\$ 11,270,452</u>	<u>\$ 7,594,525</u>	<u>\$ 4,759,165</u>	<u>\$ 3,601,980</u>	<u>\$ 1,954,718</u>	<u>\$ 1,003,317</u>	<u>\$ 344,954</u>	<u>\$ 41,406</u>
<b>Net pension (asset) liability-ending (a) - (b)</b>	<u>\$ 827,599</u>	<u>\$ 1,342,175</u>	<u>\$ 405,133</u>	<u>\$ (258,528)</u>	<u>\$ 80,656</u>	<u>\$ 1,803</u>	<u>\$ (9,178)</u>	<u>\$ 10,861</u>
<b>Plan fiduciary net position as a percentage of the total pension (asset) liability</b>	93.16%	84.98%	92.16%	107.73%	96.04%	99.82%	102.73%	79.22%
<b>Covered payroll</b>	\$ 23,848,910	\$ 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>	3.47%	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)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 2,139,657	\$ 1,752,895	\$ 1,486,186	\$ 765,476	\$ 581,981	\$ 498,785	\$ 344,345	\$ 166,897	\$ 23,007
Contributions in relation to the actuarially determined contribution	<u>2,139,657</u>	<u>1,752,895</u>	<u>1,486,186</u>	<u>765,476</u>	<u>581,981</u>	<u>498,785</u>	<u>344,345</u>	<u>166,897</u>	<u>23,007</u>
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Covered payroll</b>	\$ 28,079,488	\$ 23,848,910	\$ 20,531,922	\$ 12,690,108	\$ 9,619,509	\$ 8,453,990	\$ 5,563,006	\$ 2,567,642	\$ 353,953
<b>Contributions as a percentage of covered payroll</b>	7.6%	7.4%	7.2%	6.0%	6.1%	5.9%	6.2%	6.5%	6.5%

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

**Notes to Schedule**

*Valuation date:* Actuarially determined contribution rates and covered payroll for fiscal year 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 EIGHT FISCAL YEARS**  
June 30, 2025  
(Unaudited)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>								
Service cost	\$ 553,620	\$ 537,676	\$ 659,120	\$ 645,058	\$ 574,635	\$ 559,038	\$ 532,417	\$ 142,900
Interest	903,743	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	3,512,614	(324,700)	(608,842)	-	(275,901)	-	(1,918,330)	-
Changes of assumptions or other inputs	806,817	(166,957)	(4,814,361)	-	775,904	-	16,434,163	-
Benefit payments	(938,040)	(579,849)	(502,979)	(456,949)	(430,070)	(485,623)	(451,742)	(645,902)
<b>Net change in total OPEB liability</b>	<u>4,838,754</u>	<u>2,138,772</u>	<u>(3,065,899)</u>	<u>674,078</u>	<u>1,230,960</u>	<u>639,967</u>	<u>14,744,940</u>	<u>(344,720)</u>
<b>Total OPEB liability-beginning</b>	<u>21,850,998</u>	<u>19,712,226</u>	<u>22,778,125</u>	<u>22,104,047</u>	<u>20,873,087</u>	<u>20,233,120</u>	<u>5,488,180</u>	<u>5,832,900</u>
<b>Total OPEB liability-ending</b>	<u>\$ 26,689,752</u>	<u>\$ 21,850,998</u>	<u>\$ 19,712,226</u>	<u>\$ 22,778,125</u>	<u>\$ 22,104,047</u>	<u>\$ 20,873,087</u>	<u>\$ 20,233,120</u>	<u>\$ 5,488,180</u>
<b>Plan net position</b>								
Contributions - employer	\$ 938,040	\$ 579,849	\$ 502,979	\$ 456,949	\$ 430,070	\$ 485,623	\$ 451,742	\$ 645,902
Benefit payments	(938,040)	(579,849)	(502,979)	(456,949)	(430,070)	(485,623)	(451,742)	(645,902)
<b>Net change in net position</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net OPEB liability-beginning</b>	<u>21,850,998</u>	<u>19,712,226</u>	<u>22,778,125</u>	<u>22,104,047</u>	<u>20,873,087</u>	<u>20,233,120</u>	<u>5,488,180</u>	<u>5,832,900</u>
<b>Net OPEB liability-ending</b>	<u>\$ 26,689,752</u>	<u>\$ 21,850,998</u>	<u>\$ 19,712,226</u>	<u>\$ 22,778,125</u>	<u>\$ 22,104,047</u>	<u>\$ 20,873,087</u>	<u>\$ 20,233,120</u>	<u>\$ 5,488,180</u>
<b>Plan net position as a percentage of total OPEB liability</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Covered-employee payroll</b>	\$ 59,797,606	\$ 54,845,949	\$ 53,770,538	\$ 42,888,447	\$ 42,047,497	\$ 40,104,752	\$ 39,318,384	n/a
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	44.6%	39.8%	36.7%	53.1%	52.6%	52.0%	51.5%	n/a

**Notes to Schedule**

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

*Changes of assumptions and methods*

In 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% grading uniformly to 6.75% 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% grading uniformly to 5.75% 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% grading uniformly to 5.20% 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.

In FY 2025, the discount rate was 4.81% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2025 under Statement No. 75, compared to the prior discount rate of 4.13%. The assumed trend rate for the medical claims was changed to 7.50% grading uniformly to 6.60% over 3 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075.

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** - To account for replacement of consumer vehicles used by the General Fund

**CITY OF FRANKLIN, TENNESSEE  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2025  
With Comparative Totals as of June 30, 2024**

	Special Revenue Funds											2025	2024
	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		
<b>ASSETS</b>													
Cash and cash equivalents	\$ 53,771	\$ 298,046	\$ 476,859	\$ 1,248,088	\$ 1,722,889	\$ 376,747	\$ 1,025,316	\$ 1,988,064	\$ 1,015,776	\$ 822,207	\$ 667,304	\$ 9,695,067	\$ 9,733,125
Investments	-	-	12,551,860	5,213,850	772,422	-	6,275,929	7,338,011	-	-	1,448,291	33,600,363	33,095,996
Receivables (net of allowance for uncollectibles)	1,733,117	2,520,616	120,772	105,733	510,695	1,086	649,248	75,553	370,362	5,005	15,803	6,107,990	5,921,699
Inventories	-	26,505	-	-	-	-	-	-	-	-	-	26,505	48,136
Prepaid items	-	-	-	-	-	-	-	-	-	-	-	-	1,800
<b>Total assets</b>	<u>\$ 1,786,888</u>	<u>\$ 2,845,167</u>	<u>\$ 13,149,491</u>	<u>\$ 6,567,671</u>	<u>\$ 3,006,006</u>	<u>\$ 377,833</u>	<u>\$ 7,950,493</u>	<u>\$ 9,401,628</u>	<u>\$ 1,386,138</u>	<u>\$ 827,212</u>	<u>\$ 2,131,398</u>	<u>\$ 49,429,925</u>	<u>\$ 48,800,756</u>
<b>LIABILITIES</b>													
Accounts payable	\$ 47,860	\$ 493,328	\$ -	\$ -	\$ 111,659	\$ -	\$ 48,681	\$ -	\$ 558,119	\$ 227	\$ 43,863	\$ 1,303,737	\$ 1,687,379
Unearned revenue	-	-	-	-	-	-	-	-	-	334,170	-	334,170	321,851
<b>Total liabilities</b>	<u>47,860</u>	<u>493,328</u>	<u>-</u>	<u>-</u>	<u>111,659</u>	<u>-</u>	<u>48,681</u>	<u>-</u>	<u>558,119</u>	<u>334,397</u>	<u>43,863</u>	<u>1,637,907</u>	<u>2,009,230</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>													
Unavailable revenue-property tax-Jan. 1 levy	1,163,029	-	-	-	-	-	-	-	-	-	-	1,163,029	1,153,357
Unavailable revenue-grant proceeds	-	-	-	-	-	-	-	-	20,765	-	-	20,765	8,608
<b>Total deferred inflows of resources</b>	<u>1,163,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,765</u>	<u>-</u>	<u>-</u>	<u>1,183,794</u>	<u>1,161,965</u>
<b>FUND BALANCES</b>													
Non-spendable	-	26,505	-	-	-	-	-	-	-	-	-	26,505	49,936
Restricted	575,999	2,325,334	-	6,567,671	-	377,833	-	-	-	492,815	-	10,339,652	9,743,287
Committed	-	-	13,149,491	-	2,894,347	-	3,701,710	9,401,628	807,254	-	2,087,535	32,041,965	30,577,052
Assigned	-	-	-	-	-	-	4,200,102	-	-	-	-	4,200,102	5,259,286
<b>Total fund balances</b>	<u>575,999</u>	<u>2,351,839</u>	<u>13,149,491</u>	<u>6,567,671</u>	<u>2,894,347</u>	<u>377,833</u>	<u>7,901,812</u>	<u>9,401,628</u>	<u>807,254</u>	<u>492,815</u>	<u>2,087,535</u>	<u>46,608,224</u>	<u>45,629,561</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 1,786,888</u>	<u>\$ 2,845,167</u>	<u>\$ 13,149,491</u>	<u>\$ 6,567,671</u>	<u>\$ 3,006,006</u>	<u>\$ 377,833</u>	<u>\$ 7,950,493</u>	<u>\$ 9,401,628</u>	<u>\$ 1,386,138</u>	<u>\$ 827,212</u>	<u>\$ 2,131,398</u>	<u>\$ 49,429,925</u>	<u>\$ 48,800,756</u>

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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	Special Revenue Funds										2025	2024	
	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
<b>Revenues:</b>													
Taxes													
Property tax	\$ 1,121,083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,121,083	\$ 1,116,441
Facilities tax	-	-	1,999,441	805,740	-	-	-	-	-	-	-	2,805,181	3,217,761
Hotel/ motel tax	-	-	-	-	-	-	5,476,275	-	-	-	-	5,476,275	5,907,179
Licenses and permits													
Impact fee	-	-	-	-	-	-	-	2,263,952	-	-	-	2,263,952	-
Road impact fee	-	-	-	-	-	-	-	-	-	-	-	-	3,983,352
Other licenses and permits	-	-	-	-	177,631	-	-	-	-	-	-	177,631	133,402
Intergovernmental													
State shared revenue	3,259,218	-	-	-	-	-	309,579	-	-	-	-	3,568,797	3,563,365
Federal and state grants	-	-	-	-	-	-	413,836	-	3,103,991	203,853	-	3,721,680	4,591,264
Charges for services	-	11,680,090	-	-	2,673,178	-	-	-	88,626	-	-	14,441,894	13,015,896
Fines and fees	-	128,338	-	-	85,360	(17,906)	-	-	-	-	-	195,792	284,211
Use of money and property	69,831	32,135	780,128	307,831	69,237	10,078	434,426	408,948	47,696	26,587	182,658	2,369,555	2,614,252
Miscellaneous and other	-	64,565	-	-	-	2,817	355,435	-	8,561	-	91,669	523,047	315,720
<b>Total revenues</b>	<u>4,450,132</u>	<u>11,905,128</u>	<u>2,779,569</u>	<u>1,113,571</u>	<u>3,005,406</u>	<u>(5,011)</u>	<u>6,989,551</u>	<u>2,672,900</u>	<u>3,248,874</u>	<u>230,440</u>	<u>274,327</u>	<u>36,664,887</u>	<u>38,742,843</u>
<b>Expenditures:</b>													
Current													
Public Safety	-	-	-	-	-	147,499	-	-	-	-	(764)	146,735	143,993
Community & Economic Development	-	-	-	-	-	-	-	-	3,901,404	(46,147)	-	3,855,257	4,699,583
Public Works	6,124,284	10,925,444	38,446	-	3,110,335	-	-	-	-	-	814,744	21,013,253	22,497,862
Other General Government	-	-	50	-	-	-	2,011,364	-	-	-	-	2,011,414	1,358,042
Capital outlay													
Community & Economic Development	-	-	-	-	-	-	-	-	-	-	-	-	483,580
Public Works	-	76,702	577,971	-	731,259	-	-	-	275,180	-	1,583,818	3,244,930	4,849,054
General Government	-	-	-	-	-	-	-	-	-	-	-	-	4,259,083
<b>Total expenditures</b>	<u>6,124,284</u>	<u>11,002,146</u>	<u>616,467</u>	<u>-</u>	<u>3,841,594</u>	<u>147,499</u>	<u>2,011,364</u>	<u>-</u>	<u>4,176,584</u>	<u>(46,147)</u>	<u>2,397,798</u>	<u>30,271,589</u>	<u>38,291,197</u>
Excess (deficiency) of revenues over (under) expenditures	(1,674,152)	902,982	2,163,102	1,113,571	(836,188)	(152,510)	4,978,187	2,672,900	(927,710)	276,587	(2,123,471)	6,393,298	451,646
<b>Other financing sources (uses):</b>													
Transfers in	500,000	-	-	-	1,500,000	-	-	-	927,710	-	863,490	3,791,200	3,612,090
Transfers out	-	(192,944)	(3,000,000)	(200,000)	-	-	(5,812,891)	-	-	-	-	(9,205,835)	(9,262,732)
<b>Total other financing sources (uses)</b>	<u>500,000</u>	<u>(192,944)</u>	<u>(3,000,000)</u>	<u>(200,000)</u>	<u>1,500,000</u>	<u>-</u>	<u>(5,812,891)</u>	<u>-</u>	<u>927,710</u>	<u>-</u>	<u>863,490</u>	<u>(5,414,635)</u>	<u>(5,650,642)</u>
<b>Net changes in fund balances</b>	<u>(1,174,152)</u>	<u>710,038</u>	<u>(836,898)</u>	<u>913,571</u>	<u>663,812</u>	<u>(152,510)</u>	<u>(834,704)</u>	<u>2,672,900</u>	<u>-</u>	<u>276,587</u>	<u>(1,259,981)</u>	<u>978,663</u>	<u>(5,198,996)</u>
<b>Fund balances - beginning, as previously reported</b>	<u>1,750,151</u>	<u>1,641,801</u>	<u>13,986,389</u>	<u>5,654,100</u>	<u>2,230,535</u>	<u>530,343</u>	<u>8,736,516</u>	<u>6,728,728</u>	<u>807,254</u>	<u>216,228</u>	<u>3,347,516</u>	<u>45,629,561</u>	<u>45,660,917</u>
Change within financial report unit (major to nonmajor)	-	-	-	-	-	-	-	-	-	-	-	-	5,167,640
Fund balances - beginning, as adjusted or restated	<u>1,750,151</u>	<u>1,641,801</u>	<u>13,986,389</u>	<u>5,654,100</u>	<u>2,230,535</u>	<u>530,343</u>	<u>8,736,516</u>	<u>6,728,728</u>	<u>807,254</u>	<u>216,228</u>	<u>3,347,516</u>	<u>45,629,561</u>	<u>50,828,557</u>
<b>Fund balances - ending</b>	<u>\$ 575,999</u>	<u>\$ 2,351,839</u>	<u>\$ 13,149,491</u>	<u>\$ 6,567,671</u>	<u>\$ 2,894,347</u>	<u>\$ 377,833</u>	<u>\$ 7,901,812</u>	<u>\$ 9,401,628</u>	<u>\$ 807,254</u>	<u>\$ 492,815</u>	<u>\$ 2,087,535</u>	<u>\$ 46,608,224</u>	<u>\$ 45,629,561</u>

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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2024</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Taxes:					
Property tax	\$ 1,149,935	\$ 1,149,935	\$ 1,121,083	\$ (28,852)	\$ 1,116,441
Sports wagering privilege tax	150,000	150,000	187,342	37,342	158,620
Intergovernmental:					
Gasoline tax, State of Tennessee:					
Gas & motor fuel	1,483,100	1,483,100	1,497,450	14,350	1,497,354
Petroleum special	154,490	154,490	152,338	(2,152)	152,749
Gas 1989	247,183	247,183	234,588	(12,595)	234,093
Gas 3 cent	432,571	432,571	433,165	594	432,252
Gas 2018	772,448	772,448	754,335	(18,113)	754,913
Use of money and property:					
Interest earned	73,687	73,687	69,831	(3,856)	199,354
<b>Total revenues</b>	<u>4,463,414</u>	<u>4,463,414</u>	<u>4,450,132</u>	<u>(13,282)</u>	<u>4,545,776</u>
<b>Expenditures:</b>					
Current:					
Highways and streets:					
Services	6,220,212	6,318,939	6,123,551	195,388	6,543,034
Supplies	-	-	733	(733)	-
Total current	<u>6,220,212</u>	<u>6,318,939</u>	<u>6,124,284</u>	<u>194,655</u>	<u>6,543,034</u>
<b>Total expenditures</b>	<u>6,220,212</u>	<u>6,318,939</u>	<u>6,124,284</u>	<u>194,655</u>	<u>6,543,034</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,756,798)</u>	<u>(1,855,525)</u>	<u>(1,674,152)</u>	<u>181,373</u>	<u>(1,997,258)</u>
<b>Other financing sources (uses):</b>					
Transfers in	500,000	500,000	500,000	-	500,000
<b>Total other financing sources (uses)</b>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Net changes in fund balances	<u>\$ (1,256,798)</u>	<u>\$ (1,355,525)</u>	<u>(1,174,152)</u>	<u>\$ 181,373</u>	<u>(1,497,258)</u>
<b>Fund balance - beginning</b>			<u>1,750,151</u>		<u>3,247,409</u>
<b>Fund balance - ending</b>			<u>\$ 575,999</u>		<u>\$ 1,750,151</u>

**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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2024</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Fines and fees	\$ 223,287	\$ 223,287	\$ 128,338	\$ (94,949)	\$ 166,283
Special event services fee	2,399	2,399	5,181	2,782	1,366
Charges for services	13,391,339	13,391,339	11,674,909	(1,716,430)	10,287,198
Use of money and property	25,169	25,169	31,077	5,908	30,975
Interest earned	13,026	13,026	1,058	(11,968)	20,179
Sale of surplus property	255,000	255,000	64,565	(190,435)	203,223
<b>Total revenues</b>	<u>13,910,220</u>	<u>13,910,220</u>	<u>11,905,128</u>	<u>(2,005,092)</u>	<u>10,709,224</u>
<b>Expenditures:</b>					
Sanitation:					
Personnel	4,949,152	4,949,152	4,923,761	25,391	4,891,650
Services	5,395,330	5,395,330	4,392,406	1,002,924	4,343,642
Supplies	878,400	878,400	665,845	212,555	585,555
Operational units	797,593	797,593	797,592	1	797,592
Business expenses	162,950	162,950	145,840	17,110	410,990
	<u>12,183,425</u>	<u>12,183,425</u>	<u>10,925,444</u>	<u>1,257,981</u>	<u>11,029,429</u>
Capital outlay - Sanitation	1,273,413	1,273,413	76,702	1,196,711	2,659,744
<b>Total expenditures</b>	<u>13,456,838</u>	<u>13,456,838</u>	<u>11,002,146</u>	<u>2,454,692</u>	<u>13,689,173</u>
Excess (deficiency) of revenues over (under) expenditures	<u>453,382</u>	<u>453,382</u>	<u>902,982</u>	<u>449,600</u>	<u>(2,979,949)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	1,750,000
Transfers out	(224,082)	(192,926)	(192,944)	(18)	(193,151)
<b>Total other financing sources (uses)</b>	<u>(224,082)</u>	<u>(192,926)</u>	<u>(192,944)</u>	<u>(18)</u>	<u>1,556,849</u>
Net changes in fund balances	<u>\$ 229,300</u>	<u>\$ 260,456</u>	710,038	<u>\$ 449,582</u>	(1,423,100)
<b>Fund balance - beginning</b>			<u>1,641,801</u>		<u>3,064,901</u>
<b>Fund balance - ending</b>			<u>\$ 2,351,839</u>		<u>\$ 1,641,801</u>

**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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2024</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Licenses and permits:					
Facilities tax	\$ 1,846,797	\$ 1,846,797	\$ 1,999,441	\$ 152,644	\$ 2,321,255
Use of money and property:					
Interest earned	278,153	278,153	780,128	501,975	609,969
<b>Total revenues</b>	<u>2,124,950</u>	<u>2,124,950</u>	<u>2,779,569</u>	<u>654,619</u>	<u>2,931,224</u>
<b>Expenditures:</b>					
Services	-	-	151	(151)	121
Supplies	51,673	259,642	38,345	221,297	69,726
Capital outlay - Police Patrol	354,000	354,000	352,945	1,055	-
Capital outlay - Parks	-	-	50,857	(50,857)	-
Capital outlay - Sanitation	-	-	174,169	(174,169)	-
<b>Total expenditures</b>	<u>405,673</u>	<u>613,642</u>	<u>616,467</u>	<u>(2,825)</u>	<u>69,847</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,719,277</u>	<u>1,511,308</u>	<u>2,163,102</u>	<u>651,794</u>	<u>2,861,377</u>
<b>Other financing sources (uses):</b>					
Transfers out	-	(3,000,000)	(3,000,000)	-	(3,500,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>-</u>	<u>(3,500,000)</u>
Net changes in fund balances	<u>\$ 1,719,277</u>	<u>\$ (1,488,692)</u>	<u>(836,898)</u>	<u>\$ 651,794</u>	<u>(638,623)</u>
<b>Fund balance - beginning</b>			<u>13,986,389</u>		<u>14,625,012</u>
<b>Fund balance - ending</b>			<u>\$ 13,149,491</u>		<u>\$ 13,986,389</u>

**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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2024</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Licenses and permits:					
Facilities tax	\$ 637,474	\$ 637,474	\$ 805,740	\$ 168,266	\$ 896,506
Use of money and property:					
Interest earned	112,188	112,188	307,831	195,643	243,843
<b>Total revenues</b>	<u>749,662</u>	<u>749,662</u>	<u>1,113,571</u>	<u>363,909</u>	<u>1,140,349</u>
<b>Other financing sources (uses):</b>					
Transfers out	(200,000)	(200,000)	(200,000)	-	-
<b>Total other financing sources (uses)</b>	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>\$ 549,662</u>	<u>\$ 549,662</u>	913,571	<u>\$ 363,909</u>	1,140,349
<b>Fund balance - beginning</b>			<u>5,654,100</u>		<u>4,513,751</u>
<b>Fund balance - ending</b>			<u>\$ 6,567,671</u>		<u>\$ 5,654,100</u>

**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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	<b>2024</b>
<b>Revenues:</b>					
Licenses and permits	\$ 129,051	\$ 129,051	\$ 177,631	\$ 48,580	\$ 133,402
Fines and fees	35,000	35,000	85,360	50,360	58,307
Charges for services	2,673,523	2,673,523	2,673,178	(345)	2,644,860
Use of money and property:					
Interest earned	51,592	51,592	69,237	17,645	94,583
Called performance bonds	-	-	-	-	7,376
<b>Total revenues</b>	<u>2,889,166</u>	<u>2,889,166</u>	<u>3,005,406</u>	<u>116,240</u>	<u>2,938,528</u>
<b>Expenditures:</b>					
Storm water:					
Personnel	2,457,448	2,457,448	2,400,353	57,095	2,485,228
Services	396,724	396,724	329,886	66,838	284,641
Supplies	484,017	484,017	131,322	352,695	162,661
Operational units	192,522	192,522	192,521	1	192,521
Business expenses	56,632	56,632	56,253	379	48,639
	<u>3,587,343</u>	<u>3,587,343</u>	<u>3,110,335</u>	<u>477,008</u>	<u>3,173,690</u>
Capital outlay	898,536	915,930	731,259	184,671	-
<b>Total expenditures</b>	<u>4,485,879</u>	<u>4,503,273</u>	<u>3,841,594</u>	<u>661,679</u>	<u>3,173,690</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,596,713)</u>	<u>(1,614,107)</u>	<u>(836,188)</u>	<u>777,919</u>	<u>(235,162)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	1,500,000	1,500,000	-	-
Transfers out	-	-	-	-	(350,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>(350,000)</u>
Net changes in fund balances	<u>\$ (1,596,713)</u>	<u>\$ (114,107)</u>	663,812	<u>\$ 777,919</u>	(585,162)
<b>Fund balance - beginning</b>			<u>2,230,535</u>		<u>2,815,697</u>
<b>Fund balance - ending</b>			<u>\$ 2,894,347</u>		<u>\$ 2,230,535</u>

**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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2024</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Fines and fees	\$ 97,498	\$ 97,498	\$ 46,829	\$ (50,669)	\$ 59,621
Federal and state grants	-	-	-	-	4,269
Confiscated goods - state	6,200	6,200	(64,735)	(70,935)	-
Use of money and property:					
Interest earned	17,813	17,813	10,078	(7,735)	26,185
Sale of surplus property	22,272	22,272	2,817	(19,455)	49,552
<b>Total revenues</b>	<u>143,783</u>	<u>143,783</u>	<u>(5,011)</u>	<u>(148,794)</u>	<u>139,627</u>
<b>Expenditures:</b>					
Police:					
Services	5,150	5,150	1,179	3,971	996
Supplies	150,990	150,990	123,977	27,013	93,173
Operational units	47,700	47,700	20,291	27,409	47,318
Business expenses	2,575	2,575	2,052	523	2,506
	<u>206,415</u>	<u>206,415</u>	<u>147,499</u>	<u>58,916</u>	<u>143,993</u>
<b>Total expenditures</b>	<u>206,415</u>	<u>206,415</u>	<u>147,499</u>	<u>58,916</u>	<u>143,993</u>
Net changes in fund balances	<u>\$ (62,632)</u>	<u>\$ (62,632)</u>	(152,510)	<u>\$ (89,878)</u>	(4,366)
<b>Fund balance - beginning</b>			<u>530,343</u>		<u>534,709</u>
<b>Fund balance - ending</b>			<u>\$ 377,833</u>		<u>\$ 530,343</u>

**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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2024</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Taxes:					
Hotel/Motel tax	\$ 6,210,098	\$ 6,210,098	\$ 5,476,275	\$ (733,823)	\$ 5,907,179
State shared revenue	300,000	300,000	309,579	9,579	333,384
Federal and state grants	1,200,000	1,200,000	413,836	(786,164)	98,515
Use of money and property:					
Interest earned	188,983	188,983	434,426	245,443	386,908
Distributions from conference center	-	-	355,435	355,435	308,344
<b>Total revenues</b>	<u>7,899,081</u>	<u>7,899,081</u>	<u>6,989,551</u>	<u>(909,530)</u>	<u>7,034,330</u>
<b>Expenditures:</b>					
General:					
Services	135,000	135,000	69,206	65,794	10,000
Supplies	-	-	-	-	40,017
Operational units	-	-	413,836	(413,836)	-
Miscellaneous	-	-	5,000	(5,000)	-
Appropriations	1,425,000	1,475,000	1,523,322	(48,322)	1,308,025
	<u>1,560,000</u>	<u>1,610,000</u>	<u>2,011,364</u>	<u>(401,364)</u>	<u>1,358,042</u>
Capital outlay - Parks	300,000	300,000	-	300,000	-
Capital outlay - General	1,295,000	1,295,000	-	1,295,000	4,259,083
<b>Total expenditures</b>	<u>3,155,000</u>	<u>3,205,000</u>	<u>2,011,364</u>	<u>1,193,636</u>	<u>5,617,125</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,744,081</u>	<u>4,694,081</u>	<u>4,978,187</u>	<u>284,106</u>	<u>1,417,205</u>
<b>Other financing sources (uses):</b>					
Transfers out	(812,746)	(5,812,746)	(5,812,891)	(145)	(2,261,781)
<b>Total other financing sources (uses)</b>	<u>(812,746)</u>	<u>(5,812,746)</u>	<u>(5,812,891)</u>	<u>(145)</u>	<u>(2,261,781)</u>
Net changes in fund balances	<u>\$ 3,931,335</u>	<u>\$ (1,118,665)</u>	(834,704)	<u>\$ 283,961</u>	(844,576)
<b>Fund balance - beginning</b>			<u>8,736,516</u>		<u>9,581,092</u>
<b>Fund balance - ending</b>			<u>\$ 7,901,812</u>		<u>\$ 8,736,516</u>

**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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2024</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Parkland dedication fees	\$ 1,137,254	\$ 1,137,254	\$ 2,263,952	\$ 1,126,698	\$ 3,983,352
Interest earned	71,420	71,420	408,948	337,528	199,394
<b>Total revenues</b>	<u>1,208,674</u>	<u>1,208,674</u>	<u>2,672,900</u>	<u>1,464,226</u>	<u>4,182,746</u>
<b>Expenditures:</b>					
Services	-	-	-	-	777,948
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>777,948</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,208,674</u>	<u>1,208,674</u>	<u>2,672,900</u>	<u>1,464,226</u>	<u>3,404,798</u>
<b>Other financing sources (uses):</b>					
Transfers out	-	-	-	-	(2,957,800)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,957,800)</u>
Net changes in fund balances	<u>\$ 1,208,674</u>	<u>\$ 1,208,674</u>	2,672,900	<u>\$ 1,464,226</u>	446,998
<b>Fund balance - beginning</b>			<u>6,728,728</u>		<u>6,281,730</u>
<b>Fund balance - ending</b>			<u>\$ 9,401,628</u>		<u>\$ 6,728,728</u>

**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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2024</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Intergovernmental:					
Federal and state grants	\$ 3,188,134	\$ 3,188,134	\$ 3,103,991	\$ (84,143)	\$ 3,634,273
Charges for services:					
Transit fares	134,000	134,000	88,626	(45,374)	82,472
Use of money and property:					
Interest earned	18,701	18,701	38,096	19,395	38,198
Rental income	9,700	9,700	9,600	(100)	9,600
Sale of surplus property	-	-	8,561	8,561	14,908
<b>Total revenues</b>	<u>3,350,535</u>	<u>3,350,535</u>	<u>3,248,874</u>	<u>(101,661)</u>	<u>3,779,451</u>
<b>Expenditures:</b>					
Transit:					
Personnel	129,643	129,643	109,172	20,471	26,577
Supplies	60,000	60,000	-	60,000	-
Operational units	3,810,610	3,810,610	3,792,232	18,378	3,818,574
	<u>4,000,253</u>	<u>4,000,253</u>	<u>3,901,404</u>	<u>98,849</u>	<u>3,845,151</u>
Capital outlay - General	350,000	350,000	275,180	74,820	483,580
<b>Total expenditures</b>	<u>4,350,253</u>	<u>4,350,253</u>	<u>4,176,584</u>	<u>173,669</u>	<u>4,328,731</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(999,718)</u>	<u>(999,718)</u>	<u>(927,710)</u>	<u>72,008</u>	<u>(549,280)</u>
<b>Other financing sources (uses):</b>					
Transfers in	1,003,617	1,003,617	927,710	(75,907)	549,280
<b>Total other financing sources (uses)</b>	<u>1,003,617</u>	<u>1,003,617</u>	<u>927,710</u>	<u>(75,907)</u>	<u>549,280</u>
Net changes in fund balances	<u>\$ 3,899</u>	<u>\$ 3,899</u>	-	<u>\$ (3,899)</u>	-
<b>Fund balance - beginning</b>			<u>807,254</u>		<u>807,254</u>
<b>Fund balance - ending</b>			<u>\$ 807,254</u>		<u>\$ 807,254</u>

**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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2024</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Intergovernmental:					
Federal and state grants	\$ 386,966	\$ 386,966	\$ 203,853	\$ (183,113)	\$ 854,207
Use of money and property:					
Interest earned	9,056	9,056	26,587	17,531	27,091
<b>Total revenues</b>	<u>396,022</u>	<u>396,022</u>	<u>230,440</u>	<u>(165,582)</u>	<u>881,298</u>
<b>Expenditures:</b>					
General:					
Services	368,352	368,352	(156,878)	525,230	401,209
Operational units	-	-	110,731	(110,731)	453,223
	<u>368,352</u>	<u>368,352</u>	<u>(46,147)</u>	<u>414,499</u>	<u>854,432</u>
<b>Total expenditures</b>	<u>368,352</u>	<u>368,352</u>	<u>(46,147)</u>	<u>414,499</u>	<u>854,432</u>
Net changes in fund balances	<u>\$ 27,670</u>	<u>\$ 27,670</u>	276,587	<u>\$ 248,917</u>	26,866
<b>Fund balance - beginning</b>			<u>216,228</u>		<u>189,362</u>
<b>Fund balance - ending</b>			<u>\$ 492,815</u>		<u>\$ 216,228</u>

**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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>	<b>2024</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>	
<b>Revenues:</b>					
Interest earned	\$ 115,585	\$ 115,585	\$ 182,658	\$ 67,073	\$ 226,562
Sale of surplus property	-	-	91,669	91,669	233,728
<b>Total revenues</b>	<u>115,585</u>	<u>115,585</u>	<u>274,327</u>	<u>158,742</u>	<u>460,290</u>
<b>Expenditures:</b>					
Services	-	-	25	(25)	-
Supplies	-	-	813,955	(813,955)	903,914
Vehicles	2,807,000	2,807,000	1,583,818	1,223,182	2,189,310
<b>Total expenditures</b>	<u>2,807,000</u>	<u>2,807,000</u>	<u>2,397,798</u>	<u>409,202</u>	<u>3,093,224</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,691,415)</u>	<u>(2,691,415)</u>	<u>(2,123,471)</u>	<u>567,944</u>	<u>(2,632,934)</u>
<b>Other financing sources (uses):</b>					
Transfers in	863,490	863,490	863,490	-	812,810
<b>Total other financing sources (uses)</b>	<u>863,490</u>	<u>863,490</u>	<u>863,490</u>	<u>-</u>	<u>812,810</u>
Net changes in fund balances	<u>\$ (1,827,925)</u>	<u>\$ (1,827,925)</u>	(1,259,981)	<u>\$ 567,944</u>	(1,820,124)
<b>Fund balance - beginning</b>			<u>3,347,516</u>		<u>5,167,640</u>
<b>Fund balance - ending</b>			<u>\$ 2,087,535</u>		<u>\$ 3,347,516</u>

**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, 2025**  
**With Comparative Totals for the Fiscal Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2024</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues:</b>					
Taxes:					
Property tax	\$ 10,554,764	\$ 9,954,764	\$ 9,787,155	\$ (167,609)	\$ 10,957,506
Use of money and property:					
Interest earned	97,354	97,354	136,623	39,269	230,624
<b>Total revenues</b>	<u>10,652,118</u>	<u>10,052,118</u>	<u>9,923,778</u>	<u>(128,340)</u>	<u>11,188,130</u>
<b>Expenditures:</b>					
Debt service:					
Principal	10,780,000	10,780,000	10,780,000	-	11,555,000
Interest	4,905,603	4,305,603	4,305,603	-	4,739,016
Debt Service Fees	13,000	13,000	3,259	9,741	3,620
<b>Total expenditures</b>	<u>15,698,603</u>	<u>15,098,603</u>	<u>15,088,862</u>	<u>9,741</u>	<u>16,297,636</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,046,485)</u>	<u>(5,046,485)</u>	<u>(5,165,084)</u>	<u>(118,599)</u>	<u>(5,109,506)</u>
<b>Other financing sources (uses):</b>					
Transfers in	<u>5,242,755</u>	<u>5,177,528</u>	<u>4,745,580</u>	<u>(431,948)</u>	<u>4,850,263</u>
<b>Total other financing sources (uses)</b>	<u>5,242,755</u>	<u>5,177,528</u>	<u>4,745,580</u>	<u>(431,948)</u>	<u>4,850,263</u>
Net change in fund balances	<u>\$ 196,270</u>	<u>\$ 131,043</u>	<u>(419,504)</u>	<u>\$ (550,547)</u>	<u>(259,243)</u>
<b>Fund balance - beginning</b>			<u>547,256</u>		<u>806,499</u>
<b>Fund balance - ending</b>			<u>\$ 127,752</u>		<u>\$ 547,256</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, 2025

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		\$ -	\$ 7,125
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>				<b>-</b>	<b>7,125</b>
<b>U.S. DEPARTMENT OF THE INTERIOR</b>					
Battlefield Land Acquisition Grant - Danmark Tract	15.928	P25AP001330	DZXFAMR29K87	\$ 970,935	\$ 970,935
<b>TOTAL U.S. DEPARTMENT OF THE INTERIOR</b>				<b>970,935</b>	<b>970,935</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		-	12,144
Transit Capital Grant-FY14 5307 Allocation (e)	20.507	TN-90-X384-00	DPCXM6A1QBQ7	165,923	165,923
Transit Capital Grant-FY14 5307 Allocation	20.507	TN-90-X384-00		-	681
5307 Capital and Operating Assistance	20.507	TN-2019-021-00		-	20,259
5307 Operating and Capital	20.507	TN-2020-008-00		-	959,608
5307 Operating and Capital (Vanpool) (e)	20.507	TN-2020-008-00	DPCXM6A1QBQ7	53,350	53,350
CARES Act 5307 Funding	20.507	TN-2020-018-00		-	358,118
FY16 5307 Allocation	20.507	TN-2017-020-00		-	7,080
FY23 5307 Operating Assistance	20.507	TN-2022-027-00		-	4,044
FY23 5307 Operating Assistance (Vanpool)(a)	20.507	TN-2022-027-00	DPCXM6A1QBQ7	261,598	261,598
FY22 5307 Operating Assistance	20.507	TN-2022-031-00		-	87,949
FY23 5307 Operating Assistance	20.507	TN-2023-037-00		-	220,144
FY24 5307 Operating Assistance	20.507	TN-2024-024-00		-	565,156
<b>Total Federal Transit Cluster</b>				<b>480,871</b>	<b>2,716,054</b>
<i>Highway Planning and Construction:</i>					
SR-96 (Murfreesboro Rd) Traffic Signal Improvements (a)	20.205	127913.00 / CM-NH-96(59)		-	1,265,282
Columbia Ave to Downs Blvd (a)	20.205	121454.00 / STP-M-6(110)		-	397,275
Franklin ITS Infrastructure (c)	20.205	116144.01 / STP-M9305(30)		-	344,203
Harlinsdale Farm Multi-Use Path	20.205	126630.33 / TAP-9305(32)		-	40,035
McEwen Dr from Cool Springs Blvd/Oxford Drive to SR252	20.205	125418.00		-	2,144,904
<b>Total Highway Planning and Construction:</b>				<b>-</b>	<b>4,191,699</b>
<i>National Roadway Safety Strategy</i>					
Safe Streets and Roads for All	20.939	693JJ32440174		-	198,041
<b>Total National Roadway Safety Strategy:</b>				<b>-</b>	<b>198,041</b>
<i>Highway Safety Cluster:</i>					
Community Based Traffic Safety Enforcement and Education - FY 22 (b)	20.600	Z22THS106		-	9,110
Community Based Traffic Safety Enforcement and Education - FY 24 (b)	20.600	Z22THS111		-	34,079
<b>Total Highway Safety Cluster</b>				<b>-</b>	<b>43,189</b>
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>				<b>480,871</b>	<b>7,148,983</b>

See independent auditor's report

CITY OF FRANKLIN, TENNESSEE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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-20-MC-47-0014		-	(90,694)
CDBG	14.218	B-21-MC-47-0014		-	(159,306)
CDBG	14.218	B-22-MC-47-0014		-	41,022
CDBG	14.218	B-23-MC-47-0014		-	80,831
CDBG - CARES Act	14.218	B-20-MW-47-0014		-	82,000
<b>Total CDBG - Entitlement Grants Cluster</b>				<u>-</u>	<u>(46,147)</u>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
				<u>-</u>	<u>(46,147)</u>
<b>U.S. DEPARTMENT OF THE TREASURY</b>					
American Rescue Plan Act	21.027	ARPA	ARPA-CSCC	413,836	3,768,455
American Rescue Plan Act - TDEC	21.027	32701-05134		-	222,685
TDEC - Franklin SE Clean Water Facility	21.027	32701-05490		-	3,862,873
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>				<u>413,836</u>	<u>7,854,013</u>
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>					
Extreme Heat & Fires - Louisiana (d)	97.036				44,684
Floods - Texas (d)	97.036				65,386
Floods - Texas (d)	97.036				67,905
Hurricane - North Carolina (d)	97.036				11,703
Hurricane Helene - Florida (d)	97.036				22,111
Hurricane Debby - Florida (d)	97.036			-	19,645
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>				<u>-</u>	<u>231,434</u>
<b>Total Federal Assistance</b>				<u>\$ 413,836</u>	<u>\$ 16,166,343</u>

- (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

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (con't)**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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		\$ -	\$ 1,518
Transit Capital Grant-FY14 5307 Allocation	TN-90-X384-00		-	20,824
5307 Capital and Operating Assistance	TN-2019-021-00		-	2,384
5307 Operating and Capital	TN-2020-008-00		-	371
FY16 5307 Allocation	TN-2017-020-00		-	885
FY22 5307 Operating Assistance	TN-2022-031-00		-	4,821
FY23 5307 Operating Assistance	TN-2023-037-00		-	27,518
FY24 5307 Operating Assistance	TN-2024-024-00		-	511
Columbia Ave to Downs Blvd	121454.00 / 94LPLM-F0-076		-	99,319
FY 2024 Urban Operation Assistance Program (b)	94UROP-S3-022		-	341,300
<b>Total Tennessee Department of Transportation</b>			<u>-</u>	<u>499,451</u>
<b>TENNESSEE DEPARTMENT OF COMMERCE &amp; INSURANCE</b>				
Tennessee Law Enforcement Hiring, Training, and Recruitment	33501-2425204		\$ -	\$ 36,000
<b>Total Tennessee Department of Commerce and Insurance</b>			<u>-</u>	<u>36,000</u>
<b>TENNESSEE DEPARTMENT OF ENVIRONMENT &amp; CONSERVATION</b>				
Toussaint L'Ouverture Cemetery Restoration	32701-05211		\$ -	\$ 13,942
<b>Total Tennessee Department of Environment and Conservation</b>			<u>\$ -</u>	<u>\$ 13,942</u>
<b>TENNESSEE DEPARTMENT OF FINANCE &amp; ADMINISTRATION</b>				
Violent Crime Intervention Fund	77241-VCIF		\$ -	\$ 228,949
<b>Total Tennessee Department of Finance and Administration</b>			<u>\$ -</u>	<u>\$ 228,949</u>
<b>Total State Financial Assistance</b>			<u>\$ -</u>	<u>\$ 778,342</u>

(e) Passed through to Williamson County

**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, 2025, there was an outstanding balance of \$109,213,772 on loans obtained through the State Revolving Loan Fund. Payments during the current fiscal year totaled \$3,660,982.

See independent auditor's report

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS**  
**GENERAL OBLIGATION DEBT**  
 JUNE 30, 2025

	<b>General Improvement Refunding Bonds Series 2012</b>		<b>General Improvement Refunding Bonds Series 2013A</b>		<b>Public Improvement Bonds Series 2015</b>		<b>Public Improvement Bonds Series 2017</b>		<b>Public Improvement Bonds Series 2019A</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2026	1,735,000	74,656	375,000	131,203	760,000	304,340	1,030,000	699,450	1,340,000	950,100
2027	1,770,000	37,701	385,000	120,890	790,000	273,940	1,080,000	647,950	1,405,000	883,100
2028	-	-	400,000	107,800	815,000	250,240	1,135,000	593,950	1,485,000	812,850
2029	-	-	410,000	94,200	850,000	217,640	1,190,000	537,200	1,555,000	738,600
2030	-	-	425,000	80,260	880,000	183,640	1,250,000	477,700	1,450,000	660,850
2031	-	-	440,000	65,810	920,000	148,440	1,315,000	415,200	1,520,000	588,350
2032	-	-	455,000	50,850	945,000	120,840	1,365,000	362,600	1,595,000	512,350
2033	-	-	470,000	35,380	975,000	92,490	1,420,000	308,000	1,675,000	432,600
2034	-	-	485,000	19,400	1,005,000	63,240	1,480,000	251,200	1,750,000	365,600
2035	-	-	-	-	1,035,000	32,085	1,535,000	192,000	1,365,000	295,600
2036	-	-	-	-	-	-	1,600,000	130,600	1,420,000	241,000
2037	-	-	-	-	-	-	1,665,000	66,600	1,475,000	184,200
2038	-	-	-	-	-	-	-	-	1,535,000	125,200
2039	-	-	-	-	-	-	-	-	1,595,000	63,800
2040	-	-	-	-	-	-	-	-	-	-
	<u>\$ 3,505,000</u>	<u>\$ 112,357</u>	<u>\$ 3,845,000</u>	<u>\$ 705,793</u>	<u>\$ 8,975,000</u>	<u>\$ 1,686,895</u>	<u>\$ 16,065,000</u>	<u>\$ 4,682,450</u>	<u>\$ 21,165,000</u>	<u>\$ 6,854,200</u>

See independent auditor's report

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS (Cont.)**  
**GENERAL OBLIGATION DEBT**  
**JUNE 30, 2025**

	<b>Public Improvement Refunding Bonds Series 2019B</b>		<b>Public Improvement Bonds Series 2019C</b>		<b>Public Improvement Refunding Bonds Series 2019D</b>		<b>Public Improvement Bonds Series 2025</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2026	2,420,000	520,000	3,185,000	1,146,650	395,000	16,603	1,920,000	1,933,462	13,160,000	5,776,463
2027	2,535,000	399,000	3,370,000	987,400	405,000	8,502	1,870,000	1,981,750	13,610,000	5,340,236
2028	2,655,000	272,250	3,940,000	818,900	-	-	1,965,000	1,888,250	12,395,000	4,744,240
2029	2,790,000	139,500	4,130,000	621,900	-	-	2,065,000	1,790,000	12,990,000	4,139,040
2030	-	-	4,320,000	415,400	-	-	2,165,000	1,686,750	10,490,000	3,504,600
2031	-	-	2,450,000	199,400	-	-	2,275,000	1,578,500	8,920,000	2,995,700
2032	-	-	2,535,000	101,400	-	-	2,390,000	1,464,750	9,285,000	2,612,790
2033	-	-	-	-	-	-	2,510,000	1,345,250	7,050,000	2,213,720
2034	-	-	-	-	-	-	2,635,000	1,219,750	7,355,000	1,919,190
2035	-	-	-	-	-	-	2,765,000	1,088,000	6,700,000	1,607,685
2036	-	-	-	-	-	-	1,830,000	949,750	4,850,000	1,321,350
2037	-	-	-	-	-	-	1,920,000	858,250	5,060,000	1,109,050
2038	-	-	-	-	-	-	2,020,000	762,250	3,555,000	887,450
2039	-	-	-	-	-	-	2,120,000	661,250	3,715,000	725,050
2040	-	-	-	-	-	-	2,225,000	555,250	2,225,000	555,250
2041	-	-	-	-	-	-	2,050,000	444,000	2,050,000	444,000
2042	-	-	-	-	-	-	2,130,000	362,000	2,130,000	362,000
2043	-	-	-	-	-	-	2,215,000	276,800	2,215,000	276,800
2044	-	-	-	-	-	-	2,305,000	188,200	2,305,000	188,200
2045	-	-	-	-	-	-	2,400,000	96,000	2,400,000	96,000
	<u>\$ 10,400,000</u>	<u>\$ 1,330,750</u>	<u>\$ 23,930,000</u>	<u>\$ 4,291,050</u>	<u>\$ 800,000</u>	<u>\$ 25,105</u>	<u>\$ 43,775,000</u>	<u>\$ 21,130,212</u>	<u>\$ 132,460,000</u>	<u>\$ 40,818,814</u>

See independent auditor's report

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS**  
**PROPRIETARY FUND DEBT**  
 JUNE 30, 2025

	<b>Sewer &amp; Water Refunding Trust Loan 2011</b>		<b>Drinking Water SRF &amp; ARRA Loan DWA 09-097</b>		<b>Clean Water SRF &amp; ARRA Loan CGA 09-250</b>		<b>Clean Water SRF CG2 2016-367 (Scada-Revere)</b>		<b>Clean Water SRF SRF 2016-374 (Scada-CDM)</b>		<b>Sewer &amp; Water Water Plant Bonds-Series 2017</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
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	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 1,560,000</u>	<u>\$ 35,464</u>	<u>\$ 499,818</u>	<u>\$ 40,348</u>	<u>\$ 812,301</u>	<u>\$ 83,659</u>	<u>\$ 1,002,361</u>	<u>\$ 36,480</u>	<u>\$ 177,319</u>	<u>\$ 6,447</u>	<u>\$ 8,450,000</u>	<u>\$ 2,425,650</u>

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, 2025**

	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
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
	<u>\$ 1,069,004</u>	<u>\$ 201,772</u>	<u>\$ 69,552,840</u>	<u>\$ 14,082,279</u>	<u>\$ 17,954,737</u>	<u>\$ 3,697,224</u>	<u>\$ 9,615,000</u>	<u>\$ 3,982,600</u>	<u>\$ 18,145,392</u>	<u>\$ 3,390,152</u>	<u>\$ 128,838,772</u>	<u>\$ 27,982,075</u>

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, 2025**

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2024	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2025
<b>Government Activities:</b>									
<b><u>BONDS PAYABLE</u></b>									
<b>Payable through Debt Service Fund</b>									
2012 SunTrust Refunding Bond Agreement	22,500,000	2.130%	2/11/2012	5/1/2027	5,205,000	-	1,700,000	-	3,505,000
2013A General Obligation Public Improvement Bonds	7,405,000	2.000% to 4.000%	12/20/2013	3/1/2034	4,210,000	-	365,000	-	3,845,000
2015 General Obligation Public Improvement Bonds	15,000,000	3.000% to 5.000%	4/16/2015	4/1/2035	9,705,000	-	730,000	-	8,975,000
2017 General Obligation Public Improvement Bonds	23,120,000	2.000% to 5.000%	6/27/2017	4/1/2037	17,045,000	-	980,000	-	16,065,000
2019A General Obligation Public Improvement Bonds	29,585,000	4.000% to 5.000%	5/15/2019	3/1/2039	22,440,000	-	1,275,000	-	21,165,000
2019B General Obligation Public Improvement Bonds	22,940,000	5.000%	5/15/2019	3/1/2029	12,705,000	-	2,305,000	-	10,400,000
2019C General Obligation Refunding Bonds	29,245,000	4.000% to 5.000%	11/20/2019	6/1/2032	26,970,000	-	3,040,000	-	23,930,000
2019D General Obligation Refunding Bonds (taxable)	2,305,000	1.000% to 3.500%	11/20/2019	6/1/2027	1,185,000	-	385,000	-	800,000
2025 General Obligation Public Improvement Bonds	43,775,000	4.000% to 5.000%	3/15/2025	6/1/2045	-	43,775,000	-	-	43,775,000
<b>Total Bonds Payable through Debt Service Fund</b>					<b>99,465,000</b>	<b>43,775,000</b>	<b>10,780,000</b>	<b>-</b>	<b>132,460,000</b>
<b>Business-type Activities:</b>									
<b><u>BANK DIRECT BORROWING</u></b>									
<b>Payable through Water and Sewer Fund</b>									
2011 SunTrust Loan Program	19,430,000	2.48%	9/29/2011	5/25/2026	3,080,000	-	1,520,000	-	1,560,000
					<u>3,080,000</u>	<u>-</u>	<u>1,520,000</u>	<u>-</u>	<u>1,560,000</u>
<b><u>NOTES PAYABLE</u></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	\$ 582,666	\$ -	\$ 82,848	\$ -	\$ 499,818
Clean Water SRF Loan through ARRA	1,888,200	2.690%	1/1/2011	10/20/2032	911,179	-	98,878	-	812,301
State Revolving Fund Loan (CG2 2016-367)	1,822,741	.890%	6/1/2016	6/20/2033	1,122,709	-	120,348	-	1,002,361
State Revolving Fund Loan (SRF 2016-374)	1,677,259	.890%	6/1/2016	6/20/2033	198,619	-	21,300	-	177,319
State Revolving Fund Loan (CG5 2017-375)	1,275,000	1.470%	9/28/2017	8/20/2049	1,105,580	-	36,576	-	1,069,004
State Revolving Fund Loan (SRF 2017-376)	78,500,000	1.470%	9/28/2017	4/20/2051	71,750,364	-	2,197,524	-	69,552,840
State Revolving Fund Loan (SRF 2017-398)	20,000,000	1.470%	9/28/2017	9/20/2051	18,511,201	-	556,464	-	17,954,737
State Revolving Fund Loan (SRF 2017-398-01)	9,769,764	1.470%	9/28/2017	9/20/2053	18,692,436	-	547,044	-	18,145,392
<b>Total Bonds Payable through Water and Sewer Fund</b>					<b>112,874,754</b>	<b>-</b>	<b>3,660,982</b>	<b>-</b>	<b>109,213,772</b>
<b><u>BONDS PAYABLE</u></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	\$ 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	8,970,000	-	520,000	-	8,450,000
2021 Water and Sewer Revenue Bonds	10,660,000	3.000% to 5.000%	2/1/2021	2/1/2042	9,980,000	-	365,000	-	9,615,000
<b>Total Bonds Payable through Water and Sewer Fund</b>					<b>20,400,000</b>	<b>-</b>	<b>2,335,000</b>	<b>-</b>	<b>18,065,000</b>
<b>Total Bonds and Notes Payable through Water and Sewer Fund</b>					<b>\$ 136,354,754</b>	<b>\$ -</b>	<b>\$ 7,515,982</b>	<b>\$ -</b>	<b>\$ 128,838,772</b>

See independent auditor's report

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF CHANGES IN LEASE OBLIGATIONS**  
**JUNE 30, 2025**

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2024	Issued During Period	Paid and/or Matured During Period	Remeasurements	Outstanding 6/30/2025
<b>GOVERNMENTAL ACTIVITIES</b>									
SBITA PAYABLE									
<u>Payable through General Fund</u>									
Budget software (COF Contract # 2021-0268)	\$ 258,895	0.582%	12/1/2021	12/1/2025	\$ 84,264	\$ -	\$ 42,010	\$ -	\$ 42,254
Contract software (COF Contract # 2022-0019)	50,050	1.868%	6/1/2022	5/1/2025	16,036	-	16,036	-	-
Bid software (COF Contract #2021-0354)	85,618	2.186%	7/21/2022	7/21/2026	52,576	-	16,730	-	35,846
Court Software (COF Contract #2024-0076)	288,695	2.616%	5/20/2024	5/20/2028	243,995	-	39,362	-	204,633
Fleet Software (COF Contract #2023-0224)	214,902	2.656%	8/28/2023	8/28/2028	-	214,902	134,450	-	80,452
Total SBITA Payable through General Fund					<u>\$ 396,871</u>	<u>\$ 214,902</u>	<u>\$ 248,588</u>	<u>\$ -</u>	<u>\$ 363,185</u>

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**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF LEASE OBLIGATIONS, PRINCIPAL AND INTEREST REQUIREMENTS BY FISCAL YEAR**  
**SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**  
**JUNE 30, 2025**

	SBITA		SBITA		SBITA		SBITA			
	Budget Software (OpenGov)		Bid Software (IonWave)		Court Software (Catalis)		Fleet Software (Faster)			
	Contract #2021-0268		Contract #2021-0354		Contract #2024-0076		Contract #2023-0224			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	42,254	246	17,516	784	118,729	9,647	\$ 19,329	\$ 2,137	\$ 197,828	\$ 12,814
2027	-	-	18,330	401	42,397	2,303	\$ 19,843	\$ 1,623	\$ 80,570	\$ 4,327
2028	-	-	-	-	43,507	1,194	\$ 20,370	\$ 1,096	\$ 63,877	\$ 2,290
2029	-	-	-	-	-	-	\$ 20,910	\$ 555	\$ 20,910	\$ 555
	<u>\$ 42,254</u>	<u>\$ 246</u>	<u>\$ 35,846</u>	<u>\$ 1,185</u>	<u>\$ 204,633</u>	<u>\$ 13,144</u>	<u>\$ 80,452</u>	<u>\$ 5,411</u>	<u>\$ 363,185</u>	<u>\$ 19,986</u>

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, 2025**

<b>Tax Year</b>	<b>Balance June 30, 2024</b>	<b>Taxes Levied</b>	<b>Adjustments and Collections</b>	<b>Balance June 30, 2025</b>
2024	\$ -	\$ 24,371,369	\$ (24,091,563)	\$ 279,806
2023	236,944	-	(186,646)	50,298
2022	50,317	-	(20,704)	29,613
2021	17,439	-	(2,676)	14,763
2020	13,694	-	(1,000)	12,694
2019	14,235	-	(291)	13,944
2018	14,194	-	(322)	13,872
2017	8,393	-	(2)	8,391
2016	5,848	-	-	5,848
2015	5,130	-	-	5,130
	<u>\$ 366,194</u>	<u>\$ 24,371,369</u>	<u>\$ (24,303,204)</u>	<u>\$ 434,359</u>

The balance at June 30, 2025 is comprised of:

Considered current revenue	\$ 6,387
Allowance for uncollectible accounts: 2015-2024 levies	160,223
Unavailable revenue	<u>267,749</u>
	<u>434,359</u>

Balances not included in the schedule above are from the 2025 tax levy due October 1, 2025 (after the fiscal year). The levy is comprised of:

Unavailable revenue	\$ 32,185,985
Allowance for uncollectible accounts	<u>30,895</u>
	<u>32,216,880</u>

Total property tax receivable (as shown on page 61) \$ 32,651,239

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, 2025  
 UNAUDITED

**Utility Customers**

<b>Water/Irrigation</b>	<b>Sewer</b>	<b>Reclaimed</b>	<b>Sanitation</b>	<b>Stormwater</b>
18,573	28,154	115	25,811	26,917

**Water and Sewer Rates**

The following rates were effective January 1, 2025. A minimum bill of 1,000 gallons per customer is levied.

<b>Water Residential Rates</b>				<b>Water Commercial Rates</b>				
<b>Gallons</b>	<b>Inside City Limits</b>		<b>Outside City Limits</b>		<b>Inside City Limits</b>		<b>Outside City Limits</b>	
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

<b>Irrigation Residential Water Rates</b>				<b>Irrigation Commercial Water Rates</b>				
<b>Gallons</b>	<b>Inside City Limits</b>		<b>Outside City Limits</b>		<b>Inside City Limits</b>		<b>Outside City Limits</b>	
First 1,000 Gallons	\$	28.11	\$	31.83	\$	28.11	\$	31.83
Next 9,000 Gallons		5.27		7.93		5.27		7.93
Next 15,000 Gallons		6.20		8.51		6.20		8.51
All Additional Gallons		7.13		9.09		7.13		9.09

<b>Sewer Residential Rates</b>				<b>Sewer Commercial Rates</b>				
<b>Gallons</b>	<b>Inside City Limits</b>		<b>Outside City Limits</b>		<b>Inside City Limits</b>		<b>Outside City Limits</b>	
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

<b>Reclaimed Water Rate:</b>				
<b>Gallons</b>	<b>Inside City Limits</b>		<b>Outside City Limits</b>	
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, 2026. A minimum bill of 1,000 gallons per customer is levied. The Reclaimed rate is effective January 1, 2023.

<b>Water Residential Rates</b>				<b>Water Commercial Rates</b>				
<b>Gallons</b>	<b>Inside City Limits</b>		<b>Outside City Limits</b>		<b>Inside City Limits</b>		<b>Outside City Limits</b>	
First 1,000 Gallons	\$	22.68	\$	25.25	\$	29.68	\$	33.60
Next 9,000 Gallons		5.58		8.46		5.56		8.37
Next 15,000 Gallons		6.57		9.07		6.55		8.98
All Additional Gallons		7.55		9.68		7.53		9.60

<b>Irrigation Residential Water Rates</b>				<b>Multi-Family Water Rates</b>		
<b>Gallons</b>	<b>Inside City Limits</b>		<b>Outside City Limits</b>		<b>Franklin Housing</b>	
First 1,000 Gallons	\$	31.48	\$	35.65	\$	19.15
Next 9,000 Gallons		5.90		8.88		4.47
Next 15,000 Gallons		6.94		9.53		5.26
All Additional Gallons		7.99		10.18		6.04

<b>Sewer Residential Rates</b>				<b>Sewer Commercial Rates</b>				<b>Multi-Family Sewer Rates</b>				
<b>Gallons</b>	<b>Inside City</b>		<b>Outside City</b>		<b>Inside City Limits</b>		<b>Franklin Housing</b>					
First 1,000 Gallons	\$	28.55	\$	33.92	\$	55.43	\$	51.73	\$	28.55	\$	22.84
Next 14,000 Gallons		6.78		10.36		7.36		11.24		6.78		5.42
All Additional Gallons		5.94		9.14		6.31		6.31		5.94		4.76

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF UTILITY RATE STRUCTURE (Cont.)**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
 UNAUDITED

**Water and Sewer Impact Fees**

The following rates were 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

**Sewer Impact Fees Upcoming**

The following rates are effective January 1, 2026.

<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	\$7,000 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
<b>Sewer</b>				
<u>Meter Size</u>	<u>Installation-Meter Only</u>	<u>Installation-Complete</u>		
Up to 2"	\$ 550	\$ 3,600		
2" - 6"	550	4,500		
<b>Reclaimed</b>				
<u>Meter Size</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		

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF UTILITY RATE STRUCTURE (Cont.)**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
 UNAUDITED

**Sanitation Rates**

The following rates were effective January 1, 2025.

Service	Rate
First residential roll out container	\$31.00 per month (one pick-up per week)
Second and subsequent rollout container	\$10.50 per month per container
First non-residential	\$38.00 per month per container
Rollout non-residential additional pickup service	\$38.00 per pick up service

**Sanitation Rates Upcoming**

The following rates are effective January 1, 2026.

Service	Rate
First residential roll out container	\$33.00 per month (one pick-up per week)
Second and subsequent rollout container	\$11.00 per month per container
First non-residential	\$40.00 per month per container
Rollout non-residential additional pickup service	\$40.00 per pick up service

**Stormwater Rates**

The following rates were effective July 1, 2021.

Service	Rate
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, 2025  
UNAUDITED

The following table presents information on the ten largest customers of the System during the fiscal year ended June 30, 2025, 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)	39,001	2.35%	\$ 277,851	1.94%
Williamson County Jail (Government)	24,479	1.48%	\$ 174,472	1.22%
Carrington Hills (Residential)	17,976	1.09%	\$ 162,116	1.13%
Viera Holdings LLC (Residential)	13,365	0.81%	\$ 149,794	1.06%
Prescott Place (Residential)	12,610	0.76%	\$ 103,916	0.73%
Franklin Housing Authority (Residential)	12,352	0.75%	\$ 81,309	0.57%
780 Townhomes & ACPE Franklin LLC	10,069	0.61%	\$ 67,372	0.47%
Berry Farms Apt Investments (Residential)	8,770	0.53%	\$ 111,681	0.78%
Holladay Properties (Commercial)	8,167	0.49%	\$ 57,969	0.40%
Heritage Place Apartments	7,350	0.44%	\$ 57,930	0.40%
<b>TOTAL</b>	<b>154,139</b>	<b>9.31%</b>	<b>\$ 1,244,410</b>	<b>8.70%</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)	39,001	1.31%	\$ 335,063	1.24%
100 Gillespie Drive LLC (Residential)	36,590	1.24%	\$ 219,156	0.81%
PB One Aspen Grove LLC (Residential)	33,531	1.13%	\$ 202,230	0.74%
Star Brentwood LLC (Residential)	32,331	1.09%	\$ 185,115	0.69%
Williamson Medical Center (Hospital)	24,479	0.83%	\$ 146,829	0.54%
Gateway Village (Residential)	19,550	0.66%	\$ 118,142	0.43%
IMT Capital Reit IV LLC (Residential)	18,652	0.63%	\$ 112,064	0.41%
IMT Capital IV Cool Springs (Residential)	18,568	0.63%	\$ 111,565	0.41%
Carrington Hills (Residential)	17,976	0.61%	\$ 202,503	0.75%
Mid America Apartments LP (Residential)	16,949	0.57%	\$ 101,901	0.38%
<b>TOTAL</b>	<b>257,627</b>	<b>8.70%</b>	<b>\$ 1,734,568</b>	<b>6.40%</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>
Rural Plains Partnership (Business)	17,811	19.00%	\$ 25,111	15.06%
Boyle Investment (Business/Res)	8,589	9.16%	\$ 10,462	6.28%
Battle Ground Academy (School)	7,411	7.91%	\$ 9,459	5.67%
Williams County TN (Government)	6,813	7.27%	\$ 7,976	4.79%
Carlisle HOA (Residential)	5,736	6.12%	\$ 6,716	4.03%
Ramsey Solutions (Business)	4,863	5.19%	\$ 16,710	10.03%
Southern Land Co (Business)	4,056	4.33%	\$ 4,746	2.85%
Panda Express Inc. (Business)	3,625	3.87%	\$ 1,516	0.91%
Berry Farms Hotel Partners (Business)	3,094	3.30%	\$ 3,984	2.39%
Rizer Point HOA (Residential)	2,138	2.28%	\$ 4,476	2.68%
<b>TOTAL</b>	<b>64,136</b>	<b>68.43%</b>	<b>\$ 91,156</b>	<b>54.69%</b>

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

**STATISTICAL SECTION**



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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 622,346,270	\$ 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
Restricted for:										
State street aid	575,999	1,750,151	3,247,409	2,870,168	771,402	601,819	496,410	645,435	502,481	373,415
Sanitation use	2,325,334	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	377,833	530,343	534,709	538,766	602,402	520,472	438,184	508,522	541,205	515,642
Development use	57,979,990	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	492,815	216,228	189,362	118,477	114,745	113,066	100,451	89,691	86,263	85,185
Pensions	-	-	-	-	-	-	7,999	-	-	-
Unrestricted	14,385,297	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
<b>Total net position</b>	<b>\$ 698,483,538</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>Business-type activities:</b>										
Net investment in capital assets	\$ 227,754,169	\$ 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
Restricted for:										
Water & Sewer	19,436,182	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
Pensions	-	-	-	-	-	-	1,179	-	-	-
Unrestricted	38,596,781	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
<b>Total net position</b>	<b>\$ 285,787,132</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>Primary government:</b>										
Net investment in capital assets	\$ 850,100,439	\$ 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
Restricted for:										
State street aid use	575,999	1,750,151	3,247,409	2,870,168	771,402	601,819	496,410	645,435	502,481	373,415
Sanitation use	2,325,334	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	377,833	530,343	534,709	538,766	602,402	520,472	438,184	508,522	541,205	515,642
Development use	57,979,990	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	492,815	216,228	189,362	118,477	114,745	113,066	100,451	89,691	86,263	85,185
Water & Sewer use	19,436,182	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
Pensions	-	-	-	-	-	-	9,178	-	-	-
Unrestricted	52,982,078	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
<b>Total net position</b>	<b>\$ 984,270,670</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>

**CITY OF FRANKLIN, TENNESSEE**  
**Changes in Net Position (continued)**  
(Prepared using the accrual basis of accounting)

<b>Expenses:</b>	<b>2025</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>Governmental activities:</b>										
Governance & Management	\$ 4,381,249	\$ 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
Public Safety	55,488,193	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
Finance & Administration	16,139,634	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
Community & Economic Development	14,150,631	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
Public Works	69,767,418	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
Other general government	28,914,862	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
Interest	3,117,659	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
<b>Total Government Activities</b>	<b>191,959,646</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>Business-type Activities:</b>										
Water & sewer	45,506,741	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
<b>Total Business-type Activities</b>	<b>45,506,741</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>Program Revenues</b>										
Governmental Activities:										
Charges for services										
Governance & Management	\$ 3,200	\$ 4,100	\$ 2,500	\$ 3,958	\$ 2,715	\$ 2,696	\$ 2,000	\$ 2,906	\$ 2,549	\$ 3,600
Public Safety	1,673,684	1,700,625	1,432,432	726,477	470,956	583,248	498,781	374,937	703,245	814,774
Finance & Administration	3,769	642	1,870	7,422	1,620	3,560	4,020	1,234	3,682	2,752
Community & Economic Development	3,279,103	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
Public Works	14,915,790	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
General Government	356,753	311,433	384,660	417,040	(296,265)	134,014	326,081	256,860	158,340	121,946
Operating grants and contributions										
Public Safety	268,895	97,123	75,105	96,499	(121,045)	256,833	108,981	136,685	47,103	22,308
Finance & Administration	-	-	-	-	-	-	-	-	-	15,071
Community & Economic Development	5,480,061	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
Public Works	3,010,276	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
General Government	631,631	1,963,006	523,184	1,870,778	3,277,235	269,780	373,845	257,808	230,374	1,751,180
Capital grants and contributions										
Community & Economic Development	400,057	542,159	517,524	300,099	326,266	310,616	326,622	292,985	168,701	113,535
Public Works	11,197,088	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
<b>Total governmental activities</b>	<b>41,220,307</b>	<b>43,980,052</b>	<b>32,403,491</b>	<b>46,792,832</b>	<b>50,039,584</b>	<b>45,865,138</b>	<b>44,377,578</b>	<b>35,878,095</b>	<b>28,230,488</b>	<b>33,360,381</b>
<b>Business-Type activities:</b>										
Charges for services	\$ 49,418,660	\$ 47,169,798	\$ 41,944,454	\$ 36,950,009	\$ 35,209,857	\$ 32,254,195	\$ 31,626,191	\$ 30,650,210	\$ 28,803,497	\$ 27,749,661
Operating grants & contributions	7,300,170	1,663,729	604,455	-	-	-	-	-	-	-
Capital grants & contributions	4,160,559	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
<b>Total business-type activities</b>	<b>60,879,389</b>	<b>59,357,471</b>	<b>47,163,502</b>	<b>44,303,167</b>	<b>42,737,686</b>	<b>41,281,993</b>	<b>40,895,994</b>	<b>41,655,778</b>	<b>38,185,985</b>	<b>40,179,380</b>
<b>Total program revenues</b>	<b>\$ 102,099,696</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>Net (expense) revenue</b>										
Governmental activities	(150,739,339)	(158,743,619)	(160,591,321)	(80,210,386)	(69,734,767)	(74,963,491)	(71,895,746)	(73,017,411)	(77,665,474)	(69,459,444)
Business-Type activities	15,372,648	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
<b>Total net (expense) revenue</b>	<b>\$(135,366,691)</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>

**CITY OF FRANKLIN, TENNESSEE**

**Financial Trends Information -  
Changes in Net Position**

(Prepared using the accrual basis of accounting)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>General revenues:</b>										
<b>Governmental activities:</b>										
Property taxes	\$ 23,956,584	\$ 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
Sales taxes	65,865,952	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
Wholesale beer tax	1,580,025	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
Wholesale liquor tax	1,804,208	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
Hotel, Motel tax	5,476,275	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
Other taxes	243,993	187,326	172,464	166,815	105,501	106,111	199,041	115,590	127,106	118,311
Intergovernmental	24,410,710	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
Impact fees and taxes	10,494,553	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
Franchise fees	2,616,141	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
Use of money and property	9,651,088	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)
Miscellaneous	666,703	1,182,295	1,057,395	-	-	-	-	-	-	-
Transfers	200,000	200,000	200,000	200,000	200,000	(365,000)	200,000	825,000	1,125,000	200,000
<b>Total general revenues and transfers</b>	<u>\$ 146,966,232</u>	<u>\$ 148,643,331</u>	<u>\$ 131,130,192</u>	<u>\$ 124,565,152</u>	<u>\$ 101,985,649</u>	<u>\$ 103,834,815</u>	<u>\$ 98,345,675</u>	<u>\$ 102,206,526</u>	<u>\$ 91,070,683</u>	<u>\$ 85,516,387</u>
<b>Business-type Activities:</b>										
Use of money and property	3,047,002	2,444,929	771,679	(1,136,760)	156,217	1,346,001	1,273,512	-	-	-
Miscellaneous	82,310	-	-	47,091	(12,282)	3,410	(188,483)	424,211	287,640	253,837
Transfers	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	365,000	(200,000)	(825,000)	(1,125,000)	(200,000)
<b>Total business-type activities</b>	<u>\$ 2,929,312</u>	<u>\$ 2,244,929</u>	<u>\$ 571,679</u>	<u>\$ (1,289,669)</u>	<u>\$ (56,065)</u>	<u>\$ 1,714,411</u>	<u>\$ 885,029</u>	<u>\$ (400,789)</u>	<u>\$ (837,360)</u>	<u>\$ 53,837</u>
<b>Total primary government</b>	<u>\$ 149,895,544</u>	<u>\$ 150,888,260</u>	<u>\$ 131,701,871</u>	<u>\$ 123,275,483</u>	<u>\$ 101,929,584</u>	<u>\$ 105,549,226</u>	<u>\$ 99,230,704</u>	<u>\$ 101,805,737</u>	<u>\$ 90,233,323</u>	<u>\$ 85,570,224</u>
<b>Change in net position</b>										
Governmental activities	(3,773,107)	(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
Business-Type activities	18,301,963	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
<b>Total change in net position</b>	<u>\$ 14,528,856</u>	<u>\$ 10,516,459</u>	<u>\$ (24,025,421)</u>	<u>\$ 54,832,157</u>	<u>\$ 41,178,013</u>	<u>\$ 42,164,885</u>	<u>\$ 38,384,727</u>	<u>\$ 41,967,162</u>	<u>\$ 24,564,222</u>	<u>\$ 32,044,463</u>

**CITY OF FRANKLIN, TENNESSEE**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
(Prepared using the modified accrual basis of accounting)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>General Fund</b>										
Non-Spendable	\$ 2,387,636	\$ 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
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	87,096,354	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
Total General Fund	<u>89,483,990</u>	<u>86,659,905</u>	<u>84,641,226</u>	<u>74,433,206</u>	<u>65,481,510</u>	<u>53,216,286</u>	<u>53,201,974</u>	<u>49,459,971</u>	<u>43,283,142</u>	<u>39,249,586</u>
<b>All Other Governmental Funds</b>										
Non-Spendable	26,505	49,936	45,067	70,890	64,332	65,841	34,840	65,380	76,130	57,121
Restricted	61,751,971	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
Committed	49,873,710	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
Assigned	4,200,102	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
Unassigned	-	-	-	-	-	-	-	-	-	(7,887,886)
Total All Other Governmental Funds	<u>115,852,288</u>	<u>93,999,724</u>	<u>100,040,401</u>	<u>95,971,119</u>	<u>88,497,113</u>	<u>93,662,654</u>	<u>95,231,346</u>	<u>56,130,207</u>	<u>50,709,336</u>	<u>18,163,398</u>
Total Governmental Funds	\$ <u>205,336,278</u>	\$ <u>180,659,629</u>	\$ <u>184,681,627</u>	\$ <u>170,404,325</u>	\$ <u>153,978,623</u>	\$ <u>146,878,940</u>	\$ <u>148,433,320</u>	\$ <u>105,590,178</u>	\$ <u>93,992,478</u>	\$ <u>57,412,984</u>

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Revenues</b>										
Taxes										
Property tax	\$ 23,856,357	\$ 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
Sales tax	65,865,952	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
Wholesale beer tax	1,580,025	1,675,086	1,819,226	2,046,920	1,956,503	1,556,121	1,691,204	1,655,448	1,612,550	1,612,550
Wholesale liquor tax	1,804,208	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
Mixed drink tax	1,902,265	1,881,940	1,796,903	1,677,314	1,331,902	826,109	1,148,352	992,939	894,745	846,714
Facilities tax	2,805,181	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
Hotel/motel tax	5,476,275	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
Other taxes	243,993	187,326	172,464	166,815	514,348	563,626	502,773	415,968	462,124	478,775
Licenses and permits										
Franchise fees	2,627,152	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
Impact fees	7,689,372	13,259,849	6,460,905	12,157,190	7,775,697	13,715,352	9,054,627	13,595,556	7,317,604	9,509,869
Building permits	2,002,762	1,878,751	1,435,153	1,661,426	1,796,670	1,714,700	1,548,109	2,339,364	2,153,262	2,136,322
Other licenses and permits	1,360,076	1,115,785	1,196,797	954,269	988,541	958,044	1,018,543	1,053,393	1,002,763	953,698
Intergovernmental										
State shared revenue	22,508,445	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
Federal and state grants	7,238,170	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
Charges for services	15,416,385	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
Fines and fees	893,217	751,959	864,137	511,375	442,069	560,779	511,864	583,048	753,497	845,422
Use of money and property	9,488,752	9,808,073	3,765,560	(2,292,805)	435,541	4,087,802	4,101,263	874,412	686,672	979,599
Sidewalk reserve fee	100,746	-	-	-	-	-	-	-	-	-
Miscellaneous	760,325	895,343	5,388,937	2,618,550	1,099,418	2,809,455	797,299	262,053	1,155,394	2,489,638
<b>Total revenues</b>	<b>173,619,658</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>Expenditures</b>										
Current:										
Governance and Management	4,370,970	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
Public Safety	56,771,914	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
Finance and Administration	13,831,620	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
Community & Economic Development	14,251,400	15,051,099	8,112,183	9,981,238	6,302,368	6,927,265	6,616,452	6,308,160	5,429,147	5,429,147
Public Works	44,085,378	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
Other General Government	8,113,718	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
Debt service:										
Principal	11,026,451	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
Interest	4,314,868	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
Debt service fees	267,025	3,620	3,921	4,514	2,665	2,804,902	142,027	7,976	18,726	16,838
Capital outlay:										
Governance and Management	-	-	-	50,050	-	-	-	-	-	-
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
Finance and Administration	419,517	565,841	310,136	662,786	181,070	584,235	2,214,222	3,106,759	316,479	211,859
Community & Economic Development	71,032	597,562	11,990	193,684	1,191,035	92,864	261,166	432,054	95,251	60,361
Public Works	34,699,901	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
Other General Government	4,901,350	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
<b>Total expenditures</b>	<b>197,125,144</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>
Excess (deficiency) of revenues over (under) expenditures	(23,505,486)	(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
<b>Other financing sources (uses):</b>										
Bonds issued	43,775,000	-	-	-	-	31,550,000	52,525,000	800,069	25,008,840	3,236,188
Bond premiums	3,992,232	-	-	-	-	7,080,224	8,462,517	-	-	-
Transfer to bond escrow agent	-	-	-	-	-	(35,725,000)	(26,670,360)	-	3,540,166	-
Leases (as lessee)	214,902	288,695	85,618	308,945	-	-	-	-	-	-
Transfers in	32,776,722	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
Transfers out	(32,576,721)	(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)
<b>Total other financing sources (uses)</b>	<b>48,182,135</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>Net changes in fund balances</b>	<b>\$ 24,676,649</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>
Debt service as a % of noncapital expenditures	9.77%	10.74%	12.07%	13.79%	14.80%	14.37%	13.41%	13.74%	13.36%	14.54%

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

FISCAL YEAR	Local Sales Tax			Less: County			Local Sales	Percent of General Fund Revenue
	Estimate of Taxable Sales to Local Sales Tax (1)	Rate (City & Williamson County)	Total Local Sales Tax Collected	Portion (1/2 of tax) (2)	Admin Fee (1% of City's 1/2 of tax) (3)	School Debt Service (4)	Tax Received by City	
2025	\$ 4,838,637,429	2.75%	\$ 133,062,529	\$ (66,531,265)	\$ (665,313)	- \$	65,865,952	55.7%
2024	4,585,845,583	2.75%	126,110,754	(63,055,377)	(630,554)	-	62,424,823	55.5%
2023	4,448,627,564	2.75%	122,337,258	(61,168,629)	(611,686)	-	60,556,943	57.7%
2022	4,242,096,003	2.75%	116,657,640	(58,328,820)	(583,288)	-	57,745,532	60.4%
2021	3,771,019,289	2.75%	84,847,934	(42,423,967)	(424,240)	(6,298,283)	41,999,727	52.1%
2020	3,183,243,914	2.75%	71,622,988	(35,811,494)	(358,115)	(7,430,205)	35,453,379	50.7%
2019	3,247,423,397	2.75%	73,067,026	(36,533,513)	(365,335)	(7,052,013)	36,168,178	49.7%
2018	3,066,394,800	2.75%	68,993,883	(34,496,941)	(344,969)	(1,692,308)	34,151,972	49.4%
2017	2,935,512,368	2.25%	66,049,028	(33,024,514)	(330,245)	-	32,694,269	49.1%
2016	2,811,166,510	2.25%	63,251,246	(31,625,623)	(316,256)	-	31,309,367	49.3%

- (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		Total Taxable Assessed Value	Taxable Assessed Value as a Percentage of Estimated Actual Value	Estimated Actual Taxable Value	Total Direct Rate
	Residential & Farm Property	Industrial & Commercial Property	Industrial & Commercial Property	Intangible Property	State Assessment	Local Assessment				
2025	\$ 3,507,524,520	\$ 3,744,415,475	\$ 214,013,105	\$ 7,539,999	\$ 60,811,475	\$ -	7,534,304,574	20.03%	\$ 37,609,592,237	0.3261
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	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	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	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	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	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	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	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	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	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**

<b>Fiscal Year</b>	<b>Direct Rate</b>					<b>Overlapping Rate</b>		<b>Total Direct and Overlapping</b>
	<b>City of Franklin</b>					<b>Williamson County (a)</b>		
	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Street Aid Fund</b>	<b>Capital Projects Fund</b>	<b>Total Direct Rate</b>	<b>Total Overlapping Rate</b>		
2025	\$ -	\$ -	\$ -	\$ -	\$ 0.3261	\$ 2.5051		\$ 2.8312
2024	-	-	-	-	0.3261	2.3951		2.7212
2023	-	-	-	-	0.3261	2.3951		2.7212
2022	0.1464	0.1647	0.0150	-	0.3261	2.3951		2.7212
2021	0.2002	0.2024	0.0150	-	0.4176	2.8090		3.2266
2020	0.1916	0.2110	0.0150	-	0.4176	2.8090		3.2266
2019	0.2290	0.1736	0.0150	-	0.4176	2.7390		3.1566
2018	0.2137	0.1889	0.0150	-	0.4176	2.6890		3.1066
2017	0.2262	0.1614	0.0150	0.0150	0.4176	2.6790		3.0966
2016	0.1517	0.2248	0.0150	0.0150	0.4065	3.0541		3.4606

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:

<b>Fiscal Year</b>	<b>Rate</b>
2025	1.8300
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

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

<u>Taxpayer</u>	<u>2025</u>			<u>2016</u>		
	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
<u>Real and Personal Property Tax</u>						
NRB McEwen	\$ 181,014,120	1	2.40%			
Boyle Investments	163,611,080	2	2.17%	\$ 49,256,900	4	1.38%
Highwoods Properties	151,460,080	3	2.01%	70,146,200	3	1.96%
IMT	141,025,600	4	1.87%			
Galleria Associates (CBL Assoc.)	102,744,640	5	1.36%	82,445,900	2	2.30%
Northwood Investors	82,916,160	6	1.10%			
Legacy Cool Springs	67,530,320	7	0.90%			
STAR Brentwood LLC	58,288,120	8	0.77%	32,769,600	10	0.92%
PBONE Aspen Grove LLC	53,654,160	9	0.71%			
TA The Harper LLC	50,984,840	10	0.68%			
Spectrum Partners				139,674,600	1	3.90%
Berkshire Communities				47,801,100	5	1.34%
LCFRE Nashville Carothers				40,618,700	6	1.14%
Trammell Crow Investments				37,403,500	7	1.05%
SVT				35,194,300	8	0.98%
Mid-America Apartments LP				34,548,400	9	0.97%
Totals	<u>\$ 1,053,229,120</u>		<u>13.97%</u>	<u>\$ 569,859,200</u>		<u>15.94%</u>

Sources: For 2025, assessor's office. For 2016, City's 2016 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>
2025	\$ 24,371,369	\$ 24,091,563	98.9%	\$ -	\$ 24,091,563	98.9%
2024	24,006,775	23,769,831	99.0%	186,646	23,956,477	99.8%
2023	23,744,832	23,536,380	99.1%	178,839	23,715,219	99.9%
2022	23,026,943	22,818,189	99.1%	193,991	23,012,180	99.9%
2021	22,527,506	22,328,725	99.1%	186,087	22,514,812	99.9%
2020	21,688,376	21,436,320	98.8%	238,112	21,674,432	99.9%
2019	20,834,771	20,584,843	98.8%	236,056	20,820,899	99.9%
2018	20,126,690	19,895,443	98.9%	222,856	20,118,299	100.0%
2017	19,203,126	19,013,067	99.0%	184,211	19,197,278	100.0%
2016	14,306,693	14,114,206	98.7%	187,357	14,301,563	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	Percentage of Personal Income	Population (3)	Debt Per Capita
	General Obligation Bonds (1)	SBITA & Leases (4)	Water & Sewer Revenue & Tax Bonds (1)	Leases				
2025	\$ 148,920,131	\$ 363,186	\$ 131,552,898	\$ -	\$ 280,836,215	2.5%	88,558	3,171
2024	113,505,056	396,871	139,325,027	-	253,226,954	2.5%	88,558	2,859
2023	126,687,582	227,330	144,552,446	-	271,467,358	3.0%	83,454	3,253
2022	138,875,636	216,218	144,669,081	-	283,760,935	3.6%	83,454	3,400
2021	150,034,179	-	129,005,230	-	279,039,409	3.5%	83,454	3,344
2020	160,358,676	-	85,275,963	-	245,634,639	3.7%	70,908	3,464
2019	167,912,949	-	49,621,380	-	217,534,329	3.2%	70,908	3,068
2018	141,697,493	884,974	42,926,581	17,187	185,526,235	2.8%	70,908	2,616
2017	150,159,179	2,170,299	45,705,483	30,737	198,065,698	3.0%	70,908	2,793
2016	131,675,830	3,428,930	35,463,236	-	170,567,996	2.6%	66,370	2,570

- (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
- (4) Subscription-Based Information Technology Arrangement

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

<b>Fiscal Year Ended June 30</b>	<b>General Obligation Debt (1)</b>	<b>Percentage of Estimated Actual Taxable Value of Property (2)</b>	<b>Per Capita</b>
2025	\$ 148,920,131	0.6%	\$ 1,682
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

(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, 2025**

<b>Jurisdiction</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to City</b>	<b>Estimated Share of Overlapping Debt</b>
Williamson County	\$ 1,124,895,000	39.38%(a)	\$ 442,983,651
Franklin Special School District	158,755,885	100.00%(b)	158,755,885 (1)
Subtotal, overlapping debt			601,739,536
City of Franklin direct debt of governmental			148,920,131 (2)
Total direct and overlapping debt			\$ 750,659,667

Based upon Assessed Value of Property in:

County	\$ 19,130,162,380
City	\$ 7,534,304,574

- (1) All of the Special School District is located within the City of Franklin. Amount shown includes a bond total of \$158,755,885 with no Note Payable.
- (2) This amount includes unamortized premiums. This amount includes total governmental debt of \$132,460,000 and governmental unamortized premiums of \$16,460,131.

**CITY OF FRANKLIN, TENNESSEE**  
**Legal Debt Margin Information**  
**June 30, 2025**

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Taxable Assessed Value	\$ 7,370,695,089	\$ 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
General Obligation Debt (1)	\$ 148,920,131	\$ 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
Taxable Assessed Value as a Percentage of Estimated Actual Value	2.0%	1.5%	1.7%	1.9%	2.7%	3.1%	3.3%	2.9%	3.2%	3.7%

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

(1) This amount includes unamortized premiums.

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

<b>Fiscal Year</b>	<b>Gross Revenues (1)(2)</b>	<b>Direct Operating Expense (3)</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements (4)</b>			<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2025	\$ 46,784,699	\$ 31,194,121	\$ 15,590,578	\$ 7,515,982	\$ 2,567,692	10,083,674	1.55
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

- (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		School Enrollment (5)	Unemployment Rate (6)
		Income (2)	Personal Income (3)	Years of	Schooling (4)		
2025	83,454	\$ 128,610	\$ 10,733,018,940	15.5		14,953	3.2%
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%

- (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 CAINC1 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	2025 (a)			2016		
	Employees	Rank	Percentage of Total City Employment	Employees (a)	Rank	Percentage of Total City Employment
Community Health Systems	6,438	1	12.77%	3,092	1	7.90%
Williamson Medical Center	2,300	2	4.56%	1,555	3	3.97%
Lee Company	1,790	3	3.55%			
Nissan North America	1,758	4	3.49%	1,850	2	4.72%
Schneider Electric	1,511	5	3.00%			
Ramsey Solutions	1,000	6	1.98%			
Mars Petcare	1,000	7	1.98%	800	8	2.04%
eviCore Healthcare	653	8	1.30%	625	10	1.60%
Jackson National Life Insurance Co.	632	9	1.25%			
Cigna Healthcare	392	10	0.78%			
MEDHOST, Inc	375	11	0.74%			
Frensenius Medical Care	315	12	0.62%			
Franklin American Mortgage	306	13	0.61%			
APCOM, Inc.	299	14	0.59%			
Parallon Business Solutions				1,100	4	2.81%
Optum				1,000	5	2.55%
Verizon Wireless				950	6	2.43%
Ford Motor Credit				800	7	2.04%
Healthways				717	9	1.83%
Total	<u>18,769</u>		<u>37.22%</u>	<u>12,489</u>		<u>31.89%</u>

(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>2025</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>Governance and Management (1)</b>										
Administration	9	11	12	13	11	11	10	9	6	6
Budget & Performance	5	-	-	-	-	-	-	-	-	2
Capital Investment Planning	-	-	-	-	-	-	-	-	-	2
Communications	5	5	4	4	4	4	4	4	4	4
Law	7	7	6	5	5	5	5	5	5	4
<b>Public Safety</b>										
Fire	176	176	173	172	172	172	172	172	171	171
Police	152	151	150	146	145	145	142	143	142	157
<b>Finance and Administration</b>										
Billing & Licensing	14	14	14	14	14	14	14	14	13	13
Finance	8	9	9	9	9	9	9	9	10	10
Human Resources	14	14	14	12	12	12	12	12	11	11
Information Technology	27	26	26	25	24	24	23	22	21	20
Municipal Court	2	2	2	2	3	3	3	2	3	3
Purchasing	4	4	4	4	4	4	3	3	3	3
Project & Facilities Management	6	6	6	6	6	6	6	6	5	7
<b>Community and Economic Development</b>										
Building & Neighborhood Services	37	38	37	37	36	36	36	36	35	33
Engineering	16	16	17	16	15	15	14	13	13	12
Traffic Operations Center	5	4	4	4	4	4	4	4	3	3
Planning & Sustainability	16	16	16	15	15	15	15	15	16	16
<b>Public Works</b>										
Emergency Management	2	2	2	-	-	-	-	-	-	-
Parks	57	53	53	51	46	46	44	41	39	37
Streets	61	61	61	61	60	60	59	58	54	53
Sanitation & Environmental Services	48	48	48	46	45	45	45	45	45	49
Stormwater	22	22	22	22	22	22	22	21	20	19
Water & Wastewater	101	99	98	100	96	96	96	94	92	86
<b>TOTAL</b>	<b>794</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>721</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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Public Safety</b>										
Fire										
Fire - Number of alarms	11,711	11,395	11,197	10,297	8,537	8,695	8,879	9,058	7,856	7,039
Police										
Calls for service	70,355	61,823	68,666	71,086	53,075	59,138	60,201	68,966 (b)	57,154 (a)	67,533
<b>Community and Economic Development</b>										
Building and Neighborhood Services										
Single family permits	313	247	196	292	348	348	358	495	636	691
<b>Public Works</b>										
Sanitation										
Landfill usage	74,884	73,996	85,865	100,333	101,496	94,043	86,120	87,536	81,137	95,393
Recycling (tons)	2,653	2,573	2,775	2,787	2,472(d)	4,862 (d)	6,623	7,875	8,726	7,904
Water										
Average daily usage	6,162,000	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
Water storage capacity (gallons)	11,500,000	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

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									
		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Public Safety</b>											
Fire											
	Fire stations	8	8	8	8	8 (c)	8	8	8	8	7
	Fire response vehicles	32	28	26	26	26	26	23	22	22	22
	Fire hydrants	4,266	4,235	4,579	4,501	3,983	3,930	3,921	3,810	3,675	3,576
Police											
	Police stations	1	1	1	1	1	1	1	1	1	1
	Police vehicles (radio equipped)	166	162	158	138	142	136	128 (b)	140	150	136
<b>Public Works</b>											
Parks	Number of parks	18	17	17	17	17	17	17	16	16	16
Street	Streets (miles)	390	383	368	367	357	351	344	339 (a)	347	325
Water											
	Water lines (miles)	313	313	311	308	308	306	303	302	301	296
	Sewer lines (miles)	440	437	431	426	421	419	415	408	393	387
	Reclaimed lines (miles)	32	32	32	30	29	28	28	28	--	--

Source: City of Franklin departments

(a) FY18: Improvements in the GIS street layer process removed centerline segments, which caused a street mileage reduction

(b) FY19: Switch to 700mghz radios. Pool cars and special use vehicles were not assigned the new radios (portables are being used in those vehicles).

(c) FY21: The City added 3 to 4 satellite fire stations for a period of 9 months due to the COVID-19 response.

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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, 2025  
 UNAUDITED

**WATER PRODUCTION**

<u>Year</u>	Average Daily Production <u>(MGD)</u>	Maximum Daily Production <u>(MGD)</u>
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
2024	1.79	3.08

**WATER SYSTEM USAGE**

<u>Year</u>	Gallons Sold (000) <u></u>	Total Revenues <u></u>
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
2024	1,750,611	\$ 14,520,750

**WASTEWATER SYSTEM USAGE**

<u>Year</u>	Gallons Sold (000) <u></u>	Total Revenues <u></u>
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
2024	2,800,848	\$ 25,326,121

**RECLAIMED WATER USAGE**

<u>Year</u>	Gallons Sold (000) <u></u>	Total Revenues <u></u>
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
2024	116,101	\$ 200,817

*Notes :* For all years reported, the average daily production and maximum daily production figures are based on a calendar year. The water plant was shutdown due to drought conditions from September 6, 2024 to October 9, 2024.

**CITY OF FRANKLIN, TENNESSEE  
SCHEDULE OF DEBT  
JUNE 30, 2025**

**General Obligation Bonded Debt**

Total Bonded Debt <sup>1</sup>	\$ 134,020,000
Less: Self Supporting Debt	(1,560,000)
Net Bonded Debt	\$ 132,460,000

Overlapping Bonded Debt <sup>2</sup>	\$ 591,045,897
Less: Self Supporting Bonded Debt	(72,878,597)
Net Overlapping Bonded Debt	\$ 518,167,300

Total Bonded Debt Including Overlapping Bonded Debt	\$ 725,065,897
Net Bonded Debt Including Net Overlapping Bonded Debt	650,627,300

	<b>City of Franklin</b>	<b>City and Overlapping</b>
Bonded Debt Per Capita	\$ 1,513	\$ 8,187
Net Direct Bonded Debt Per Capita	\$ 1,496	\$ 7,347
Bonded Debt / Assessed Value	1.78%	9.62%
Net Bonded Debt / Assessed Value	1.76%	8.64%
Bonded Debt / Actual Value	0.36%	1.93%
Net Bonded Debt / Actual Value	0.35%	1.73%

	<b>Franklin</b>	<b>Williamson County</b>
FY 2025 Assessed Value	\$ 7,534,304,574	\$ 19,130,162,380
FY 2025 Appraised Value	\$ 37,609,592,237	\$ 105,271,769,144
2025 Population <sup>3</sup>	88,558	247,726

**Williamson County's Bonded Debt as of June 30, 2025 <sup>4</sup>**

Bonded Debt	\$ 432,290,012	\$ 1,124,895,000
Self Supporting Bonded Debt	(72,878,597)	(185,065,000)
Net Bonded Debt	\$ 359,411,415	\$ 939,830,000

Franklin's Assessed Value as a Percentage of Williamson County's Assessed Value: 39.38%

**Franklin Special School District Bonded Debt as of June 30, 2025 <sup>5</sup>**

Bonded Debt	\$ 158,755,885	\$ 158,755,885
-------------	----------------	----------------

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, 2025

<b>Amount Issued</b>	<b>Purpose</b>	<b>Due Date</b>	<b>Interest Rate</b>	<b>Outstanding as of 6/30/2025</b>
\$ 24,670,000	Revenue & Tax Bonds: Series 2005 - Sewer and Water Revenue and Tax Refunding (1) (2)	April 2025	Fixed	\$ -
19,430,000	Revenue & Tax Bonds: Series 2011 - Truist (formally SunTrust) Loan Program (1) (2)	May 2026	Fixed	1,560,000
12,000,000	Revenue Bonds: Series 2017 - Water and Sewer Revenue	February 2037	Fixed	8,450,000
10,660,000	Revenue Bonds: Series 2021 - Water and Sewer Revenue	February 2042	Fixed	9,615,000
1,500,000	Notes Payable: 2009 - Drinking Water SRF Loan through ARRA (1) (3)	December 2030	Fixed	499,818
1,888,200	Notes Payable: 2009 - Clean Water SRF Loan through ARRA (1) (3)	October 2032	Fixed	812,301
1,822,741	Notes Payable: 2016 - SCADA SRF Loan through ARRA (1)	2031	Fixed	1,002,361
1,677,259	Notes Payable: 2016 - SCADA SRF Loan through ARRA (1)	2031	Fixed	177,319
1,275,000	Notes Payable: 2017 - Wastewater Plant SRF Loan	August 2049	Fixed	1,069,004
78,500,000	Notes Payable: 2017 - Wastewater Plant SRF Loan	30 years	Fixed	69,552,840
20,000,000	Notes Payable: 2017 - Wastewater Plant SRF Loan	30 years	Fixed	17,954,737
<u>19,500,000</u>	Notes Payable: 2017 - Wastewater Plant SRF Loan	30 years	Fixed	<u>18,145,392</u>
<u>\$ 192,923,200</u>	<b>Total Bonded Debt</b>			<u>\$ 128,838,772</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, 2025**

	<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	\$ 134,020,000	\$ 1,513	1.78%	0.36%
Net Direct Indebtedness	\$ 132,460,000	\$ 1,496	1.76%	0.35%
Gross Direct and Gross Overlapping Indebtedness <sup>4 5</sup>	\$ 725,065,897	\$ 8,187	9.62%	1.93%
Net Direct and Net Overlapping Indebtedness <sup>4 5</sup>	\$ 650,627,300	\$ 7,347	8.64%	1.73%

Notes:

<sup>1</sup> The City's certified population as of June 30, 2025 is 88,558.

<sup>2</sup> The City's assessed valuation of taxable property as of June 30, 2025 is \$7,534,304,574.

<sup>3</sup> The City's estimated full valuation of taxable property as of June 30, 2025 is \$37,609,592,237.

<sup>4</sup> The County's debt outstanding is \$1,124,895,000 as of June 30, 2025. The City's share is \$432,290,012. (39.38%)  
Of the County's debt outstanding, \$185,065,000 is self-supporting. The City's share is \$72,878,597. (39.38%)

<sup>5</sup> The Franklin Special School District's debt outstanding is \$158,755,885 as of June 30, 2025. The City's share is \$158,755,885 (100%)

**CITY OF FRANKLIN, TENNESSEE  
SCHEDULE OF INDEBTEDNESS AND DEBT RATIOS  
JUNE 30, 2025**

INDEBTEDNESS	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>TAX SUPPORTED</b>							
General Obligation Bonds <sup>1</sup>	\$ 132,460,000	\$ 99,465,000	\$ 111,020,000	\$ 121,560,000	\$ 131,720,000	\$ 141,105,000	\$ 154,800,000
<b>TOTAL TAX SUPPORTED</b>	<u>\$ 132,460,000</u>	<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>\$ 154,800,000</u>
<b>REVENUE SUPPORTED</b>							
Water & Sewer Bonds with General Obligation backing	\$ 1,560,000	\$ 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	\$ 18,065,000	\$ 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	\$ 109,213,772	\$ 112,874,754	\$ 114,025,320	\$ 110,040,104	\$ 103,113,487	\$ 55,147,025	\$ 15,320,246
<b>TOTAL REVENUE SUPPORTED</b>	<u>\$ 128,838,772</u>	<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>	\$ 261,298,772	\$ 235,819,754	\$ 252,305,320	\$ 262,665,104	\$ 259,383,487	\$ 224,867,025	\$ 202,735,246
Less: Revenue Supported Debt	\$(127,278,772)	\$(131,824,754)	\$(133,820,320)	\$(130,635,104)	\$(113,498,487)	\$(65,962,025)	\$(26,550,246)
Less: Debt Service Fund Balance	(127,752)	(547,256)	(806,499)	(1,161,978)	(937,169)	(806,499)	(372,887)
<b>NET DIRECT DEBT</b>	\$ 133,892,248	\$ 103,447,744	\$ 117,678,501	\$ 130,868,022	\$ 144,947,831	\$ 158,098,501	\$ 175,812,113
<b>OVERLAPPING DEBT <sup>2</sup></b>	<u>\$ 725,065,897</u>	<u>\$ 706,877,369</u>	<u>\$ 682,669,041</u>	<u>\$ 437,443,384</u>	<u>\$ 400,488,727</u>	<u>\$ 375,250,215</u>	<u>\$ 352,174,546</u>
<b>NET DIRECT &amp; OVERLAPPING DEBT</b>	\$ 858,958,145	\$ 810,325,113	\$ 800,347,542	\$ 568,311,406	\$ 545,436,558	\$ 533,348,716	\$ 527,986,659
<b>PROPERTY TAX BASE <sup>3</sup></b>							
Actual Value	37,609,592,237	23,619,111,974	23,669,423,873	22,985,416,480	21,190,144,675	18,920,390,435	18,208,229,470
Assessed Value	7,534,304,574	7,422,490,165	7,370,695,089	7,146,199,812	5,458,752,751	7,370,695,089	5,008,158,858

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, 2025**

<b><u>DEBT RATIOS</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
TOTAL DEBT to Actual Value	0.69%	1.00%	1.07%	1.14%	1.22%	1.19%	1.11%
TOTAL DEBT to Assessed Value	3.52%	3.18%	3.42%	3.68%	4.75%	3.05%	4.05%
NET DIRECT DEBT to Actual Value	0.36%	0.44%	0.50%	0.57%	0.68%	0.84%	0.97%
NET DIRECT DEBT to Assessed Value	1.78%	1.40%	1.60%	1.83%	2.66%	2.14%	3.51%
OVERLAPPING DEBT to Actual Value	1.93%	2.99%	2.88%	1.90%	1.89%	1.98%	1.93%
OVERLAPPING DEBT to Assessed Value	9.62%	9.52%	9.26%	6.12%	7.34%	5.09%	7.03%
NET DIRECT & OVERLAPPING DEBT to Actual Value	2.28%	3.43%	3.38%	2.47%	2.57%	2.82%	2.90%
NET DIRECT & OVERLAPPING DEBT to Assessed Value	11.40%	10.92%	10.86%	7.95%	9.99%	7.24%	10.54%
<b><u>PER CAPITA RATIOS</u></b>							
POPULATION <sup>1</sup>	88,558	88,558	83,454	83,454	83,454	70,908	70,908
PER CAPITA PERSONAL INCOME <sup>2</sup>	128,610	119,937	107,698	107,698	107,698	99,408	85,806
Actual Value to POPULATION	\$ 424,689	\$ 266,708	\$ 283,622	\$ 275,426	\$ 253,914	\$ 266,830	\$ 256,787
Assessed Value to POPULATION	\$ 85,078	\$ 83,815	\$ 88,320	\$ 85,630	\$ 65,410	\$ 103,947	\$ 70,629
Total Debt to POPULATION	\$ 2,951	\$ 2,663	\$ 3,023	\$ 3,147	\$ 3,108	\$ 3,171	\$ 2,859
Net Direct Debt to POPULATION	\$ 1,512	\$ 1,168	\$ 1,410	\$ 1,568	\$ 1,737	\$ 2,230	\$ 2,479
Overlapping Debt to POPULATION	\$ 8,187	\$ 7,982	\$ 8,180	\$ 5,242	\$ 4,799	\$ 5,292	\$ 4,967
Net Direct Debt & Overlapping Debt to POPULATION	\$ 9,699	\$ 9,150	\$ 9,590	\$ 6,810	\$ 6,536	\$ 7,522	\$ 7,446
Total Debt Per Capital as a percent of PER CAPITA PERSONAL INCOME	2.29%	2.22%	2.81%	2.92%	2.89%	3.19%	3.33%
Net Direct Debt Per Capital as a percent of PER CAPITA PERSONAL INCOME	1.18%	0.97%	1.31%	1.66%	1.61%	2.24%	2.89%
Overlapping Debt Per Capital as a percent of PER CAPITA PERSONAL INCOME	6.37%	6.66%	7.60%	4.87%	4.46%	5.32%	5.79%
Net Direct & Overlapping Debt Per Capital as a percent of PER CAPITA PERSONAL INCOME	7.54%	7.63%	8.90%	6.32%	6.07%	7.57%	8.68%

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, 2025 (except for the Fiduciary Pension Fund, which was as of and for the year ended December 31, 2024), and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 9, 2025.

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

In planning and performing our audit of the financial statements, we considered the 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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*.

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**Purpose of This Report**

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

*Crosslin, PLLC*

Nashville, Tennessee  
December 9, 2025

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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, 2025. 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, 2025.

***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.

***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.

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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.

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.

*Crosslin, PLLC*

Nashville, Tennessee  
December 9, 2025

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**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COST**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?  yes  no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

Federal Transit Cluster – ALN 20.507  
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?  yes  no

**CITY OF FRANKLIN, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COST**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None Reported.

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

None Reported.

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

None Reported.

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

Prior Year Finding Number	Finding Title	Status
2024-001	Accounts Payable Fraud	Corrected